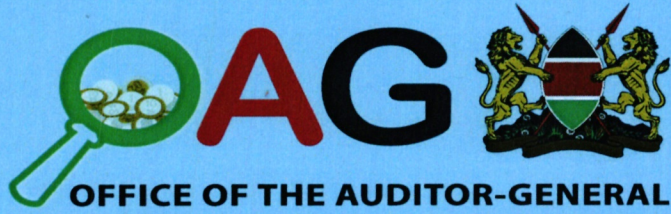


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS I AID

DATE: 18 NOV 2021

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REPORT

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PARLIAMENT
OF KENYA
LIBRARY

OF

THE AUDITOR-GENERAL

ON

MAASAI MARA UNIVERSITY

FOR THE YEAR ENDED
30 JUNE, 2020



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MAASAI MARA UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2020



ISO 9001:2015 CERTIFIED

www.mmarau.ac.ke

**MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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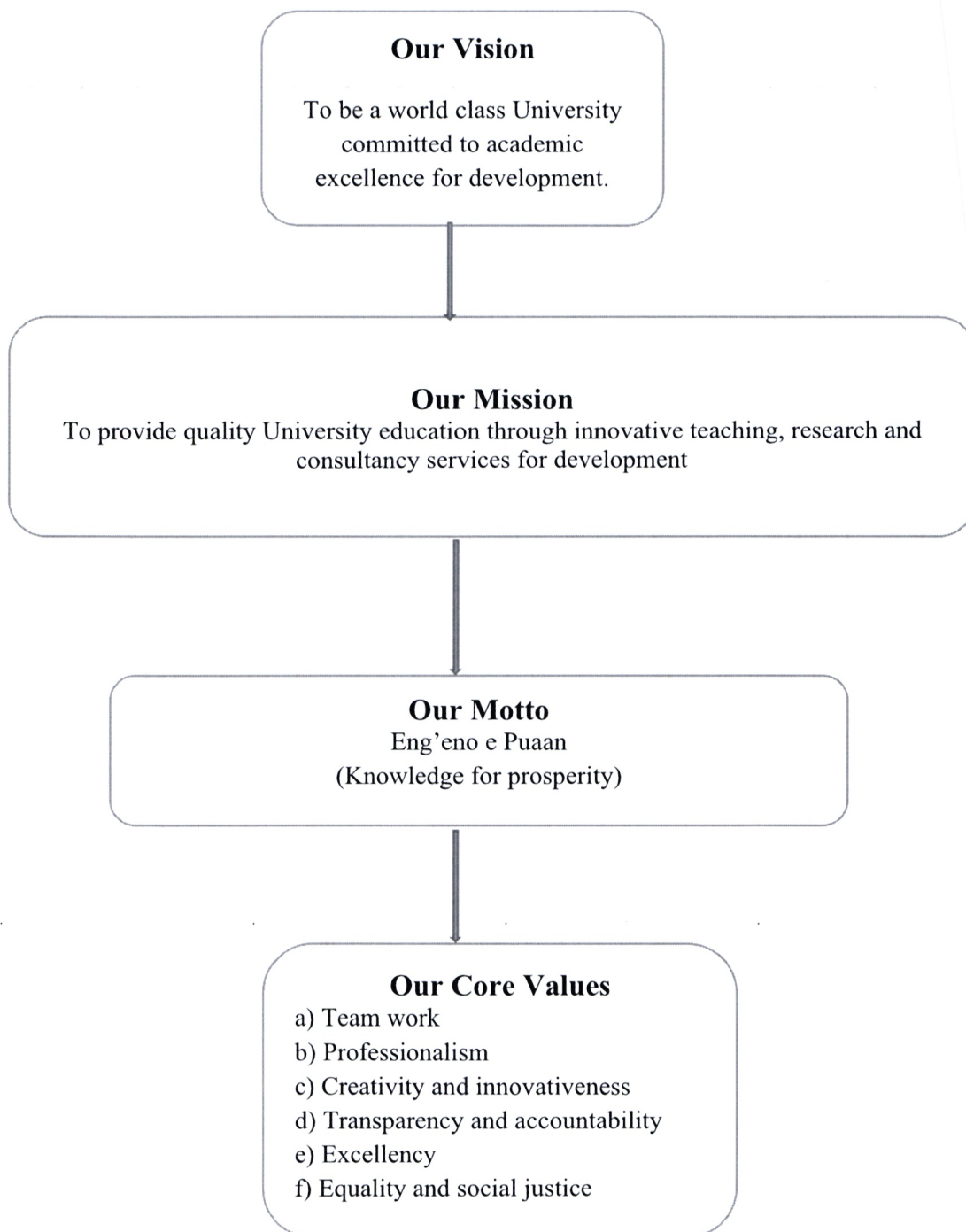
KEY INFORMATION AND MANAGEMENT

a) Background information

Maasai Mara University is a public body corporate established by Charter as per The Universities Act 2012; the Charter was issued on 11th February, 2013. At Cabinet level, Maasai Mara University is represented by the Cabinet Secretary for Education who is responsible for the general policy and strategic direction of the University. Specifically, the University is under the Principal Secretary of University Education and Research. It has five Schools namely: School of Business and Economics, School of Education, School of Science and Information Sciences, School of Arts and Social Sciences and School of Tourism and Natural Resource Management. The University offers recognized academic programmes from Doctor of Philosophy, post graduate, under graduate, diploma, certificate and short training market driven courses. The current student enrolment is 8,002. The University is located approximately one kilometre off the Narok-Bomet highway, two kilometres from Narok town in Kenya and approximately 150 kilometres northwest of Nairobi City

MAASAI MARA UNIVERSITY
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b) Principal Activities



MAASAI MARA UNIVERSITY
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Functions:

Maasai Mara University objectives and functions are defined in Part III Sec 19 of the Universities Act 2012. Key of these functions are as follows: -

- a) Provide directly or in collaboration with other institutions of higher learning, facilities for technological, professional and scientific education;
- b) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- c) Promotion of learning in the student body and society generally;
- d) Promotion of cultural and social life of society;
- e) Support and contribution to the realization of national economic and social development;
- f) Promotion of the highest standards in and quality of, teaching and research;
- g) Education, training and retraining higher level professional, technical and management personnel;
- h) Dissemination of the outcomes of the research conducted by the University to the general community;
- i) Facilitation of life-long learning through provision of adult and continuing education;
- j) Fostering of a capacity for independent critical thinking among its students; and
- k) Promotion of gender balance and equality of opportunity among students and employees.
- l) Promotion of equalization for persons with disabilities, minorities and other marginalized groups;
- m) Play a leading role in development and expansion of opportunities for technological and vocational institutions;
- n) Conduct examinations for and grant such academic awards as may be provided for in the statutes and to syndicate examinations for awards at other institutions as may be approved by the Senate;
- o) Participate in commercial ventures and activities that promote the objectives of the institution.

In the discharge of its functions and the exercise of its powers under this Act, Maasai Mara University is guided by the national values and principles of governance set out under Article 10 of the Constitution.

c) Key Management

The University's day-to-day management is under the Vice-Chancellor who is also the Secretary to the Maasai Mara University Council. The Council exercise oversight role of policy formulation. The other key management of the University comprises of the Deputy Vice-Chancellor Academic and Student Affairs, Deputy Vice-Chancellor Administration, Finance and Planning, Registrar Academic Affairs, Registrar Administration, Finance Officer, Senior Legal Officer, Librarian and Head, Health Services and Dean of Students.

