

REPUBLIC OF KENYA



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REPORT

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ON

**AFRICA CENTRE OF EXCELLENCE (ACEII)
IN PHYTOCHEMICALS, TEXTILES AND
RENEWABLE ENERGY (PTRE) PROJECT
(IDA CREDIT NO.5798-KE)**

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

MOI UNIVERSITY



PROJECT NAME: AFRICA CENTRE OF EXCELLENCE (ACEII) PTRE PROJECT

IMPLEMENTING ENTITY: MOI UNIVERSITY

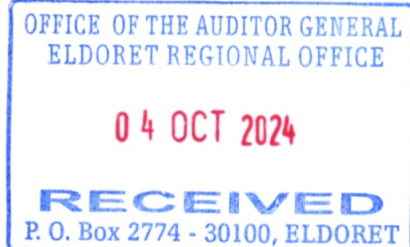
PROJECT GRANT/CREDIT NUMBER: IDA CREDIT 5798-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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



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1. ACRONYMS AND GLOSSARY OF TERMS

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
ACEII	Africa Centre of Excellence
PTRE	Phytochemicals, Textiles and Renewable Energy

(Project to include all acronyms and glossary of terms used in the annual report and financial statements)

2. PROJECT INFORMATION AND OVERALL PERFORMANCE

2.1 Name and registered office

Name

The project's official name is the Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project.

Objective

The key objective of the project is to advance technology development and innovation in Phytochemicals, Textiles and Renewable Energy through delivery of quality post graduate training and collaborative research in regional priority areas.

Address

The project headquarters office is in Eldoret, Uasin Gishu County, Kenya.
The address of its registered office is:

Moi University

Margaret Thatcher Library, Main Campus
P.O Box 3900 – 30100

Eldoret

Contacts: The following are the project contacts:

Telephone: (+254) 736 138770, 771 336911

E-mail: info@mu.ac.ke, muptreaceii@gmail.com

Website: www.mu.ac.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 1 July 2017
Project End Date:	The project ended on 31 December 2023
Project Leader:	The project Leader is Sir. Prof Ambrose Kiprop
Project Sponsor:	The project sponsor is The World Bank

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Education.
Project number	P151847
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> i. To strengthen education capacity excellence in terms of quality of postgraduate training ii. To strengthen research capacity excellence and outreach service in phytochemicals, textiles and renewable energy iii. To strengthen innovation and technology development in the industrial and manufacturing sectors iv. To strengthen sustainability of research and training through enhancement of facilities
Achievement of strategic goals	<ul style="list-style-type: none"> i. The project management aims to achieve the goals through the following means: ii. Admitting and training PhD and MSc students in areas of manufacturing involving Analytical Chemistry, Textile, Industrial Engineering and Renewable Energy. iii. Enhancing learning environment by improving teaching, research facilities and ICT upgrading. iv. Re-tooling faculty on curriculum delivery and supervision. v. Improving industrial and private sector linkage with stakeholders to offer more internship places for students. vi. Offering extension and outreach services to the community. vii. Holding annual meetings with partners to discuss project progress and evaluation. vii) Undertaking joint publications with partners.

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	<p>viii) Organizing student and staff exchange activities. ix) Embracing use of visiting members of faculty who are based in the diaspora and other adjunct professors.</p>
Other important background information of the project	<p>The manufacturing sector is envisaged under Kenya Vision 2030 as a key driver to economic growth with an annual growth rate of 10% projected. To make Kenya a dynamic industrial nation by year 2030, a high number of diversified skilled personnel in science, technology, engineering and mathematics (STEM) are necessary. As industrialization advances, the energy demand is expected to rise correspondingly, requiring better energy management with new technologies in energy generation and distribution. Sustainable industrialization requires highly skilled workforce capable of introducing novel manufacturing technologies and energy alternatives for sustainable development. The Centre is attempting to address the need in manufacturing technologies for textile, phytochemicals and renewable energy in the country.</p>
Current situation that the project was formed to intervene	<ol style="list-style-type: none"> i. The project was formed to intervene in the following areas: ii. The need to make Kenya a dynamic industrial nation by the year 2030 through adoption of the state-of-the-art technology that is both efficient and environmentally friendly. iii. The need of a competitive manufacturing sector capable of restructuring key local industries that use local raw materials. This will enable the sector to exploit opportunities in value addition to local produce. Of concern being the local textile industry, whose revitalization is a focal point in the strategies of the government of Kenya as it strives to realize Vision 2030. iv. The production of synthetic dyes currently used in Kenya is dependent on petrochemical source; most of which usually contains toxic or carcinogenic amines that are not eco-friendly.
Project duration	<p>The project was scheduled to end on 31 December 2023.</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

Kenya Commercial Bank
P. O Box 560 -30100
ELDORET

2.5 Independent Auditor

The project is audited by the
Office of the Auditor General, Anniversary Towers, University Way
P.O. Box 30084, GOP 00100
Nairobi, Kenya

2.6 Roles and Responsibilities

The key people working in the Project are listed below:

Names	Title designation	Key qualification	Responsibilities
Sir. Prof. Ambrose Kiprop	Centre Leader	Ph.D.	Centre Leader
Dr. Rose Ramkat	Deputy Centre Leader	Ph.D.	Deputy Centre Leader
Prof. Simeon Mining	Registrar A, P&S	Ph.D.	Coordinator – IP&QA
Dr. Sarah Chepkwony	Coordinator	Ph.D.	Phytochemicals
Dr. Korir K. Kiptiemoi	Coordinator	Ph.D.	Renewable Energy
Prof. Fredrick Nyamwala	Coordinator	Ph.D.	M&E, Ph.D./MSc. Prog
Prof. Charles Nzila	Coordinator	Ph.D.	Seminars and conferences
Prof. Arimi M’Arimi	Coordinator	Ph.D.	Environmental Safeguards
Dr. David Njuguna	Coordinator	Ph.D.	Textile and Ind. Engineering
Dr. Lynn Kitembe	Coordinator	Ph.D.	Social Safeguards Coordinator
Dr. Jacqueline Makatiani	Coordinator	Ph.D.	Short courses and linkages
Dr. Edwin Kimitei	Coordinator	Ph.D.	Commercialization
Ms. Naomi Nkonge	Center Administrator	Masters	General administration
CPA Julius Cheboriot	Accountant	BBM – Finance CPA(K)	Financial Services
Mr. Alfred Wandera	Communications	MBA Strategic	Communication

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	Officer	Communication	
Mr. Edward Nyenze	Procurement Officer	BBM (Purchasing and Supplies)	Procurement Services
Ms. Jayne Njenga	Secretary	BHRM (Human Resource)	Secretariat Services
Ms. Ester Maritim	Office Assistant	Certificate	Office Assistant
Mr. Moses Chirchir	Driver	Certificate	Driver

2.7 Funding summary

The Project is for duration of 5 years from 2017 to 2023 with an approved budget of US\$ 6,000,000 equivalent to Kshs 600,000,000 as highlighted in the table below:

