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REPORT

OF

THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY PAPERS L A I D	
DATE: 04 MAY 2023	DAY: Thursday
TABLED BY: Hon. Kimani Ichung'wa (Leader of the Majority Party)	ON
CLERK-AT THE TABLE: Joye Kemerele	

EGERTON UNIVERSITY

**FOR THE YEAR ENDED
30 JUNE, 2022**

EGERTON



UNIVERSITY

www.egerton.ac.ke



ANNUAL REPORT

&

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR

ENDING

30TH JUNE 2022

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

Transforming Lives through Quality Education

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1. KEY UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background Information

Egerton University is the premier Agricultural Public University in Kenya. It was founded in 1939 under the name Egerton Farm School. By 1955, it was upgraded and renamed Egerton Agricultural College. It became a constituent college of the University of Nairobi in 1986 and a year later in 1987 became a fully fledged University following the Enactment of the Egerton University Act of 1987. This Act was repealed and replaced by the Universities Act No 42 of 2012.

Egerton University has two (2) active Campuses and one Campus College. The main Campus is based at Njoro and houses the Faculties of Agriculture, Arts and Social Sciences, Education and Community Studies, Engineering and Technology, Environment and Resources Development, Science, Law and Veterinary Medicine and Surgery. The Njoro Campus also houses the Board of Undergraduate Studies and Field Attachment, and the Board of Postgraduate Studies. The second Campus, Kenyatta Campus, is located five (5) kilometres from Njoro Campus and is planned to house the Open and Distance Learning (CODL) programmes which is currently based at Njoro Campus. The only University's Campus College, Nakuru Town Campus College, hosts the Faculties of Commerce and Health Sciences. The University currently has ten (10) faculties, one (1) institute of Gender and fifty-one (51) academic departments offering a wide range of programmes at diploma, undergraduate, and postgraduate levels. All of them are open to both Government-sponsored and self-sponsored students. The University also offers courses in computer literacy, computer repairs and maintenance, as well as accounting and bridging courses.

(b) Principal Activities

The Core business of the University as provided by the Universities Act No 42 of 2012 of the Laws of Kenya includes:

1. Advancement of knowledge through teaching, scholarly research and scientific investigation;
2. Promotion of learning in the student body and society in general;
3. Promotion of cultural and social life of society;
4. Support and contribution to the realization of national economic and social development;
5. Promotion of the highest standards in, and quality of, teaching and research;
6. Education, training and retraining higher level professional, technical and management personnel;
7. Dissemination of the outcomes of the research conducted by the university to the general community;
8. Facilitation of life-long learning through provision of adult and continuing education;
9. Fostering of a capacity for independent critical thinking among its students;

10. Promotion of gender balance and equality of opportunity among students and employees;
11. Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

i. Vision

A world class University for the advancement of humanity.

ii. Mission

To offer exemplary education to society and generate knowledge for national and global development.

iii. Core Values

The University's activities and decisions will be guided by the following core values:

- National unity;
- Internationalism;
- Passion for excellence;
- Professionalism;
- Devotion to duty;
- Integrity, transparency, and accountability;
- Social fairness

(c) Key Management

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

- University Council
- University Management Board
- The Senate

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility are shown on pages 7 - 14.

(e) Fiduciary Oversight Arrangements

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education for ensuring that the University complies with the Universities Act 2012,

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

The University Statutes (2013) and adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the University Council Charter.

The Council consists of nine members- the Chairman & five other members, representative of the National Treasury, Representative of the Principal Secretary Ministry of Education and the Vice Chancellor, who is the Secretary to the Council.

(f) Headquarters

P.O. Box 536 - 20115, **EGERTON**,
Njoro Campus,
Njoro Mau Narok Road,
NJORO, KENYA

(g) Contacts

Tel: (254) 051-2217891/2/051-2217781
E-mail: info@egerton.ac.ke
Website: www.egerton.ac.ke

(h) Bankers

1. Kenya Commercial Bank Ltd,
Egerton University Branch,
P.O. Box 248 – 20115,
EGERTON
2. Co-operative Bank of Kenya Ltd.
P.O. Box 2982 – 20100,
NAKURU
3. Absa Bank Kenya PLC
P.O. Box 66- 20100
NAKURU
4. National Bank Ltd.
P.O. Box 72866-00100
NAIROBI

KEY ENTITY INFORMATION AND MANAGEMENT (Continued)

5. NCBA Bank Ltd.
P.O. Box 44599- 00100
NAIROBI

(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**
Sheth & Wathigo Advocates
Vickers Building
P.O. Box 611 – 20100
Nakuru, Kenya

2. THE UNIVERSITY COUNCIL



NAME: Amb. Dr. Luka.H.Wario, PhD, CBS

YOB: 1952

POSITION/KEY RESPONSIBILITIES:

Council Chairman; Chairman of Appointments Committee

QUALIFICATION:

B Ed, (UoN), M Ed (UoN) PhD (University of Reading)

WORK EXPERIENCE

Chairman, Taskforce on establishing the University of Marsabit; Chairman, Garissa University College Council; Management Consultant Selwood; Writer, Moran Publishers; Chairman, Transition Authority Selection Panel; Director, National Anti-Corruption Campaign Steering Committee; PS, Ministry of State for the Development of Northern Kenya and other Arid Lands; PS, Ministry of the East African Community; PS, Office of the Vice President and Ministry of Home Affairs; Head, Research & Policy Analysis Division; Head, Middle East Division; Director, Administration in the Ministry of Foreign Affairs; Coordinator, Somali National Reconciliation Conference; Ambassador, People's Republic of China; Kenya Representative, International Network for Bamboo and Rattan; High Commissioner, Republics of Zimbabwe and Mozambique and the Kingdoms of Lesotho and Swaziland; Assistant to Kenya's Special Envoy to Somalia; Lecturer, Moi University.



NAME: Mr. Paul K'angira

YOB: 1965

POSITION/KEY RESPONSIBILITIES:

Council Member - Rep. P.S. Ministry of Education; Member – Planning, Development & Grievances Committee; Member - Academic & Research Committee.

QUALIFICATION:

LLB (UoN), Dip. Law (KSL), MBA (UoN), CPS,

WORK EXPERIENCE

Ministry of Education, State Department for Early Learning and Basic Education – Director Human Resource Management; He has served as a Director of Human Resource Management in various Ministries - Tourism, Wildlife, Environment and Natural Resources, Transport, Lands and Works.



NAME: Mr. Julius K. Mutua

YOB: 1971

POSITION/KEY RESPONSIBILITIES:

Council Member - Alt. C.S. The National Treasury & Planning
Member - Audit, Governance and Risk Management Committee
Member - Finance, Human Resources & General Purpose Committee.

QUALIFICATION: BA(Economics -KU, MA(Economics)-
University of Dar es Salaam

WORK EXPERIENCE

Planning Secretary & Programme Coordinator of Public Financial Management Reforms at The National Treasury; Has served in the boards of Capital Markets Authority, Retirement Benefits Authority National Hospital Insurance, Policyholders Compensation Fund Consolidated Bank, Kenya Plant Health Inspectorate Services, KCE Group and its subsidiaries.



NAME: Mr. Joshua Nyangidi Otieno

YOB: 1976

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman - Planning, Development & Grievances Committee; Member - Audit, Governance & Risk Management Committee.

QUALIFICATION:

Dip(KNEC), B.Ed, MBA (KU)

WORK EXPERIENCE

KCA University: Manager, Centre for Entrepreneurship & Leadership; Lecturer KCA University; Lead Researcher in the Africa Bio-diversity Conservation and Innovation Centre & CIC Insurance Company, Business Consultant and Trainer at Kenya Market Trust and Parsons Ltd; Business Trainer, Africa Youth Trust; Part-time Lecturer: JKUAT, KU & MU.



NAME: Dr. Charity C. Nyaga

YOB: 1955

POSITION/KEY RESPONSIBILITIES:

Council Member; Chair-Tegemeo, Academic & Research Committee; Member - Audit, Governance & Risk Management Committee.

QUALIFICATION:

B.Ed. (UoN), M.Ed. (KU), PhD (KU).

WORK EXPERIENCE

Ministry of Education: Deputy Director of Education; Senior Assistant Director of Education; Kiini Mixed Boarding Secondary School: Principal Graduate Teacher I; Principal Graduate Teacher II; Njuri Mixed Boarding Secondary School: Principal Graduate Teacher II; Senior Graduate Teacher; Head Teacher; Kyeni Girls High School: Graduate Teacher I; Mukuuni Secondary School: Graduate Teacher



NAME: Ms. Esther Mukoa Wabuge

YOB: 1976

POSITION/KEY RESPONSIBILITIES:

Council Member; Member – Finance, Human Resources & General Purpose Committee; Member – Planning, Development & Grievances Committee.

QUALIFICATION:

B.Ed. (Moi), DIBM (KIM), M.Sc. (JKUAT), M.A. (University College London)

WORK EXPERIENCE

Coordinator, Kenya Country Core Group, World Bank Group (Joint Learning Network for Universal Health Coverage); Project Officer Training, Management Sciences for Health (MSH) – Leadership, Management & Sustainability (LMS) Project; Associate Consultant, Kenya National AIDS Strategic Plan; Kenya HIV/AIDS Private Sector Business Council (KHBC); Head of Programme & Stakeholder Development; Head of Training & Business Development; Namawanga Girls' High School: Biology & Home science teacher; Research Officer, Community Management & Training Services (CMTS.EA); Part-time Lecturer, Kisumu Polytechnic



NAME: Dr. John Nyakawa Ondari

YOB: 1970

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman – Finance, Human Resources & General Purpose Committee; Member Tegemeo, Academic & Research Committee.

QUALIFICATION:

B.A. (UoN), M.A. (UoN), PhD (JKUAT)

WORK EXPERIENCE

Strategic Advisor, Kenya Water Security & Climate Resilience Program; Senior WASH Advisor, SNV Netherlands Development Organisation, Kenya; Long Term Technical Advisor, Kenya Water & Sanitation Programme; Lemma Development Consultants Ltd: Managing Director; Research Director; Economist (WSS Financing Consultant), World Bank, Water & Sanitation Program – AF; Economist/ Statistician, Ministry of Planning & the Treasury.



NAME: Dr Wilson Kipruto Ronno

YOB: 1957

POSITION/KEY RESPONSIBILITIES:

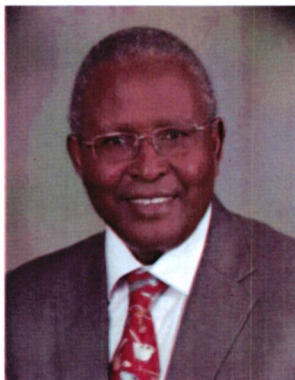
Council Member; Chairman - Audit, Governance & Risk Management Committee; Member - Planning, Development & Grievances Committee.

QUALIFICATION

Dip. (KIM), B.Sc.(UoN), M.Sc. (North Dakota State, USA), PhD (UoN)

WORK EXPERIENCE

Independent Consultant; Member Audit Committee, Bomet County; Head, Crops Unit, UNFAO; Consultant, ASALS; CEO/Director, Tea Research Foundation; Agricultural Research Officer, Ministry of Agriculture; National Project Coordinator, FAO/UNDP-Dryland Farming Development & Extension project.



NAME: Prof. Isaac O. Kibwage

YOB: 1954

POSITION/KEY RESPONSIBILITY

Vice-Chancellor

QUALIFICATION

B.Pharm (UoN), M.Pharm, PhD (K.U. Leuven), FPSK, CSci. C.Chem, MRSC

WORK EXPERIENCE

Egerton University: Vice-Chancellor, Deputy Vice-Chancellor (Administration, Planning & Development)
University of Nairobi: Principal of the College of Health Science, Dean of Faculty/School of Pharmacy, Chairman of Department, Professor, Associate Professor, Senior Lecturer, Lecturer, Assistant Lecturer, Graduate Assistant

3. UNIVERSITY MANAGEMENT BOARD



NAME: Prof. Isaac O. Kibwage

YOB: 1954

POSITION/KEY RESPONSIBILITY

Vice-Chancellor

QUALIFICATION

B.Pharm (UoN), M.Pharm, PhD (K.U. Leuven), FPSK, CSci.
C.Chem, MRSC

WORK EXPERIENCE

Egerton University: Vice-Chancellor; Deputy Vice-Chancellor
(Administration, Planning & Development)

University of Nairobi: Principal of the College of Health Science,
Dean of Faculty/School of Pharmacy, Chairman of Department,
Professor, Associate Professor, Senior Lecturer, Lecturer, Assistant
Lecturer, Graduate Assistant



NAME: Prof Bockline Omedo Bebe

YOB: 1963

POSITION/KEY RESPONSIBILITY

Ag Deputy Vice Chancellor (Research & Extension)

QUALIFICATION

Dip., BSc (Egerton), MSc, PhD (Wageningen)

WORK EXPERIENCE

Egerton University - Ag Deputy Vice Chancellor, Ag. Director (Research &
Extension); Deputy Director, Extension outreach and consultancy; Professor
of Livestock Production Systems; Consultant: Livestock Development
Policies; University curriculum development: Strategic plan; Climate change
and adaptation; Livestock value chains



NAME: Prof. Bernard O. C. Aduda

YOB: 1958

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Academic Affairs)

QUALIFICATION

B. Ed ((UoN), MSc. ((UoN), Dip. (University of London), PhD (University
of London)

WORK EXPERIENCE

Egerton University: Deputy Vice Chancellor (Academic Affairs), Principal –
College of Biological and Physical Sciences (UoN), Member - UoN
Executive Board, Chief Coordinator - MSSEESA, Council Member - Kenya
Polytechnic University College, Council Member - National Council for
Science and Technology (NCST), Honorary Treasurer - Network of the
African Academy of Sciences (NASAC), Fellow & Editor-in-Chief - Kenya
National Academy of Sciences (KNAS), Associate Dean - Kenya Science
Campus, and Chairman - Department of Physics



NAME: Prof. Richard M.S. Mulwa

YOB: 1967

POSITION/KEY RESPONSIBILITY

Ag. Deputy Vice Chancellor (Administration, Planning & Development)

QUALIFICATION

Dip., BSc. (Egerton), Grad. Dip, MappSc. (Melbourne), PhD. (UIUC)

WORK EXPERIENCE

Egerton University - Ag. Deputy Vice Chancellor (Administration, Planning & Development), Associate Professor of Horticulture, Director - Crop Management Research and Training, Senior Lecturer, Lecturer, Teaching Assistant/ Research Assistant, Assistant Lecturer - Department of Crops, Horticulture and Soils; University of Melbourne: PC2 Greenhouse Manager.



NAME: Prof. Joshua O. Ogendo

YOB: 1963

POSITION/KEY RESPONSIBILITY

Principal, Nakuru Town College Campus

QUALIFICATION

Bsc (UON), MSc (UON & University of Greenwich - UK), PhD (Egerton)

WORK EXPERIENCE

Egerton University – Principal; Associate Professor, Director - Crop Management Research Training (CMRT); Dean - Faculty of Agriculture; Chairman - CHS Department, Timetabling Officer; Coordinator - Mpeketoni Campus, Assistant Lecturer; Chair, Pesticidal Plants Network, Kenya (PEPTEN) President, International Society of Pesticidal Plants (ISPP)



NAME: Prof. Mwanarusi Saidi

YOB: 1971

POSITION/KEY RESPONSIBILITY

Registrar (Academic Affairs)

QUALIFICATION

BSc. (Egerton), MSc. (Egerton), PhD. (Michigan/Egerton)

WORK EXPERIENCE

Egerton University – Registrar (Academic Affairs); Coordinator, Senior Lecturer, Lecturer, Assistant Lecturer, Teaching Assistant department of Crops, Horticulture and Soils, Egerton University; Assistant Farm Manager, Coast Development Authority.



NAME: Dr. Stella J. Kereto

YOB: 1966

POSITION/KEY RESPONSIBILITY

Ag. Registrar (Human Capital & Administration)

QUALIFICATION

Bed (KU), Msc. (Univ. of Manchester, UK), PhD (Egerton)

WORK EXPERIENCE

Egerton University - Ag. Registrar (Human Capital & Admin); Deputy Registrar (HCA); Deputy Registrar; Baringo County - County Secretary; Egerton University – Ag. Deputy Registrar, Senior Assistant Registrar, Assistant Registrar, Senior Administrative Assistant, Secretary



NAME: Prof. Nancy W. Mungai,

YOB: 1969

POSITION/KEY RESPONSIBILITY

Ag Director (Research & Extension)

QUALIFICATION

BSc. (Nairobi), MSc. (Sokoine), PhD (Missouri)

WORK EXPERIENCE

Egerton University - Ag. Director (Research & Extension), Project Co-ordinator - TAGDev Program; Director Board of Undergraduate Studies; Professor, Associate professor of soil fertility and microbiology



NAME: Mr. Moses O. Ouma

YOB: 1978

POSITION/KEY RESPONSIBILITY

Finance Officer

QUALIFICATION

C.P.A (K), B.Agbm (Egerton), MBA (KU)

WORK EXPERIENCE

Egerton University - Finance Officer; Kenyan Rural Roads Authority - Accountant -; Kenya National Audit Office - Auditor; The Mater Hospital (Nairobi) - Accountant



NAME: Mr. Charles Kairu Wanjohi

YOB: 1977

POSITION/KEY RESPONSIBILITY

Ag. Finance Officer

QUALIFICATION

C.P.A (K), BSc. (Egerton), MBA (CUEA)

WORK EXPERIENCE

Egerton University – Ag. Finance Officer, Deputy Finance Officer, Senior Accountant; Corn Products Kenya Limited - Financial Accountant -; Sotik Tea Co. Ltd. – Senior Accountant; Sotik Highlands Tea Estates - Senior Accountant



NAME: M/s Janegrace K. Kinyanjui

YOB: 1967

POSITION/KEY RESPONSIBILITY

University Librarian

QUALIFICATION

BA (Egerton), MSc. (SISA-Addis Ababa)

WORK EXPERIENCE

Egerton University – University Librarian; Kabarak University – University Librarian, Deputy University Librarian, Senior Assistant Librarian; Egerton University – Assistant Librarian, Senior Library

4. CHAIRMAN'S STATEMENT

In the year ended 30th June 2022, the University achieved a number of milestones among them; the 14th Biennial International Conference, The five-year accreditation from the Council of Legal Education (CLE) for the Faculty of Law, to host the International Centre for Genetic Engineering and Launch of the Biotechnology (ICGEB) Regional Research Centre (RRC).

The University held its 14th Biennial International Research Conference from 23rd to 25th March 2022. The conference attracted 1,053 attendees drawn from local and international Universities, research institutions, county and national governments, local and international NGOs, and private sector organizations.

The Faculty of Law Legal Aid Project (FOLLAP) successfully organised forums with police officers in Nakuru County on 15th October 2021, to sensitize them on the law of evidence on gender-based violence (GBV) cases and with a section of medical professionals in Nakuru County on 19th October 2021, to work closely in helping survivors of sexual and gender-based violence (SGBV) to access justice by ensuring that they manage SGBV evidence well in order to promote access to justice.

The Faculty of Health Sciences, on 23rd July 2021, launched the Nutrition and Dietetics Exchange programme with Botswana's Boitekanelo College. The partnership with Boitekanelo College meets one of the University's strategic goals of increasing linkages and collaborations. This collaboration will also increase Egerton University's visibility globally, articulate the role of nutrition security, and contribute to overall quality health among the people.

The five-year accreditation from the Council of Legal Education (CLE) for the Faculty of Law and with the continued support from CLE, will see Egerton University become the leading Law School in the country. The University has become the first institution of higher learning in the country to administer bar examinations outside Nairobi beginning 31 March 2022. This is an effort by CLE to devolve its administration of the advocates training programme.

The University won the bid to host the International Centre for Genetic Engineering and Biotechnology (ICGEB) Regional Research Centre (RRC). This is the first such centre to be established in Africa and the second in the world after the one in China. This is a centre that will be strengthening research skills, knowledge and capacities of the scientific community while pursuing specific objectives for research, training, and technology transfer to industry.

The University is among the four Universities that will establish the East African Centre of Excellence in Health Education and Training (CEHET). The four Universities within the Lake Region Economic Bloc (LREB) will collaborate in driving sustainable programmes in non-communicable diseases (NCDs), malaria, HIV & AIDS, sickle cell disease, mental health and substance abuse, community health and infectious diseases.

Financial Performance

During the financial year ended 30th June 2022, the University registered an operating deficit of Kshs.1.5 billion compared to a deficit of Kshs 1.3 billion in the financial year 2020/2021. The University was mainly funded through the Government Capitation (54%) and Appropriation in Aid (A-I-A) (46%) for its recurrent expenditure.

Strategic Direction

The 2018-2023 Strategic Plan will be achieved through the following Strategic Goals; providing quality higher education; engaging in research, consultancy and community outreach; enhancing physical infrastructure and ICT capacity; increasing linkages and collaborations; and enhancing governance and resource mobilization. In this respect, the University was ranked third in Kenya in the January 2022 rankings by the Webometric Rankings of World Universities. The Webometrics Rankings is the most prominent academic ranking of higher education institutions assessing over 31,000 institutions worldwide. The rankings assess Universities in impact, openness and excellence parameters.

Future Outlook

As the University continues to implement its 2018-2023 Strategic Plan, the new focus is on resource mobilization through revamping Income Generating Units (IGUs) to generate more revenue internally. The Directorate of IGUs is now fully operational for smooth operations of these IGUs.

The University opened a Safe Foods Reference Laboratory (SAF- LAB) in Main Campus, Njoro. The SAF-Lab facility funded by the National Research Fund (NRF) at the cost of Ksh. 39 million will innovatively contribute to the Big 4 Agenda, specifically, Food Security.

I wish to thank the Government of Kenya, Council members, Management and Staff for their dedication and participation during the year in striving to make Egerton University a world class University for the advancement of Humanity.