MAASAI MARA UNIVERSITY
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d) Fiduciary Management

The key management personnel who held office during the year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name of the Staff
1	Ag. Vice-Chancellor/Chief Executive Officer	Prof. Kitche Magak
2	Ag. Deputy Vice-Chancellor (Admin., Finance & Planning)	Dr. James S. Nampushi
3	Deputy Vice-Chancellor (Academic, & Student Affairs)	Prof. Godrick M. Bulitia
4	Registrar, Administration	Mr. Samuel K. Partoip
5	Registrar, Academic Affairs	Dr. Fredrick Otieno
6	Ag. Finance Officer	CPA Elkana K. Kimeli
7	Head, Health Services Department	Dr. Cleophas Serem
8	Senior Legal Officer	Ms. Mercylene Njoroge
9	Ag. Registrar Planning	Mr. Stanley Yiale
10	Dean of Students	Mr. Mohamed A. Adan
11	Acting University Librarian	Mrs. Nancy Kimile

e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements of the University are by the Council who carry out the oversight duties through the Council Committees. These committees are: Finance, Strategy and Resources, which is charged with the responsibilities of budgetary planning, budget approval, approval of quarterly and annual financial reports, investment policy, resource mobilization and income generation policies. It is also responsible for overall University planning including master and strategic plan; Audit, Risk and Compliance committee is a statutory committee whose responsibilities include reviewing internal controls procedures and policies so as to ensure efficiency and effectiveness, submitting quarterly and annual reports on internal controls to the Council, ensuring proper books of accounts have been maintained, review of internal audit reports and their overall effectiveness, ensuring compliance with statutory guidelines, approval of annual audit work plans and reviewing risk management framework; Academic, Sealing and Honorary Degrees Committee which examines the format and content of the University's statutes, deliberates on all matters pertaining to research and academic activities, co-ordinating fund raising activities for research, advising on consultancies, technology transfers and intellectual property rights, receiving and reviewing academic board papers, recommending to the Council for award of honorary degrees and recommending to the Council on number of certificates to be sealed. This committee also receives and recommends to the Council academic policies; Human Resource Committee is charged with reviewing and recommending to the Council staff establishment and organization structure, developing and reviewing Human Resource Policies, reviewing and recommending to the Council career progression for all staff, reviewing and recommending terms and conditions of service, reviewing and recommending Collective Bargaining Agreements in consultation with Finance, Strategy and Resources committee, recommending staff promotions and handling disciplinary matters.

MAASAI MARA UNIVERSITY
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Other oversight activities of the University are carried out by the Commission for University Education who performs quality assurance audits, Kenya Bureau of Standards who carry out ISO audits to ensure compliance with relevant ISO standards. The University is ISO 9001:2015. The Office of the Auditor General carries out both continuous and final audits of the University while the Internal Audit function of the University ensures that the control environment is working with minimal risk exposure.

f) University Headquarters

Maasai Mara University,
P. O. Box 861 – 20500,
Narok County,
Narok, Kenya

g) University Contacts

Tel: (254) 020-5131400
Fax: 020-2066041
E-mail: info@mmarau.ac.ke
Website: www.mmarau.ac.ke

h) University Bankers

For the year ended 30th June 2020 the following were the University bankers:

1. National Bank of Kenya,
Narok Branch,
P. O. Box 238,
NAROK
2. Equity Bank Ltd.
Narok Branch
P. O. Box 1023-20500,
NAROK
3. Kenya Commercial Bank,
Narok Branch,
P. O. Box 406-20500,
NAROK
4. ABSA Bank,
Narok Branch
P. O. Box 1073-20500,
NAROK
5. SBM Bank Kenya Limited
Narok Branch,
P.O Box 66049 - 00800
NAIROBI

MAASAI MARA UNIVERSITY
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6. Jamii Bora Bank
P.O Box 22741-00400
NAIROBI

7. Co-operative Bank of Kenya,
Narok Branch
P. O. Box 632-20500,
NAROK

8. Bank of Africa
Narok Branch
P. O. Box 69562-00400
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

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

MAASAI MARA UNIVERSITY
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MAASAI MARA UNIVERSITY COUNCIL MEMBERS



Dr. Kennedy Kerei
Chairman of the Council

- ♣ DOB: 20th July, 1972
- ♣ PhD (Educational Research and Evaluation)
- ♣ M.Ed. (Economics and planning of education)
- ♣ B.Ed. (Math)
- ♣ Former County Secretary (Kajiado County)



FCS Kinuthia Wamwangi - EBS
*Independent Council Member – Chairperson
Finance, Resources and Strategy Committee*

- ♣ DOB: 1950
- ♣ LLM
- ♣ LLB
- ♣ MSC (HRM)
- ♣ FCS, FIHRM, FKIM
- ♣ Chairman Emeritus - Transition Authority



Mr. Hassan Duale - HSC
*Executive Council Member and alternate to
PS State Department of University
Education and Research*

- ♣ DOB: 1st January, 1977
- ♣ MBA
- ♣ M.ED (Management and Administration)
- ♣ B. ED (Chemistry and Biology)

MAASAI MARA UNIVERSITY
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Ms. Dorothy N.O. Kimeu - MBS
*Independent Council Member – Chairman
Audit, Risk and Compliance Committee*

- ♣ DOB: 23rd November, 1959
- ♣ MA (International Studies)
- ♣ BA (Political Science)



Amb. Peter O. Nkuraiya
*Independent Council Member – Chairman
Human Resource Committee*

- ♣ DOB: 28th December, 1958
- ♣ Executive MBA
- ♣ PGD (International Relations)
- ♣ BA
- ♣ Certificate – Public Service Commissions:
Professionalism, Performance – Excellence
- ♣ Former Vice chair Public Service Commission



Dr. Benson Momanyi
*Independent Council Member – Chairman
Academic, Sealing and Honorary Degrees
Committee*

- ♣ DOB: 1st June, 1961
- ♣ PhD (Business Administration –
strategic management)
- ♣ MBA
- ♣ Bachelor of Business Administration
(Accounting)
- ♣ Certified Public Accountant of Kenya
(CPAK)
- ♣ Diploma in Cooperative Management
and Administration
- ♣ Diploma in Microfinance and Income
Generating Projects

MAASAI MARA UNIVERSITY
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Ms. Annette Nasiaki Okello
Independent Council Member

- ♣ DOB: 20th November, 1979
- ♣ Graduate Diploma- Management Information Systems (University of Greenwich – UK)
- ♣ Bsc (Hons) – (University of Greenwich – UK)
- ♣ Msc Information Technology Management (University of Sunderland – UK)
- ♣ Post Graduate Certificate in Global Social and Sustainable Enterprise



Prof. Kitchemagak
Ag. Vice-Chancellor and Secretary to Council

- ♣ DOB: 27th July 1965
- ♣ PhD (WIU)
- ♣ PGD (UoN).
- ♣ MA (UoN)
- ♣ BA (UoN)
- ♣ Dip. Action Research, DSE, Germany
- ♣ Cert. in Art and Culture in Conflict Management and Peace Building, Juniata College, USA
- ♣ Chair, Department of Literature, Maseno University
- ♣ Associate Professor of Literature, Maseno University