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Overdrawn balance to date	
	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
World Bank/Ministry of Education	6,000,000	600,000,000	6,461,409	659,063,708	(461,409)	(59,063,708)
(ii) Attracted Funds						
African Development Bank	-	-	-	38,598,850	-	-
Consulting LGI	-	-	-	1,176,218	-	-
EFPL-Switzerland	-	-	-	1,346,214	-	-
European Commission	-	-	-	45,291,150	-	-
Energy Saving Trust (Tea LP)	-	-	-	289,818	-	-

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Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Overdrawn balance to date	
	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
Project)						
German International Devp't Agency	-	-	-	851,323	-	-
Glasgow University	-	-	-	1,217,541	-	-
Helmholtz-Zentr Helmho	-	-	-	5,886,579	-	-
Hochschule Ma	-	-	-	1,018,073	-	-
Mekelle University Research Fund- Spree Project	-	-	-	10,717,123	-	-
Nemedussa Project (Felix Langat)	-	-	-	16,880	-	-
Stellenbosch Un C O Unive	-	-	-	658,880	-	-
United Nations	-	-	-	16,162,360	-	-
University of Cape Town	-	-	-	9,635,323	-	-
University Of Bremn	-	-	-	542,525	-	-
University of E. University	-	-	-	4,552,558	-	-
CIPE Nairobi	-	-	-	3,661,200	-	-
DAAD	-	-	-	106,388	-	-
E. Menach	-	-	-	40,000	-	-
GIZ - Nairobi Office	-	-	-	610,957	-	-
Inter University	-	-	-	31,665,280	-	-

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Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Overdrawn balance to date	
	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Council		-				
KALRO	-	-	-	2,706,945	-	-
Kenya Education, Kenya	-	-	-	3,000,000	-	-
Kenya Space Agency	-	-	-	1,000,000	-	-
UNESCO Nairobi	-	-	-	1,319,304	-	-
Kopemik ,Japan	-	-	-	490,775	-	-
LGI Sustainab Paris	-	-	-	1,501,738	-	-
Setinel Project	-	-	-	1,207,388	-	-
Leinchtenstein Josef Rheinbeger	-	-	-	1,476,901	-	-
UNZA School of Eng	-	-	-	29,303,907	-	-
Kenyatta University	-	-	-	2,601,500	-	-
Moi University Asali A/C	-	-	-	52,515,250	-	-
Biomedical Project	-	-	-	71,177	-	-
FOSC-CIRAD	-	-	-	1,704,085	-	-
Interact Africa Project	-	-	-	151,158,824	-	-
Skies Project	-	-	-	4,893,742	-	-
Spec	-	-	-	902,575	-	-
Victoria SOLU	-	-	-	305,000	-	-

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Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Overdrawn balance to date	
	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
		-				
WLC-Training	-	-	-	729,669	-	-
(iii) Internally Generated Funds	-	-	-			
Students' Application & Accommodation, fees	-	-	-	2,382,974	-	-
Hire of project Facilities	-	-	-	684,717		
Short Courses and Conferences	-	-	-	521,594	-	-
Investment income	-	-	-	1,695,342	-	-
Rafiki MicroFinance(Bid Bond)	-	-	-	600,000	-	-
Total	6,000,000	600,000,000	6,461,409	1,095,882,355	(461,409)	(59,063,708)

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30 th June 2024)	
	<i>Donor currency USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>	<i>Donor currency USD</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Grant						
Government/Donor Funds	6,461,409	659,063,708	5,115,960	521,827,949	1,345,449	137,235,759
Proceeds from domestic & Foreign Grants	-	430,934,019	-	336,315,084	-	94,618,935
Other Receipts	-	5,884,628	-	-	-	5,884,628
Total	6,461,409	1,095,882,355	5,115,960	858,143,033	1,345,449	237,739,322

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

i. Budget performance against actual amounts for current year and for cumulative to-date

During the year under review, the project recorded budget utilization level of 52% and 40% cumulative performance to date. The project activity implementation came to an end in Dec 2023 with a post closure period of 6 months to clear any pending payments. The project received Kes. 76 million in the period under review and a cumulative amount of Kshs.659million from the GoK/World Bank support and other donor attracted funds of Kshs.430million against cumulative expenditures of Kshs.858million

In the year under review, the project budgeted for Kshs.494,454,391 out of which Kshs.257,989,129 was utilized.

ii. Physical progress based on outputs, outcomes, and impacts since project commencement

Since the inception of the project, there have been a number of successes and has had positive impacts both to the hosting institution and the surrounding communities. Some of the benefits are listed here below

- a. The project has improved the enrolment of students for both master and PhD programmes nationally and internationally and boosted the status of the University since the programmes offered meet world class requirement especially in the energy sector. The number of graduates now stands at forty two. In addition, the project shall continue to provide national and international staff student exchange programmes in order to widen and broaden its research activities that are instrumental in changing lives and ways of doing things for the good of our economic development.
- b. The project shall continue to foster national and international linkages and cooperation and to this end, the project has entered into partnership agreements and signed seven memoranda of understanding with private, professional bodies and public institutions. In addition, the project is working with identified international companies for technology transfer.
- c. The project has also offered short courses within the University and with outlying counties on matters that are of mutual benefit to the institution and the community at large
- d. Since its inception the project has attracted USD 4,224,843 as externally generated funds, which has benefitted the institution in term of improving facilities and increased the students teaching materials. The facilities improved include renovations of laboratories and improvement of student hostel facilities for the students. It has also procured teaching equipment of over fifty million and reduced the reliance and payment of research costs from other teaching institutions.
- e. As part of corporate social responsibility, the project, apart from installing a biogas technology at the University, it has also reached four local secondary schools with the same facilities. In addition it has offered training opportunities to the appropriate staff in the

surrounding counties of Uasin Gishu, Elgeyo Marakwet and Nandi Counties on biogas technologies. This technology will improve on the management of waste management

In addition, trainings have been held on natural dyes application using locally available weed and soaps and detergent making to the local community

iii. Comment on value-for-money achievements

The ACEII-PTRE project since inception has had significant value for money. This includes

- a) Equipping the University with appropriate facilities through procurement of equipment which would otherwise have not been met by mainstream budgetary allocation. In addition it has lowered the cost of procuring research costs from other institutions.
- b) Through staff and students exchanges, research output through publications that address industry needs.
- c) Accreditation of curricula has enhanced visibility, nationally, regionally and internationally.
- d) Through partnerships with the industry, the community staff have trained on social improvement.

iv. Indicate the absorption rate for each year since the commencement of the project

Over the six years since inception, the project has recorded a varying absorption rate due to various challenges that each year presented. Key among the challenges was the effect of Covid-19 pandemic and industrial unrest that faced the University sector including others that have been highlighted below. The overall absorption rate stands at 38%. The project is however still on course in achieving the milestones the project schedules had been set in its activities

Year	Final Budget	Expenditure	Absorption
2017/2018	119,769,567	52,095,615	43%
2018/2019	216,142,667	88,459,403	41%
2019/2020	318,382,168	65,556,675	21%
2020/2021	347,524,796	151,099,847	43%
2021/2022	338,676,808	124,306,288	37%
2022/2023	368,547,525	118,636,077	32%
2023/2024	494,454,391	257,989,129	52%
Total	2,119,599,563	858,143,033	40%

v. List the implementation challenges and recommended way forward.