Amb. Dr. Luka. H. Wario, PhD, CBS
Chairman, Egerton University Council

5. REPORT OF THE VICE-CHANCELLOR

During the financial year ended 30th June 2022, the University continued to stay focussed on the path to achieving its vision of being a world class University for the advancement of humanity. Towards this end, the focus remained on enhancing the quality of academic programs and research output including increasing collaborations with other institutions.

The University held its 44th graduation ceremony on 17th December 2021. The ceremony was conducted virtually due to the Ministry of Health restrictions on gatherings due to COVID-19 pandemic, and a total of 2,182 graduands were conferred with various certificates in their respective disciplines. The University intends to hold its 45th graduation ceremony on 29th July 2022 virtually with 2,322 graduands expected to graduate.

Education, Training and Research

Egerton University was ranked at position 3 in Kenya in the January 2022 rankings by The Webometric Rankings of World Universities. The Webometrics Rankings is the most prominent academic ranking of higher education institutions assessing over 31,000 institutions worldwide. The Webometric rankings assess Universities in impact, openness and excellence parameters.

The impact category ranks Universities on the basis of their academic presence (journals linked to the University website), which constitutes 50%. The openness category looks at the number of citations from authors, which carries 10%. Egerton University had 8,535 citations in the Webometric rankings. The excellence category looks at the number of papers among the top 10% most cited. Our goal is to be the leading University in Kenya and East Africa as well.

The University held its 14th Biennial International Research Conference from 23rd to 25th March 2022. The conference attracted 1,053 attendees drawn from local and international Universities, research institutions, county and national governments, local and international NGOs, and private sector organizations. **The Conference was held under the theme: “Research and Innovations for Resilience in a Changing Environment”.** Underlying this theme is the acknowledgment that Science, Technology and Innovation are major drivers and enablers of

“Transforming Lives Through Quality Education”

social and economic transformation. The application of knowledge and innovation is a necessity for attaining sustainable economic growth and competitiveness.

The 14th Biennial International Conference attracted the highest number of participants, and the highest number of papers (98) were presented under seven sub-themes; Transformative Agri Food Systems; Health Systems, Science and Technology; Innovations in Climate Change and Natural Resource Management; Literature, History and Culture; Transformative Education for Social-economic Adaptability; Entrepreneurship, Business and Trade, Governance and Geopolitics in Africa. Participants from 30 countries interacted with the conference website. The top 10 countries represented at the conference were Kenya, Ethiopia, Nigeria, Uganda, Tanzania, United States, South Africa, Rwanda, South Sudan and the United Kingdom

The Faculty of Law Legal Aid Project (FOLLAP) successfully organised a forum with police officers on 15th October 2021, to sensitize them on the law of evidence on gender-based violence (GBV) cases. The officers were picked from different stations in the county, but mainly in FOLLAP target sub-counties. Most of the officers who attended the forum which was held at the CMRT, Njoro Campus, are also active in the court users' committees (CuC's) in different courts in Nakuru County.

A section of medical professionals in Nakuru county have agreed to work closely with the Faculty of Law Legal Aid Project (FOLLAP) in helping survivors of sexual and gender-based violence (SGBV) to access justice. In the forum held on 19th October 2021 at the Nakuru Town Campus College (NTCC), the professionals agreed to ensure that they manage SGBV evidence well in order to promote access to justice. The forum was attended by close to 20 medical professionals, mainly nurses, from the Nakuru Level Five Hospital and other medical facilities in Nakuru.

In May 2022, Egerton University won the bid to host the International Centre for Genetic Engineering and Biotechnology (ICGEB) Regional Research Centre (RRC). This is the first such centre to be established in Africa and the second in the world after the one in China. The ICGEB Board of Governors, in its 28th Session held on 17-18 May 2022, in Trieste, Italy, endorsed the Kenyan proposal to host the ICGEB -RRC at Egerton University. The decision was a culmination of a competitive process coordinated by the National Commission for Science,

Technology and Innovation (NACOSTI). It is a big honour for Egerton University to host the ICGEB -RRC. This is a centre that will be strengthening research skills, knowledge and capacities of the scientific community while pursuing specific objectives for research, training, and technology transfer to industry.

The ICGEB-RRC will collaborate with institutions from member countries in the region in scientific research and mentorship of smaller Universities in Kenya. Hosting the ICGEB-RRC brings additional advantages, including promoting development and job creation beyond the hosting country, Kenya, because it is an international research centre. The ICGEB-RRC at Egerton University will specialize in six scientific areas: (i) Molecular plant pathology and entomology; (ii) Genetic biofortification; (iii) Molecular plant breeding; (iv) Development of molecular diagnostic tools and their applications; (v) Bioprospecting for biopesticides and bioactive compounds; and (vi) Food safety

Egerton University's Faculty of Health Sciences, on 23rd July 2021, launched the Nutrition and Dietetics Exchange programme with Botswana's Boitekanelo College. The launch took place as part of the events to mark the Nutrition Awareness Day at the Njoro Campus. The exchange programme will first target undergraduate students and those undertaking the field exchange programme. It will involve joint supervision of the students. Through the collaboration, exchange of scientific information needed to address food and nutrition security in Africa will be achieved. The partnership with Boitekanelo College meets one of the University's strategic goals of increasing linkages and collaborations. This collaboration will increase Egerton University's visibility globally, articulate the role of nutrition security, and contribute to overall quality health among the people. The Nutrition and Dietetics Exchange Programme attracted 16 students from Boitekanelo College, who were placed in different hospitals in Kenya.

The Faculty of Law's was given five-year accreditation from the Council of Legal Education (CLE) and the certificate presented to the Vice-Chancellor, Professor Isaac Kibwage, on 27 August 2021. The Faculty of Law was first accredited in 2016 by CLE. In 2021, the Faculty moved from Nakuru Town Campus College to Main Campus in Njoro (former Faculty of Sciences offices).

Egerton University was the first institution of higher learning in the country to administer bar examinations outside Nairobi beginning 31 March 2022. According to the Council of Legal Education (CLE), Chief Executive Officer Dr Wambua Kituku, the move was part of the Council's effort to devolve its administration of the advocates training programme. With the continued support from CLE, Egerton University will become the leading Law School in the country. CLE had allowed the admission of 150 students against the declared 100 students, a rise from previous admissions of 60 students.

Egerton University, together with Maseno University and Masinde Muliro University of Science and Technology, signed an MoU with Kisii University to establish the East African Centre of Excellence in Health Education and Training (CEHET). The four Universities within the Lake Region Economic Bloc (LREB) will collaborate in driving sustainable programmes in non-communicable diseases (NCDs), malaria, HIV & AIDS, sickle cell disease, mental health and substance abuse, community health and infectious diseases. The establishment of CEHET at Kisii University is part of an agreement by the Kenya UK Health Alliance (KUKHA), a cooperation of the United Kingdom and Kenyan institutions (Universities, research institutions and teaching hospitals) collaborating on health.

The MoU was signed on 28 February 2022. Fourteen counties from the region stand to benefit through enhanced medical training, improving health capacity, facilities and infrastructure from the establishment of the Centre at Kisii University. Whereas Kisii University will serve as host and hub, the other three Universities will have direct linkages to the hub and will be hosting some programmes or institutes.

Other Activities

Egerton Radio hosted 15 journalism interns who had been selected and placed at the station under the Media Council of Kenya (MCK) paid-up internship programme. The programme that will see the MCK pay the interns Ksh. 15, 000 per month to meet their expenses, was launched in November, 2021. Apart from training, the programme is aimed at strengthening relations between the MCK and the media industry.

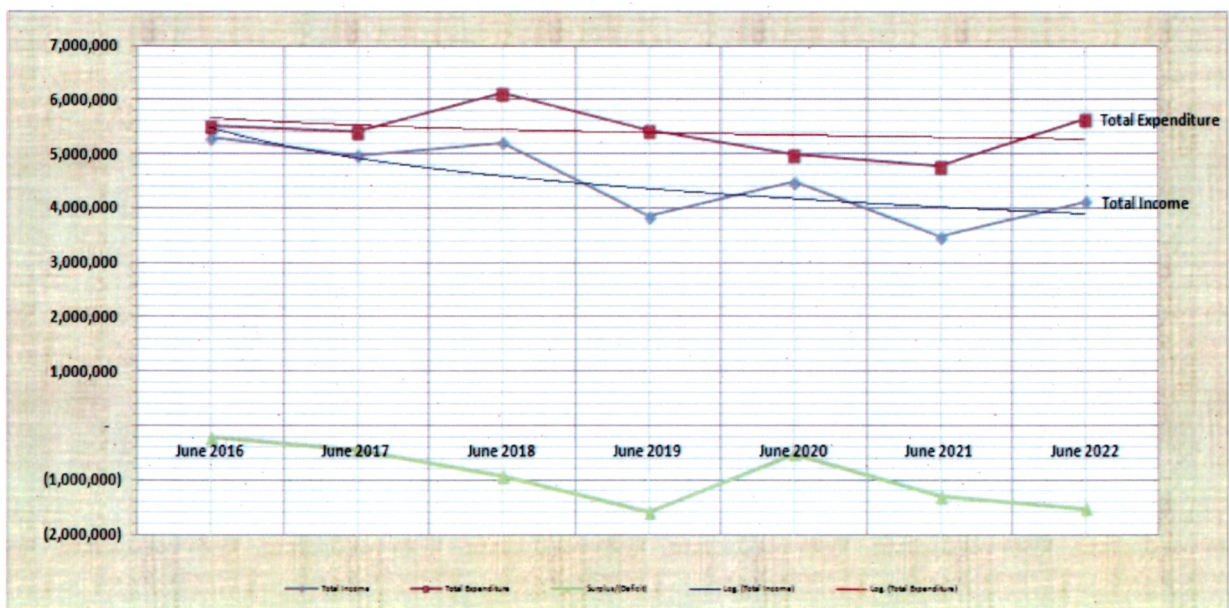
The interns who reported on 24th January 2022, were at Egerton Radio for three months and got practical exposure on various areas including radio news writing and anchoring, radio feature production, radio live programming among other areas. Egerton Radio is the media house that has accepted the highest number of interns so far among all the media houses that have entered into agreements with the media regulation body on this programme.

Financial Performance

Over the last seven years the following are the trends of surpluses (deficits) realised by the end of each financial year:

Seven-year Surplus/Deficit Trends

Income/Expenditure (Kshs 000's)	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022
Total Income	5,310,670	4,968,162	5,210,699	3,849,367	4,473,798	3,476,063	4,120,139
Total Expenditure	5,522,944	5,417,001	6,138,767	5,449,863	4,998,525	4,775,539	5,648,042
Surplus/(Deficit)	(212,274)	(448,839)	(928,068)	(1,600,496)	(524,726)	(1,299,476)	(1,527,902)
Exp as a %age of income	104%	109%	118%	142%	112%	137%	137%



Seven-year Surplus/Deficit Trends

Revenue has been declining from the year 2016 to date. The rise in the year 2018 was due to arrears received from Government of Kenya in respect of 2013-2017 Collective Bargaining Agreement (CBA) implementation.

During the year ended 30th June 2022, the University realized an operating deficit of Kshs. 1.5 billion. The University is facing serious financial challenges due to declining GoK Capitation, COVID-19 pandemic and dwindling number of self-sponsored students which have affected revenue collection. This resulted in reduction of staff salary to 57%.

The University is therefore taking drastic steps to diversify its revenue sources away from reliance on students. The new focus is on Income Generating Units of the University like the farm, the hotel among others. A Directorate has been created for the smooth operations of these units. At the same time the University is implementing austerity measures at all times and embracing automation so as to cut operating expenses in the coming years.



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor

6. STATEMENT OF EGERTON UNIVERSITY'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/2022

Egerton University has 5 Strategic Goals within the current Strategic Plan for the year 2018-2023. These strategic goals are as follows:

- Strategic Goal 1: Provide quality higher education and Training
- Strategic Goal 2: Engage in research, consultancy and community outreach
- Strategic Goal 3: Enhance physical infrastructure and ICT capacity
- Strategic Goal 4: Increase linkages and collaborations
- Strategic Goal 5: Enhance governance and resource mobilization

The University develops its annual work plans based on the above 5 Strategic Goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2021/2022 period for its five Strategic Goals as indicated in the diagram below:

Strategic Goal	Objectives	Key Performance Indicators	Activities	Targets	Achievements
Strategic Goal 1	Increase student enrolment	Number	Offering of competitive academic programmes	4557	5094
	Improve delivery of course content	Number	Convert 200 courses for the online platform	431	431
	Improve quality of education	Index	Develop and review standards for quality teaching, learning and evaluation processes	89.30	92.67
	Improve the University's webometric ranking	Global Rank	Upgrade the University standards for in links for visibility, website size, publications and University information for the University website	2000	1802
	Marketing & publicity of the University	%	Hold career fairs and Marketing conferences	100	100

Strategic Goal 2	Enhancement of Agro Science Based Park	%	Establish linkages with industrial firms, and engage in research & development of agricultural mechanization	100	100
	Increase Consultancies	Number	Bid for consultancies	5	8
	Monitoring & Evaluation of research & extension projects	%	Conduct monitoring and evaluation of research projects and provide feedback on M&E of research projects	100	80
	Policy analysis on food	Number	Present two (2) opinions pieces on new and emerging food	4	5
Strategic Goal 4	Increase the number of University Industry Linkage	Number	Establish industry linkages	2	3
Strategic Goal 5	Implementation of Citizens' service delivery charter	%	Review and display the Citizens' Service Charter prominently at the Administration Block and the Main gate in both English and Kiswahili.	100	100
	Application of Service Delivery Innovations	%	Online registration system to enable first year students to submit the documents needed for online admission into various programmes in light of COVID-19	100	100
	Competence Development	%	Carry out Staff Training Needs Assessment, execute interventions to address the identified skills gaps, and train needs through, recruitment, outsourcing and capacity building/training, coaching, mentoring Knowledge management	100	85
	Disability Mainstreaming	%	Carry out accessibility and usability audit and submit the report to NCPWD Develop and submit Disability mainstreaming policy and the annual work plan	100	54.75
	Gender Mainstreaming	%	Implement Gender Mainstreaming Policy, Plans and Programs. Set up and operationalize a Gender Management System	100	75

7. CORPORATE GOVERNANCE STATEMENT

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education for ensuring that the University complies with the Universities Act 2012, Egerton University Statutes (2013) and adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the University Council Charter.

Roles and Functions of the Council

The Council consists of nine members- the Chairman & five other members, representative of the National Treasury & Planning, Representative of the Principal Secretary, State Department for University Education and Research, Ministry of Education, and the Vice Chancellor as ex-officio member and Secretary to the council. The members of the Council have been shown on pages 7 - 10. The functions of the Council are:

- a) Employ staff; (appoint Professors & Senior Staff in Grades XV & above); appoint the Vice Chancellor & Deputy Vice-Chancellors in consultation with the Cabinet Secretary responsible for University Education after a competitive process conducted by Public Service Commission; consider disciplinary matters for Principals, Deputy Vice Chancellors & Vice Chancellor).
- b) Approve the statutes of the University and cause them to be published in the Kenya Gazette;
- c) Approve the policies of the University;
- d) Approve the budget;
- e) Manage, supervise and administer the assets of the University in such a manner as best promotes the purpose for which the University is established;
- f) Determine the provisions to be made for capital and recurrent expenditure and for reserves of the University;
- g) Receive any grants, donations or endowments on behalf of the University and make legitimate disbursements there from;
- h) Enter into association, collaboration or linkages with other bodies or organizations within or outside Kenya as the University may consider desirable or appropriate and in furtherance of the purpose for which the University is established;
- i) Open a banking account or accounts for the funds of the University;
- j) Undertake other functions set out under this Act and the Charter.

Committees of the Council

The Committees of the Council have delegated authority to assist the Council effectively carry out its obligations. The University Council and its Committees are supported by the University Management Board which consists of ten members.

The Council has four Committees namely:

1. Audit, Governance and Risk Management Committee
2. Finance, Human Resources and General Purposes Committee
3. Planning, Development & Grievances Committee
4. Academic and Research Committee

The Terms of Reference for the Committees of Council are:

1. Audit, Governance and Risk Management Committee

The Committee ensures compliance to internal control processes, accurate preparation of financial reporting of results, operations and statements in compliance with legal and statutory requirements and standards, ensures the University complies with internal and external audits, develop risk management strategies, monitor institutional governance, and monitor compliance of the performance contract, and quality assurance.

2. Finance, Human Resources and General Purposes Committee

The Committee recommends to the Council for its approval the annual report and financial statements, annual estimates and expenditure, recommend policies on finance and human resource to Council for approval, decide on disciplinary matters for staff in Grade XIII-XV, and shall pay due regard to the necessity to refer matters of major importance to the Council for final approval.

3. Planning, Development & Grievances Committee

The Committee mobilizes financial resources for the development of the University, take charge for all arrangements for planning and development of the University and construction of new buildings, advocate on behalf of the University and enhance the marketing of the University locally and internationally, provide advice and assistance to Deputy Vice-Chancellor (Administration, Planning and Development) with respect to corporate sponsorship and private source fund raising activities, determine staff, students and other stakeholder's grievances, determine staff and students appeal against disciplinary action and pay due regard to the necessity to refer matters of major importance to the Council for final approval.

4. Academic and Research Committee

The Committee advises on the development and implementation of academic and research programmes and policies; make recommendations for the sourcing, administration and distribution of scholarships; oversee a reward scheme for excellence in teaching, research and extension; receive regular reports from and provide advice to the Deputy Vice-Chancellor

(Academic Affairs) and the Deputy Vice-Chancellor (Research and Extension) on the development of policy and procedures relating to academic and research; approve the Tegemeo Institute's annual budget, business plans and policies; ensure good management and identify risk and internal controls in the Tegemeo Institute; promote and integrate good corporate governance at the leadership management and in all levels of the Tegemeo Institute; strategize on the Tegemeo Institute's development and sustainability; and consider and report any matter referred to it by the Council and Senate.

Council Meetings Attendance Financial Year 2021/2022

The board meetings are restricted to a minimum of four (4) as provided in the State Corporations Act and capped at a maximum six (6) for each financial year and same principle apply to respective Committees. As guided under Mwongozo, the code of governance for State Corporations, a Board may establish not more than four (4) Committees. The number of members to any Committees should be no more than one third (1/3) of the full Board to obviate the risk of a Committee conducting its business within the framework of a full Board structure. Further, members can only sit in a maximum of two committees with any exception with a written approval of the respective Cabinet Secretary in consultation with SCAC. Where a Board does not have appropriate skills within its membership for purposes of effectively discharging its mandate, it may with approval of SCAC, co-opt members on a need basis for a specified duration. Below is the summary of attendance of Board members in various meetings held in the financial year ending 30th June 2022:-

a) Attendance – Quarter one – July 2021 to September 2021

Council Member	PDG 8/7/21	TABR 9/7/21	AG&RM 15/7/21	FHR&GP 16/7/21	CM 26/7/21	CM 27/7/21	I/RAP 3/8/21	I/RAP 5/8/21	I/RAP 10/8/21	I/RAP 12/8/21	I/RAP 13/8/21	IPN 16/8/21	IR&CIA 17/8/21	CM 18/8/21	I/RP 19/8/21	I/RP 20/8/21	VC 3/9/21	VPC 14/9/21	RSL 16/9/21	RSL 22/9/21	RSL 23/9/21	FHR&GP 28/9/21	ACM 28/9/21	
1 Dr. L.H. Wario					X	X							X	X	X	X	X							
2 Dr. Wilson K Romo	X		X		X	X							X	X	X									
3 Paul Kangira	X	X			X	X	X	X	X	X	X	X	X	X	X	X			X	X	X			
4 Julius Mutua			X	X									X	X	X								X	X
5 Esther M. Wabuge	X			X	X	X							X	X	X								X	X
6 Dr. John Nyakawa Ondari		X		X	X	X							X	X	X	X	X		X				X	X
7 Joshua Nyangidi Otieno	X		X		X	X							X	X	X			X						
8 Dr. Charity C. Nyaga		X	X		X	X							X	X	X									
9 Prof. Isaac O. Kibwage	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

b) Attendance – Quarter Two – October 2021 to December 2021

	Council Member	SCM 5/10/21	SCM 6/10/21	AG&RM 7/10/21	TA&R 8/10/21	PDG 14/10/21	FHR&GP 15/10/21	SCM 28/10/21	CM 29/10/21	SCM 26/11/21	TA&R 8/12/21	CM 9/12/21	GC 17/12/21
1	Dr. L.H. Wario							X	X	X		X	X
2	Dr. Wilson K Ronno	X	X	X		X		X	X	X		X	X
3	Paul Kangira	X	X		X	X	X	X		X	X	X	X
4	Julius Mutua	X	X	X			X	X	X	X		X	X
5	Esther M. Wabuge	X	X			X	X	X	X	X		X	X
6	Dr. John Nyakawa Ondari	X	X		X		X	X	X	X	X	X	X
7	Joshua Nyangidi Otieno	X	X	X		X		X	X	X		X	X
8	Dr. Charity C. Nyaga	X	X	X	X			X	X	X	X	X	X
9	Prof. Isaac O. Kibwage		X		X	X	X	X	X	X	X	X	

c) Attendance – Quarter Three – January 2022 to March 2022

	Council Member	AG&RM 13/1/22	TA&R 14/11/2	CM 20/1/22	PDG 20/1/22	FHR&GP 24/1/22	CM 31/1/22	SFHR&G P 21/3/22
1	Dr. L.H. Wario			X			X	
2	Dr. Wilson K Ronno	X		X	X		X	
3	Paul Kangira		X	X	X	X	X	X
4	Julius Mutua	X		X		X	X	X
5	Esther M. Wabuge			X	X	X	X	X
6	Dr. John Nyakawa Ondari		X	X		X	X	X
7	Joshua Nyangidi Otieno	X		X	X		X	
8	Dr. Charity C. Nyaga	X	X	X			X	
9	Prof. Isaac O. Kibwage				X	X	X	X

d) Attendance – Quarter Four – April 2022 to June 2022

	Council Member	RSL 5/4/22	RSL 6/4/22	AG&RM 7/4/22	TA&R 8/4/22	PDG 13/4/22	FHR&GP 14/4/22	SFHR&G P 27/4/22	CM 6/5/22
1	Dr. L.H. Wario								X
2	Dr. Wilson K Ronno			X		X			X
3	Paul Kangira	X	X		X	X	X	X	X
4	Julius Mutua			X			X	X	
5	Esther M. Wabuge					X	X	X	X
6	Dr. John Nyakawa Ondari				X		X	X	X
7	Joshua Nyangidi Otieno			X		X			X
8	Dr. Charity C. Nyaga			X	X				X
9	Prof. Isaac O. Kibwage	X	X		X	X	X	X	X

	Key	Description
1	AG&RM	Audit, Governance & Risk Management Committee
2	CM	Full Council meeting
3	EMCC	Egerton Mau Cross country
4	FHR&GP	Finance, Human Resources & General Purposes Committee of Council Meeting
5	GC	Graduation Ceremony
6	GHA	Grievances Handling & Appeals Committee
7	PCN	Performance Contract Negotiation
8	PDG	Planning Developments & Grievances Committee
9	SCM	Special Council Meeting
10	SHDC	Sealing and Honorary Degree Committee
11	TA&R	Tegemeo, Academic & Research Committee
12	EOPC	Evaluation of Performance Contract
13	SFHR&GP	Special Finance Human Resources & General Purpose Committee of Council Meeting
14	VPC	Vetting of Performance Contract
15	I/RP	Interviews/Reviews for Professors Grade 15
16	RSL	Review for the Post of Senior Lecturer Grade 13
17	IDR	Interview for Post of Deputy Registrar Grade 14
18	IS	Interview for Staff in Grade 13
19	GC	Graduation Ceremony
20	CTM	Consultative Meeting

Appointment, Removal from Office and Succession Plan

Council members are appointed by the Cabinet Secretary, Ministry of Education. Four Council Members and Chair of Council were re-appointed on 4th November, 2020 and 6th October, 2021 for a period of 3 years members respectively. Council Member, Mrs Alasa Hirsi who had served for two terms retired on 9th March 2020 and was replaced by Dr Wilson K. Ronno, who was appointed on 4th November, 2020.