**MAASAI MARA UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2020**

Council Committees Membership

Finance, Strategy and Resources Committee	→	<table border="0"> <tr> <td>1. FCS Kinuthia Wamwangi EBS</td> <td>Chairman</td> </tr> <tr> <td>2. Mr Hassan Duale HSC</td> <td>Member</td> </tr> <tr> <td>3. Ms. Annette N. Okello</td> <td>Member</td> </tr> <tr> <td>4. Dr. Benson Momanyi</td> <td>Member</td> </tr> <tr> <td>5. Representative to PS Treasury</td> <td>Member</td> </tr> <tr> <td>6. Prof. Kitche Magak</td> <td>Secretary</td> </tr> </table>	1. FCS Kinuthia Wamwangi EBS	Chairman	2. Mr Hassan Duale HSC	Member	3. Ms. Annette N. Okello	Member	4. Dr. Benson Momanyi	Member	5. Representative to PS Treasury	Member	6. Prof. Kitche Magak	Secretary
1. FCS Kinuthia Wamwangi EBS	Chairman													
2. Mr Hassan Duale HSC	Member													
3. Ms. Annette N. Okello	Member													
4. Dr. Benson Momanyi	Member													
5. Representative to PS Treasury	Member													
6. Prof. Kitche Magak	Secretary													
Academic, Sealing and Honorary Degrees Committee (Technical Committee)	→	<table border="0"> <tr> <td>1. Dr. Benson Momanyi</td> <td>Chairman</td> </tr> <tr> <td>2. Ms. Dorothy, N. O. Kimeu MBS</td> <td>Member</td> </tr> <tr> <td>3. Ms. Annette N. Okello</td> <td>Member</td> </tr> <tr> <td>4. Mr. Hassan Duale HSC</td> <td>Member</td> </tr> <tr> <td>5. Prof. Kitche Magak</td> <td>Secretary</td> </tr> </table>	1. Dr. Benson Momanyi	Chairman	2. Ms. Dorothy, N. O. Kimeu MBS	Member	3. Ms. Annette N. Okello	Member	4. Mr. Hassan Duale HSC	Member	5. Prof. Kitche Magak	Secretary		
1. Dr. Benson Momanyi	Chairman													
2. Ms. Dorothy, N. O. Kimeu MBS	Member													
3. Ms. Annette N. Okello	Member													
4. Mr. Hassan Duale HSC	Member													
5. Prof. Kitche Magak	Secretary													
Audit, Risk and Compliance Committee	→	<table border="0"> <tr> <td>1. Ms. Dorothy N.O. Kimeu</td> <td>Chairman</td> </tr> <tr> <td>2. Amb. Peter O. Ole Nkuraiya</td> <td>Member</td> </tr> <tr> <td>3. Mr. Hassan Duale</td> <td>Member</td> </tr> <tr> <td>4. PS to the National Treasury</td> <td>Member</td> </tr> <tr> <td>5. Head of Internal Audit</td> <td>Secretary</td> </tr> </table>	1. Ms. Dorothy N.O. Kimeu	Chairman	2. Amb. Peter O. Ole Nkuraiya	Member	3. Mr. Hassan Duale	Member	4. PS to the National Treasury	Member	5. Head of Internal Audit	Secretary		
1. Ms. Dorothy N.O. Kimeu	Chairman													
2. Amb. Peter O. Ole Nkuraiya	Member													
3. Mr. Hassan Duale	Member													
4. PS to the National Treasury	Member													
5. Head of Internal Audit	Secretary													
Human Resource Committee	→	<table border="0"> <tr> <td>1. Amb. Peter O. Ole Nkuraiya</td> <td>Chairperson</td> </tr> <tr> <td>2. FCS Kinuthia Wamwangi</td> <td>Member</td> </tr> <tr> <td>3. Dr. Benson Momanyi</td> <td>Member</td> </tr> <tr> <td>4. Mr. Hassan Duale</td> <td>Member</td> </tr> <tr> <td>5. Prof. Kitche Magak</td> <td>Secretary</td> </tr> </table>	1. Amb. Peter O. Ole Nkuraiya	Chairperson	2. FCS Kinuthia Wamwangi	Member	3. Dr. Benson Momanyi	Member	4. Mr. Hassan Duale	Member	5. Prof. Kitche Magak	Secretary		
1. Amb. Peter O. Ole Nkuraiya	Chairperson													
2. FCS Kinuthia Wamwangi	Member													
3. Dr. Benson Momanyi	Member													
4. Mr. Hassan Duale	Member													
5. Prof. Kitche Magak	Secretary													

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KEY MANAGEMENT



Prof. Kitche Magak
BA, MA, PGD Dip. Mass Com (UoN), PhD (WIU)
Ag. Vice-Chancellor/Chief Executive Officer



Dr. James S. Nampushi
BTM (Moi), MSc, PhD (Clemson)
Ag. Deputy Vice-Chancellor (Admin., Finance
& Planning)



Prof. Bilitia Godrick Mathews
BEd (UoN), MBA (UoN), PhD (Maseno)
Deputy Vice-Chancellor (Academic & Student
Affairs)



Dr. Fredrick Otieno
BSc (KU), MSc (UoN), PhD (JKUAT)
Registrar, Academics



Mr. Samuel K. Partoip
BEd, MSc (Moi), HND
Registrar, Administration

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CPA Elkana Kimeli
BBM (MMUST) MBA (UON)
Ag. Finance Officer



Dr. Cleophas Serem
Md (Vitebsk State Medical University)
Ag. Head Health Services Department



Ms. Mercylene Njoroge
LLB (Moi), Dip. Law (KSL)
Senior Legal Officer



Ms. Nancy Kimile
BSc., MPhil. (Moi)
Ag. University Librarian



Mr. Stanley Yiaile
BA, MSc (MMU)
Ag. Registrar Planning



Mr. Mohammed Adan
BED(KU), MHRM(Moi), HND (HR) – KNEC
Dean of Students

MAASAI MARA UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2020
CHAIRMAN'S STATEMENT



Dr. Kennedy Kerei

Chairman of the Council

“To address funding gaps, the University will continue sourcing more funds from development partners especially for infrastructural development and prudently apply it.”

I am delighted to present the Maasai Mara University (herein referred to the “University”) Annual Report and Financial Statements, on behalf of the University Council for the year ended 30th June 2020.

Key Activities

The University fared on quite well achieving most of her mandate supported by timely release of Government capitations for both recurrent and development use. This was bolstered by the University’s quest for increased partnerships and collaborations leading to signing of a number of memorandums of understanding with development partners. With this and other key activities, I am pleased to outline a number of milestones achieved during the year under review as follows:

In order to ensure continual corporate governance in the year, the following council members exited following end of their terms; Mr. Paul Ngetich, John Karanja, Paul Kiagu, Mugambi Nyaga, Damary Ajuku and Samuel Ochola. They were replaced by Dr. Kennedy Ole Kerei (Chairman), Dr. Benson Momanyi, Ms. Dorothy N. O. Kimeu MBS, FCS Kinuthia Wamwangi, Mr. Hassan Duale HSC and Amb. Peter Ole Nkuraiya as new Council Members with effect from 10th March, 2020 when they were gazetted. The new members bring in to the Council a wealth of experience from diverse fields and organizations.