Challenge

The project, just like the institution itself, faces challenges, some of which are occasioned by factors beyond its capacity. Some of the challenges include:

- a) Inadequate capacity to commercialize research outputs.
- b) Lack of avenues for dissemination of research outputs.

Way forward

These challenges cannot be addressed by the project alone without the involvement of the hosting institution. As a way forward, the project together with the University:

- i. Industrial partnerships and linkages on commercialization.
- ii. Organisations of research workshops or seminars with key stakeholders

PROJECT ACTIVITIES DURING THE YEAR

a) Graduating 2023/2024 Students

During the year the Center graduated eleven students under its sponsorship in various programmes offered as indicated here below:

S/NO.	REG/NO	NAME	PHONE NO.	EMAIL ADDRESS	COUNTRY	GENDER	GRADUATION DATE
MSC IN ENERGY STUDIES							
1.	ENG/MES/10/19	Musaavy, Belindah	0721869839	musaavyb@gmail.com	Kenya	F	21/12/2023
2.	ENG/MES/3982/20	Rotich Nicholas Kiptum	0714082860	rotichnick37@gmail.com	Kenya	M	21/12/2023
PHD IN RENEWABLE ENERGY							
3.	ENG/DES/03/19	Ngure, Samuel Maina	0721236909	smngure5@yahoo.com	Kenya	M	21/12/1023
MSC IN ANALYTICAL CHEMISTRY							
4.	MSC/ACH/6/18	Kipkulei, Linet J.	0707016554	jelalinet@gmail.com	Kenya	F	21/12/2023
PHD IN ANALYTICAL CHEMISTRY							
5.	PHD/ACH/4322/20	Carolyne Nakiguli Kiwanuka	0704392074	cnakiguli@must.ac.ug, carolkiwanuka@gmail.com	Uganda	F	21/12/2023
6.	PHD/ACH/4321/20	Wambaya Cheloti Michael	0721250686	mikechelo@yahoo.com	Kenya	M	21/12/2023
7.	PHD/ACH/4319/20	Opondo Florence	0728061979	fopondo07@gmail.com	Kenya	F	21/12/2023
8.	PHD/ACH/03/18	Awad, N. Mustafa Rania	0752991606	awadrania0@gmail.com	Sudan	F	21/12/2023
MSC IN INDUSTRIAL ENGINEERING							
9.	TEC/PGMT/12/18	Areba, Paul Okemwa	0737171246	arebapaul@gmail.com	Kenya	M	21/12/2023
10.	ENG/MIE/3988/20	Robert Kipchumba Rutto	07255599477	rutto.bob@gmail.com	Kenya	M	21/12/2023
PHD IN MATERIALS AND TEXTILE ENGINEERING							
11.	ENG/DPHIL/MT/3973/20	Nonsikelelo Sheron Mpofo	0734381021	nonsiempofu@gmail.com	Zimbabwe	F	21/12/2023

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b). Staff and student exchanges

In this quarter, the center support 13 exchange programmes as listed below.

SNO	NAME		LEVEL	GENDER	COUNTRY OF ORIGIN	EXCHANGE HOST INSTITUTION	DATES	ORIGINATING INSTITUTION
1	<u>Kibet</u>	Johnstone Lagat	Faculty	Male	Kenya	Kenya Industrial Research & Development Institute (KIRDI)	1 - 14 August, 2023	Moi University
2	<u>Esmaeel</u>	Abadalla	Student	Male	Sudan	Kenya Industrial Research & Development Institute (KIRDI)	2 - 15 August, 2023	Moi University
3	<u>Mpungu</u>	Ibrahim Luqman	Student	Male	Uganda	Moi University	1 - 14 August, 2023	Busitema University, Uganda
4	<u>Dr. Ogutu</u>	Fredrick	Faculty	Male	Kenya	Kenya Industrial Research & Development Institute (KIRDI)	1 - 14 August, 2023	Moi University
5	<u>Mwai</u>	Caroline	Faculty	Female	Kenya	Kenya Industrial Research & Development Institute (KIRDI)	1 - 14 August, 2023	Moi University
6	<u>Kaneba</u>	Chris	Faculty	Male	Kenya	Moi University	2 - 15 August, 2023	Jomo Kenyatta University of Science and Technology (JKUAT)
7	<u>Mbeche</u>	Silas	Faculty	Male	Kenya	Moi University	2 - 15 August, 2023	Kenya Industrial Research & Development Institute (KIRDI)
8	Sir, Prof. <u>Kiprop</u>	Ambrose	Faculty	Male	Kenya	Moi University	2 - 15 August, 2023	Kenya Industrial Research & Development Institute (KIRDI)
9	<u>Dr. Makumba</u>	Billy	Faculty	Male	Kenya	Moi University	2 - 15 August, 2023	Kenya Industrial Research & Development Institute (KIRDI)
10	<u>Atima</u>	Rose	Student	Female	Uganda	Moi University	1 - 14 August, 2023	Busitema University, Uganda
11	<u>Bongomin</u>	Ocident	Student	Male	Uganda	Moi University	1 - 14 August, 2023	Busitema University, Uganda

12	<u>Dr.Boiyo</u>	Duncan	Faculty	Male	Kenya	Moi University	2 - 15 August, 2023	University of Nairobi (UoN), Kenya
13	Prof. Wanda	Elijah Malinga	Faculty	Male	Malawi	Mzuzu University, Malawi	3 - 15 August, 2023	Moi University

c). ACEII PTRE Alumni awards/impact

i. Eni Award 2023

Elshday Fetene Mulu won Eni Award 2023 in Rome, Italy following her exceptional proposal on the production of biohydrogen from fruit and vegetable waste, particularly abundant in Ethiopia, using catalysts from low-cost natural and synthetic materials. She won the award in the category of Young Talents from Africa.



Fetene Elshaday

ii. PhD Scholarship

Ms. Hortence Ingabire, a Rwandan national, has been awarded a PhD Scholarship by the Federal Technology University of Parana (UTFPR), Curitiba Campus in Brazil. Ms. Ingabire's scholarship is being sponsored under the GCUB International Mobility Programme. She is set to graduate from Moi University this December.