The member's appointment can be revoked by the Cabinet Secretary, Ministry of Education, members may also resign or removed when they fail to attend three consecutive meetings.

Council Remuneration

Council members are remunerated as per guidelines set out in State Corporations Advisory Committee circulars and the National Treasury directives in respect to sitting allowances, mileage and accommodation costs. These expenses have been shown under Note 15 to the Financial Statements.

Induction and Training

Council Members attended a training in Kenya School of Government, Embu and 3 Members were trained by Salaries and Remuneration Commission on CBA Negotiations in the Financial Year 2021/2022.

Council and Member Performance

The members did self-evaluation on 21st July, 2022 for the Financial Year, 2021/2022 and the results are yet to be released by State Corporations Advisory Committee.

Conflict of Interest

A register of conflict of interest is availed to members in every meeting for them to declare their interest.

Conduct of Conduct and Ethics

Members signed a Code of Conduct and Ethics at start of the Financial Year 2021/2022.

8. MANAGEMENT DISCUSSION AND ANALYSIS

ANALYSIS OF OPERATIONAL AND FINANCIAL PERFORMANCE

i. Revenue

The revenues of the University have been as shown in table 1 and figure 1 below over the last seven years:

Table 1: Seven-year Revenue trend

Income Type	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022	Note
Revenue from Exchange Transactions	1,890,334	1,572,899	1,474,081	1,454,601	1,345,088	720,523	1,148,680	12-13, 25
Revenue from Non-Exchange Transactions	3,420,336	3,395,263	3,736,618	2,394,766	3,134,823	2,755,540	2,971,460	6-11
Total Income	5,310,670	4,968,162	5,210,699	3,849,367	4,479,911	3,476,063	4,120,139	



Figure 1: The trend of Revenue over the last seven years

The University's revenue has consistently declined over the years. However, GoK and other donors (Revenue from Non-exchange transactions) remained the biggest source of income over the last seven years averaging 69% (2021-79%) of all revenue. This is higher than the seven-year average, meaning that the University is becoming more dependent on external funding, which is not very desirable. The external sources of funding accounted for 72% of all revenue for the year ended 30th June 2022.

There was an increase in Revenue from Non-exchange transactions in the FY 2021/2022 due amounts received in respect of the balance for 2017-2021 Collective Bargaining Agreement (CBA) amounting to Kshs.132,330,551.

ii. Expenses

Notwithstanding the shortfalls in revenue as shown above, expenses remained largely constant especially those expenses that do not depend on level of activity in the University such as Staff costs.

The Management instituted austerity measures aimed at containing expenditure to the best extent possible. The following table 2 and figure 2 indicate the expenditure trends over time:

Table 2: Seven-year expenditure trends

Expenditure Type	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022	Note
Staff Costs	3,158,178	3,113,900	4,030,809	3,395,430	3,552,270	3,189,990	3,319,707	14
Other Expenses	2,364,766	2,303,101	2,107,958	2,054,433	1,452,368	1,585,548	2,328,335	15-24
Total Expenses	5,522,944	5,417,001	6,138,767	5,449,863	5,004,638	4,775,539	5,648,042	

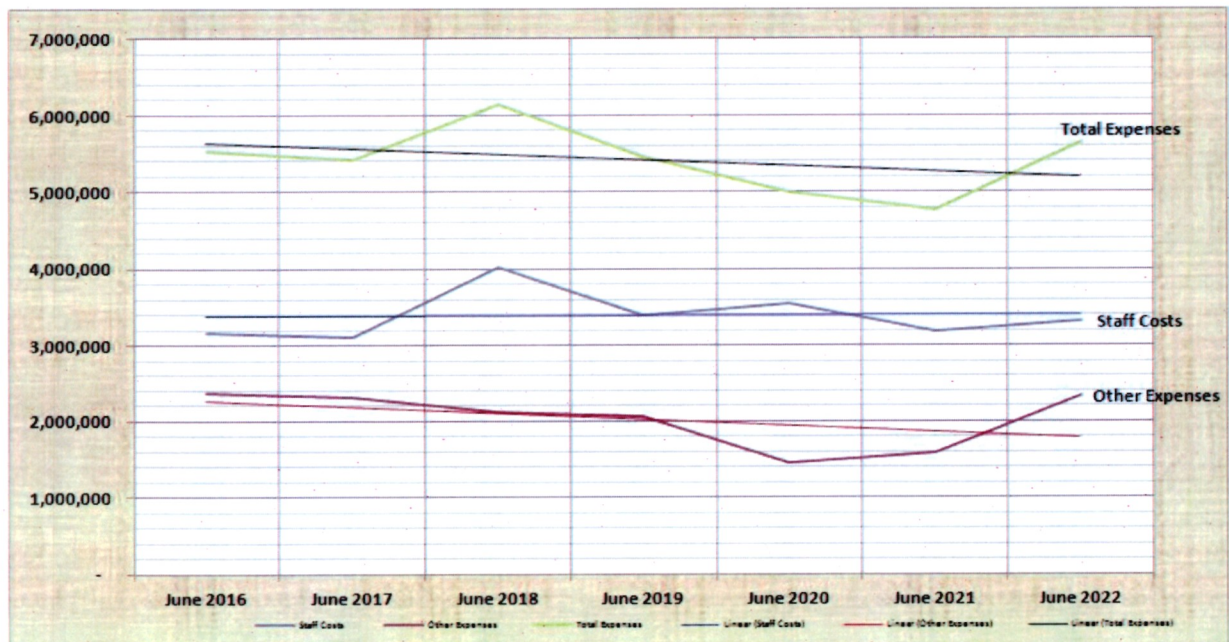


Figure 2: The trend of Expenditure over the last seven years

As shown above, the expenses of all categories has been declining over the years as a result of austerity measures instituted by management while staff costs has increased during the year under review due to implementation of diagonal increase in the staff basic pays. The increase in other costs in the year ending 30 June 2022 was a result of posting the interest and penalties charged to unremitted EU Sacco loans, Staff pension as well as PAYE amounting

to Kshs.706,456,019.49 (Refer Note 16 line 39 page 75) with prior year posted to reserve amounting to Kshs.1,606,224,206 (Refer page 50)

Staff cost constitute the highest proportion of expenses with a seven-year average being 63% (2022-59%).

The legal and bank charges went up due to the financial challenges faced by the university during the year which caused many financial and legal challenges.

ANALYSIS OF FINANCIAL POSITION

The following analysis presents a seven-year movement observed in the financial status of the University as at the end of each of the financial years:

i. Property, Plant and Equipment

Table 3: Seven-year Net Book Values of Property Plant and Equipment (Ksh “000”)

Type of Property	Ksh "000"			Percentage proportions		
	Land & Buildings	W.I.P	Other Assets	Land & Buildings	W.I.P	Other Assets
30/6/2016	3,412,879	1,064,636	186,423	73%	23%	4%
30/6/2017	3,339,556	1,256,699	186,423	70%	26%	4%
30/6/2018	3,274,164	1,700,634	119,000	64%	33%	2%
30/6/2019	3,431,454	1,897,419	75,028	63%	35%	1%
30/6/2020	3,363,754	1,865,102	65,919	64%	35%	1%
30/6/2021	4,236,880	904,435	51,235	82%	17%	1%
30/6/2022	4,137,729	912,669	40,328	81%	18%	1%

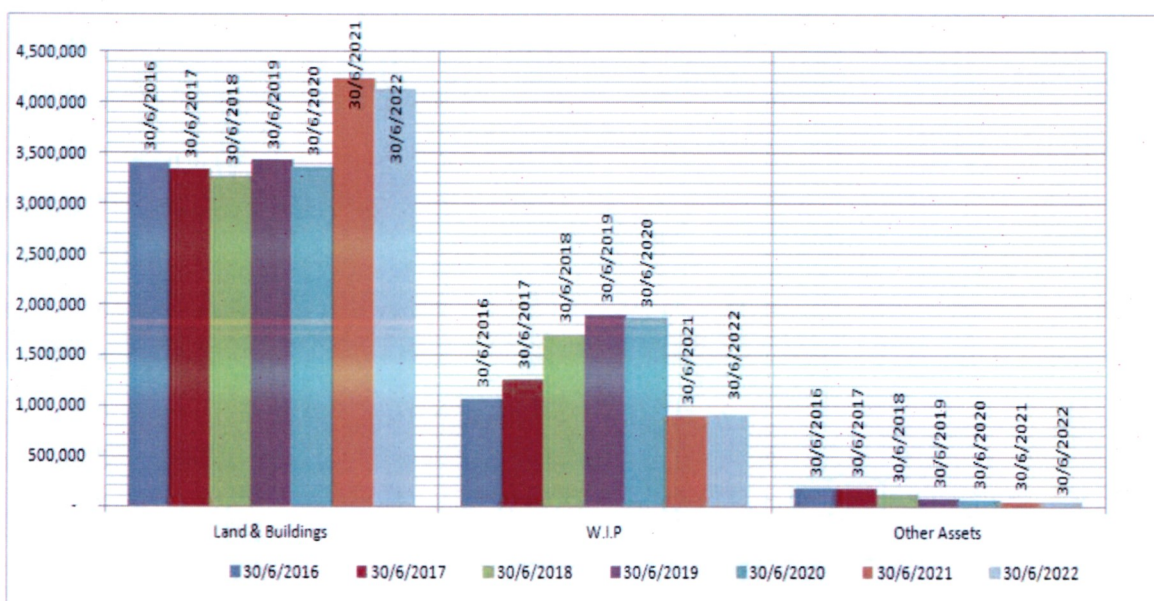


Figure 3: The make-up of Property, Plant and Equipment (Kshs. "000")

The graphs in figures 4 below shows the composition of the university assets over the last seven years.

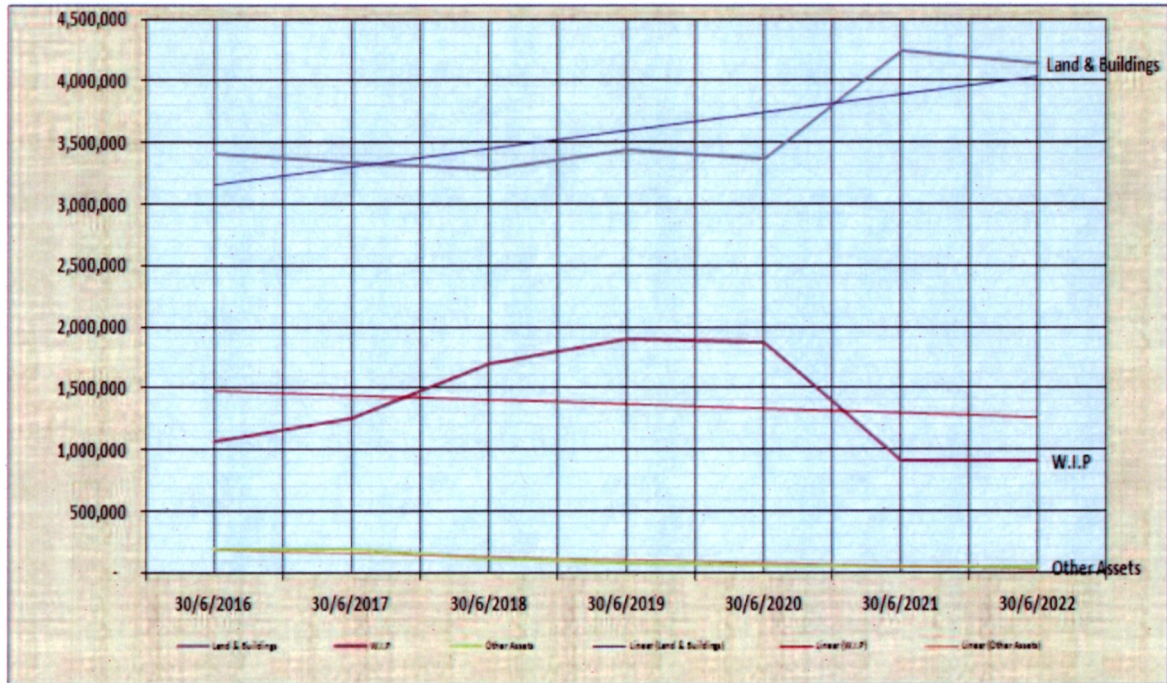


Figure 4: The composition of net book values of the University's assets over the seven-year period

The total assets of the University however continued to rise over the seven-year period as shown by the following trend in figure 5:

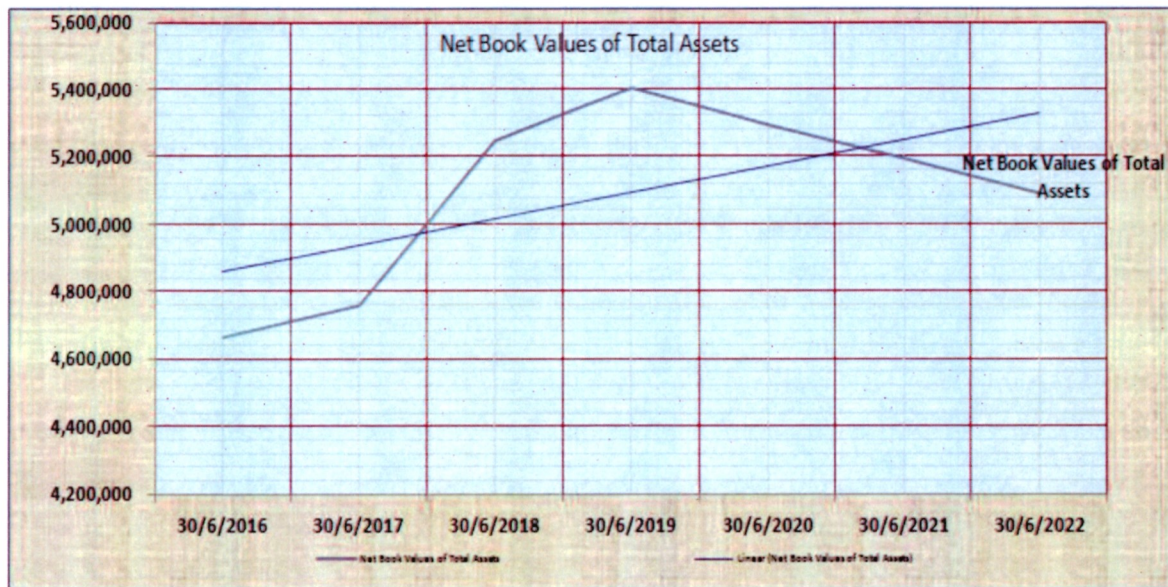


Figure 5: The trend of Total Property, Plant and Equipment over the seven-year period (Kshs "000")

ii. Working Capital

The Net Working capital; the difference between current assets and current liabilities is shown in Table 4 and Figure 6 for the last seven years:

Table 4: Seven-year Net Working Capital figures (Ksh “000”)

Current Assets	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022
Total Current Assets	1,529,420	1,450,774	1,134,684	1,805,894	2,047,092	1,477,465	1,697,072
Total Current Liabilities	1,252,520	1,571,436	2,522,447	4,586,329	4,729,574	5,318,196	8,570,106
Net Working Capital	276,900	(120,662)	(1,387,763)	(2,780,435)	(2,682,482)	(3,840,731)	(6,873,034)

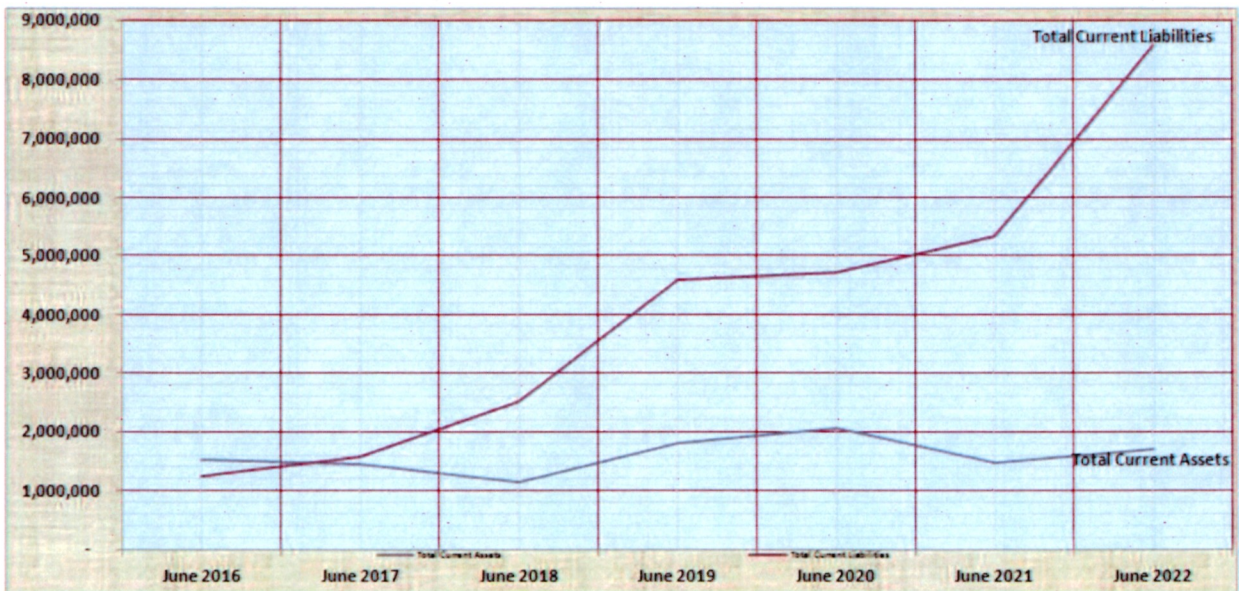


Figure 6: The trend of Net Working Capital over the seven-year period (Ksh 000”)

Net Working Capital Trend

The Net working capital remained positive until 2016 but dipped to negative territory in the last six financial years; 2017, 2018, 2019, 2020, 2021 and 2022. This is can be explained by the fact that, by since 2016 the university has been accumulating pending bills at an increasing rate and current stand at Kshs 7.9 billion as at 30th June 2022.

Notwithstanding the above, the University remains constrained in terms of cash flows and is experiencing difficulties in meeting its short term financial obligations as and when they fall due. This difficulty is exemplified by the ratios indicated here below:

Current and quick ratios

Current ratio (current assets/current liabilities) and quick ratio (Current Assets-Inventory)/Current liabilities) has continued to decline over the seven-year period, the ratios

were only healthy at more than 1:1 in the year ended June 2016. In the year ended June 2022, they ratios have fallen to 0.18 quick ratio and 0.19 current ratio as shown in **Table 5** below.

Table 5: Seven-year trend of Current and Quick Ratios

Current Assets	June 2016	June 2017	June 2018	June 2019	June 2020	June 2021	June 2022
Current ratio	1.22	0.85	0.72	0.66	0.39	0.35	0.19
Quick ratio	1.14	0.81	0.68	0.64	0.38	0.34	0.18

The optimal quick ratio is 1:1 or higher, but the University’s ratio in June 2022 is 0.18 which means that current liabilities cannot be met from current assets without the need to sell inventory and agricultural assets. This is a challenge since the University inventories are not for sale, but rather for use in the processes of service delivery-hence may not be sold. The trend in the ratios explain why the university has been accumulating pending bills over the years.

As shown in table 5 and figure 7, both ratios have declined steadily over the last six years. It however still remained at above 1:1 up June 2016, only falling to levels below 1.1 in the years ended June 2017 to June 2022.