During the year the University successfully transitioned from ISO (International Organization for Standardization) 9001:2008 to ISO 9001: 2015. This standard emphasizes on process approach of PDCA cycle (Plan, Do, Check and Act) and risk-based thinking.

On infrastructural development, I am pleased to report that the boundary wall construction was completed. This now provides the much need security and safety to our students especially

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during this time of terrorism extremists. Phase II and III of tuition block constructions are underway – at 85% completion stage. The University clinched a memorandum of understanding with Chinese Academy of Sciences for construction of herbal factory. During the Year, University received equipment from the Chinese Academy to support research on traditional medicine. Maasai Mara University and Wuhan Botanical Garden of Chinese Academy of Sciences have partnered to jointly support scientific research through equipping University Laboratories and promoting staff and students exchange programs. The donated equipment will help promote research and innovation in the University Laboratories.

The University was allocated Two Thousand Two Hundred and Thirty-Four students (2,234) Government Sponsored Students by the Kenya Universities and Colleges Central Placement Services (KUCCPS) for the academic year 2020/2021. These students are expected to report in October 2020 subject to government directives on resumption of studies by institutions of higher learning.

The January – April 2020 semester was suspended due to the presidential directive to close all institutions of higher learning by 20th March 2020 due to the Covid-19 pandemic. In order to cover for the lost time, the University began online classes in May 2020. The closure resulted in cost savings relating to direct expenses like electricity, stationery, water, transport, travelling costs among other expenses. From the savings the University procured data bundles to students. Further, closure of the University greatly affected fee collection from students. As a result, we were not able to collect all our revenues as expected. Going forward, the University will continue to undertake austerity measures in order to realize savings to cover for the lost income from students.

The integration between the University bankers and Enterprise Resource Planning (ERP) system is on course. By close of the year, this was at test mode with Equity Bank while Co-operative bank is fully integrated. The integration process is essential in managing student's fees collection which will lead to real time updating of students' statements. Further, the University management is engaging ABNO software to ensure full utilization of the ERP system by the University. The University as well has piloted a cashless payment system which enables an online direct payment system for all its transactions. This will limit cash withdrawals and enhance audit trails for accountability.

During the financial year, the Mara Heist scandal was highlighted and subsequently investigated by the authorities. Consequently 5 university staff were arraigned in court for alleged financial misappropriation key among them is unexplained cash withdrawal and the case is currently active in court. Further, the Council inherited a suspense amount of Kshs. 215,175,241 which is still under investigation.

On Corporate Social Responsibility front, during the year the University donated food stuffs to the following; Siyabei African In-land Church Children's home and Kenya Prisons Narok. This was to boost their needs during the Covid-19 pandemic period. A similar donation was made to the Narok Chapter Covid-19 Management Kitty.

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Right-Left: The outgoing Maasai Mara University's Deputy Vice-Chancellor Administration, Finance and Planning Prof. Mohammed Abdille, the Chief Administrative Secretary, Ministry of Environment and Forestry Mohammed Elmi, the President of the Chinese Academy of Sciences (CAS), and the Chairman of the Presidium of the Academic Divisions of CAS/President of the World Academy of Sciences for the advancement of science in developing countries (TWAS)/the Honorary President of the University of Science and Technology, and the Honorary President of the University of the Chinese Academy of Sciences (UCAS) Prof. BAI Chunli; and finally the Maasai Mara University's Deputy Vice-Chancellor Academic and Student Affairs Prof. Bulitia Godrick Mathews. MMU was gifting Prof. BAI at the MMU's world-class African Medicinal Botanical Garden (AMBG) during the recently concluded ANSO-MMU-SAJOREC International Conference on Biodiversity in Drylands and Wetlands for Sustainable Development. Prof. BAI Chunli has been instrumental in approving and financially reinforcing collaborations between MMU and CAS.

Challenges

Firstly, as indicated above the student enrolment has been dwindling mainly caused by reduced privately sponsored students due to the lower number attaining the minimum University entry point at the Kenya Certificate of Secondary Education. The Kenya Universities and Colleges Central Placement Services (KUCCPS) shares this small number among both private and public universities.

Second challenge is funding. Whereas, the University is grateful for the support received from the Ministry of Education and timely release of funds, our needs as a young University far outstretches the income received. For instance, the University doesn't have a library and an administration block.

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Lastly, the University is grappling with lower ratio of teaching staff vis-a vis the student enrolment with approximately 8,000 students against 147 teaching staff. The ratio is far below Commission for University Education (CUE) recommendation.

Way forward

To surmount the above challenges, the University rationalized her programmes and provided strategies to revamp the existing ones. A clearer programme niche was mooted.

To address funding gaps, the University will continue sourcing more funds from development partners especially for infrastructural development which has faced significant reductions from the Government. Also, the University will fast track completion of ongoing projects before commencement of new ones. University staff will double their efforts in writing funding proposals and use of innovative ways to control energy costs.

The University will also review the staff establishment especially the administrative staff in line with activities carried so as to manage her payroll costs. Enhanced training on leadership and corporate governance has been planned for both staff and Council members

In conclusion, I urge the entire Maasai Mara University family, to keep up the hard work which will spur the University to greater heights. May God bless you.



.....
Dr. Kennedy ole Kerei

CHAIRMAN

MAASAI MARA UNIVERSITY COUNCIL

MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
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REPORT OF THE VICE-CHANCELLOR/CHIEF EXECUTIVE OFFICER



Prof. Kitche Magak
Ag. Vice-Chancellor/Chief Executive Officer

“In line with the University mandate of producing qualified graduands, during the year the University held her 7th graduation ceremony with a total of Two Thousand two hundred ninety-nine (2,299) graduands”

Introduction

It is my pleasure to present to you the Maasai Mara University (hereafter referred to as the “University”) Annual Report and Financial Statements for the year ended 30th June 2020. This Once again the University has recorded tremendous improvement both in strategic direction and operational areas albeit with challenges.

Key Activities

The University carried out her activities during the year in compliance with relevant laws, Acts of parliament, regulations and procedures. The objectives of these activities were centred around achievement of the University strategic plan 2014-2019 and core mandate of teaching, research and consultancy services.

a) Academic Services

In line with the University mandate of producing qualified graduands, during the year the University held her 7th graduation ceremony with a total of Two Thousand Three Hundred and Two (2,302) graduands being awarded with degree and diploma certificates. This number being slightly lower than graduands of 2,628 in the year of 2018/2019.

b) Collaborations and linkages

On collaborations and linkages, the UK National Centre for Earth Observation visited the University in February this year to review progress on the research project on Kenya Hot-Spot Analysis for County Integrated Development Planning and discussed new areas of research and training collaboration. This project is part of Prosperity Co-laboratory Kenya and aims to analyse environmental and agricultural change hotspots in the Mau complex, Vihiga and

**MAASAI MARA UNIVERSITY
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Elgeyo-Marakwet counties as inputs to county and national decision-making and climate change policies. Its aim is to provide a demonstration of data interpretation across scales using Artificial Intelligence techniques to integrate earth observation, national topographic mapping and community-based agriculture and ecosystem observation.