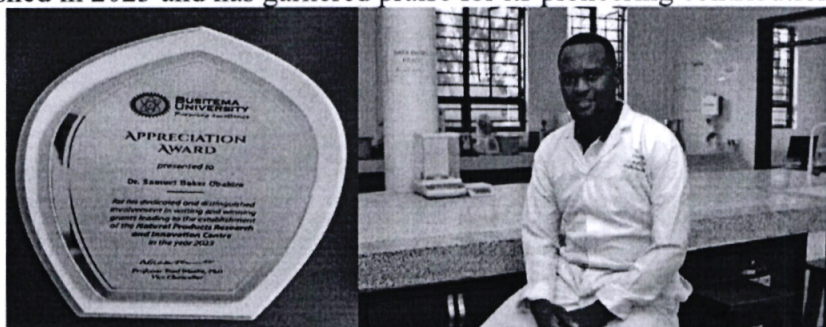
Hortence Ingabire

iii. Academic Promotions

Dr. Obakiro Samuel Baker (Analytical Chemistry) and Dr. Alex Musinguzi (Textile Engineering) promoted to the position of Senior Lecturer at Busitema University, Uganda.

iv. Moi University ACE II PTRE Alumnus, Dr. Samuel B. Obakiro Awarded and Recognized for Establishing NaPRiC

Dr. Samuel Baker Obakiro graduated with PhD in Analytical Chemistry on 23/06/2022. He was honored and acknowledged by Busitema University (Uganda) for his outstanding contribution to education and research through the establishment of the NaPRiC (Natural Products Research & Innovation Centre) in 2023. The center, which is known for producing high value scientifically validated natural products for commercialization, was established in 2023 and has garnered praise for its pioneering contribution in the field.



v. PTRE Construction block

The construction for PTRE block is ongoing.



d). ACEII PTRE Wins Pitching Competition - Cohort 1

ACEII PTRE Deputy Center Leader, Dr. Rose Ramkat participated in the above competition that was organized by R2C. This pitch was for commercialization of food bio preservative. The Center emerged ssecond pposition and official communication is yet to be received on the prize awarded.

e). Visit by SPEC Representative

In April 2022, a partnership agreement was signed between Moi University and SPEC Company, based in Japan, for technology adaptation of STEIN Product. This is after successful matching by the World Bank for PTRE Center to work with SPEC company for technology transfer.

ACEII PTRE Center and the School of Engineering, Department of Civil and Structural Engineering led by Prof. Joel Kibiiy received the STEIN product and has since completed the process of soil test for compatibility purpose from different parts of the country (Eldoret, Kisumu, Busia, Muguga, Kijabe, Kiambu and Busia). In the continued discussions, the agreement has been expanded further to enable SPEC company carry out demonstration for 15M pathway within the University premise and 3 by 3 meters fish pond. The Center received the SPEC company representatives on 19th September, 2023 for further discussions and site identification.



Visit to technology building at Moi University on 19th August, 2023

f. 2023 Ayute Africa Challenge Kenya Gala Awards

The Center participated in the 2023 Ayute Africa challenge Kenya Gala awards ceremony held on the evening of 31st August, 2023. Before the Gala awards, 21 finalists were expected to attend some physical trainings from 28th – 30th August, 2023 at E4Impact station in Nairobi. This included series of presentations and pitches to choose the winners.

*Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*



g. Self evaluation workshops to consider sustainability after closure

PTRE Team at Pride Inn Hotel, Mombasa



PTRE Team with University Management at Kisumu Hotel on 18th December, 2023



2.9 Summary of Project Compliance

The project complied with all the relevant and applicable laws and regulation in its operational activities; hence there was no consequence for non-compliance suffered.

3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the project's 2018-2023 plans are to:

- i. To advance technology development and innovation in Phytochemicals, Textile and Renewable energy through delivery of quality post-graduate training and collaborative research in the regional priority areas.
- ii. To strengthen:
 - a) Education Capacity excellence in terms of quality postgraduate training .
 - b) Research Capacity excellence and outreach service in Phytochemicals, Textile and Renewable energy.
 - c) Innovation and technology development in the industrial and manufacturing sectors.
 - d) Sustainability of research and training through enhancement of facilities.

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement.

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
ACEII- PTRE	To strengthen Education Capacity excellence in terms of quality postgraduate training.	Target: To Admit and train 30 PhD students and 60 MSc. Achieved: A total of 183 students. PhD students Target (30) Achieved 58 40M, 18 F Masters Students Target (60) Achieved 126, (82M), 44F)	Admitted a total of 183 students	Achieved above the target
		National and international accreditation of new curricula	4 Curricula accredited nationally and 2 accredited internationally. Nationally: - <ul style="list-style-type: none"> • MSc Analytical Chemistry • PhD in Analytical Chemistry • PhD in Textile and Material Engineering • PhD in Industrial Engineering Internationally: - <ul style="list-style-type: none"> • PhD in Textile and Material Engineering • PhD in Energy Studies Development a multidisciplinary Curriculum in Masters in Sustainable Energy Access Jointly reviewed curriculums with Stakeholders: <ul style="list-style-type: none"> • Masters & PhD in Energy Studies • Master in Textile Engineering 	Achieved above the target
		Target 50 staff and students exchange programmes	Achieved over 110 nationally, regionally, and international exchanges.	Achieved above target



	Research Capacity excellence and outreach service in Phytochemicals, Textile and Renewable energy.	Develop and offer Short Courses - Target 4, Achieved 4	<ul style="list-style-type: none"> • Joint virtual training course with MORENDAT (MIOG) on workplace health, safety and environment management • Natural Dyes (offered at Eldoret, Trans Nzoia and Kisumu) • Programme Development and Curriculum Delivery course • Soap and detergent making course at Kesses community 	Achieved
		Target of 50 Publications made from various research areas	112 publications	Achieved above target
		Biogas Training for High Schools	Trained four high schools on biogas installation. Installed a biogas plant at Moi University, Moi Girl High School, Kapsabet Boys and Kaptagat Girls high school	Achieved
		Host at least 1 international conference	Completed after hosting virtual international conference with Donghua University, China	Achieved
	Innovation and technology development in the industrial and manufacturing sectors.	Upgrade of ICT lab	Equipped postgraduate lab at the School of Sciences and Aerospace Studies	Achieved
	7 MOUs signed with industrial partners and Staff exchange undertaken with partner institutions in implementation of signed agreements	MoUs with: - NOCART, AEPEA, KAM, KIRDI University of Gezira and Busitema University	Achieved	

	Sustainability of research and training through enhancement of facilities.	Renovations of laboratories	Procurement of equipment worth Ksh. 50,661,918 Renovations of facilities (labs and students' hostels) Kshs. 10,390,812	Achieved above target
		Procurement of motor vehicle	A Landcruiser and Scania bus	



4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

ACEII-PTRE exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. The project is anchored on University policies that promote the sustainability of the University programmes and activities. It is therefore envisaged that the going concern of the University shall continue to be sustained through Government support, national and international donor's support. In line with this arrangement, the University constantly communicate with the Ministries of Education and the National treasury to upscale its budgetary allocation. Government support together with this project injection of substantial cash inflow has greatly improved and increased the University's physical resources.

The University regularly engages national regulatory entities that set standards for the institution in terms of teaching, research and other operational activities in addition; there are frequent updates of staff on new and improved standards that guide the working environment and general acceptable practices, these updates improves the staff skills and thereby increase efficiency and effectiveness in service delivery. To this end, the University continues to review its statutes and other governing instruments and formulate policies that will put the institution in a world map of efficient service delivery and thereby attract partnership pact with donors of goodwill that shall ensure stability and life-long sustainability.

In addition, the University is also diversifying in commercial agricultural large apple farming that will generate revenue to support the Government budget. It is expected that when the project picks up, the burden of redeeming the current debt situation shall be reduced.