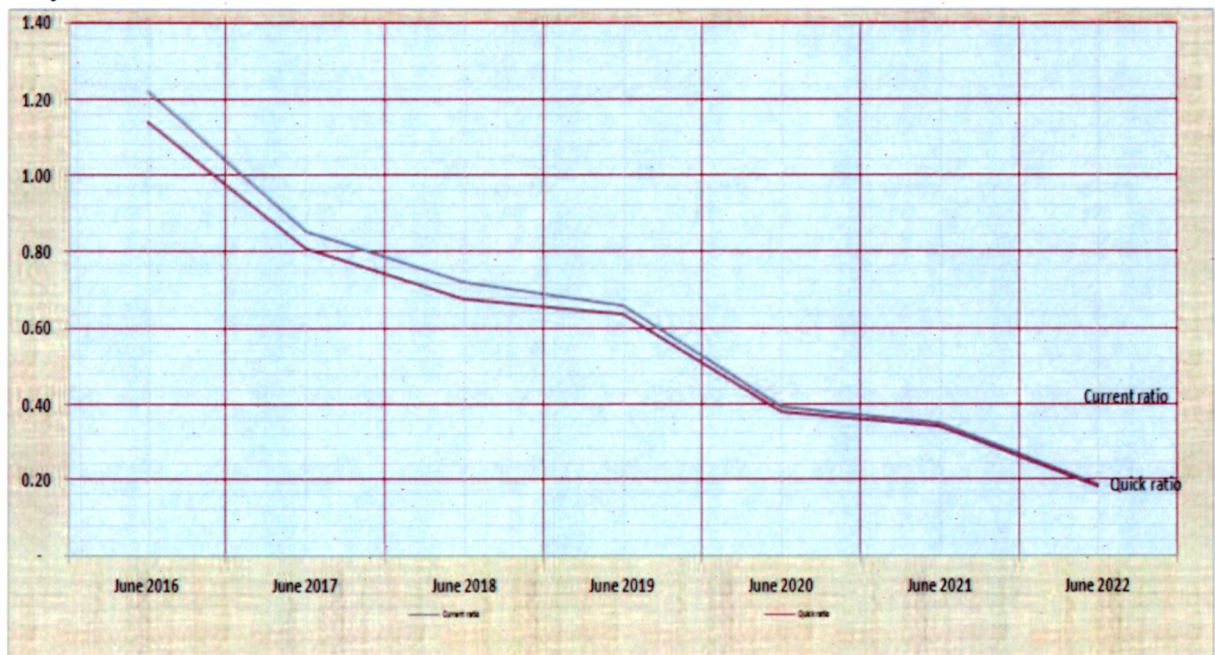


Figure 7: The trend of Current and Quick ratios over the seven-year period

The pending bills as at 30th June 2022 stood at **Kshs. 7.9 billion**, with the largest component being the payroll payables at **Kshs. 6.1 billion**. Table 6 below gives the details of payroll payables.

Table 6: Outstanding Payroll Payables as at 30th June 2022.

NO.	PARTICULARS	AMOUNTS in KSHS.
1	ABSA BANK OF KENYA	2,482,570
2	AFYA SACCO	3,000
3	BORESHA SACCO	1,437,071
4	BANK OF AFRICA	182,748
5	BRITAM INSURANCE	2,735,124
6	CHUNA CO-OP SAVINGS & CREDIT SOCIETY	20,600
7	COMMISSIONER OF DOMESTIC TAXES	751,264,787
8	CO-OPERATIVE BANK	629,345
9	CO-OPERATIVE INS(CIC)	181,172
10	CORPORATE INSURANCE	75,784
11	CFC LIFE	571,514
12	COSMOPOLITANT SACCO	11,278
13	COTU (K)	1,024,600
14	DEFERRED SALARY ACTIVE STAFF	867,711,735
15	Accrual of UASU salaries from Dec 2021 to Feb 2022	168,638,670
16	E.U MEDICAL ACCOUNT	728,741
17	EGERTON COSMOPOLITAN HOUSING CO-OP	2,534,334
18	EGERTON UNIVERSITY FEES ACCOUNT	20,000
19	EGERTON UNIVERSITY GRADE 1- 4 STAFF R.B.S A/C 1159728259	10,314,056
20	EGERTON UNIVERSITY PENSION SCHEME	2,000,515,364
21	EGERTON UNIVERSITY SACCO LTD	1,740,552,306
22	EQUITY BANK	404,819
23	EU A C NKR RECOVERY	2,903,268
24	EU RESEARCH IMPREST	807,008
25	FAMILY BANK	2,998,497
26	FAULU KENYA	27,356,375
27	GUSII MWALIMU SACCO	6,600
28	HELB	19,999
29	ICEA LION LIFE ASSURANCE	532,528
30	IMPREST RECOVERY	1,963,337
31	INDIVIDUAL CHEQUES RESIDENT MAGISTRATE NAKURU	51,513
32	JUBILEE INSURANCE	875,530
33	KENINDIA INSURANCE	5,881
34	KENYA NATIONAL UNION OF NURSES	50,314
35	KENYA VET ASSOCIATION	20,000
36	KMPPDU	1,361,700
37	KUDHEIHA NATIONAL OFFICE (Kshs.300)	2,186,500
38	KUSU- EGERTON OFFICE	31,901
39	KUSU- NATIONAL OFFICE	1,120,858
40	LIBERTY LIFE ASSURANCE KENYA LTD	5,810
41	MADISON INSURANCE	420,130
42	MWALIMU SACCO CO-OP	1,090,431
43	NCBA BANK	2,001,163
44	OLD MUTUAL INSURANCE	409,986
45	SANLAM INSURANCE	233,675
46	SEBOKA M P CO-OP SOCIETY	421,719
47	STANDARD CHARTERED BANK	2,261,066
48	SUMAT MULTIPURPOSE CO OPERATIVE SOCIETY LTD	10,821,921
49	TEACHING NURSERY	29,300
50	UAP LIFE ASSURANCE LTD	2,700
51	UASU (COTU)	4,300
52	UASU NATIONAL	13,721,790
53	UKULIMA SACCO	930,338
54	WINAM SACCO	1,660,758
55	Salary Arrears Advance	10,516,737
56	Gratuity Payable	251,737,521
57	Deferred CBA Arrears	214,626,776
	TOTAL	6,105,227,546

Compliance with Budget

The actual expenditure for the year exceeded the budget. This is due to the fact that the university operated on a budget in which staff costs was budgeted only at 60%. In reality however, the total (100%) of the cost has been reported in the financial statements under the accruals basis even though part of it remains unpaid.

Illiquidity and inability to meet short term financial obligations

The statement of financial position indicates that the university is in serious financial difficulty and may not be able to meet its short-term financial obligations as and when they fall due. This is shown by the poor ratios of Current Assets to Current Liabilities of 0.19 compared to June 2021 of 0.35. The ratio means that the university cannot meet its short-term financial obligations by collecting/liquidating its current assets without the risk of having to dispose of non-current assets i.e. the university is extremely illiquid. The ratio of Current Assets/Current liabilities should always be 1 and above, ideally 1.5.

COMPLIANCE WITH STATUTORY REQUIREMENTS

The University has endeavoured to comply with all statutory requirements during the period under review. However due to financial constraints the University had not remitted **Kshs.1.6** billion relating to staff pension schemes and **Kshs. 421** million for Pay-As-You-Earn for the year ended June 2022.

KEY PROJECTS AND INVESTMENT DECISIONS

The University is constructing an ultra-modern library at the cost of Ksh 2.4 billion, which is fully funded by the Government.

MAJOR RISKS FACING THE ENTITY

The University is facing serious financial difficulty and may not be able to meet its short-term financial obligations as and when they fall due. The University's continued realization of deficits from operations and negative net current assets have an impact of reducing the total net assets. If this is sustained over a long period of time, outstanding liabilities could rise to a level beyond both current and non-current assets value. This can easily lead to total bankruptcy i.e. a situation in which all assets of the university (current and non-current) are not sufficient to meet its outstanding financial obligations.

MATERIAL ARREARS IN STATUTORY/FINANCIAL OBLIGATIONS

At the close of the year, the University had other unremitted payroll deductions amounting to **Kshs. 6.1 billion** (refer to Table 6 presented in page 36 for the breakdown). The PAYE has accrued penalties amounting to **Kshs. 66.7 million** while the interests are **Kshs. 2.2 billion**

(Kshs. 266 million, Kshs. 457 million, Kshs. 1.52 billion for PAYE, Pension Scheme and EU Sacco respectively).

FINANCIAL PROBITY AND SERIOUS GOVERNANCE ISSUES

The University has no major financial improbity as reported by internal audit/Council audit committee, external auditors, or other National Government Agencies.

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Egerton University exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the University's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The university has been facing financial difficulties in recent years leading to a situation in which the university is unable to meet its financial obligations as and when they fall due.

The factors leading to this unfortunate situation are declining annual GoK Capitation, declining fees from students, unfunded Pension Component of the 2010-2013 & 2013/2017 CBAs and increase in payroll costs due to CBAs with no corresponding increase in funding, and the impact of COVID-19 Pandemic and the staff strikes on November 2020 and December 2021 to February 2022. The university has an accumulated pending bills including staff salaries of **Kshs.7.9 billion** as at 30th June 2022.

The university has taken steps to deal with the situation by closing its campuses in Baringo and Nairobi City, and shrinking operations in Nakuru Town Campus College in order to cut down on costs.

To help reduce staff costs, the university has not been replacing staff who are exiting service by natural attrition, especially administrative and support staff. However, the impact of the new CBA 2017-2021 is reversed these gains made in reducing the payroll cost, given the associated shortfall explained above.

The university has implemented and continues to implement strict austerity measures, all in a bid to cut down on costs. This has led to reduction in costs in the financial year under review.

The university in its efforts to enhance its internal revenue generation capacity, has prepared business plans for implementation in a bid to bolster the profitability of its income generating units. This is expected to bear fruit in the coming financial year.

The university is working on reforms to its operating and administrative structures aimed at making operations more effective and cost-effective. Some of these reforms include:

- Reviewing academic programs with the aim of eliminating programs that are not attractive sufficient numbers of students.
- Investing more on e-learning. Under this mode, few lecturers are able to teach more students, it is averse to the covid-19 pandemic among other benefits.

- Reviewing the administrative units in the university e.g. Directorates, Faculties, Departments etc. with the aim of enhancing efficiency and effectiveness.

ii) Corporate Social Responsibility / Community Engagements

a) Tree-planting at Water Dam Site.

To promote environmental conservation, Egerton University staff, students and the community, on Saturday 31 July 2021, held a tree planting event at the University's Water Dam site next to University Botanical Garden. The Department of Civil and Environmental Engineering (CEEN), and the Department of Natural Resources (NARE), in conjunction with the Egerton University Students Association (EUSA) organized the event that saw 2,674 seedlings planted that day.

Participants in the event pledged to take the event beyond the one-day activity by adopting and nurturing the seedlings they had planted. In addition to tree planting, the function also served as a platform to raise funds that will be used to fabricate dustbins within the Main Campus. Egerton University will facilitate the installation of these dustbins during an upcoming University clean-up day.

The Chinese Director, Confucius Institute Li Zhenghon, who graced the event, used the event to teach their Chinese and African students the importance of cooperation and collaboration to improve the environment and fight climate change. Participating departments included the Directorate of Marketing and Resource Mobilization represented by Dr Chakava, Faculties of Natural Resources and Environmental Sciences, Arts and Social Sciences, Agriculture and Confucius Institute.



“Transforming Lives Through Quality Education”



b) Environmental Clean Up exercise.

On Tuesday 24th May 2022 Egerton University students participated in environmental cleanup exercise. Litter collection was done within the streets of Njokerio. A total of 196 Students participated in the activity



c) Seeds of Gold Magazine

The Seeds of Gold Magazine published by the Nation Media Group every Saturday since its launch on the February 15th, 2014 is a farmers' knowledge sharing magazine. Egerton University is contributing to the Magazine through writing of articles and providing expert answers to questions posted to the Magazine by readers of the magazine. In addition to offering expert answers posed by readers and farmers, various articles have been published, authored by staff from various faculties: Agriculture, Veterinary Medicine, Sciences and Environment.

10. REPORT OF THE COUNCIL

The Council submits their report together with the financial statements for the year ended June 30, 2022 which show the state of the University's financial affairs.

Principal activities

The principal activities of the University are shown on pages 3- 4.

Results

The results of the University for the Year ended June 30th, 2022 are set out on pages 48 – 94.

Council

The members of the University Council who served during the year are shown on page 7 - 10. The Council member remained the same during the year as there were no new appointments.

Auditors

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

By order of the Council



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor/Secretary to The Council

29th September 2022
Date

11. STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITY

Section 81 of the Public Finance Management Act, 2012 and Section 47 of the Universities Act, 2012 require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management (PFM) Act, 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2022, and of the University's financial position as at that date. The council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The University's financial statements were approved by the Council on 29th September 2022 and signed on its behalf by:



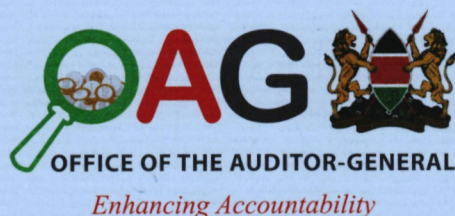
Amb. Dr. Luka H. Wario, PhD, CBS
Chairman, Egerton University Council



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor

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REPORT OF THE AUDITOR-GENERAL ON EGERTON UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Egerton University set out on pages 48 to 103, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Egerton University as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the University Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Sustainability of Services

The statement of financial performance reflects a deficit of Kshs.1,527,902,227 resulting to accumulated deficit of Kshs.6,624,709,168 for the year under review. Further, the statement of financial position reflects total current assets and liabilities balances of Kshs.1,697,071,948 and Kshs.8,570,105,995 respectively resulting in negative working capital of Kshs.6,873,034,047. This is an indication of the existence of material uncertainty which casts doubt on the University's ability to continue to sustain services and to meet its obligations as and when they fall due. However, the material uncertainty in relation to sustainability of services and the mitigation measures put in place to reverse the situation have not been disclosed in the financial statements.

In the circumstances, the continued survival and ability of the University to continue to sustain its services is dependent on continued Government support.

2. Irregular Legal Charges

The statement of financial performance and as disclosed in Note 16 to the financial statements reflects administration and central services expenses of Kshs.1,188,118,035. The amount includes legal charges of Kshs.9,184,64 which relates to case files which have been pending for long but are not disclosed as contingent liabilities as detailed below:

2.1 Case Number, Nairobi HCC 2527 of 1996

The plaintiff sued the University for the supply of goods valued at Kshs.4,690,651 cost plus interest which it alleges is owed by the University. The status report indicates that the University was to file an application for dismissal of suit for want of prosecution, but the court file was not traced.

2.2 Case Number Nakuru MCC 962 of 1996

The plaintiff was an employee at the University's Ngongogeri farm. He filed the case alleging wrongful dismissal and loss of property after he was evicted from the farmhouse,

for a total cost of Kshs.700,000. Judgement was entered and the plaintiff was awarded Kshs.70,000 to which the plaintiff appealed and the appeal is still pending.

2.3 Case Number Nairobi CMCC 3920 of 2002

The claimant sued University for Kshs.2,354,764 including costs and 36% interest for aluminum works at the University Physical Science Complex in 1999. The University had given a proposal for settlement at Kshs.1,034,923 being outstanding sum, 12% interest per annum charge on principal amount but the claimant declined. However, no file and or documentation was presented for audit to establish the origin of the case and why the claimed had not been paid.

2.4 Case Number Nairobi HCC 217 of 2003

The claimant alleged termination of insurance policy agreement that was running from 1991 and renewed annually by the University for five (5) years after the enactment of procurement law allowing competitive bidding in place of single sourcing. The said policies had a clause that in the event of termination, the discounts given will fall due. The plaintiff sued for Kshs.6,609,896 being unremitted premiums, Kshs.4,507,857 thereof being discounts earlier allowed. The University has lodged a counter claim against the claimant of Kshs.4,351,543 for overpayment of premiums. Matter was filed in Nairobi and are in the process of applying for its transfer to Nakuru.

2.5 Case Number Nakuru CMCC No.2509 of 2004

The University filed a claim against the defendant in 2014 and obtained judgement in its favor. Upon pursuit of the decretal amount from the defendant/debtor in vain, the University instructed its lawyers to pursue the same through auctioneers who were able to attach the defendant's motor vehicle valued at Kshs.300,000. The defendant/debtor never came forward to clear the remaining amount and the same auctioneers tried to trace any other movable property owned by the debtor and even traced the debtor but all efforts came to a naught. The University came across obituary of the debtor and recommended that the outstanding debt be written off.

In the circumstances, the accuracy, propriety and disclosure of legal charges totalling to Kshs.9,184,64 for the year ended 30 June, 2022 could not be confirmed.

3. Interest Payable on Delayed Remittance of Payroll Deductions

The statement of financial performance and as disclosed in Note 16 to the financial statements reflects administrative and central services costs of Kshs.1,188,118,035. The amount includes interest payable on delayed remittance of payroll deductions amounting to Kshs.706,456,019 as shown below:

Description	Amount (Kshs)
Interest on Outstanding Pension Contributions	180,911,241
Interest on PAYE	15,124,545
Interest on Outstanding EU Sacco Deductions	510,420,233
Totals	706,456,019

However, the basis for computing the interest was not provided for audit review. However, there is no evidence of management having engaged with the affected Organization in an effort to have the interests charged waived. Further, the expenditure has not been budgeted for.

In the circumstances, the accuracy and validity of interest payable on payroll deductions of Kshs.706,456,019 for the year ended 30 June, 2022 could not be confirmed.

4. Receivables from Exchange Transactions

The statement of financial position as disclosed in Note 27(a) to the financial statements reflects receivables from exchange transactions balance of Kshs.1,001,255,396. The following unsatisfactory matters were however noted:-

4.1 Long Outstanding Imprest

Included in the balance is long outstanding imprest balance of Kshs.107,167,608 with some dating far back to 2014. However, no recoveries have been made from the salaries of the defaulting officers contrary to Regulation 92 of the Public Finance Management (National Government) Regulations, 2015 requires a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. Further, no interest has been levied on the outstanding imprest pursuant to the provisions of the Regulations 92.

4.2 Long Outstanding Student Debtors

Included also in the balance is student debtors of Kshs.848,321,383. The balance further includes Kshs.360,187,445 due from students who have left the University. Management has not made efforts to recover the amount which have been outstanding for over five (5) years nor adjustments made to provide for likely impairment in accordance with the University's Credit and Debt Management Policy which requires write off of debts that are older than five (5) years.

In the circumstances, the accuracy and fair statement of receivables from exchange transactions balance of Kshs.1,001,255,396 as at 30 June, 2022 could not be confirmed.

5. Unsupported Prior Year Adjustment

The statement of financial position reflects accumulated deficit balance to Kshs.6,624,709,168 comprising of the deficit for the year of Kshs.1,527,902,227 and a prior adjustment of Kshs.1,606,224,206 which is unsupported.

In the circumstances, the accuracy and fair statement of the accumulated deficit balance of Kshs.6,624,709,168 as at 30 June, 2022 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Egerton University Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements

applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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. There were no key audit matters to report in the year under review.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unauthorized Bank Overdraft

The statement of financial position under current liabilities reflects bank overdraft (negative cash balances) of Kshs.261,600,780 as at 30 June, 2022. Review of the available records revealed that, the University's account held as Kenya Commercial Bank was overdrawn to the tune of Kshs.239,167,819 without authority from the National Treasury contrary to the provisions of Regulation 82(7) of the Public Finance Management (National Government) Regulations, 2015 which requires that no official Government bank account shall be overdrawn, nor shall any advance or loan be obtained from a bank account for official purposes beyond the limit, authorized by the National Treasury. Management indicated that the bank overdraft was approved by the University Council.

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

2. Unremitted Staff Deductions

The statement of financial position reflects trade and other payables balance of Kshs.7,340,485,835 as disclosed in Note 32(a) to the financial statements. Included in the balance is payroll payables comprising of salary deductions and pension contributions totalling to Kshs.6,105,227,546 which had not been remitted to the statutory entities contrary to the Section 37(1) of the Income Tax Act which states that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed. The payroll payables were also not supported by way of detailed listing of the staff from whom the deductions were made and the respective amounts.

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

3. Stalled Projects

As reported in the previous year report, included in the work-in-progress balance of Kshs.912,668,913 reflected in the statement of financial position and Note 30(b) to the financial statements are stalled projects valued at Kshs.435,545,277. The projects status of the stalled projects remain unchanged.

In the circumstances, the completion of the projects remains doubtful, and amounts spent of Kshs.435,545,277 to 30 June, 2022, has not benefited the intended beneficiaries.

4. Computer Maintenance

The statement of financial performance and as disclosed in Note 16 to financial statements reflects administration and central services totalling Kshs.1,188,118,035. The amount includes computer maintenance of Kshs.5,371,360, however, the expenditure exceeds the budget of Kshs.1,932,554 resulting to unauthorized expenditure of Kshs.3,438,806 which contrary to Public Finance Management Regulation (National Government) 2015 Regulation number 51(2) and (3) Expenditure commitments for goods and services shall be controlled against spending and procurement plans approved by the responsible Accounting Officer, based on allocations and allotments from approved budgets. The Accounting Officer of that Government entity shall make an expenditure commitment only against the procurement plan approved for that entity in accordance with the Public Procurement and Disposal Act, 2005 and the Regulations made thereunder.

The Management is in breach of the law.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 3000 and 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal control 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 control, risk management and overall governance.