The University signed an agreement to establish a continuing working relationship among Maasai Mara University, Kenya Botanic Diamonds Company Limited, Sino Africa Joint Research Centre, Wuhan Botanical Garden and Chinese Academy of Sciences in support of the establishment of African Botanical Joint Research Laboratory. The desired focus areas of the laboratory are for the parties to agree to cooperatively set up African Botanical Joint Research Laboratory of 1,000 square meters in the University including 700 square meters for research and production and 150 square meters for products exhibition in the Laboratory, and 150 square meters of plant research space for the University.

During the year, the University received equipment from the Chinese Academy to support research on traditional medicine. Maasai Mara University and Wuhan Botanical Garden of Chinese Academy of Sciences have partnered to jointly support scientific research through equipping University Laboratories and promoting staff and students exchange programs. The donated equipment will help promote research and innovation in the University Laboratories.



R-L: Mr. Danson Cheserem, Miss Lynda Samato Nesoppir, the Deputy Vice-Chancellor Academic and Student Affairs Prof. Bulitia Godrick Mathews, Engineering Professor from the Chinese Academy of Sciences, the former Maasai Mara University Council Chairman Dr. Samuel Agonda Ochola, the Director of the Institute of Ethnobiology and Ethnomedicines (IEE) Prof. Wycliffe Wanzala, Mr. Eliud Yego and Mr. David Letting during a ceremony to award certificates of excellence to technicians who will be running the new state of the art Science Laboratories

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c) Corporate Social Responsibility

On Corporate Social Responsibility front, during the year the University donated food stuffs to the following; Siyabei African In-land Church Children's home and Kenya Prisons Narok. This was to boost their needs during the Covid-19 pandemic period. A similar donation was made to the Narok Chapter Covid-19 Management Kitty.



Narok GK Prison and AIC Siabei Children's Home benefit from foodstuffs donated by Maasai Mara University which included 97 cartons of fresh milk, 30 bales of maize flour, 20 bales of wheat flour and other items amounting to about KES 200,000. Representatives of Maasai Mara University and GK Narok Prison, flanked by inmates pose for photo after receiving food donations. Leading donations was the Maasai Mara University Liaison Officer Samson Shakai

d) Financial operations

i) Revenue

The total revenue realized by the University during the year was **Kshs 1,358,021,190** against the budget of **Kshs 1,408,907,000** in 2019/2020 – a drop of **Kshs 50,885,810.28** This compares to FY 2018/2019 budgeted of **Kshs 1,401,610,567** (4%) below budget. The drop can be attributed to the closure of the University which greatly affected revenue realization

ii) Expenditure

The total expenditure of the University was **Kshs 1,382,270,045** against budgeted **Kshs 1,371,629,776** – 1% above budget. This compares to **Kshs 1,395,185,472** in 2017/2018

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financial year. The University absorbed **100%** of the allocated funds together with internally generated revenue. Employee costs remain the highest expenditure item at **Kshs 1,001,374,255** being **72%** of total expenses.

Challenges

The University is facing a number of challenges key of them being: student enrolment, lack of adequate facilities, inadequate funding and fewer numbers of teaching staff.

The pass rate for Kenya Certificate of Secondary Education (KCSE) has been low in the last three years leading to reduced number of students who score grade C plus and above which is the cut off mark for direct University entry. This compels KUCCPS to under-allocate the students leaving unutilized capacity in many Universities; Maasai Mara University not being an exception.

The University lacks most of essential facilities thereby posing a challenge to discharge fully her mandate of teaching and research. For instance, the completed tuition block can only serve 1,200 students. There is no modern library or Science complex laboratory. These are very essential facilities to enable effective teaching and research.

Inadequate funding is one of key challenges of the University. Reduction in Government funding especially development vote has affected timely completion of infrastructural projects. Reduced student enrolment exacerbates this shortage.

Way forward

To address funding gaps, the University will encourage her academic staff to double the efforts in writing funding proposals aimed at getting adequate research grants for both technical and administrative functions of the University. Already this is yielding fruits with an amount of over Kenya Shillings Twenty Million only research grant agreement made this year courtesy to one of our researchers.

We have already started building strong alliances and partnerships with international Universities in the United Kingdom and United States. These relationships will result in better exposure and funding arrangements. This year, the University Council and senior management have made one such trip resulting to signing of memorandums of understanding.

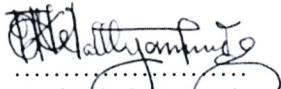
The University will fast track completion of ongoing projects before commencement of new ones. Other sources of internally generated funds will be explored with a possibility of establishing an enterprise charged with creation of income.

The University has already developed her niche programmes in the current Strategic Plan 2019-2024. This will therefore enable us to refocus our energies towards these niche programmes with a view of obtaining market concentration hence more students. The content delivery to our students has changed with more emphasis on experiential learning.

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Appreciation

This financial year has been quite a success and I thank the almighty God for having brought us this far. Secondly, I thank the Government of Kenya for both recurrent and development capitations which have gone along away to alleviate our challenges. I also thank the University Council for their dedication and guidance on policy matters. The University Management Board, Senate and entire fraternity have put in a lot of effort in implementing policy matters; I thank them for this dedication. Lastly, I thank the local community for providing conducive environment suitable for advancement of learning. God bless you.



Prof. Kitche Magak - BA, MA, PGD Dip. Mass Com (UoN), PhD (WIU)

Ag. VICE-CHANCELLOR

MAASAI MARA UNIVERSITY

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CORPORATE GOVERNANCE STATEMENT

Maasai Mara University has engrained the principles of Corporate Governance in its institutional framework and is committed to consistently promoting the highest standards of governance which takes into cognizance the interests of all stakeholders, strengthens the Council, Board of Management and Senate accountability while building public trust in the University. The Council is responsible for appropriate strategic advice and direction to the University and is accountable to the Government, Stakeholders and the Kenyan Public at large through the Ministry of Education.

In implementing the Corporate Governance tenets, the Council seeks to add value through constructive dialogue and engagement with stakeholders as well as management with a strong focus on the University's strategic agenda. The Council embraces and recognizes the benefits of diversity in skills and experience in its compositions and this engenders the effective discharge of the Council's strategic oversight function. The testament to this is seen through diversity of skills of Council members.

As at 30th June 2020, the Council was made up to eight (8) members comprising of a non-executive Chairman, the Principal Secretary, Ministry of Education, the Vice-Chancellor and five (5) independent members of various backgrounds. The non-executive Council members are independent of management.

The University Council as guided by the State Corporations Act and the Universities Act 2012 meets at least four times a year with special meetings held on a need basis. The meetings are held in accordance with the Council almanac. The Vice-Chancellor and Secretary of the University Council and University management are delegated by the Council to run the day to day affairs of the University.

Appointment and removal of Council Members:

The appointment and removal of Council members is guided by the State Corporations Act 446 Part III Section 6.