On the other hand, the University is at discussion with the national government on the best and save avenue of right sizing of the employees so as to attain the acceptable international ratio of teaching against the non-teaching staff. This arrangement will reduce the current burden of managing the staff compensation and other operational activities. Upon completion, there shall be comfortable working environment and boosting of staff morale which in turn shall give positive results

1. Sustainability strategy and profile

In order to sustain the output of the project and allow its continuity beyond the donor support, the University Management shall put in place measures that will strengthen the operation and management of the project. This shall include:-

- More Research Proposals to attract more funds;
- Institutional capacity building from other faculties since they are opportunities of improvement and commercialization in the project;
- Commercialization of research and innovative activities from the ACE II PTRE;
- Seeking financial support from the government and other interested parties for the start-ups;

- More engagement and linkage with other government ministries and SAGAS (Semi-autonomous government agencies so as to support our activities and benefit from our research output and innovation; and
- Proposals to the national Government to spearhead strategies that can influence industries to finance research at policy level.

2. Environmental performance

The project is anchored on the university policies that includes environmental among other policies. The project has undertaken renovations of different University structures and adequate measures are in place to manage solid waste as well as occupational health and safety risks.

3. Employee welfare

The University provides equal opportunity irrespective of gender to all the applicants who are seeking for the engagement in the University. This Employment criterion is contained in the University Human Resource Manual which provides guidelines on hiring and exiting the employment. This Manual has been incorporated with the National Government Human Resource Manual. The University engages its employees through open and transparent process and the employees engaged are expected to comply with constitutional and mandatory requirements, including the principles of affirmative action, gender and person enabled differently and mainstreaming of National values and principles of Governance as espoused in the constitution that guide the hiring process.

The performance of the employee are measured using appraisal instruments that provides feedback, review progress, identifies and addresses potential for rewarding and advancement

4. Market place practices-

a) Responsible Supply chain and supplier relations-

The Project is guided by the Government Laws and Regulations governing the procurement and disposal of goods and services. These Laws and Regulations provide for equal opportunity to all eligible suppliers to do business with the project. On its part, the project has a duty and obligation to pay the goods and service providers their dues within the agreed period, and this has been done successfully.

b) Responsible ethical practices

The project operates within the main University ethical guidelines and polices that are in place. This includes anti-corruption and nepotism and does not engage on political influence to make its decision.

c) Regulatory impact assessment

In order for the project to remain operational the security and safety of the employee is paramount. The project provides the safety gadgets in risk-prone areas to employees and visitors. It has also put in place firefighting equipment to secure assets in the event of fire. All these activities are subject to the assessment by competent and approved providers of such services. In insurance cover is provided by the University.

(v) Community Engagements

The project recognises the importance of the Community living around and within the University. In doing so, it has through the University Management engaged and shall continue do so in providing the Corporate Social Responsibility since the University recognizes that, for sustainable growth, profitability and posterity, it must play its role in society as an ethical and compliant entity that respects communities, rule of law and the environment.

5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project are responsible for the preparation and presentation of the Project’s financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangement 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project accept responsibility for the Project’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

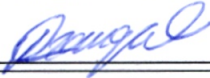
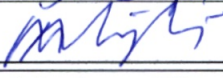
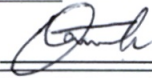
The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project are of the opinion that the Project’s financial statements give a true and fair view of the state of Project’s transactions during the financial year/period ended June 30, 2024 and of the Project’s financial position as at that date.

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Vice Chancellor and the Project Coordinator for ACEII, PTRE Project 30th September 2024 and signed by them.

		
Prof. Isaac S. Kosgey	Sir. Prof. Ambrose Kiprop	CPA Eglia C Samoei
Vice Chancellor	Centre Leader	Ag. Chief Finance Officer
		ICPAK Member No:5141

REPUBLIC OF KENYA

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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON AFRICA CENTRE OF EXCELLENCE (ACEII) IN PHYTOCHEMICALS, TEXTILES AND RENEWABLE ENERGY (PTRE) PROJECT (IDA CREDIT NO.5798-KE) FOR THE YEAR ENDED 30 JUNE, 2024 - MOI UNIVERSITY

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project set out on pages 1 to 25, which comprise of the statement of financial assets as at 30 June, 2024

Report of the Auditor-General on Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project (IDA Credit No.5798-KE) for the year ended 30 June, 2024 - Moi University

and the statement of receipts and payments, 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, the financial statements present fairly, in all material respects, the financial position of Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Subsidiary Grant Agreement for IDA Credit No. 2019-1973/006-001 between Moi University and the European Commission dated 28 November, 2019 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.494,454,391 and Kshs.275,312,115 resulting to an underfunding of Kshs.219,142,276 or 44% of the budget. Similarly, the Project spent an amount of Kshs.257,989,129 against actual receipts of Kshs.275,312,115 resulting to an under-utilization of Kshs.17,322,986 or 6%of the actual receipts.

The underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My report is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, an issue on was raised under the Budgetary Control and Performance. Management of the Project has not unresolved the outstanding issue.

Other Information

Conclusion

The Project Management is responsible for the other information set out on page iii to xxx which comprise of Project Information and Overall Performance, statement of Performance against Predetermined Objectives, Environmental and Sustainability Reporting, Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

Basis for Conclusion

In connection with my audit on the Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Delayed Completion of Studies Under the Scholarship Program

The Project offers scholarship program which aims to admit and train thirty (30) PhD students and sixty (60) Master's students in of analytical chemistry, textiles and renewable energy. The Scholarships are awarded for a maximum period of two (2) years for Master's degrees and 3 years for PhDs level. A total of Kshs.52,466,550 in tuition fees and Kshs.28,320,318 in research funding have been disbursed to date.

However, review of the academic progress of the scholarship beneficiaries revealed significant delays, with 71% of the PhD students and 55% of the Master's students yet to

complete their studies. Further, sixty-seven (67) students who included twenty-two (22) students for PhD and forty-five students (45) students for Master's Degree had exceeded the expected completion period as stipulated by scholarship terms.

In the circumstances, the delayed completion of scholarship courses may jeopardize future funding opportunities and achievement of the intended project objective of contributing to research and capacity building in the targeted fields of manufacturing.

The audit was conducted in accordance with the ISSAIs 3000 and 4000. The Standards 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Audit Committee

During the year under review, it was observed that the project did not have an audit committee to oversee the governance mechanism and promote transparency and accountability in the management of resources of the project, contrary to Section 73(5) of the Public Finance Management Act, 2012 which states that every National Government public entity shall establish an audit committee whose composition and functions shall be as prescribed by the Regulations.

In the circumstances, effectiveness of oversight on internal controls could not be confirmed.

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by loan agreements signed between the Republic of Kenya and International Development Association (IDA Credit No.5798 - KE), I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Program, so far as appears from the examination of those records; and,
- iii. The Program's financial statements agree with the accounting records and returns.

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, the Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention to cease operations.