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

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

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

Those charged with governance are responsible for overseeing the 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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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


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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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

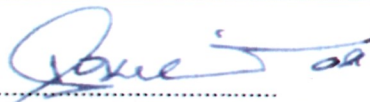

CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

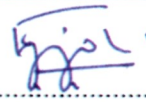
24 April, 2023

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

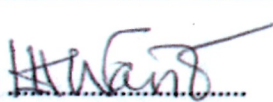
Particulars	Notes	2021-2022 Kshs.	2020-2021 Kshs.
Revenue from Non-Exchange Transactions			
GoK Recurrent Capitation Grant	6 (a)	2,231,277,478	2,098,946,927
Research & Extension Income	7	344,651,164	250,219,370
CESAAM ACE 2 Income	8	125,565,839	164,207,237
MCF TAGDEV Income	9	137,371,317	118,123,413
Tegemeo Income	10	132,066,894	124,042,943
Other Revenue from Non-Exchange Transactions	11	526,921	-
Total Revenue from Non-Exchange Transactions		2,971,459,613	2,755,539,890
Revenue from Exchange Transactions			
Tuition and Related Fees	12	996,881,645	583,267,363
IGU's Incomes	13 (a)	126,866,051	91,619,332
Other Services Rendered	13 (b)	25,877,748	28,600,706
		1,149,625,444	703,487,401
Total Revenue		4,121,085,057	3,459,027,291
Expenditure			
Staff Costs	14	3,319,706,520	3,189,990,440
Council Expenses	15	16,106,147	15,532,485
Administrative and Central Services	16	1,188,118,035	480,763,690
Repairs and Maintenance Expenses	17	52,286,645	98,580,124
Academic Departments Expenses	18	136,159,644	129,239,943
Research & Extension Expenses	19	332,989,670	247,355,310
CESAAM ACE 2 Expenses	20	125,531,607	164,207,237
MCF TAGDEV Expenses	21	137,371,317	118,123,413
Tegemeo Expenses	22	128,772,567	154,923,743
IGU Expenses (Inputs)	23	89,656,514	47,169,110
Depreciation Expenses	24	121,342,989	129,653,282
		5,648,041,655	4,775,538,777
Other Gains/(Losses)			
Gain/(Loss) on Shares			28,857
(Decrease) increase in Provision for bad debts		266,275	(239,296)
Gain on Foreign Exchange	25	(411,570)	27,754,585
Gain (Loss) on biological Assets		(5,028,300)	(10,508,218)
Gain (Loss) on Disposal of Assets		4,227,965	-
		(945,630)	17,035,929
Deficit for the Period		(1,527,902,227)	(1,299,475,557)
Attributable to:			
Owners of the controlling entity		(1,527,902,227)	(1,299,475,557)


 Prof. Isaac O. Kibwage, PhD, HSC
 Vice Chancellor

Date:


 CPA Charles K. Wanjohi
 Ag. Finance Officer
 ICPAK Member No.8804

Date:


 Amb. Dr. Luka Huqa Wario
 Chairman, University Council

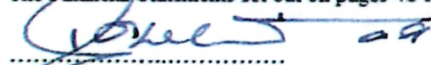
Date:

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Particulars	Notes	2021-2022	2020-2021
		Kshs.	Kshs.
ASSETS			
Current Assets			
Cash in Bank and in Hand	26 (a)	591,255,728	380,781,289
Contingent Deposit	26 (b)	53,000,000	53,000,000
Receivables from Exchange Transactions	27 (a) & (b)	1,001,255,396	987,169,473
Inventories	28	30,474,339	30,399,586
Agricultural Assets	29	21,086,485	26,114,785
		1,697,071,948	1,477,465,132
Non Current Assets			
Property, Plant & Equipment	30 (a)	4,178,057,758	4,288,115,251
Work in Progress (WIP)	30 (b)	912,668,913	904,434,993
Investments	31	150,119,859	150,119,859
		5,240,846,530	5,342,670,103
Total Assets		6,937,918,478	6,820,135,235
LIABILITIES			
Current Liabilities			
Negative Cash Balances	26 (c)	261,600,780	379,554,765
Trade and Other Payables	32 (a)	7,340,485,835	4,059,403,553
Provisions and Accruals	32 (b)	609,382,215	535,218,641
Deferred Income	32 (c)	358,637,165	344,019,360
		8,570,105,995	5,318,196,319
Total Liabilities		8,570,105,995	5,318,196,319
Net Assets		(1,632,187,517)	1,501,938,917
General fund		4,992,521,651	4,992,521,651
Accumulated Surplus(Deficit)		(6,624,709,168)	(3,490,582,735)
Total Capital and Liabilities		(1,632,187,517)	1,501,938,917

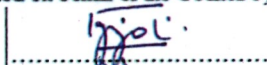
The notes set out on pages 53 to 94 form an integral part of these Financial Statements.

The Financial Statements set out on pages 48 to 52 were signed on behalf of the Council by:



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor

Date:



CPA Charles K. Wanjohi
Ag. Finance Officer
ICPAK Member No.8804

Date:



Amb. Dr. Luka Huqa Wario
Chairman, University Council

Date:

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022.

Particulars	Note	Capital Reserves	Revenue Reserves	Total
		Kshs.	Kshs.	Kshs.
At July 1, 2020		4,953,491,207	(2,191,107,178)	2,762,384,030
Capital Grants	6(b)	39,030,444		39,030,444
Deficit from operations			(1,299,475,557)	(1,299,475,557)
At June 30, 2021		4,992,521,651	(3,490,582,735)	1,501,938,917
At July 1, 2021		4,992,521,651	(3,490,582,735)	1,501,938,917
Deficit from operations			(1,527,902,227)	(1,527,902,227)
Prior year Adjustments			(1,606,224,206)	(1,606,224,206)
At June 30, 2022		4,992,521,651	(6,624,709,168)	(1,632,187,517)

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Notes	2021-2022 Kshs.	2020-2021 Kshs.
Operating Activities			
Deficit for the year		(1,527,902,227)	(1,299,475,557)
Adjustments for			
Depreciation	24	121,342,989	129,653,282
Movement in Provisions for the year	32 (b)	74,163,574	64,934,422
Movement in Deferred Income for the year	32 (c)	14,617,805	14,088,634
Prior year adjustments		(1,606,224,206)	
(Profit) Loss on disposal of Assets	25	(4,227,965)	-
(Gain) Loss on Revaluation of Shares			(28,857)
		(2,928,230,030)	(1,090,828,077)
Changes in Working Capital			
(Increase) Decrease in Biological Assets	29	5,028,300	10,508,218
(Increase) Decrease in Receivables	27 (a)	(14,085,923)	476,739,334
(Increase) Decrease in Inventories	28	(74,754)	4,244,761
Increase (Decrease) in Payables	32 (a)	3,281,082,282	265,028,922
		3,271,949,905	756,521,235
Cash Generated from Operations		343,719,875	(334,306,842)
Investing Activities			
Purchase of Property, Plant and Equipment	30 (a)	(19,519,416)	(27,428,477)
Cash on Disposal of Assets	25	4,227,965	-
Net Cash from Investing Activities		(15,291,451)	(27,428,477)
Financing Activities			
GoK Capital Grants	6 (b)	-	39,030,444
Net Cash from Financing Activities		-	39,030,444
Net Increase/(Decrease) in Cash and Cash Equivalents		328,428,424	(322,704,875)
Cash and Cash Equivalents at the start of the period		54,226,524	376,931,351
Cash and Cash Equivalents at the Close of the period	26 (d)	382,654,948	54,226,524

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Particulars	Note	Original Budget 2021/2022 Kshs.	Adjustments 2021/2022 Kshs.	Final Budget 2021/2022 Kshs.	Actual on Cumulative to date 2021/2022 Kshs.	% of Utilization
Revenue from Non-Exchange Transactions						
Govt Recurrent Capitalism Grant	6 (a)	2,019,242,428		2,019,242,428	2,019,242,428	101%
Research & Extension Income	7	91,135,809	173,070,392	264,206,201	344,651,164	130%
Other Revenue from Non Exchange Transactions	11				250,921	0%
CESAAM ACE 2	8	74,398,129	20,680,261	95,087,390	125,565,830	132%
MCT TAGDEV	9	64,478,378	24,566,351	89,044,729	137,371,317	154%
Tegemco Income	10	97,924,785	10,896,127	117,820,912	132,066,804	112%
Total Revenue from Non-Exchange Transactions		2,547,184,529	238,222,131	2,785,406,660	2,971,459,613	107%
Revenue from Exchange Transactions						
Tuition and Related Fees	12	1,001,002,097		1,001,002,097	990,881,615	99%
Other Services Rendered	13	160,942,837	-	160,942,837	152,743,799	95%
		1,164,944,934		1,164,944,934	1,149,625,444	99%
Total Revenue		3,712,129,463	238,222,131	3,950,351,594	4,121,085,057	104%
Expenditure						
Staff Costs	14	2,308,254,847	(3,450,000)	2,304,804,847	2,319,706,520	144%
Council Expenses	15	17,983,200	-	17,983,200	16,106,147	90%
Administrative and Central Services	16	513,463,863	15,950,000	529,413,863	1,180,167,085	224%
Repairs and Maintenance Expenses	17	107,646,000	(5,000,000)	102,646,000	52,286,645	51%
Academic Departments Expenses	18	217,610,720	(2,300,000)	215,310,720	190,139,611	88%
Research & Extension Expenses	19	111,107,953	173,070,392	284,178,345	332,989,670	117%
CESAAM ACE 2 Expenses	20	71,398,129	30,689,261	102,087,390	125,565,830	123%
MCT TAGDEV Expenses	21	64,478,378	24,566,351	89,044,729	137,371,317	154%
Tegemco Expenses	22	97,924,785	19,896,127	117,820,912	128,772,567	109%
Depreciation Expenses	23	53,012,738	-	53,012,738	88,612,464	167%
Total Expenditure	24	3,597,879,463	238,222,131	3,836,101,594	4,648,041,655	147%
Other gains/(Losses)					(411,570)	
Gain/(Loss) on Foreign Exchange					(5,028,300)	
Gain/(Loss) on Biological Assets					4,227,965	
Gain/(Loss) on Disposal of Assets					(945,630)	
Surplus/ (Deficit) from Recurrent Budget		114,250,000	(0)	114,250,000	(1,527,002,227)	
Capital Expenditure	30 (a)	114,250,000	-	114,250,000	19,519,416	17%
Deficit for the Period		0	(0)	0	(1,547,421,644)	

Reasons for material variances refer to note 38 on page 92.

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Egerton University is established by and derives its authority and accountability from Universities Act No 42 of 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activities are outlined on pages 3-4.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University. The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

The Annual Report and Financial Statements for period ended 30th June 2022 for Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) have been presented separately for audit purpose. However, the same have been consolidated in these Financial Statements.

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2022

Standard	Impact
Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.

Standard	Impact
	<p>b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.</p> <p>c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.</p> <p>d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.</p> <p>The University does not have any leases, and is not a first time adopter of the accrual basis, and therefore these standards do not apply.</p>

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022**

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity’s risk management strategies and the accounting treatment

Standard	Effective date and impact:
	for instruments held as part of the risk management strategy.
IPSAS 42: Social Benefits	Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity’s financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	Applicable: 1st January 2023: a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

iii. Early adoption of standards

The University did not early – adopt any new or amended standards in year 2021/2022.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the University and the fair value of the asset can be measured reliably.

Transfers from other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the University and can be measured reliably.

Rendering of Services & Fees

The University recognizes revenues from fees when the event occurs and the asset recognition criteria are met.

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

ii) Revenue from Exchange Transactions

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of Goods

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) Revenue from Exchange Transactions (Continued)

Rental Income

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

b) Budget Information

Budget Information

The original budget for Financial Year 2021-2022 was approved by the National Assembly in July 2021. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget.

The University's annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the University. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis or timing differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

c) Taxes

The University is tax exempt as per the Income Tax Act, 2014.

d) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition 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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Property, Plant and Equipment (Continued)

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.

Land is not depreciated as it is deemed to have an infinite life. Depreciation on other property is charged so as to write off the assets during their estimated useful life, using the straight-line method. Assets acquired during the year attract full depreciation charge.

The annual rates used are: -

Buildings	-	2.5%
Machinery & equipment	-	20%
Furniture & fittings	-	12.5%
Dairy equipment / plant / tractors	-	10%
Motor vehicles	-	25%
Library books	-	20%
Computers and Appliances	-	33.3%

e) Intangible Assets

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

f) Research and Development Costs

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Research and Development Costs (Continued)

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g) Financial Instruments

Financial Assets

Initial recognition and measurement

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

Loans and Receivables

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial Instruments (Continued)

Held-to-Maturity

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

Impairment of Financial Assets

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

Evidence of impairment may include the following indicators:

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

Financial Liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories

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

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

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

i) Agricultural Assets

Agricultural activity is the management by the University of the biological transformation and harvest of biological assets. Biological Asset is a living animal or plant. There are three groups of agricultural assets: -

Agricultural Produce: Is the harvested product of the University's biological assets.

Bearer Biological Assets: Are those that are used repeatedly or continuously for more than one year in an agricultural activity e.g. breeding stocks (including fish and poultry), dairy animals, and sheep

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Agricultural Assets (Continued)

Consumable Biological Assets: Are those that are held for harvest as agricultural produce such as animals and plants for one-time use e.g. beef animals, fish in farms, crops such as maize and wheat.

Biological assets are measured on initial recognition and at each reporting date at its value less costs to sell except where fair value cannot be measured reliably. In such case the biological asset shall be measured at cost less any accumulated depreciation and any impairment loss as per IPSAS 27.

j) Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits

or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

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.

Contingent Assets

The University does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Provisions

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.

Provision for bad debts

A general provision for bad and doubtful debts is provided for at the year-end at 1% of outstanding general and student debtors.

k) Nature and purpose of reserves

The University has a capital reserve which represents the government's interest in the net assets/equity of the university and is a combination of contributed capital by the government and the aggregate of the University's accumulated surpluses or deficits and reserves that reflect the net assets/equity attributable to the University's operations.

l) Changes in Accounting Policies and Estimates

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

m) Employee Benefits

Retirement Benefit Plans

The University provides retirement benefits for its employees. Defined contribution plans are post employment benefit plans under which the University pays fixed contributions into a separate trustee administered fund, and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to the fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Employee Benefits (Continued)

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

The University also contributes to the National Social Security Fund (NSSF) for staff in grade I to IV. The University's obligations under this scheme are limited to specific contributions legislated from time to time, and are currently limited to a maximum of KSh 200 per employee per month while the employer contributes a similar per month. The University's obligation to staff retirement benefit schemes are charged to the statement of the financial performance in the year to which they relate.

n) Foreign Currency Transactions

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

o) Related Parties

The University regards a related party as a person or an University with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa. Members of key management are regarded as related parties and comprise the council members and senior managers.

p) Service Concession Arrangements

The University analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the University recognizes that asset

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Service Concession Arrangements (Continued)

when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement.

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

q) Cash and Cash Equivalents

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

r) Comparative Figures

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

s) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The University based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the University. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful Lives and Residual Values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 27(b).

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 6 : - Income - GoK Recurrent Capitation Grants

Particulars	2021-2022 Kshs.	2020-2021 Kshs.
<u>GoK Capitation Grants</u>		
July	184,937,286	174,912,244
August	184,937,286	174,912,244
September	184,937,285	174,912,243
October	184,937,286	174,912,244
November	184,937,286	174,912,244
December	184,937,285	174,912,244
January	184,937,286	174,912,244
February	184,937,286	174,912,244
March	184,937,285	174,912,244
April	184,937,286	174,912,244
May	190,952,311	174,912,244
June	190,952,310	174,912,244
	-	-
Total GoK Recurrent Grants	2,231,277,478	2,098,946,927

Note 6 (b) Income-GoK Development Grants

Particulars	2021-2022 Kshs.	2020-2021 Kshs.
September	-	39,030,444
Total GoK Development Grants	-	39,030,444

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 C. Break down of Transfers from the State Department of Education, Ministry of Education

FY 2021/2022			
Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	3-Aug-21	184,937,286	2021/2022
	1-Sep-21	184,937,286	2021/2022
	29-Sep-21	184,937,285	2021/2022
	2-Nov-21	184,937,286	2021/2022
	26-Nov-21	184,937,286	2021/2022
	28-Dec-21	184,937,285	2021/2022
	1-Feb-22	184,937,286	2021/2022
	2-Mar-22	184,937,286	2021/2022
	1-Apr-22	184,937,285	2021/2022
	28-Apr-22	184,937,286	2021/2022
	6-Jun-22	190,952,311	2021/2022
	28-Jun-22	190,952,310	2021/2022
	Total	2,231,277,478	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 7 :- Research & Extension Income		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 AICAD-RE02-Income	6,105	5,240
2 DAAD EBR-RE05-Income	135,605	1,679,325
3 Department of Defence-RE06-Income	21,740,000	23,123,000
4 Dryland Farming-RE07-Income	18,425	5,240
5 Economics Department-RE08-Income	398,640	6,363
6 Fingerponds-RE10-Income	7,715,308	7,036,577
7 Gift Shop-RE11-Income	65,150	94,660
8 Global Fund for TB-RE12-Income	6,105	6,305
9 Globalite-RE13-Income	14,263,427	13,080,483
10 Greenhouses-RE14-Income	291,365	491,887
11 KAPP GRANTS-RE18-Income	10,568,003	7,290,915
12 Natural Resources-RE20-Income	3,106,601	382,555
13 NORAGIC-RE21-Income	3,077,635	125,291
14 OSSREA Young Scholars-RE22-Income	22,766,465	51,807,420
15 PRA-RE23-Income	16,652,598	179,945
16 Research & Extension-RE25-Income	19,849,121	5,706,663
17 ROSA Project-RE27-Income	797,501	380,205
18 TAMOU 01C-RE29-Income	41,215,550	8,737,232
19 Training-RE33-Income	208,261	122,000
20 Vertisol Managemnt-RE34-Income	199,571	5,240
21 OSSREA Post-Doctoral-RE37-Income	1,656,185	292,320
22 ECOLIVE Project-RE40-Income	3,249,257	1,805,626
23 Wetland Ecosystem-RE41-Income	4,307,911	4,477,648
24 Limnology-RE42-Income	17,629,571	10,503,086
25 ECO-HELB-RE43-Income	6,105	5,240
26 Global Fund-RE44-Income	22,668,239	22,095,006
27 Confucious Institute-RE45-Income	3,825,238	2,661,590
28 COELIB Projects-RE46-Income	66,478,033	5,675,917
29 Pytochem Projects-RE47-Income	56,945,004	76,739,452
30 AGEK dollar Account-RE51-Income	1,303,380	3,525,427
31 AERC 2 Project - RE52-Income	3,500,805	2,171,512
	344,651,164	250,219,370

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 8 : - CESAAM ACE 2		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 CESAAM ACE 2	125,565,839	164,207,237
	125,565,839	164,207,237
Note 9 : - MCF TAGDEV		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 MCF TAGDEV	137,371,317	118,123,413
	137,371,317	118,123,413
Note 10 :- Tegemeo Institute Income		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 PAM KMDP Income	8,609,361	1,430,070
2 TAPRA I Income	1,690	3,120
3 Dollar A/c Income	-	21,902
4 RFCCP Income	6,526	6,472
5 KBSP Income	344,177	404,343
6 TAPRA II Income	6,910,649	4,511,059
7 MLE Income	1,133	1,124
8 ISSD Income	-	3,087,624
9 3ie Income	-	247,890
10 TAMPA II Income	16,199	17,483
11 ReNAPRI Income	2,062,947	741,078
12 ODI Income	-	339,677
13 AFA Income	2,735,060	1,351,579
14 AIGHD 2 Income	-	208,654
15 AATF Income	-	3,113,953
16 KEPHIS Income	1,558,805	66,359
17 BFAP Income	241,710	1,028,800
18 KCSAP Income	35,261,426	54,607,772
19 RTI Income	14,177,014	5,120,464
20 EXETER Income	3,029,884	1,986,154
21 KDB Income	-	12,428,099
22 NARIGP Income	284,088	25,157,877
23 GIZ Income	553,006	342,000
24 IDS Income	-	1,027,206
25 PEMEFA Income	-	325,565
26 LINCOLN Income	-	837,133
27 AGRO CHEM Income	1,241,343	949,723
28 F4APK Income	3,313,945	4,679,766
29 TEGEMEO ALLIN 1	7,938,866	-
30 LSSF Income	4,765,525	-
31 PIATA MATHEMAT Income	192,850	-
32 PEDL Income	26,730,561	-
33 SARA-KE Income	10,943,078	-
34 ALLIN 2 Income	1,147,050	-
	132,066,894	124,042,943

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 11 : - Other Non-Exchange Income		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Income-Other Incomes- Advertising Income - Main	330,821	-
2 Partners Donations & Grants -Donations	196,100	-
	526,921	-
Total Non-Exchange Income	740,182,135	656,592,963
Note 12 : - Income-Tuition and Related Fees		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Application Fee	1,328,348	2,391,842
2 Registration Fee	23,044,100	14,545,300
3 Student I/D	2,963,640	2,170,100
4 Activity Fees	18,516,600	11,613,000
5 Student medical fee	38,267,700	23,735,018
6 Examination Fee	59,859,400	37,261,600
7 Material Development	65,675,000	41,111,900
8 Graduation Fees	7,476,000	10,472,840
9 Library Fee	39,659,500	24,749,585
10 Tuition Fee	618,048,692	349,137,958
11 Student Supervision Fee	11,132,000	7,390,000
12 Field Attachment fee	27,637,360	19,195,440
13 Student Laboratory fee	21,325,000	12,870,000
14 Academic Trascripts	170,100	79,300
15 Certificate Storage Charges	838,200	809,700
16 Library Fine	178,500	119,070
17 Test & Vaccination- NTCC	1,462,500	1,200,000
18 Gowns Hire & Penalties	1,664,453	261,750
19 Credit Transfers	23,350	-
20 Remarking & Retake	28,699,100	5,777,300
21 Short Courses	473,602	1,447,160
22 ICT Charges	24,635,000	14,515,000
23 Re-registration	3,047,500	1,436,500
24 Interfaculty Transfer Fee	756,000	977,000
	996,881,644.85	583,267,362.95