Council Committees

The Council has established four Committees with specific terms of reference to exercise delegated responsibilities. The Committees are namely Finance, Strategy and Resources, Academic, Sealing and Honorary degrees, Audit, Risk and Compliance and Human Resources Committee.

i) Finance, Strategy and Resources Committee

The committee is charged with the responsibilities of budgetary planning, budget approval, approval of quarterly and annual financial reports, investment policy, resource mobilization and income generation policies. It is also responsible for overall University planning including master and strategic plan. It arranges for construction of new buildings once the finances have been made available and receives reports on performance contracts. It advises Council on income generation activities and makes proposals to the Council on ways of raising funds for the University both internally and externally. The members are:

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- | | |
|------------------------------|-----------|
| 1. FCS Kinuthia Wamwangi EBS | Chairman |
| 2. Dr. Benson Momanyi | Member |
| 3. Ms. Annette N. Okello | Member |
| 4. Mr. Hassan Duale HSC | Member |
| 5. Prof. Kitche Magak | Secretary |

ii) Audit, Risk and Compliance Committee:

This is a statutory committee whose responsibilities include reviewing internal controls procedures and policies so as to ensure efficiency and effectiveness. It submits quarterly and annual reports on internal controls to the Council while ensuring proper books of accounts have been maintained. The committee also reviews internal audit reports and their overall effectiveness, ensuring compliance with statutory guidelines and approve annual audit work plans. It further reviews risk management framework, ensuring effective co-ordination between management, the internal audit function and external auditors, ensuring statutory guidelines for Universities and State Corporations are fully complied with. It also reviews management reports from external auditors concerning deviations and weaknesses in accounting and operational controls. The membership of this committee comprises of:

- | | |
|--------------------------------|-----------|
| 1. Ms. Dorothy N.O. Kimeu MBS | Chairman |
| 2. Amb. Peter O. Ole Nkuraiya | Member |
| 3. Mr. Hassan Duale HSC | Member |
| 4. PS to the National Treasury | Member |
| 5. Head of Internal Audit | Secretary |

iii) Academic, Sealing and Honorary Degrees Committee (Technical Committee)

This committee examines the format and content of the University's statutes, deliberates on all matters pertaining to research and academic activities, co-ordinates fund raising activities for research, advises on consultancies, technology transfers and intellectual property rights. It receives and reviews academic board papers, recommends to the Council for award of honorary degrees and recommends to the Council on number of certificates to be sealed. This committee also receives and recommends to the Council academic policies. It co-ordinates all fund raising activities for research. The members are:

- | | |
|---------------------------------|-----------|
| 1. Dr. Benson Momanyi | Chairman |
| 2. Ms. Dorothy, N. O. Kimeu MBS | Member |
| 3. Ms. Annette N. Okello | Member |
| 4. Mr. Hassan Duale HSC | Member |
| 5. Prof. Kitche Magak | Secretary |

iv) Human Resource Committee

This committee is charged with reviewing and recommending to the Council staff establishment and organization structure, developing and reviewing Human Resource Policies, reviewing and recommending to the Council schemes of service for all staff. It also reviews and recommends terms and conditions of service and Collective Bargaining Agreements in

MAASAI MARA UNIVERSITY
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consultation with Finance, Strategy and Resources committee. It recommends staff promotions and handles disciplinary matters. The members are:

- | | |
|-------------------------------|-------------|
| 1. Amb. Peter O. Ole Nkuraiya | Chairperson |
| 2. FCS Kinuthia Wamwangi EBS | Member |
| 3. Dr. Benson Momanyi | Member |
| 4. Mr. Hassan Duale HSC | Member |
| 5. Prof. Kitche Magak | Secretary |

Council Expenses

The remuneration and expenses of the Chairperson and Members of the Council are guided by the State Corporations Act Cap. 446 and the provisions of the Universities Act 2012.

Council Meetings

During the year there were eighteen full council meetings including special meetings. The Council Committee meetings were as follows:

Name of Committee	Membership	Role	No. of Meetings
Finance, Strategy and Resources Committee	1. Maj (Rtd) John K. Karanja	Chairman	7
	2. Ms. Damary Ayuku - Angulu	Member	
	3. Mr. Paul Kiagu	Member	
	4. Mr. Mugambi J. Nyaga	Member	
	5. Ms. Susan Aletia Amlango	Member	
	6. Prof. Mary K. Walingo	Secretary	
Academic, Sealing and Honorary Degrees Committee (Technical Committee)	1. Mr. Paul Ngetich	Chairman	5
	2. Ms. Damary Ayuku – Angulu	Member	
	3. Ms. Annette Nasiaki Okello	Member	
	4. Mr. Mugambi J. Nyaga	Member	
	5. Mr. Paul Kiagu	Member	
	6. Prof. Mary K. Walingo	Secretary	
Audit, Risk and Compliance Committee	1. Ms. Annette Nasiaki Okello	Chairperson	6
	2. Mr. Paul Ngetich	Member	
	3. Aletia Susan Amlango	Member	
	4. FA Paul Kiagu	Member	
	5. Head of Internal Audit	Secretary	
Human Resource Committee	1. Ms. Damary Ayuku – Angulu	Chairperson	4
	2. Maj. (Rtd) John K. Karanja	Member	
	3. Mr. Mugambi J. Nyaga	Member	
	4. FA Paul Kiagu	Member	
	5. Prof. Mary K. Walingo	Secretary	
	1. FCS. Kinuthia Wamwangi, EBS	Chairman	1

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Finance, Strategy and Resources Committee	2. Mr. Hassan Duale HSC	Member	
	3. Dr. Benson Momanyi	Member	
	4. Ms. Annette Nasiaki Okello	Member	
	5. Prof. Kitche Magak	Secretary	
Academic, Sealing and Honorary Degrees Committee (Technical Committee)	1. Dr. Benson Momanyi	Chairman	1
	2. Mr. Hassan Duale, HCS	Member	
	3. Mrs. Dorothy N. O. Kimeu, MBS	Member	
	4. Ms. Annette Nasiaki Okello	Member	
	5. Prof. Kitche Magak	Secretary	
Audit, Risk and Compliance Committee	1. Ms. Dorothy N. O. Kimeu MBS	Chairperson	1
	2. Amb. P.O. Ole Nkuraiyia	Member	
	3. Mr. Hassan Duale HSC	Member	
	4. Ag. Head Internal Audit	Secretary	
Human Resource Committee	1. Amb. P.O. Ole Nkuraiyia	Chairman	1
	2. Mr. Hassan Duale HSC	Member	
	3. FCS. Kinuthia Wamwangi EBS	Member	
	4. Dr. Benson Momanyi	Member	
	5. Prof. Kitche Magak	Secretary	
Appeals (Adhoc) Committee	1. Dr. Kenedy Ole Kerei	Chairman	3
	2. FCS. Kinuthia Wamwangi EBS	Member	
	3. Ms. Dorothy N.O. Kimeu MBS	Member	

The Role of Senate in Governance

The Senate forms part of the overall governance framework of the University. Its mandate is derived from the Universities Act (2012) 35 (1) and the University Charter. The Senate is responsible to Council and the Management Board for all academic matters of the University. The Senate exercised the following powers and duties during the year: -

- a) Satisfied itself regarding the content and academic standard of courses offered at the University;
- b) Classified students for graduation by vetting their results and ensuring due process was followed.