The 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi


31 October, 2024

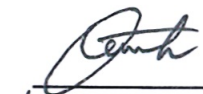
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023/2024			2022/2023			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government entities	12.1	76,516,731	-	76,516,731	24,054,645	-	24,054,645	659,063,708
Proceeds from domestic and foreign grants	12.2	198,221,584	-	198,221,584	54,889,312	-	54,889,312	430,934,019
Miscellaneous receipts	12.3	573,800	-	573,800	1,415,957	-	1,415,957	5,884,628
Total receipts		275,312,115	-	275,312,115	80,359,915	-	80,359,915	1,095,882,355
Payments								
Purchase of goods and services	12.4	199,929,671	-	199,929,677	95,779,117	-	95,779,117	650,593,315
Acquisition of non-financial assets	12.5	58,059,458	-	58,059,458	22,856,961	-	22,856,961	207,549,718
Total payments		257,989,129	-	257,989,129	118,636,077	-	118,636,077	858,143,033
Surplus/ (deficit)		17,322,986	-	17,322,986	(38,276,162)	-	(38,276,162)	237,739,322

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


Prof. Isaac S. Kosgey
Vice Chancellor

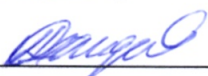

Sir. Prof. Ambrose Kiprop
Centre Leader

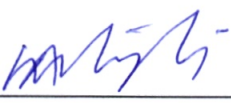

CPA Eglia C Samoei
Ag: Chief Finance Officer
ICPAK Member No: 5141

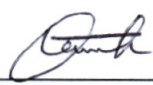
8. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2024.

Description	Note	2023/2024	2022/2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	12.6(a)	242,188,832	219,141,281
Cash Balances	12.6(b)	-	-
Cash equivalents (Short-term deposits)	12.6(c)	-	-
Total Cash and Cash equivalents		242,188,832	219,141,281
Imprests and Advances	12.7	2,256,986	2,700,495
Total Financial Assets		244,445,818	221,841,776
Financial Liabilities			
Third party Deposits and Retention	12.8	6,706,498	1,425,442
Net Assets		237,739,320	220,416,334
Represented By			
Fund Balance B/fwd.	12.9	220,416,334	258,692,496
Prior Year adjustments	12.10	-	-
Surplus/(Deficit) for the Year		17,322,986	(38,276,162)
Net Financial Position	12.9	237,739,320	220,416,334

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30/09/2024 and signed by:


Prof. Isaac S. Kosgey
Vice Chancellor

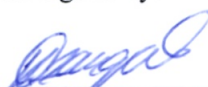

Sir. Prof. Ambrose Kiprop
Centre Leader



EPA Egla C Samoei
Ag: Chief Finance Officer
ICPAK Member No: 5141


9. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2024

Description	Notes	2023/2024	2022/2023
		Kshs	Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	12.1	76,516,731	24,054,645
Proceeds from domestic and foreign grants	12.2	198,221,584	54,889,312
Miscellaneous receipts	12.3	573,800	1,415,957
Total receipts		275,312,115	80,359,915
Payments			
Purchase of goods and services	12.4	(199,929,671)	(95,779,117)
Total Payments		(199,929,671)	(95,779,117)
Net receipts/(payments)		75,382,444	(15,419,202)
Adjustments during the year			
Prior year adjustments	12.10	-	-
Decrease/(increase) in accounts receivable	12.11	443,509	1,599,088
Increase/(decrease) in accounts payable:	12.8	5,281,056	1,425,443
Net cash flow from operating activities		81,107,009	(12,394,671)
Cashflow from investing activities			
Acquisition of non-financial assets	12.5	(58,059,458)	(22,856,961)
Net cash flows from investing activities		(58,059,458)	(22,856,961)
Cash flow from financing activities			
Proceeds from foreign borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		23,047,551	(35,251,632)
Cash and cash equivalent at beginning of the year	12.6	219,141,281	254,392,913
Cash and cash equivalent at end of the year	12.6	242,188,832	219,141,281

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/09/2024 and signed by:


Prof. Isaac S. Kosgey
Vice Chancellor



Sir. Prof. Ambrose Kiprop
Centre Leader



CPA Egla C Samoei
Ag: Chief Finance Officer
ICPAK Member No: 5141


10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR YEAR ENDED 30TH JUNE 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	150,275,843	76,516,731	226,792,574	76,516,731	150,275,843	34
Proceeds from domestic and foreign grants	63,987,484	198,221,584	262,209,068	198,221,584	63,987,484	76
Miscellaneous receipts	4,878,949	573,800	5,452,749	573,800	4,878,949	11
Total Receipts	219,141,276	275,312,115	494,454,391	275,312,115	219,141,276	
Payments						
Purchase of goods and services	219,141,276	275,312,115	494,454,391	257,989,129	236,465,262	52
Total Payments	219,141,276	275,312,115	494,454,391	257,989,129	236,465,262	52
Surplus or Deficit	-	-	-	17,322,986	-	

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.


Prof. Isaac S. Kosgey
Vice Chancellor


Sir. Prof. Ambrose Kiprop
Centre Leader


CPA Eglia C Samoei
Ag: Chief Finance Officer
ICPAK Member No: 5141

11. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

The financial statements are for ACEII-PTRE project under the State Department of Education, Science and Technology. The financial statements are for the reporting entity ACEII-PTRE project as required by Section 81 of the PFM Act, 2012 .

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

ACEII-PTRE recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

Significant Accounting Policies (continued)

ii) External Assistance

External assistance is monies received through grants and loans from multilateral and bilateral development partners.

iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements at the time associated cash is received.

iv) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

v) Proceeds from borrowing.

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

Significant Accounting Policies (continued)

e) Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has been paid out by the Project.

i) Compensation to employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incur and paid for.

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

g) 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.

Significant Accounting Policies (Continued)

h) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

i) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity 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.

Significant Accounting Policies (Continued)

k) Contingent Assets

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

l) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

Significant Accounting Policies (Continued)

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments.

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

p) Comparative figures

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

q) Subsequent events

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

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note xx of these financial statements.*

12. NOTES TO THE FINANCIAL STATEMENTS

12.1 Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

Description	2023/2024	2022/2023	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through The National Treasury</i>			
Counterpart funds Quarter 1	-	-	232,603,592
Counterpart funds Quarter 2	56,300,743	-	169,898,965
Counterpart funds Quarter 3	-	24,054,645	221,149,778
Counterpart funds Quarter 4	20,215,988	-	35,411,373
Total (See Annex 3)	76,516,731	24,054,645	659,063,708

Notes to the Financial Statements (Continued)

12.2 Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

Name of Donor	2023/2024						2022/2023	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
			Kshs	Kshs	Kshs	Kshs	Kshs	
Consulting LGI	19/10/2021		-	-	-		-	1,176,218
Africa Development Bank			-	-	-	-	-	38,598,850
EFPL-Switzerland	08/12/2021		-	-	-		-	1,346,214
Energy Saving Trust (Tea LP Project)	24/11/2021		-	-	-		-	289,818
DAAD			-	-	-	-	-	106,388
E.Menach			-	-	-	-	-	40,000
German International Dev Agency			-	-	-	-	-	851,323
GIZ-Nairobi			-	-	-	-	-	610,957
Glasgow University			-	-	-	-	-	1,217,541
Helmholtz-Zentr Helmho	23/05/2024		1,292,080	-	-	1,292,080	2,370,004	5,886,579