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 13 : -IGUs Income & Other Services Rendered		
Note 13a : - Income-IGUs Incomes		
Particulars	2021-2022	2020-2021
	Kshs.	Kshs.
1 Accomodation Fees-Halls	69,565,709	51,399,716
2 Accomodation Fees - NTCC	165,300	501,060
3 Income from Medical Department	11,084,169	4,176,081
4 Gift Shop Income	54,000	-
5 Income from Animal Health dept	9,800	-
6 Catering (Meals)	21,195,168	15,850,193
7 Photocopying Charges	21,225	-
8 Sale of Beef - Kenyatta Campus	216,600	-
9 Sale of Firewood - Estates	550,550	438,120
10 Sale of Horticultural Products - Estates	78,980	39,085
11 Dairy Income	2,284,950	4,723,680
12 TAP Income	2,679,204	3,986,861
13 Sale Of Milk - Kenyatta Campus	387,835	-
14 Sale of Stationery	-	16,515
15 Sale of Text Books	4,625	188,606
16 Uiversity Press Income	9,270,820	3,031,044
17 Tailoring Income	693,507	603,707
18 Income from OUTZ-IGU	15,000	1,179,584
19 Mortuary Income - IGU	4,559,000	4,120,300
20 Visiting Group Levy- Main	2,573,500	113,900
21 Visitors Accomodation Charges	377,250	427,600
22 Water/Electricity Charges	768,740	31,480
23 Sale of Tree Seedlings	274,120	193,800
24 Printing & Binding	-	543,000
25 Radio Station Income	-	55,000
26 Sale of Furniture	36,000	-
Total Income-IGUs Incomes	126,866,051	91,619,332
Note 13b : - Income- Other Services Rendered		
Particulars	2021-2022	2020-2021
	Kshs.	Kshs.
1 House Rent	22,388,676	23,746,049
2 Student Damages Charges	(926,043)	(376,056)
3 Tendering Charges	-	1,000
4 Insurance Payroll deduction Commission	640,328	906,301
5 Insurance Refunds/Rebates	373,100	-
6 Manpower Development Income	2,342,310	2,463,529
7 Salary Refunds/lieu of notice	313,079	1,636,931
8 Fines/Penalties on Trespassing	74,500	-
9 Interest on Imprest	309,165	-
10 Certificate Verification	362,633	222,953
Total Income-Other Services Rendered	25,877,748	28,600,706
Total -IGUs Income & Other Services Rendered	152,743,799	120,220,038

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 14 :- Staff Costs		
Note 14 (a) :- Key Management Personnel Remuneration		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Basic Salary	19,248,914	22,351,879
2 CBA Basic Salary Arrears July 21 - Feb 22	1,741,191	-
3 House Allowance	4,307,745	3,807,924
4 Duty/ Admin. Extraneous Allowance	2,499,000	2,289,823
5 Medical Risk Allowance	240,000	240,000
6 Medical Allowance	390,000	334,016
7 Commuter Allowance	346,500	132,000
8 Entertainment Allowance	1,344,000	1,233,342
9 Professorial Allowance	415,000	245,000
10 Responsibility Allowance	3,336,000	2,805,941
11 Phone Allowance	708,000	592,671
12 Call Allowance	960,000	960,000
13 Book Journal/ICT Allowance	105,000	-
14 Domestic Servant Allowance	2,690,000	2,460,591
15 Home Water And Electricity Allowance	727,000	666,270
16 Non User Car Allowance	1,100,000	1,008,914
17 Medical Extraneous Allowance	420,000	420,000
18 Leave Allowance	245,367	-
19 Non Practice Allowance	660,000	660,000
20 Acting Allowance	3,183,337	-
21 Pension Employer Contribution	2,000,007	738,574
22 NITA	4,100	2,600
23 NSSF-Employer Contribution	5,600	6,800
	46,676,761	40,956,343

Note 14 (b) :- Staff Personnel Remuneration		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Basic Salary	1,230,385,896	1,524,604,177
2 CBA Basic Salary Arrears July 21 - Feb 22	212,381,520	-
3 House Allowance	615,114,940	690,319,516
4 Duty/Risk/Extraneous Allowance	4,582,499	5,462,511
5 Commuter Allowance	173,947,798	193,859,011
6 Medical Allowance	65,730,643	74,025,998
7 Hardship Allowance	1,769,994	1,765,800
8 Remunerative Allowance	30,498,925	32,810,610
9 Basic Salary Arrears	411,869,928	3,711,987
10 Examination Allowance	-	808,133
11 Non Practice Allowance	16,744,777	17,598,710
12 Entertainment Allowance	1,029,677	1,289,954
13 Acting Allowance	4,602,510	2,386,492
14 Professorial Allowance	5,655,380	5,711,629
15 Responsibility Allowance	2,520,000	2,959,059

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16	Manpower	192,308	239,030
17	Leave Allowance	18,434,185	22,295,297
18	Special Duty Allowance	546,640	461,026
19	Uniform Allowance	170,000	180,000
20	Ambulance Allowance	62,855	69,000
21	Phone Allowance	1,368,256	1,527,478
22	Call Allowance	30,609,103	34,085,419
23	Book Journal ICT Allowance	13,255,105	7,039,880
24	NSSF-Employer Contribution	2,376,839	1,395,800
25	Pension-Employer Contribution	238,642,650	244,544,048
26	Overtime Amount	8,863,230	21,885,188
27	Gratuities	94,875,827	168,953,081
28	Home Water & Electricity	494,194	680,784
29	Domestic Servant	19,355	2,002,312
30	Non use of Car allowance	7,258	800,925
31	Assistants Allowance	400,000	480,000
32	Medical Extraneous Allowance	35,763,543	36,982,296
33	Medical Risk Allowance	11,800,290	12,344,927
34	Veterinary Risk Allowance	1,200,806	1,191,936
35	Night Travel -Library staff	2,438,500	1,270,000
36	Pay in lieu of leave days	3,527,657	4,245,500
37	Consolidated Salary	6,701,135	-
38	Passage and Baggage	2,042,313	966,309
39	Staff Training Expenses	34,800	-
40	Graduate Scholarships	-	2,237,700
41	Staff Fees Waiver	8,941,650	13,065,800
42	Staff Uniforms	127,100	1,732,326
43	NITA Charges	880,700	1,007,700
44	Workers Occupation Injury Compensation	468,288	-
45	Pension Grade I-IV	4,050,000	2,050,000
46	Casual Labor Wages	7,900,683	7,986,747
		3,273,029,759	3,149,034,096
	Total Staff Costs	3,319,706,520	3,189,990,440

Note 15 : - Council Expenses		
Particulars	2021-2022	2020-2021
	Kshs.	Kshs.
1 Sitting Allowances	4,606,000	4,177,300
2 Mileage/Travel	3,302,079	2,837,185
3 Meals	724,000	249,300
4 Accomodation	5,314,600	5,278,800
5 Training Expense	-	745,900
6 Chancellors Honorarium	1,200,000	1,200,000
7 Chairman's Honorarium	881,301	960,000
8 Chairman's Phone Allowance	78,167	84,000
	16,106,147	15,532,485

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 16 : - Administration and Central Services Expenses		
Particulars	2021-2022	2020-2021
	Kshs.	Kshs.
1 Office Stationery	6,602,866	1,893,016
2 Advertising	162,481	3,296,623
3 Postage And Telephone	1,868,067	5,836,738
4 Electricity & Water	85,114,610	67,661,537
5 Official Entertainment -	55,450	269,480
6 Vehicle - Insurance	-	8,372,554
7 Cleaning Materials	56,240	56,000
8 Contracted Security Services	37,651,284	34,573,702
9 General Insurances - Properties	54,214,412	43,198,474
10 Legal Charges	9,184,645	10,065,462
11 Strategic Initiative-ISO 22000 9001	119,125	1,049,883
12 Computer Stationery	1,391,105	307,527
13 Audit Fees And Expenses	2,520,000	682,469
14 Rent And Rates	50,795,469	59,870,889
15 Conference And Seminars -	1,631,527	28,000
16 University Subscription to Other Bodies	6,221,518	4,177,984
17 News Papers, Journals & Videos	63,980	61,250
18 Shows & Exhibitions Expenses -	1,000,000	66,500
19 Internet Services	45,098,191	28,558,906
20 Office Running Expenses	8,956,997	11,478,196
21 Computer maintenance	5,371,360	5,044,350
22 Bank Charges , Interest & Comm.-	13,990,289	13,570,038
23 Faculty Board and Committees Expenses	1,789,549	2,742,202
24 Cleaning And Sanitary Services	44,442,078	40,180,658
25 Strategic Initiative General	1,250,409	3,112,112
26 Publicity	231,145	(700,931)
27 Open Days Expenses	433,938	655,400
28 Production of Teaching Materials -EU Press	1,257,735	-
29 Taxes	-	178,696
30 Performance Contract Service Delivery	617,138	-
31 Grade I-IV Retirement Benefit Scheme	1,650,000	600,000
32 Asset Tagging & Valuation Expenses	10,799,065	-
33 Disability streaming	168,000	102,200
34 Program Self Assessments	42,220	-
35 Students Medical Expense	4,641,822	3,343,365
36 EU Press Other Expenses	-	23,800
37 Photocopying Services	4,614,360	3,351,771
38 COVID-19 Expenses	299,145	9,270,937
39 Interest payable on payroll deductions	706,456,019	-
40 Travelling And Subs. Staff	9,457,190	27,748,516
41 External Travelling	16,930	-
42 Staff Funerals Expenses	1,400,000	2,259,220
43 Staff Hospitalization Expenses	66,361,676	87,656,166
44 Staff Sports Welfare -	120,000	120,000
	1,188,118,035	480,763,690

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 17: - Repairs and Maintenance Expenses		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Equipments	108,000	791,225
2 Motor Vehicle Repairs	7,532,853	6,526,404
3 Water Supply & Sewerage	9,697,245	7,206,001
4 Buildings	-	14,968,412
5 Maintenance Of Stations	12,048,886	13,876,785
6 Motor Vehicles - Fuel And Oils	13,426,747	13,462,999
7 Student Damages Repairs & Replacement	9,472,915	41,748,299
	52,286,645	98,580,124

Note 18 : - Academic Departments Expenses		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Teaching Claims (Part Time Lecturers)	75,901,500	72,854,410
2 Teaching Materials	3,611,048	10,726,164
3 Laboratory Materials	-	1,682,000
4 Graduation Expenses	9,111,870	7,894,966
5 Students Sports Expenses	2,222,285	1,062,155
6 Teaching Practice	7,654,275	8,069,120
7 Students Work Study Expenses	2,081,420	984,680
8 Academic Field Trips	3,149,590	1,244,605
9 Students Sports Expenses	142,135	339,500
10 External Examiners Expenses	14,960,744	13,189,180
11 Students Registration Expenses	123,340	1,921,575
12 Students Leadership Dev. Program Expenses	1,417,455	-
13 Students ID Expenses	3,036,949	-
14 Teaching Services	220,752	211,464
15 Curriculum Review	160,325	226,534
16 E-Learning Expenses	447,402	2,118,082
17 Student Affairs Expenses	1,734,840	2,029,415
18 Student Attachment	3,505,440	263,540
19 Examination Materials	5,719,074	2,231,284
20 External Practicals	959,200	2,191,270
	136,159,644	129,239,943

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 19 : - Research & Extension Expenses		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Research Expenses-E500-Expenses	-	2,500,000
2 AICAD-RE02-Expenses	6,105	5,240
3 DAAD EBR-RE05-Expenses	135,605	1,679,325
4 Department of Defence-RE06-Expenses	13,899,167	12,617,324
5 Dryland Farming-RE07-Expenses	18,425	5,240
6 Economics Department-RE08-Expenses	398,640	6,363
7 Fingerponds-RE10-Expenses	7,715,308	7,036,577
8 Gift Shop-RE11-Expenses	600,645	174,805
9 Global Fund for TB-RE12-Expenses	6,105	6,305
10 Globalite-RE13-Expenses	14,263,427	13,080,483
11 Greenhouses-RE14-Expenses	291,365	491,887
12 KAPP GRANTS-RE18-Expenses	10,568,003	7,290,915
13 Natural Resources-RE20-Expenses	3,106,601	382,555
14 NORAGIC-RE21-Expenses	3,077,635	125,291
15 OSSREA Young Scholars-RE22-Expenses	22,766,465	51,807,420
16 PRA-RE23-Expenses	16,652,598	179,945
17 Research & Extension-RE25-Expenses	11,687,117	13,821,578
18 ROSA Project-RE27-Expenses	797,501	380,205
19 TAMOU 01C-RE29-Expenses	42,579,177	8,737,232
20 CESAM ACE 2-RE30-Expenses	34,232	-
21 Training-RE33-Expenses	5,685	699,415
22 Vertisol Managemnt-RE34-Expenses	199,571	5,240
23 OSSREA Post-Doctoral-RE37-Expenses	1,656,185	292,320
24 ECOLIVE Project-RE40-Expenses	3,249,257	1,805,626
25 Wetland Ecosystem-RE41-Expenses	4,307,911	4,477,648
26 Limnology-RE42-Expenses	17,629,571	10,503,086
27 ECO-HELB-RE43-Expenses	6,105	5,240
28 Global Fund-RE44-Expenses	25,278,803	18,466,621
29 Confucious Institute-RE45-Expenses	3,825,238	2,651,290
30 COELIB Projects-RE46-Expenses	66,478,033	5,675,917
31 Pytochem Projects-RE47-Expenses	56,945,004	76,739,452
32 AMREF Global Fund-RE48-Expenses	-	7,826
33 AGECDollar Account-RE51-Expenses	1,303,380	3,525,427
34 AERC 2 Project Account - RE52 -Expenses	3,500,805	2,171,512
	332,989,670	247,355,310

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 20 : - CESAAM ACE 2 Expenses		
Particulars	2021-2022	2020-2021
	Kshs.	Kshs.
1 Bank Charges	29,730	-
2 Support continuing Ph.D. student	17,446,694	43,884,650
3 Support continuing Msc. students	9,988,898	37,654,979
4 Review of 1 Phd & 3 Msc Curriculum	-	1,896,200
5 Short courses in Agric value chain	229,772	270,000
6 Conduct short courses agric & agri business	42,000	1,344,500
7 Establish knowledge center	-	761,700
8 Jointly hold 2summer schools	3,058,000	-
9 support staff & student presentation in int	2,273,751	346,480
10 Staff exchange fellowship	1,600,241	947,919
11 Staff supported in collaborated research projects	960,400	1,265,400
12 Support publications on peer reviewed journal	579,598	568,266
13 Retooling workshop for staff	4,354,179	2,036,480
14 Support Agri Enterprises	849,425	-
15 Internship support for students	2,258,700	588,550
16 MOU signing and consultations	350,060	584,150
17 Accreditation of 1 Msc and 1 PhD Program	-	432,494
18 Theses dissemination workshop	2,966,755	-
19 Support teams develop proposals	338,670	1,398,850
20 Procure equipments and ICT upgrading	4,289,964	2,189,500
21 Cesaam office block design	2,916,612	10,538,866
22 Procure dairy science lab equipment	-	2,860,684
23 Procure animal nutrition lab equip	527,500	-
24 One innovation Support Agro science park	-	391,500
25 Procurement of laboratory consumables	-	222,090
26 Marketing Cesaam Project and its programs	2,006,646	2,320,500
27 Cesaam steering committee sub committees	2,976,751	1,396,692
28 Cesaam Staff Salaries and wages	2,620,000	2,373,063
29 Cesaam vehicle mtc & Travel, subs, costs	2,660,526	3,834,869
30 CESAAM secretariat	2,187,731	1,153,638
31 Renovation of post graduate and tatton demonstration	769,204	27,500
32 ADB MOHEST- Dr Isaac Kariuki	3,574,094	7,421,324
33 Cesaam Operational Expenses	16,100	107,365
34 NAPROCLA Project - Prof Joshua Oendo	1,480,512	6,590,984
35 Inter-university Council for East Africa	1,788,000	2,640,000
36 CESAAM Fees Account	949,225	50,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

37	Locust Mass Project - Prof. Ogendo	-	176,128
38	NRF Project - Dr Meshack Obonyo	-	1,248,837
39	EGU-BOWIE USA EXCH - Prof. Ogendo	2,193,750	-
40	Rwanda High Commission -Prof George Owuor	474,524	170,664
41	NMK ALOE Project - Prof. Ogendo	-	1,240,657
42	KCSAP Siaya Apiculture- Mr Stephen Kagio	2,858,885	1,736,409
43	KCSAP Kajiado Shoats- Dr J.O. Ondieki	7,000	272,600
44	KCSAP Kajiado Tomato VC-Dr. A. Opiyo	-	206,400
45	KCSAP Kajiado Red Meat & Dairy VC-Prof. Matofari	7,000	360,600
46	UNEP Chinama Project - Prof Mulwa	1,345,390	1,559,142
47	KCSAP - Elick Onyango	1,277,262	48,950
48	KCSAP - Dr Meshack Obonyo	688,620	457,499
49	KCSAP - Dr. Ngeno Kiplagat	541,178	1,510,345
50	KCSAP - Prof Samuel Mwonga	304,024	562,100
51	KCSAP - Prof.Daudi Nyaanga	2,733,646	2,154,180
52	KCSAP - Prof Julius Kipkemboi	759,079	408,900
53	KCSAP Camel Milk - Prof. Joseph Matofari	10,529,083	1,155,000
54	KCSAP Dr. Maureen Cheserek	1,275,500	755,000
55	KCSAP Indigenous chicke - Prof. Charles Muleke	5,024,230	2,319,470
56	KCSAP pigeon pea proj- Prof Paul Kimurto	621,916	671,200
57	KCSAP - Prof A. Kibe	1,332,536	1,031,901
58	KCSAP - Prof Richard Mulwa	1,475,925	386,614
59	Global Scope Project - Dr Arnold Opiyo	1,535,778	2,425,148
60	COUNTY KCSAP - Prof James Tuitoek	2,634,100	1,048,276
61	KCSAP Finger Millet Project - Prof Paul Kimurto	1,090,146	659,800
62	KCSAP FP02-5/1 KAJIADO - Stephene Kagio	122,100	403,308
63	KCSAP ACQUA-CULTURE - Dr. Kiplangat Ng'eno	725,295	699,708
64	KCSAP FLAVOURS IN TILAPIA DR Ong'ond	544,321	-
65	LASER PROJECT - Joseph Mwangi	3,495,198	2,228,650
66	MARSABIT FISH V.C. - DR. STEVE OMONDI	-	210,560
67	POULTRY VALUE CHAIN- DR. JAMES ONDIEK	1,789,318	-
68	NARIGP APICULRURE - STEPHENE KAGIO	356,700	-
69	BHEARD Project Dr Opiyo	2,181,584	-
70	NARIGP DAIRY VALUE CHAIN VIHIGA	320,000	-
71	NARIGP LOCAL VEGETABLE VALUE CHAIN VIHIGA	206,000	-
72	International Finance Corporation - Prof. Owuor	991,780	-
		125,531,607	164,207,237

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 21 :- MCF TAGDEV Expenses		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Project Coordinator at Egerton University	5,862,465	4,603,860
2 Project Assistant at Egerton University	3,125,911	2,491,150
3 English language teacher at Egerton University	571,283	264,858
4 Faculty release time at Egerton University	3,594,284	3,514,914
5 Interview Students	357,706	88,888
6 Expense - Orientation	236,652	119,280
7 Facilitation of linkages with industry and entrepr	1,250,751	1,699,501
8 Annual recruitment meetings	-	109,626
9 University meetings to disseminate project lessons	264,735	221,110
10 Monthly Seminars at the universities	295,148	60,659
11 University admission support	284,565	275,178
12 Internships	4,342,825	2,538,276
13 Business incubation training	2,469,567	319,665
14 University fees for undergraduate students	9,953,375	12,176,680
15 University fees for postgraduate students	16,964,656	7,371,814
16 Service Fees for Undergraduate students	6,581,976	11,141,504
17 Service Fees for Postgraduate students	16,992,170	8,967,472
18 Student Welfare Costs	60,099,336	58,151,756
19 Expense - other	115,055	78,023
20 Program Delivery Fee	333,441	328,177
21 MCF Potato Seed Other Costs	1,648,359	2,936,665
22 MCF Cassava CARP+ - Prof M.S.Mulwa	2,027,057	215,591
23 MCF AGLEAD - Prof. P. Mshenga	-	448,765
	137,371,317	118,123,413
Note 22 :- Tegemeo Institute Expenses		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 PAM/KMDP Expenses	5,657,406	7,271,821
2 TAPRA I Expenses	268	338,664
3 Dollar A/c Expenses	383	21,050
4 RFCCP Expenses	1,067	492
5 GISAMA Expenses	-	1,200
6 World Bank Expenses	916,066	-
7 KBSP Expenses	62,737	328,736
8 TAPRA II Expenses	7,105,476	4,267,751
9 MLE Expenses	185	85
10 ISSD Expenses	-	202,780
11 3ie Expenses	-	247,890
12 ELLA Expenses	13,433	-
13 TAMPA II Expenses	129,963	169,723
14 ReNAPRI Expenses	33,792	-
15 TZB Expenses	-	14,121,345

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16	FAO/CPE Expenses	8,220	-
17	ODI Expenses	9,343	-
18	AFA Expenses	2,735,060	765,431
19	AIGHD 2 Expenses	-	851,180
20	AATF Expenses	2,400	3,047,935
21	KEPHIS Expenses	1,558,805	-
22	BFAP Expenses	241,710	1,028,800
23	KCSAP Expenses	35,261,426	54,607,772
24	ATI Expenses	-	90,000
25	RTI Expenses	14,177,014	5,120,464
26	EXETER Expenses	2,730,545	2,236,142
27	APRA Expenses	938,006	205,500
28	KDB Expenses	-	10,476,799
29	NARIGP Expenses	284,088	44,845,616
30	GIZ Expenses	553,006	273,577
31	Lincoln Expenses	78,950	34,800
32	GIZ Expenses	1,241,343	-
33	F4APK Expenses	3,313,945	4,368,189
34	ALLIN 1 Expenses	7,938,866	-
35	PIATA MATHEMAT Expenses	192,850	-
36	PEDL Expenses	26,730,561	-
37	SARA-KE Expenses	10,943,078	-
38	ALLIN 2 Expenses	1,147,050	-
39	LSSF Expenses	4,765,525	-
		128,772,567	154,923,743