The Role of Management Board and the Vice-Chancellor in Governance

As the Chief Executive Officer of the University, the Vice-Chancellor is both the chief academic officer and the chief administrator of the University. Indeed, she chairs both the Management Board and Senate for purposes of smooth governance of the University. The functions of the Vice Chancellor are set out in the Universities Act (2012), the Public Procurement and Asset Disposal Act (2015), the Public Financial Management Act (2012), and the Charter of the University.

The Vice-Chancellor provides progress reports to Council on policy implementations. She is the Secretary to Council. Council has delegated widespread powers and responsibilities to the Vice-Chancellor. The Management Board assists the Vice-Chancellor on both academic and administrative issues of the University.

**MAASAI MARA UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2020
MANAGEMENT DISCUSSION AND ANALYSIS**

a) The University's operational and financial performance:

The operational and financial performance of the University is set out on page 39 to page 45.

b) University's compliance with statutory requirements:

The University's financial statements have been prepared in accordance with Section 83 of the PFM Act. The financial statements are in consonance with the Public Sector Accounting Standards Board of Kenya (PSASB-K) approved templates for annual reporting by National Government Entities of 30th June 2020. The annual report contains financial and non-financial information as stipulated under Section 83 2 (a) and (b) in the form and format that complies with the standards prescribed and published by the PSASB-K.

Total Exposure

The University's going concern is not in doubt. Whereas the University has on-going court cases, it is the judgement of both the Council and management that these cases do not expose the University with regards to going concern. The University is in full compliance with all its statutory obligations and requirements. Further, the financial statements have been prepared on a going concern basis and management does not have significant concerns about the University's ability to continue as a going concern as required by IPSAS 1.

Reporting framework

There is consistency in the presentation and classification of items in the financial statements which has been retained from the previous periods in conformity with IPSAS 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis [IPSAS 1 (13)].

c) Key projects and investment decisions the University is planning/implementing

1. Tuition block phase I to III (This is co-joined with the University gate and road works)

Cost of the project:	Kshs. 564,712,500
Commencement date:	17th February 2016
Proposed date of completion:	28th February 2020
Percentage of completion:	85% phase two and 80% phase three.

Project Name:	Tuition Block
Project geographic location:	Narok County (Maasai Mara University)
Project purpose:	Office space and lecturer rooms

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Brief description of the project/Project summary:

The overall completion level is approximately 80%. Phase II is at 85% while Phase III is at 70%. Main gate is approximately 99% complete.

When completed the project will provide office space and additional lecturer rooms which will help in easing the inadequate office and learning space as follows:

Phase I: Six floor building each floor having two lecture rooms with capacity of 100 students and seven offices. Total student capacity being 1,200 and 42 offices.

Phase II: Three floor building with six lecture theatres, two per floor each having capacity of 200 students. Total students served will be 1,200.

Phase III: Six floor building. Each floor with four lecture rooms with capacity of 250 students. Total students being 1,500. Additionally, there are 13 door washrooms.

Outline economic and social benefit:

- This is a Vision 2030 flagship project that is in line with National Government strategic objectives and policies as anchored in the vision's social pillar on education.
- Employment opportunities during and after construction
- Construction has low level of imports so the stimulus spending stays within the national economy

Outline source of financing: Government of Kenya

Viability of the project: The tuition block is viable since it is Vision 2030 project and the Government has undertaken to fund it.

Sustainability of the project: The relevant Government regulatory authorities approved the construction of tuition block especially National Environment Management Authority. An environmental impact assessment was carried out.

d) Major risks facing the University:

The University is facing the following risks which can affect attainment of overall objectives and achievement of her mandate:

- i) Liquidity risk: This is caused by reduced Government development funding, reduced student numbers and student debtor balances arising from inability of students to pay full fees in a timely manner. The effect of this risk is inability of the University to complete her development projects in time and lack of sufficient funds for operational activities.
- ii) Operational risks: This mainly relates to inadequate teaching staff compliment. Fewer teaching staff leads to inability of the University to effectively discharge her teaching, research and consultancy services. The University assets have been valued and now waiting for the valuation report then insurance process will commence. Before this is done there is a risk of inadequate compensation in case of loss of the assets.

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- iii) Reputational risk: This can arise from pending payments to suppliers who can decline to do business with the University until they are paid which can portray the University in bad faith. The pending court cases can also put the University in bad repute and financial distress. These risks can be addressed through enhancing funding and minimizing legal cases.

e) Material arrears in statutory/financial obligations:

The following were outstanding obligations by end of the year:

- i) Staff pension remittance relating to 2011 to 2020 amounting to Ksh. 84,593,525 which is made up of the principal Kshs 21,669,569 and interest of Kshs 62,923,956.
- ii) Tuition block - Kshs 26,173,886
- iii) Part time lecturers – Kshs. 146,195,258
- iv) Suppliers of goods and services, (Trade Creditors) - Kshs 138,424,684
- v) Staff payroll creditors for the month of June 2020 – Kshs 76,849,887
- vi) Students payables – Kshs 91,037,708
- vii) CBA Expense payable – Kshs. 125,886,000

The court cases and their potential financial impact facing the University are:

- i) Nakuru Employment and Labour Relations Court Case No.249 of 2013
- ii) Nakuru Employment and Labour Relations Court Case No.523 of 2014.
- iii) Kericho Employment and Labour Relations Court Case No.22 of 2015
- iv) Nakuru Employment and Labour Relations Court Cases NO.506/507 of 2014
- v) Nakuru Employment and Labour Relations Court Judicial Review No.4 of 2016
- vi) Kisumu Employment and Labour Relations Court Case No.346 of 2016 claiming Kshs 575,000
- vii) Nyeri Employment and Labour Relations Court Case No .87 of 2016. Claiming Kshs 199,080
- viii) Engineer S.R.M'S Court Case No.174 of 2016 claiming Kshs 1,200,000.
- ix) Nairobi High Court Civil Case No.294 of 2015 claiming Kshs 76,380,000.

Since the outcome of these court cases is uncertain, they have not been included in the financial statements.

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

During the financial year 2019/2020 ended 30th June 2020, investigations into the mara heist were conducted and 5 suspects arraigned in court in September 2020. Further, the University Council inherited a suspense account of Kshs. 215,175,241 which is still under investigation. Other than mara heist, there were no major financial improbity's known to management which were reported by oversight organs or other National Government Agencies charged with oversight. Additionally, the University is not aware of any governance issues among its members of the Council and top management including conflict of interest. However, the University is yet to get the Auditor General report for 2018/2019 occasioned by the prolonged vacancy in the office of the Auditor General's office.

MAASAI MARA UNIVERSITY
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CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Maasai Mara University was founded for public benefit, to promote education and knowledge, and to provide an institution open to all, irrespective of race, creed or political belief. It is a pioneering institution of higher learning in making university education available to the communities living in the South Rift Valley of Kenya.

The University's Corporate Social Responsibility (CSR) policy sets out the guiding principles by which the University is run in order to fulfil its core mission. This policy brings together the ways in which the University ensures, at corporate level, that its activities are carried out ethically, sustainably and for the public benefit.