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European Commission			-	-	-	-	-	45,291,150
Hochschule Ma	15/09/2023		688,499	-	-	688,499	-	1,018,073
Nemedussa Project (Felix Langat)	05/03/2022		-	-	-	-	-	16,880
Stallenbosch Un C O Unive	16/02/2024		275,000	-	-	275,000	-	658,880
United Nations	22/08/2023		5,116,713	-	-	5,116,713	5,713,566	16,162,360
University of Cape Town	06/01/2022		-	-	-	-	-	9,635,323
University Of Bremn	16/02/2022		-	-	-	-	-	542,525
University of E. University	31/01/2022		-	-	-	-	-	4,552,558
Moi University AsaliA/C	23/01/2024		12,711,000			12,711,000	22,116,250	52,515,250
Kenyatta University	31/10/2022		-			-	2,601,500	2,601,500
CIPE Nairobi			-			-	3,661,200	3,661,200
Unza School of Eng	16/11/2023		15,738,627	-		15,738,627	13,565,280	29,303,907
UNESCO Nairobi	28/03/2024		1,134,594	-	-	1,134,194	184,710	1,319,304
Sentinel Project	09/02/2023		-	-	-	-	1,207,388	1,207,388
Kopernik, Japan	08/02/2023		-	-		-	490,775	490,775
LGI Sustainab Paris	23/01/2023		-	-		-	1,501,738	1,501,738
Liechtenstein Josef Rheinberge	24/04/2023		-	-	-	-	1,476,901	1,476,901
Inter University Council			-	-	-	-	-	31,665,280
KALRO			-	-	-	-	-	2,706,945
Kenya Education ,Kenya	30/10/2023		1,500,000	-	-	1,500,000	-	3,000,000

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Kenya Space Agency			-	-	-	-	-	1,000,000
Mekele Research-Spree Project			-	-	-	-	-	10,717,123
Biomedical Project	27/11/2023		71,177	-	-	71,177	-	71,177
FOSC-CIRAD	Various		1,704,085	-	-	1,704,085	-	1,704,085
Intract Africa Project	17/01/2024		151,158,823			151,158,823	-	151,158,823
Skies Project	05/04/2024		4,893,742	-	-	4,893,742	-	4,893,742
Spec	27/11/2023		902,575	-	-	902,575	-	902,575
Victoria SOLU	14/12/2023		305,000	-	-	305,000	-	305,000
WLC -Training	Various		729,669	-	-	729,669	-	729,669
Total			198,221,584	-	-	198,221,584	54,889,312	430,934,019

(* The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that adequate support documents are requested from the donors to support this grant).

Notes to the Financial Statements (Continued)

12.3 Miscellaneous receipts

Description	2023/2024			2022/2023	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Student Application & Accommodation Fees	447,000	-	447,000	601,000	2,382,975
Hire of Facilities	126,800	-	126,800	214,957	684,717
Short Courses and Seminars	-	-	-	-	521,594
Interest Income	-	-	-	-	1,695,342
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere(Bid Bond)	-	-	-	600,000	600,000
Total	573,800	-	573,800	1,415,957	5,884,628

Notes to the Financial Statements (Continued)

12.4 Purchase of Goods and Services

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Set up Institutional Framework for Commencement of the ACEII	17,529,967	-	17,529,967	13,091,705	90,832,659
2.0 Strengthen Educational Capacity Excellence - Quality and Productivity	3,291,000	-	3,291,000	3,867,164	90,827,546
3.0 Education Capacity and Development Impact	725,400	-	725,400	5,314,191	28,149,230
4.0 Strengthen Research Capacity Excellence - Quality and Productivity	10,059,363	-	10,059,363	21,453,529	106,360,306
5.0 Strengthen education and research capacity (through increased financial sustainability) and demonstration of value to students and partners	430,071	-	430,071	1,031,101	1,552,722
6.0 Observation of best practices in ACE financial operation	-	-	-	72,900	222,500
7.0 Observation of best practices in ACE procurement operation	-	-	-	160,000	178,140
Donor Attracted Research Expenses	167,893,870	-	167,893,870	50,788,526	332,470,238
Total	<u>199,929,671</u>	=	<u>199,929,671</u>	<u>95,779,117</u>	<u>650,593,321</u>

[Provide explanation as necessary]

Notes to the Financial Statements (Continued)

12.5 Acquisition of Non-Financial Assets

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
1.0 Set up Institutional Framework for Commencement of the ACEII	-	-	-	148,000	11,874,191
2.0 Strengthen Educational Capacity Excellence - Quality and Productivity	-	-	-	541,100	7,359,604
3.0 Education Capacity and Development Impact	-	-	-	-	23,478,663
4.0 Strengthen Research Capacity Excellence - Quality and Productivity	56,609,013	-	56,609,013	21,652,021	160,992,407
5.0 Strengthen education and research capacity (through increased financial sustainability) and demonstration of value to students and partners 5	-	-	-	-	-
6.0 Observation of best practices in ACE financial operation	-	-	-	-	-
7.0 Observation of best practices in ACE procurement operation	-	-	-	-	-
Donor Attracted Research Expenses	1,450,445	-	1,450,445	515,840	3,844,852
Payments from Internal Proceeds	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	<u>58,059,458</u>	=	<u>58,059,458</u>	<u>22,856,961</u>	<u>207,549,717</u>

[Provide explanation as necessary]

Notes to the Financial Statements (Continued)

12.6 Cash And Cash equivalents

Description	2023/2024	2022/2023
	Kshs	Kshs
Kenya Commercial Bank [A/c No. 1202447163]	242,188,832	219,141,281
Cash in hand (Note 11B)	-	-
Cash equivalents (short-term deposits) (Note 11C)	-	-
Total	<u>242,188,832</u>	<u>219,141,281</u>

ACEII PTRE has one project accounts spread within the project implementation designated accounts managed by the National Treasury as listed below:

12.6(a) Bank Accounts

Project Bank Accounts

Details	2023/2024	2022/2023
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Kenya Commercial Bank [[A/c No. 1202447163]	242,188,832	219,141,281
Total bank account balances	<u>242,188,832</u>	<u>219,141,281</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2024 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2023/2024	2022/2023
	USD	USD
(i) A/C Name [A/c No1000331704]		
Opening balance	51,589	51,589
Total amount deposited in the account	17,645,688	14,737,343
Total amount withdrawn (as per Statement of Receipts & Payments)	17,645,688	<u>14,737,343</u>
Closing balance (as per SDA bank account reconciliation attached)	=	<u>51,589</u>
(ii) A/c Name [A/c No1000331704]		
Opening balance (as per the SDA reconciliation)	51,589	51,589
Total amount deposited in the account	2,908,335	790,581
Total amount withdrawn (as per Statement of Receipts & Payments)	2,908,335	790,581
Closing balance (as per SDA bank account reconciliation attached)	-	51,589

(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix xx support these closing balance.