Note 23: - IGU Expenses		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Travelling And Subsistence	-	32,740
2 Catering Department Expenses	30,861,130	14,299,051
3 Accomodation (Halls) Expenses	33,819,461	14,706,820
4 Dairy Expenses	2,255,792	2,160,999
5 Knitting & Tailoring Expenses	212,890	112,312
6 General Licenses	38,500	-
7 Office Running Expenses	28,790	-
8 Bank Charges , Interest & Comm.	53,611	28,348
9 Other Board Committees - Faculty, Department	3,162	-
10 Maintenance of Stations	207,615	-
11 Motor Vehicle Fuel And Oils	230,860	-
12 Teaching Claims (Part Time Lecturers)	128,625	-
13 Medical Department Expenses	7,314,107	5,426,886
14 Production Inputs	119,125	-
15 Purchase Of Stationery For Resale	-	136,461
16 TAP Expenses	4,698,150	7,890,612
17 Univeristy Press Expenses	8,377,534	2,157,449
18 Funeral Home Expenses	213,113	167,433
19 Purchase of Farm Inputs-Kenyatta	1,044,050	-
20 Radio Station Expenses	50,000	50,000
	89,656,514	47,169,110

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 24: - Depreciation Expenses		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Buildings-Egerton Buildings	99,150,690	99,150,690
2 Plant & Machinery-Dairy Institute machinery	3,319,024	3,878,724
3 Furniture	3,658,921	5,146,706
4 Equipments	8,164,182	13,622,554
5 Library Books	2,321,452	4,212,530
6 Motor Vehicles	2,122,250	2,122,250
7 Computers & Software	2,606,470	1,519,829
	121,342,989	129,653,282
Note 25:- Other (Gains)/Losses		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Gain (Loss) on Revaluation Investment-Shares	-	28,857
2 Main Campus-Bad Debts w/off-(Increase)/Decrease in Provision	232,005	444,385
3 Nairobi Campus-Bad Debts w/off-(Increase)/Decrease in Provision	36,769	(612,245)
4 IGUs-Bad Debts w/off-(Increase)/Decrease in Provision	(7,289)	-
5 Nakuru Campus-Bad Debts w/off-(Increase)/Decrease in Provision	95,918	(63,271)
6 Baringo Campus-Bad Debts w/off-(Increase)/Decrease in Provision	2,518	(33,939)
7 Ecampus-Bad Debts w/off-(Increase)/Decrease in Provision	(93,646)	25,774
Bad Debts w/off- (Increase)Decrease in Provision	266,275	(239,296)
8 Main Campus Dollars- Gain (Loss) on FOREX	(24,725)	-
9 Dollars- Gain (Loss) on FOREX	(989,669)	25,440
10 EUROS- Gain (Loss) on FOREX	1,655,329	5,089,640
11 Dollars- Gain (Loss) on FOREX	(1,052,505)	(494,871)
12 Dollars- Gain (Loss) on FOREX	-	46,461
13 Dollars- Gain (Loss) on FOREX	-	23,087,915
Gain (Loss) on FOREX	(411,570)	27,754,585
14 Main Campus-Gain/(Loss) on biological Assets	264,580	458,342
15 IGUs-Gain/(Loss) on biological Assets	(4,612,200)	(11,531,800)
16 R& E-Gain/(Loss) on biological Assets	(680,680)	565,240
Gain/(Loss) on biological Assets	(5,028,300)	(10,508,218)
17 Gain/(Loss) on Disposal Of Assets	4,227,965	-
	(945,630)	17,035,929

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 26 (a) :- Cash in Hand and in Bank		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
Bank balances		
1 Njoro Main Campus - Bank Balances	172,422,199	50,528,146
2 Nairobi City Campus - Bank Balances	83,852	748,751
3 IGUs - Bank Balances	16,896,434	4,684,352
4 Research & Extension Bank Balances	344,584,442	294,628,224
5 Nakuru Town Campus College - Bank Balances	14,356,664	5,226,127
6 Ecampus - Bank Balances	441,171	909,359
7 Tegemeo Bank Balances	42,404,357	23,842,492
Total Bank Balances	591,189,121	380,567,452
Petty Cash		
1 Njoro Main Campus - Cash In Hand	56,437	13,837
2 Nakuru Town Campus College - Cash in Hand	10,000	-
3 Tegemeo - Cash in Hand	170	200,000
Total Cash In Hand	66,607	213,837
Total Cash in Bank and in Hand	591,255,728	380,781,289
Note 26 (b) :- Contingent Deposits		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
Staff Mortgage Scheme		
1 KCB Bank	50,000,000	50,000,000
2 Bank Guarantee	3,000,000	3,000,000
Total Fixed Deposits	53,000,000	53,000,000
Note 26 (c) :- Negative Cashbook Balances		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Njoro Main Campus - Negative Bank Balances	246,002,373	361,884,130
2 Nairobi City Campus - Negative Bank Balances	1,403,574	632,054
3 IGUs - Negative Bank Balances	6,709,779	6,467,856
4 Nakuru Town CC - Negative Bank Balances	7,485,055	10,540,162
5 Tegemeo Bank Balances	-	30,562
	261,600,780	379,554,765
Total Cash and Cash Equivalents	382,654,948	54,226,524

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26 (d) Detailed Analysis of Cash and Cash Equivalents

Financial Institution	Account No	2021-2022	2020-2021
Kshs			
1) Current Account			
a) Barclays Bank of Kenya			
1 EU Fees Account	271291000	(6,629,842)	(6,841,809)
Sub- total		(6,629,842)	(6,841,809)
b) Co-operative Bank of Kenya			
1 EU Main Campus account	1129025576700	(204,712)	(586,667)
2 EU Nakuru Town Campus	1129025576701	2,293,576	917,843
3 EU Global Fund	01139025576700	9,077	9,077
4 MCF Tagdev	02128025576700	1,180,845	22,047,647
Sub- total		3,278,786	22,387,900
c) Kenya Commercial Bank			
1 E U Endowment Fund A/C	1108550584	1,858,928	344,398
2 E U Press A/C	1101909579	900,216	2,067,551
3 E U Development Account	1101907681	99,736,710	(13,696,694)
4 Egerton University Paying Account	1101906812	(239,167,819)	(340,758,960)
5 E U Fees Account	1101910895	18,514,661	8,285,050
6 E U House Rent	1108044956	7,569,938	142,858
7 E U Fees Collection Account	1108550703	44,561,847	33,179,068
8 E U E- Learning Account	1101893680	441,171	909,359
9 Egerton University	1137209542	(7,485,055)	(10,540,162)
10 Egerton Univ Nkr Town Campus	1101909374	12,063,088	4,308,284
11 E U Nairobi City Fees	1101909781	83,852	748,751
12 Egerton University NCC A/C	1137209577	(1,403,574)	(632,054)
13 Egerton University Overhead Account	1101908718	(4,998,225)	(4,629,832)
14 E U Funeral Home Account	1101893796	2,199,417	276,066
15 E U Catering Account	1101862920	(1,439,297)	(620,809)
16 Egerton University Milk Account	1101910429	150,236	178,555
17 Egerton Uni Students Accom C Serv	1101862637	12,117,580	1,043,287
18 Egerton University Nutrition Account	1101908904	562,022	(1,217,215)
19 Egerton Uni Natural Resources Depar	1101913614	503,750	294,360
20 Egerton Univ. Outz	1101847530	39,515	30,620
21 Egerton Bookshop	1101908033	(2,626)	7,089
22 Egerton University Kmit Tailoring	1101891920	423,697	219,201
23 Egerton University Tatton Farm	1101910089	(269,631)	567,622
24 AICAD	1101846704	2,623,410	2,629,515
25 EBR Project	1101911786	710,011	845,616
26 DOD Project	1101914025	14,311,200	11,373,309
27 Dryland Farming	1101911964	111,492	129,917
28 Egerton University Economic Dept	1101893370	4,227,266	3,905,205

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Institution	Account No	2021-2022 Kshs.	2020-2021 Kshs.
c) Kenya Commercial Bank			
29 Fingerponds Project	1101893567	8,010,748	7,191,744
30 Gift Shop	1101912499	358,965	921,560
31 Egerton Univ Biochemistry Dept	1101854197	865,392	290,905
32 Globalite Project	1101847719	13,972,430	9,410,350
33 Greenhouses Project	1101846437	5,169,220	5,440,585
34 KAPP	1101852763	2,597,062	4,618,690
35 ADSP	1101913886	1,086,685	1,359,501
36 Noragric Project	1101850396	8,841,118	5,984,736
37 Ossrea Project	1101853492	45,548,694	39,017,588
38 Partic Rural Project	1101911336	4,776,052	3,961,255
39 R&E Project	1101907525	38,482,042	12,417,942
40 EU Rosa Project	1101854138	2,611,073	1,114,855
41 Ta Mou	1101848995	273,454	720,985
42 EU Cesaam Project	1184060347	81,451,991	69,670,668
43 Training Project	1101913185	3,397,900	3,195,744
44 Versitol	1101911654	6,955,922	5,463,345
45 Ossrea Pos Doc Project	1101859792	4,281,561	6,004,266
46 Ecolive Project	1112022317	25,243,433	45,236
47 Limnology Project	1114469297	6,893,503	8,434,383
48 Wetland Ecosystem	1114468789	576,108	5,045,901
49 Ecohealth	1115354132	1,238,695	1,244,800
50 Agra Project	1137209593	3,255,835	3,580,244
51 Confucius Intitute	1138143936	5,917,954	7,266,793
52 COELIB Projects	1132129737	11,831,839	7,407,635
53 Pytochem Projects	1132129680	24,862,158	39,829,446
54 Graduation Account	1107933919	180,117	8,576,772
55 EU AGECC Dollar	1141810220	5,038,976	3,528,518
56 AERC Project Account 2	1137209518	7,872,332	520,261
Sub- total		290,535,039	(38,345,334)
d) National Bank of Kenya			
1 Egerton University Tegemeo Institute-NBK USD	0200-3005240200	17,793,714	17,997,870
2 Egerton University Tegemeo Institute-NBK	0100-3005240200	60,444	60,444
3 Egerton University PAM/KMDP -NBK	01003-043688-00	3,018,891	(30,562)
Sub- total		20,873,049	18,027,752
e) NIC Bank			
1 Egerton University A/C Tegemeo TAPRA-NIC	1000237228	149,009	147,586
2 Egerton University- Tegemeo Inst TAPRA II-NIC	1000020334	1,260,297	323,565
3 Egerton University- Tegemeo Institute-NIC	1001783811	99,291	98,343
4 Egerton University- Tegemeo Inst- RFCCP-NIC	1000015411	571,770	566,311
5 Egerton Univ. Tegemeo TAMPA II-NIC	1000235926	1,824,816	40,057
6 Egerton Univ- Tegemeo Institute - KBSP-NIC	1000015748	17,626,125	4,608,316
Sub- total		21,531,308	5,784,178
2) Contingent Deposits			
1 Staff Mortgage & Bank Guarantee	1101906812	53,000,000	53,000,000
Sub- total		53,000,000	53,000,000
3) Cash in Hand			
1 Njoro Campus	1101906812	56,437	13,837
3 Tegemeo Institute	1000020334	170	200,000
4 Nakuru Town Campus	1101909374	10,000	-
Sub- total		66,607	213,837
Grand Total		382,654,948	54,226,524

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 27 (a) : - Receivables from Exchange Transaction		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Outstanding Imprest	107,167,608	80,756,493
2 Salary Advance Staff	117,106	-
3 Student Debtors	848,321,383	888,524,016
4 General Debtors	8,046,440	9,812,340
5 Internal Debtors	38,377,950	31,771,450
6 Inter-bank Transfers	22,835,463	-
7 Payroll Receivables	48,801	48,801
8 Revenue Receivable	308,161	-
9 Deposits E A O Cyliders	61,800	61,800
10 Deposits KPL CO Ltd	831,001	862,163
11 Rent Deposits	9,396,858	9,396,858
12 Deposits NAWASCO-NTCC	50,200	50,200
13 Prepayments-Insurance	-	390,751
14 Other Prepayments	-	68,250
	1,035,562,770	1,021,743,122
Note 27 (b) :- Provisions for Bad Debts		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Provisions Main Campus	22,438,066	22,670,071
2 Provisions Nairobi City Campus	4,946,095	4,982,864
3 Provisions IGUs	20,941	13,652
4 Provisions Nakuru Town Campus	6,312,058	6,407,976
5 Provisions Baringo Campus	69,710	72,228
6 Provisions Ecampus	520,504	426,858
	34,307,374	34,573,649
Net Receivables from Exchange Transaction	1,001,255,396	987,169,473
Note 28 : - Inventories		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Inventories-Stocks Central & Substores	5,477,987	4,758,344
2 Inventories-Stocks Stationery	5,035,650	4,295,985
3 Inventories-Stocks Cleaning Materials	43,785	40,695
4 Inventories-Stocks Consumables	17,142,367	18,395,112
5 Inventories-Shop stock-Gift Shop	2,774,550	2,909,450
	30,474,339	30,399,586
Note 29:- Agricultural Assets		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Livestock-Livestock TAP-IGU	16,921,000	19,647,200
2 Livestock-Livestock Kenyatta Campus-IGU	1,144,000	3,030,000
3 Livestock-Security Dogs-Main	-	110,000
4 Chemeron Field Station	2,036,500	2,668,900
5 Biological Assets-Crops-Crops,Horticulture and Soil Sciense	786,925	504,200
6 Biological Assets-Crops-Lord Egerton Castle-Main	198,060	106,205
7 Crops Chemeron Field Station	-	48,280
	21,086,485	26,114,785

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 30: Non Current Assets

Note 30 (a) :- Property, Plants & Equipment

Particulars	Land Kshs.	Buildings Kshs.	W.L.P Kshs.	Dairy Equipment/Plat nt/Tractors Kshs.	Furniture, Fittings Kshs.	Other Equipments Kshs.	Library/Books Kshs.	Motor/Vehicles Kshs.	Computer and Appliances Kshs.	Totals Kshs.
Cost or Valuation										
As at 01/07/2020	1,186,094,800	2,993,752,694	1,865,102,229	78,289,623	174,602,546	584,273,096	171,141,899	199,801,979	405,872,098	7,658,430,964
Additions During the year		572,276,920	43,394,605	-	78,690	14,684,947	-	-	1,055,756	1,031,490,318
WTP Transferred to Assets			(1,004,061,842)							(1,004,061,841)
As at 30/06/2021	1,186,094,800	3,966,029,614	904,434,993	78,289,623	174,681,236	598,958,043	171,141,899	199,801,979	406,427,254	7,685,859,441
Additions During the year			8,233,920	3,500,000	564,093	3,199,541	158,412	-	3,863,450	19,519,416
Disposal During the year				(1,138,705)				(4,749,998)		(5,888,703)
As at 30/06/2022	1,186,094,800	3,966,029,614	912,668,913	80,650,918	175,245,329	602,157,584	171,300,312	195,051,981	410,290,704	7,699,490,154
Depreciation										
As at 01/07/2020		816,095,612	-	61,809,506	163,958,816	561,979,239	163,226,588	193,433,229	403,152,926	2,363,655,915
Charge for the year		99,150,690		3,878,724	5,146,706	13,622,554	4,212,530	2,122,250	1,519,829	129,653,282
As at 30/06/2021		915,244,302		65,688,230	169,105,521	575,601,792	167,439,118	195,557,479	404,672,755	2,493,309,197
Charge for the year		99,150,690		3,319,024	3,658,921	8,164,182	2,321,452	2,122,250	2,606,470	121,342,989
Acc. Depr or Disposals				(1,138,705)				(4,749,998)		(5,888,703)
As at 30/06/2022		1,014,394,992		67,868,548	172,764,442	583,765,975	169,760,570	192,929,731	407,279,225	2,608,763,483
NBV-30 June 2022	1,186,094,800	2,951,634,622	912,668,913	12,782,370	2,480,886	18,391,609	1,539,742	2,122,250	3,011,479	5,090,726,671
NBV-30 June 2021	1,186,094,800	3,050,785,312	904,434,993	12,601,394	5,575,714	23,356,251	3,702,782	4,244,500	1,754,498	5,192,550,244

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 30 (b) - Work-In-Progress			
Particulars	2021-2022 Kshs.	2021-2022 Additions	2020-2021 Kshs.
1 Construction of Admin. Building	20,096,000	-	20,096,000
2 Construction Of Science Complex	1,004,122	1,004,122	-
3 Construction Of Agronomy & Horticulture	177,377,480	-	177,377,480
4 Construction of ICT Infrastructure	88,549,982	6,037,624	82,512,358
5 Faculty Of Law-NTCC	123,916,482	-	123,916,482
6 NTCC Teaching Complex	110,105,947	-	110,105,947
7 Renovation Of Buildings-Njoro	480,082	-	480,082
8 Faculty of Veterinary Medicine	1,650,000	-	1,650,000
9 Zoning of the University	1,919,286	-	1,919,286
10 University Library	387,569,532	1,192,174	386,377,358
Total	912,668,913	8,233,920	904,434,993

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 31:- Investments		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Kenya Airways- Ordinary Shares- 52468	200,952	200,952
2 Investment in E.U. Investment Company	149,918,907	149,918,907
	150,119,859	150,119,859
Note 32 (a) :- Trade and Other Payables		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Payroll Payables	6,105,227,546	2,843,785,950
2 Trade Creditors	326,223,364	307,225,790
3 Payable Clearing A/C	52,141,621	15,824,700
4 Internal Creditors-N	24,193,616	21,945,188
5 Taxes-Withholding Tax Payable	14,359,520	14,504,008
6 Taxes-Value Added Tax (VAT) Payable	29,845,300	30,762,573
7 Students Caution Money	99,632,680	91,344,680
8 Students Union Fees	2,815,283	1,704,990
9 CDF Clearing a/c	9,160,522	7,769,222
10 HELB Clearing a/c	12,757,555	5,088,685
11 Other Sponsors Clearing a	21,957,944	25,061,126
12 Alumni Fees-Main	24,740,530	23,621,530
13 Unidentified Bank Deposits - Main	17,328,707	17,931,157
14 CUE Charges	39,560,585	34,327,585
15 KUCCPS Charges	14,839,000	19,814,500
16 NTCC Teaching Complex Consultancy Fees	110,105,947	110,105,947
17 Due to KCB	4,140,948	5,414,975
18 Rent Deposit-Tegemeo	777,153	777,153
19 University Library Consultancy Fees	73,876,330	73,876,330
20 Casual Wages	2,417,789	3,213,024
21 Unclaimed Staff Imprests	2,713,032	-
22 Debtors Prepayments	351,670,865	405,304,442
	7,340,485,835	4,059,403,553
Note 32 (b) :- Accruals and Provisions		
Particulars	2021-2022 Kshs.	2020-2021 Kshs.
1 Accruals Njoro Main Campus	279,252,886	223,835,454
2 Accruals Nairobi City Campus	82,048,377	83,512,372
3 Accruals Nakuru Town Campus	246,616,952	227,870,814
4 Accruals ECampus	1,464,000	-
	609,382,215	535,218,641

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 32 (c) :- Deferred Income		
Particulars	2021-2022	2020-2021
	Kshs.	Kshs.
1 AICAD Deferred Incomes R&E	2,623,410	2,629,515
2 EBR Project Deferred Incomes R&E	670,029	805,634
3 Dryland Farming Deferred Incomes R&E	227,219	129,917
4 Economic Dept Deferred Incomes R&E	4,127,266	3,905,205
5 Fingerponds Project Deferred Incomes R&E	4,810,775	3,565,330
6 Biochemistry Dept Deferred Incomes R&E	865,392	290,905
7 Globalite Project Deferred Incomes R&E	14,917,723	11,553,143
8 Greenhouses Project Deferred Incomes R&E	5,149,220	5,440,585
9 KAPP Deferred Incomes R&E	12,240,018	13,390,331
10 ADSP Deferred Incomes R&E	1,114,185	2,297,001
11 Noragric Project Deferred Incomes R&E	9,947,893	7,091,511
12 OSSREA Project Deferred Incomes R&E	56,261,974	45,262,521
13 Partic Rural Project Deferred Incomes R&E	5,517,133	4,079,841
14 ROSA Project Deferred Incomes R&E	2,597,200	1,100,982
15 TA MOU Deferred Incomes R&E	-	440,288
16 CESAAM ACE 2 Deferred Incomes R&E	96,166,429	92,231,109
17 Versitol Project Deferred Incomes R&E	7,191,237	5,463,345
18 OSSREA POS DOC Deferred Incomes R&E	4,512,898	6,169,083
19 Ecolive Project Deferred Incomes R&E	443	45,236
20 Limnology Project Deferred Incomes R&E	6,893,503	8,434,383
21 Wetland Ecosystem Deferred Incomes R&E	2,928,979	10,442,906
22 Ecohealth Deferred Incomes R&E	1,238,695	1,244,800
23 Confucius Institute Deferred Incomes R&E	8,028,298	10,120,231
24 US Dollar A/C Deferred Incomes R&E	8,423,064	5,103,272
25 EURO A/C Deferred Incomes R&E	14,689,068	27,884,166
26 MCF TAGDEV Deferred Incomes R&E	2,869,799	21,592,241
27 AGEK Dollar A/C Deferred Incomes R&E	3,846,941	2,336,483
28 AERC Project 2 Deferred Incomes R&E	10,869,832	10,652,252
29 PAM KMDP Deferred Incomes Tegemeo	997,498	900,000
30 3ie Deferred Incomes Tegemeo	801,320	801,320
31 AFA Deferred Incomes Tegemeo	399,009	-
32 BFAP Deferred Incomes Tegemeo	5,479,254	1,139,932
33 KCSAP Deferred Incomes Tegemeo	-	24,335,833
34 RTI Deferred Incomes Tegemeo	9,550,616	3,229,938
35 EXETER Deferred Incomes Tegemeo	299,339	-
36 KDB Deferred Income - Tegemeo	1,254,281	-
37 NARIGP Deferred Income - Tegemeo	22,783,529	-
38 IDS Deferred Incomes -Tegemeo	722,556	-
39 F4APK PROJECT	3,668,492	-
40 PIATA/MATHEMATICA- Deferred Incomes-Tegemeo	4,851,650	-
41 SARA-KE- Deferred Incomes Tegemeo	9,603,569	-
42 LSSF- Deferred Incomes Tegemeo	9,497,430	-
43 Tegemeo Dollar A/C Deferred Income	-	9,910,120
	358,637,165	344,019,360