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Notes to the Financial Statements (Continued)

12.6(b) Cash in hand

Description	2023/2024	2022/2023
	KShs	KShs
Cash Office	-	-
Total cash in hand balances	≡	≡

[Provide a cash count certificate for each location above]

12.6(c) Cash equivalents (short-term deposits)

Description	2023/2024	2022/2023
	Kshs	Kshs
Kenya Commercial Bank [A/c No. 1202447163]	-	-
Total	≡	≡

[Provide short appropriate explanations as necessary]

12.7 Imprests and Advances

Description	2023/2024	2022/2023
	Kshs	Kshs
Staff Imprests	303,257	2,700,495
Baseline Contractors Advance	1,953,729	
Total	2,256,986	2,700,495

12.7(a): Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance Current FY	2022/2023
	Kshs.	Kshs	Kshs	Kshs	Kshs
Joan Kiptarus			-		588,756
Cleophas Achisa			-		72,640
Maritim Esther Cheptum			-		524,544
Jayne Tanui			-		159,000
Cheptoo Mary Kitilit					289,035

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Khafafa John Wakhungu			-		389,366
Arusei Daniel Kiptoo			-		295,054
Moses Chirchir			-		382,100
Cherus Anne	111,800			111,800	
Muge Lydia	166,239			166,239	
Maiyo Shadrack kimutai	25,218			25,218	
Baseline Contractors Advance	1,953,729			1,953,729	
Total	<u>2,256,986</u>	=	=	<u>2,256,986</u>	<u>2,700,495</u>

12.8 Deposits and Retention Monies

Description	2023/2024		2022/2023	
	Kshs		Kshs	
Retention	6,706,498		1,425,443	
Total	6,706,498		1,425,443	
Ageing analysis:	2023/2024	% of the Total	2022/2023	% of the Total
Under one year	5,281,055	79%	1,425,443	100%
1-2 years	1,425,443	21%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	6,706,498	100%	1,425,443	100%

(Provide detailed explanations)The amount above relates to retention monies for the contractor of ACEII Building.

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12.9 Fund Balance Brought Forward

Description	2023/2024	2022/2023
	Kshs	Kshs
Bank accounts	242,188,832	219,141,281
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	2,256,986	2,700,495
Deposits and retention	(6,706,498)	(1,425,443)
Total	237,739,320	220,416,334

Notes to the Financial Statements (Continued)

12.10 Prior Year adjustment

	Balance b/f Previous FY (audited financial statements)	Adjustments	2022/2023
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

There was no prior year adjustment in the year under review

12.11 Changes in Imprests and Advances

Description	2023/2024	2022/2023
	Kshs	Kshs
Opening Receivables as at 1 st July 2023	2,700,495	4,299,583
Closing account receivables as at 30 th June 2024	2,256,986	2,700,495
Change in Imprests and advances	443,509	1,599,088


12.12 Changes in Accounts Deposits and Retention

Description	2023/2024	2022/2023
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2023	1,425,443	-
Closing accounts payables as at 30 th June 2024	6,706,498	1,425,443
Changes in deposit and retention	5,281,055	1,425,443


13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
422	Budgetary Controls and Performance: The OAG report noted that under funding & under performance affected the planned activities and may have impacted negatively on service delivery to the public.	The consolidated Budget for the year ended 30 th June 2023, Kshs. 368,547,545/= was not underfunded as noted by the auditor as it consisted of budgeted activities for the year & brought forward funds for prior year activities		
423	Pending bills: Kshs. 1,425,443/= The OAG report noted that failure to settle the pending bills during the year distorts the financial statements for the year & budget provisions in addition to the risk of exposing the project to additional costs due to delay in payment of bills.	The pending bill indicated above was as a result of retention monies due Tulsi Construction Ltd for on-going ACEII office building project works. The retention funds will be paid at the completion of the project as per the contract between the university and the contractor		



Prof. Isaac S. Kosgey
Vice Chancellor.



Sir. Prof. Ambrose Kiprop
Centre Leader.

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Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	226,792,574	76,516,731	150,275,843	34	(i)
Proceeds from domestic and foreign grants	262,209,068	198,221,584	63,987,484	76	(ii)
Proceeds from borrowings	-	-	-	-	
Miscellaneous receipts	5,452,749	573,800	4,878,949	11	(iii)
Total Receipts	494,454,391	275,312,115	219,142,276	56	
Payments					
Compensation of employees	-	-	-	-	
Purchase of goods and services	494,454,391	257,989,129	236,465,262	52	(iv)
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	-	-	-	-	
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
Total payments	494,454,391	257,989,129	236,465,262	52	

Explanations to Variances

- i & ii). Favourable proceeds from domestic and foreign grants for the year were brought forward from 2022/2023 Financial Year
- (iii). The Centre did not receive funds from application fees, bus hire & accommodations as majority of students have graduated from the programme.
- iv) A. Activities not undertaken as funds earmarked for the projects was received at end of financial year. (Purchase of generator awaiting Lab construction).
- B. Students research support funds was not fully absorbed due to most students still working on their research
- C. The development of regional/international postgraduate Msc. curriculum is ongoing and will be completed in 2024-2025 FYR.
- D. The acquisition of lab equipment's/construction of ACE II building are ongoing.
- E. Activities relating to commercialisation initiatives and processing of patents have begun and ongoing.
- F. The implementation of the various donor-attracted programmes is ongoing and may roll over to more than one Financial Year.

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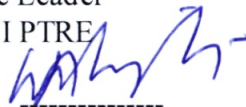
Annex 3: Reconciliation of inter-entity transfers

Project Name:			
Break down of transfers from the State Department of Education			
a. Government Counterpart funding			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	16/12/2023	56,300,743	FY2023/2024
		-	
	08/05/2024	20,215,988	
	Total	76,516,731	
B. Direct payments			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
	Total	-	
C. Others			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
		-	
	Total	-	
	Total (A+B+C)	76,516,731	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

Centre Leader
ACEII PTRE

Sign



Head of Accounting Unit
The National Treasury

Sign-----

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Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ invoiced.	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
		a	b	c=a-b		
Construction of buildings						
1.	28/03/2023	3,898,262	3,508,436	389,826	389,826	
2.	06/05/2023	6,350,605	5,715,544	635,061	635,061	
3.	06/06/2023	4,005,560	3,605,004	400,556	400,556	
4.	04/08/2023	2,081,624	1,873,462	208,162	-	
5.	26/07/2023	1,428,929	1,286,036	142,893	-	
6.	08/09/2023	1,590,434	1,431,390	159,043	-	
8.	11/10/2023	2,334,987	2,101,485	233,499	-	
9.	22/10/2023	3,590,927	3,231,834	359,093	-	
10.	08/12/2023	14,343,293	12,908,964	1,434,329	-	
11.	22/12/2023	14,718,452	13,246,607	1,471,845	-	
13.	06/02/2024	3,328,530	2,995,677	332,853	-	
14.	19/03/2024	2,733,597	2,460,237	273,360	-	
15.	18/04/2024	4,071,868	3,489,695	582,173	-	
Sub-Total		64,477,068	57,686,761	6,706,498	1,425,443	
Grand Total						

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Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/24	Donations in form of assets (KShs) 2023/24	*Purchases/ Additions in the Year (KShs) 2023/24	**Disposals in the Year (KShs) 2023/24	Transfers in/(out) Kshs 2023/24	Closing Cost (KShs) 2023/24
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Transport equipment	25,181,393					25,181,393
Office equipment, furniture and fittings	9,461,262		-			9,461,262
ICT Equipment,	9,292,597		732,629			10,025,226
Laboratory Equipment	85,671,330		717,816			86,389,146
Work in Progress	19,883,678		56,609,013	-	-	76,492,691
Total	149,490,260		58,059,458			207,549,718



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Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Annex 9: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2024.
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance (*Where applicable*)