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred income movement is as follows:

No	International funders	Balance brought forward (June 30, 2021)	Additions	Transfers to income statement	Balance carried forward (June 30, 2022)
Amount in KShs					
1	AICAD Deferred Incomes R&E	2,629,515	-	6,105	2,623,410
2	EBR Project Deferred Incomes R&E	805,634	-	135,605	670,029
3	Dryland Farming Deferred Incomes R&E	129,917	115,727	18,425	227,219
4	Economic Dept Deferred Incomes R&E	3,905,205	620,701	398,640	4,127,266
5	Fingerponds Project Deferred Incomes R&E	3,565,330	8,960,753	7,715,308	4,810,775
6	Biochemistry Dept Deferred Incomes R&E	290,905	580,592	6,105	865,392
7	Globalite Project Deferred Incomes R&E	11,553,143	17,628,006	14,263,427	14,917,723
8	Greenhouses Project Deferred Incomes R&E	5,440,585	-	291,365	5,149,220
9	KAPP Deferred Incomes R&E	13,390,331	9,417,690	10,568,003	12,240,018
10	ADSP Deferred Incomes R&E	2,297,001	1,923,785	3,106,601	1,114,185
11	Noragric Project Deferred Incomes R&E	7,091,511	5,934,017	3,077,635	9,947,893
12	OSSREA Project Deferred Incomes R&E	45,262,521	33,765,918	22,766,465	56,261,974
13	Partic Rural Project Deferred Incomes R&E	4,079,841	18,089,891	16,652,598	5,517,133
14	ROSA Project Deferred Incomes R&E	1,100,982	2,293,719	797,501	2,597,200
15	TA MOU Deferred Incomes R&E	440,288	40,775,262	41,215,550	-
16	CESAAM ACE 2 Deferred Incomes R&E	92,231,109	129,501,158	125,565,839	96,166,429
17	Versitol Project Deferred Incomes R&E	5,463,345	1,927,463	199,571	7,191,237
18	OSSREA POS DOC Deferred Incomes R&E	6,169,083	-	1,656,185	4,512,898
19	Ecolive Project Deferred Incomes R&E	45,236	3,204,465	3,249,257	443
20	Limnology Project Deferred Incomes R&E	8,434,383	2,767,030	4,307,911	6,893,503
21	Wetland Ecosystem Deferred Incomes R&E	10,442,906	10,115,644	17,629,571	2,928,979
22	Ecohealth Deferred Incomes R&E	1,244,800	-	6,105	1,238,695
23	Confucius Institute Deferred Incomes R&E	10,120,231	1,733,305	3,825,238	8,028,298
24	COELIB Projects Deferred Incomes R&E	5,103,272	69,797,825	66,478,033	8,423,064
25	Pytochem Projects Deferred Incomes R&E	27,884,166	43,749,906	56,945,004	14,689,068
26	MCF TAGDEV Deferred Incomes R&E	21,592,241	118,648,875	137,371,317	2,869,799
27	AGEC Dollar A/C Deferred Incomes R&E	2,336,483	2,813,838	1,303,380	3,846,941
28	AERC Project 2 Deferred Incomes R&E	10,652,252	3,718,385	3,500,805	10,869,832
29	PAM KMDP Deferred Incomes Tegemeo	900,000	97,498	-	997,498
30	3ie Deferred Incomes Tegemeo	801,320	-	-	801,320
31	Deferred Incomes Tegemeo AFA	-	3,134,069	2,735,060	399,009
32	BFAP Deferred Incomes Tegemeo	1,139,932	4,581,031	241,710	5,479,254
33	KCSAP Deferred Incomes Tegemeo	24,335,833	10,077,790	34,413,623	-
34	RTI Deferred Incomes Tegemeo	3,229,938	20,497,692	14,177,014	9,550,616
35	Deferred Incomes Tegemeo EXETER	-	2,087,427	1,788,088	299,339
36	Deferred Incomes Tegemeo KDB	-	1,254,281	-	1,254,281
37	Deferred Incomes Tegemeo NARIGP	-	33,359,237	10,575,708	22,783,529
38	Deferred Incomes Tegemeo IDS	-	722,556	-	722,556
39	Deferred Incomes Tegemeo F4APK PROJECT	-	6,982,437	3,313,945	3,668,492
40	Deferred Incomes Tegemeo PIATA/MATHEMATICA	-	5,044,500	192,850	4,851,650
41	Deferred Incomes Tegemeo SARA-KE	-	20,546,647	10,943,078	9,603,569
42	Deferred Incomes Tegemeo LSSF	-	14,262,956	4,765,525	9,497,430
43	Tegemeo Dollar A/C Deferred Income	9,910,120	-	9,910,120	-
	TOTAL	344,019,360	650,732,076	636,114,271	358,637,165

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. CASH GENERATED FROM OPERATIONS

Particulars	Notes	2021-2022 Kshs.	2020-2021 Kshs.
Operating Activities			
Deficit for the year		(1,527,902,227)	(1,299,475,557)
Adjustments for			
Depreciation	24	121,342,989	129,653,282
Movement in Provisions for the year	32 (b)	74,163,574	64,934,422
Movement in Deferred Income for the year	32 (c)	14,617,805	14,088,634
Prior year adjustments		(1,606,224,206)	
(Profit)/Loss on disposal of Assets	25	(4,227,965)	-
(Gain)/Loss on Revaluation of Shares			(28,857)
		(2,928,230,030)	(1,090,828,077)
Changes in Working Capital			
(Increase)/Decrease in Biological Assets	29	5,028,300	10,508,218
(Increase)/Decrease in Receivables	27 (a)	(14,085,923)	476,739,334
(Increase)/Decrease in Inventories	28	(74,754)	4,244,761
Increase/(Decrease) in Payables	32 (a)	3,281,082,282	265,028,922
		3,271,949,905	756,521,235
Cash Generated from Operations		343,719,875	(334,306,842)

34. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. RELATED PARTY BALANCES (Continued)

Other related parties include:

- i) The National Government;
- ii) The Ministry of Education;
- iii) The University Council;
- iv) Key Management
- v) Egerton University Investment Company

	2022/2022	2020/2021
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government (Ministry of Education)		
Recurrent Grants	2,231,277,478	2,098,946,927
Development Grants	-	39,030,444
Total	2,231,277,478	2,137,977,371
b) Key management compensation		
Councils' emoluments	16,106,147	15,532,485
Compensation to key management	46,676,761	40,956,344
Total	62,782,908	56,488,830

35. CONTINGENT LIABILITIES

Contigent Liabilities	F/Y 2021/22
Arbitration case , Diaspora Designs vs Egerton University	102,849,491.00
Arbitration charges	9,297,000.00
Total	112,146,491.00

The university is to pay the claimant consultancy fees of Ksh. 700,000,000 for consultancy services for the ultra-modern in the case the Arbitrator awarded that, the claimant be paid 102,849,491.87. The arbitrators fee is at 9,297,000.00.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

36. EVENTS AFTER THE REPORTING PERIOD

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

37. ULTIMATE AND HOLDING ENTITY

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

38. MATERIAL BUDGET VARIANCES

i. Income Variances

- Research incomes reported positive inflows than had been anticipated except Tegemeo institute.
- The tuition & related income was not fully received due to the closure of the University due to the COVID 19 pandemic in the country. This also affected income from other services, mostly Income Generating Units (IGUs) that depend on students.

ii. Expenditures Variances

The actual expenditure for the year exceeded the budget. This is due to the fact that the university operated on a budget in which staff costs was budgeted only at 60%. In reality however, the total (100%) of the cost has been reported in the financial statements under the accruals basis even though part of it remains unpaid.

There was also recognition of interests and penalties from unremitted statutory deductions amounting to Kshs. 706 million for the year ended June 2022.

39. CURRENCY

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

Appendix 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
1	Going Concern	The university is facing serious financial challenges which are the effects of cumulative decline in incomes from all sources over the last five years. The declining trend in both GoK capitation and student fees income have led to a situation in which the university's total income is less than its total costs. The university is taking a number of steps aimed at reversing this situation like reducing costs through austerity measures, revamping its income generating units, engaging the government with a view to getting additional funding among others.	Not Resolved	FY 2022/2023
2	Presentation and Accuracy of Financial Statements	The financial statements have been amended accordingly and we regret all the omissions. The NCBA Bank and National Bank of Kenya have now been disclosed. Note 30(b) of Provisions and Accruals that was omitted has now been included in the notes to the financial statements. The figure of Kshs 9,910,119 represents Tegemeo Institute project funds received in the dollar bank account and that had not yet been transferred to Kenya shillings bank accounts of the respective projects. This has been amended in the financial statements as Accounts Payable	Resolved	FY 2022/2023
3	Staff Cost	Staff cost include personnel emoluments which are paid through the payroll, and other staff costs which are paid outside the payroll; these are gratuities, casual labor expenses, passage & baggage, graduate scholarships, staff fees waiver and overtime. A reconciliation between the payroll and the schedules is attached for your review. We have also noted some mispostings which have been amended accordingly. The corrected figure for total staff costs is Kshs 3,189,990,440.050.	Not Resolved	FY 2022/2023

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Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
4	Mileage Expenditure on Council Members	The expenditure of Kshs 2,837,185 was supported by the attached copies of car logbooks for council members and we have attached them. The distance covered by each member is captured in every claim form.	Not Resolved	FY 2022/2023
5	Legal Charges	That the contract for provision of legal services (contract no EU/PQS/40/2019-2021) was awarded by the Vice Chancellor via a professional opinion dated 25th April, 2019. We have attached procurement documents for legal services that include tender advertisement dated 7th February 2019, tender opening minutes, tender evaluation report professional opinion, notification for award/regrets, and the status of each of the case.	Not Resolved	FY 2022/2023
6	University Subscription to Other Bodies	The overstatement of this expenditure item by Ksh 2,860,000 has already been corrected. This reduces the expenditure to Ksh 4,177,984. This was a case of subscription to e-resources for off-campus access by students and staff. The CESAAM project paid one of the invoices for subscriptions under its own budget line for access to e-resources amounting to Ksh 2,860,000. This left only Ksh 1,317,984 chargeable against the university's subscription budget of Ksh 1,985,000. Hence we aver that there was no expenditure beyond the approved budget for this item.	Not Resolved	FY 2022/2023
7	Bank Charges, Interest and Commissions	The figure in the financial statements of Kshs 13,570,038 is a total of all levies/charges and taxes charged by the bank for all university bank accounts in the period including commission and taxes on cash withdrawal, charges on unpaid cheques, SWIFT/EFT charges, ledger fees and Debit Interest. The figure of Kshs 12,010,391 is for one bank account (Paying Account No. 1101906812)	Not Resolved	FY 2022/2023

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
8	Travelling and Subsistence Staff	Travel & subsistence allowances claimed by junior officers e.g. drivers and others, were approved by their respective heads of departments, exercise delegated authority from the accounting officer. This authorization is sufficient. Only claims made by senior officers, for example deputy vice chancellors and other senior officers, would require the personal approval of the accounting officer. Similarly, the observation that drivers made claims of up to Ksh 9,544,490 on behalf of other officers is not correct. Included in the above figure are claims made by the drivers on their own personal behalf, which is correct.	Not Resolved	FY 2022/2023
9	Motor Vehicles-Fuel and Oils	We have amended the financial statements to reflect prepaid fuel amounting to Ksh 68,250 and reduced fuel expenses accordingly as recommended by the audit team. We normally access our fuel statement online since we can login in to NOCK portal and even check the balances of each card. We have noted auditor's concern of payment without a statement, and going forward we are attaching the statement whenever we requisition for fuel. Every time a driver fuels a vehicle, he indicated the amount of fuel drawn in shillings and litres, and attaches the receipt to the work ticket. The same information is also recorded in our vehicle log book	Not Resolved	FY 2022/2023
10	Motor Vehicles-Fuel and Oils	That the mentioned expenditure refers to a contract for the provision of small works for renovation of riverside A & B students hostel for a contract amount of Kshs 14,161,570.00 (Kenya shillings fourteen million one hundred and sixty-one thousand five hundred and seventy) VAT Inclusive signed between the Vice Chancellor and the contractor namely Baba Bakita Enterprises Limited dated 7th October, 2016 and 9th September, 2016 subsequently.	Not Resolved	FY 2022/2023

Egerton University Annual Report and Financial Statements for the year ended 30th June 2022

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
11	Buildings	That the mentioned expenditure refers to a contract for the provision of small works for renovation of riverside A & B students hostel for a contract amount of Kshs 14,161,570.00 (Kenya shillings fourteen million one hundred and sixty-one thousand five hundred and seventy) VAT Inclusive signed between the Vice Chancellor and the contractor namely Baba Bakita Enterprises Limited dated 7th October, 2016 and 9th September, 2016 subsequently.	Not Resolved	FY 2022/2023
12	Maintenance of Stations	The observation is not correct. The Ksh 1,246,401 reported is not "Closing Stock", but rather the proportion of opening stock that was consumed during the year. Hence its treatment as an expenditure is correct. The value of closing stock was Ksh 4,147,809 which has been correctly recognized as a current asset.	Not Resolved	FY 2022/2023
13	TAMOU 01C-RE29-Expenses	The annual work plan was submitted when the contract was being signed and is in file. However, we have enclosed our work plan, for year 1 again. The monitoring and evaluation report is also attached together with our quarterly performance report. Kindly note that monitoring and evaluation reports, and performance reports can only be available after activities have been implemented. The annual work plans, monitoring and evaluation reports, quarterly performance reports were submitted to Michigan State University who later submitted them to USAID. The COeLIB project has an Internship Manual approved by the donor, which guides the engagement of interns in the project. This manual does not limit the duration of internship to six months.	Not Resolved	FY 2022/2023

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
14	Linnology-RE 42 Expenses	The work plan and purpose of the research are available. The classes were purely online due to COVID-19 restrictions unless on special practical cases (video recordings for some of the online classes.	Resolved	FY 2022/2023
15	COELIB Projects-RE46 Expenses	The conversion of foreign currency to Kenya shillings is done at the prevailing exchange rate on the date of the transactions though at the end of the financial year. All exchange differences have been recognized as income or expense where appropriate in the financial statements.	Not Resolved	FY 2022/2023
15	Staff Mortgage Scheme	The university's mortgage arrangements with KCB Bank was meant to pass on to staff, low interest on borrowings to fund home ownership initiatives. The university deposited a total of Ksh 50 Million with the bank, as a cash back. This amount acts as a guarantee, which may only be used by the bank in case of default by the borrower and further in case the sale of the mortgaged property cannot raise enough funds to pay the mortgage loan. The mortgage arrangement attracts a low interest of only 4%. refer to Clause 7 of the agreement however certificate of balance as at 30 th June 2021..	Not Resolved	FY 2022/2023
		On the issue of letter authorizing transfer of funds from deposit account no.11506309 to a new fixed deposit account MM1529400252 (which is the Lien account) no authority was required because according to the clause 5 of the agreement, KCB has been given the mandate to transfer funds into the Lien account (Fixed deposit account MM1529400252.		

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Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
16	Long outstanding Receivables from Rendering Services	A lot of effort has been and is being put into recovery of these debts and cleaning of our debtors' ledger. Debtors' cleanup committee was constituted by the VC and has been working on the report that is supposed to go through various stages of approvals by the university management board and university council, once that is done they will be written off as provided for in the policy.	Not Resolved	FY 2022/2023
17	Land	The University do not have title deeds on mentioned parcels of land owned by the University but we are still pursuing the titles. Its however good to note that we have allotment letter for Mpeketoni land.	Not Resolved	FY 2022/2023
18	Work in Progress	The University has a number stalled projects and large sums of funds are indeed tied in the incomplete projects from which the institution does not derive value. There is also the risk that the amount required to complete the projects will increase. However, the University has consistently prioritized the completion of these stalled projects over the years and has succeeded in completing a number of them e.g. the FASS complex, Faculty of Education Complex among others.	Not Resolved	FY 2022/2023
19	Investments	The University had initially classified Kshs 149.9 million as a loan to Egerton University Investment Company but with the recommendation of the Office of the Auditor General's report for the year 2017/18, it was reclassified as an investment. The funds transfer to Egerton University Investment Company was approved	Not Resolved	FY 2022/2023

Egerton University Annual Report and Financial Statements for the year ended 30th June 2022

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
20	Trade and Other Payables	The university is facing serious financial challenges which are the effects of cumulative decline in incomes from all sources over the last five years. The declining trend in both GoK capitation and student fees income have led to a situation in which the university's total income cannot meet even the staff costs.	Not Resolved	FY 2022/2023
21	Tuition Fee	The students in question are those who had not registered in Academic Records Management System (ARMS) in previous semesters and hence had some missing invoices in the system. Subsequent billing was done to update their financial records in the system after exams resulting in the balances in the student debtors. Management has since fixed this weakness in the system	Not Resolved	FY 2022/2023
22	Council Expenses	The cheques in question were prepared before the meeting but issued to the council members during and after the said meeting and not in advance. It was important to prepare the cheques in advance as the staff involved in their approval and signing were also in the same meeting. The cheques cleared on various dates during and after the function for which payments were made.	Not Resolved	FY 2022/2023
23	General Insurance - Properties	As per the published tender document, the contract was to cover the period from 1st January 2020 to 31st December 2021, this forms part of the contract. Refer to section 135(6) of PPAD Act 2015, "the tender document shall be the basis of all procurement contracts and shall constitute at a minimum: a) Contract agreement,b) Tender form,c) Price schedule/bill of quantities submitted by the tenderer.	Not Resolved	FY 2022/2023

Egerton University Annual Report and Financial Statements for the year ended 30th June 2022

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
24	Rent & Rates	<p>The university entered into a lease agreement for Bawani Building 2nd Floor on 1st September 2014 and was running up to 28th February 2020. Notice was given to the landlord for termination of lease by the university which was to be done by end of October 2019.</p> <p>During this period after the expiry of the contract, the university and the landlord were on a month-on-month tenancy agreement (which is the applicable legal provision in the absence of a written lease). During this period, the university continued to enjoy the use of the building and hence received value for the monies paid.</p>	Not Resolved	FY 2022/2023
25	Teaching Claims (Part Time Lecturers)	<p>Recruitment of part-time lecturers is done on the basis of identified need by the user department. This process starts at the departmental level during course allocation.</p> <p>Appointment of part – time lecturers has been guided by work instruction that were developed for appointment of part-time lecturers based on ISO 9001:2008 that the University had been certified but not in use currently.</p>	Not Resolved	FY 2022/2023
26	Research & Extension Expenses	<p>The awarded contracts were placed on selected conspicuous noticeboards but due to limited space and the number of centralized notice boards within the University, the contracts were removed upon contract closure. The same tender awards were published on the Public Procurement Information Portal (PIIP) which was updated around May-June 2021. We agree with the auditor that such contracts should be published for a longer period thus going forward the Management has established centralized notice boards specifically for tenders and contracts publications.</p>	Not Resolved	FY 2022/2023

Egerton University Annual Report and Financial Statements for the year ended 30th June 2022

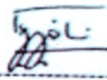
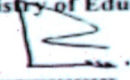
Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
27	Global Fund - RE44 Expenses	Payments to suppliers is done on availability of funds hence, the exact amount to be paid is determined by Agro-Science Park Seed who raise the invoices on behalf of the farmers. We have attached the project work plan that is normally adopted on quarterly basis and since the project is a revolving fund, it operates on budget estimates.	Not Resolved	FY 2022/2023
28	Tegeemo Institute Expenses	During the three months, Dr. Kamau's employment contract had expired as correctly observed, she continued to render services to the university. Hence the payments that were made to her were in respect of services rendered. Dr. Kamau was running a project whose interruption would have violated the terms and conditions of project execution with the donor. The expenditure on insurance has been apportioned, and the financial statements amended accordingly.	Not Resolved	FY 2022/2023
29	Negative Cash Balances	We agree with the auditor's observation on the negative cashbook balances, and the management has put in place measures to ensure that cheques are written when funds are available in the bank.	Not Resolved	FY 2022/2023



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor

Date: 28th September 2021

Appendix 2: INTER-ENTITY TRANSFERS

ENTITY NAME:		EGERTON UNIVERSITY	
6 C. Break down of Transfers from the State Department of Education, Ministry of Education			
FY 2021/2022			
6a. Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	3-Aug-21	184,937,286	2021/2022
	1-Sep-21	184,937,286	2021/2022
	29-Sep-21	184,937,285	2021/2022
	2-Nov-21	184,937,286	2021/2022
	26-Nov-21	184,937,286	2021/2022
	28-Dec-21	184,937,285	2021/2022
	1-Feb-22	184,937,286	2021/2022
	2-Mar-22	184,937,286	2021/2022
	1-Apr-22	184,937,285	2021/2022
	28-Apr-22	184,937,286	2021/2022
	6-Jun-22	190,952,311	2021/2022
	28-Jun-22	190,952,310	2021/2022
	Total	2,231,277,478	
b. Development Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	Total	-	
c. Donor Receipts			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	22-Mar-22	75,000,000.00	2021/2022
	5-Apr-22	5,284,241.75	2021/2022
	Total	80,284,241.75	
The above amounts have been communicated to and reconciled with the parent Ministry			
Finance Officer Egerton University		Head of Accounting Unit State Department of Education Ministry of Education	
Sign		Sign	
	FINANCE OFFICER EGERTON UNIVERSITY		