The CSR Policy is made up of three central pillars:

- People and Community
- Finance and Economic Activity
- Environmental Sustainability

During the year the University was involved in the following Corporate Social Responsibility activities:

On Corporate Social Responsibility front, during the year the University donated food stuffs to the following; Siyabei African In-land Church Children's home and Kenya Prisons Narok. This was to boost their needs during the Covid-19 pandemic period and support hundreds of inmates. A similar donation was made to the Narok Chapter Covid-19 Management Kitty.

MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
REPORT OF THE UNIVERSITY COUNCIL

The Council submits this report together with the financial statements for the year ended June 30, 2020 which show the state of the University's affairs.

Principal activities of the University

The University is mandated to provide quality education through innovative teaching, research and consultancy services for development. It does this through inter alia:

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realization of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Education, training and retraining higher level professional, technical and management personnel;

Results

The results of the University the year ended June 30, 2020 are set out on page 39 to page 45.

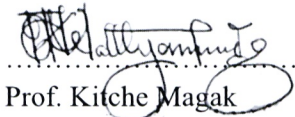
Council Members

The Council Members who served during the year are shown on page 9 to page 11 in accordance with the Universities Act 2012 (18). During the year Mr. Paul Ngetich, John Karanja, Paul Kiagu, Mugambi Nyaga, Damary Ajuku and Samuel Ochola exited and were replaced by Dr. Kennedy Ole Kerei, Dr. Benson Momanyi, Ms. Dorothy N. O. Kimeu MBS, FCS Kinuthia Wamwangi EBS, Mr. Hassan Duale HSC and Amb. Peter Ole Nkuraiya as new Council Members with effect from 10th March 2020 when they were gazetted.

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, which empowers the Auditor-General to audit University Financial Statements.

By Order of the Council.


.....
Prof. Kitche Magak

Acting Vice-Chancellor/ Chief Executive Officer & Secretary

MAASAI MARA UNIVERSITY COUNCIL

Date. 30/09/2020

**MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

STATEMENT OF COUNCIL'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 14(3) of the State Corporations Act, 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 and the operating results of the University for the year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2020. This responsibility includes:

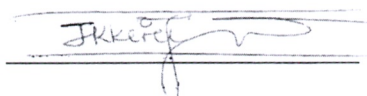
- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University;
- (iii) Designing, 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 PFM Act 2012, the State Corporations Act 2012 and the Universities 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, 2020, and of the University's financial position as at that date. Council members 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.

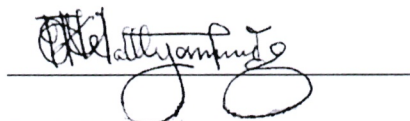
Nothing has come to the attention of the Council to indicate that the University will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The University's financial statements were approved by the Council on 24th September 2020 and signed on its behalf by:



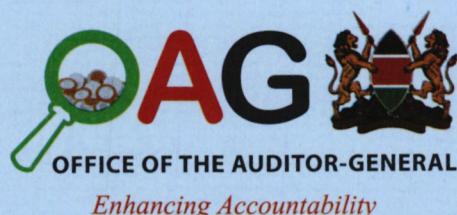
Dr. Kennedy Kerei
Council Chairman



Prof. Kitche Magak
Ag. Vice-Chancellor / Council Secretary

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MAASAI MARA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Maasai Mara University set out on pages 35 to 63, which comprise of the statement of financial position as at 30 June, 2020, statement of financial performance, statement of changes in net asset, statement of cash flows and the statement of comparison of budget and actual amount, 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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Maasai Mara University as at 30 June, 2020, 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 do not comply with the University Act, 2012 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in Financial Statements

A review of the financial statements revealed various discrepancies as well as arithmetical errors when compared with the respective source records as illustrated below:

1.1 Variances Between Balances in the Financial Statements and Trial Balance

A review of the financial statements revealed various expenditure items which differed with the balances reflected in the trial balance as shown below:

Component Particulars	Financial Statements Balances	Trial Balance Balances	Variance
General Expenses	119,326,705	120,530,227	(1,203,522)
Medical Costs	10,497,850	13,308,257	(2,810,407)
Suspense	218,069,224	214,913,502	3,155,722
Other income	29,962,264	28,903,238	1,059,026
Revenue Reserve	3,607,951	25,006,706	(21,398,755)
Trade creditors	138,424,684	135,943,684	2,481,000

The resultant variances have not been explained or reconciled.

1.2 Variance Between Financial Statements and the General Ledger

Further, the financial statements reflects various account balances which significantly differ with the balances reflected in the general ledger as illustrated below:

Account Item(s)	Notes	Financial Statements Balances Kshs.	Ledger Balances Kshs.	Variances Kshs.
Catering/Accommodations Expenses	16	13,976,871	0	13,976,871
Part time Teaching Payable		146,195,258	0	146,195,258
Conference fees	17	8,040,000	0	8,040,000
Accumulated depreciation	23	384,424,106	0	384,424,106
Property plant Equipment (addition for the year)	23	467,514,368	0	467,514,368
Advertising and Publicity	11(2)	8,588,193	8,875,073	(286,880)
Plant and Equipment	21	14,209,157	0	142,091,570

The resultant variances have not been explained or reconciled.

1.3 Suspense Balance

The statement of financial position reflects total current assets balance of Kshs.813,259,362 against total current liabilities balance of Kshs.709,779,680. However, a review on the current assets indicates that the balance includes a suspense account balance of Kshs.218,069,224 which has not been explained or supported with relevant schedules. The current liabilities therefore exceed current assets by the value of the suspense resulting to a negative working capital balance of Kshs.218,069,224.

1.4 Discrepancy of the Opening Balances

As disclosed in Note 25 to the financial statements, the statement of financial position reflects work-in-progress opening balance of Kshs.483,363,436 compared to closing balance of Kshs.375,112,690 recorded during the previous year. Similarly, the opening balance under retention of Kshs.12,043,049 was understated by Kshs.2,047,057 to Kshs.9,995,992 while the closing balance of Net pay of Kshs.248,784,532 was overstated by Kshs.85,668,473 to Kshs.334,453,005.

No explanation or supporting documents were provided to account for the adjustments.

1.5 Casting Errors in the Supporting Schedules

In addition, an analysis of balances reflected in the financial statements revealed casting errors as computed against the supporting schedules and records as shown below:

Item	Financial Statements Balance Kshs.	Recomputed Balance Kshs.	Variance Kshs.
Tuition Income	273,630,770	257,883,046	15,747,724
Student Debtors	107,614,149	112,218,059	(4,603,909)
Student Fees Received in-advance	67,310,298	65,731,996	1,578,303
Employees' Costs	1,001,374,255	991,788,652	9,585,603
Total Asset	2,637,587,742	2,640,743,464	(3,155,722)
Total Capital Funds	1,888,123,071	1,885,860,523	2,262,548

No reconciliation or explanation has been provided for the discrepancies.

In the circumstances, the accuracy and completeness of the financial statements for the year ended 30 June, 2020 could not be confirmed.

2. Unsupported Tuition Income

As disclosed in Note 10 to the financial statements, the statement of financial performance reflects revenue from exchange transactions of Kshs.342,284,928 which constitutes tuition income of Kshs.273,630,770. A review of tuition income records revealed that the balance included fees collected on behalf of Kenya Universities and Colleges Central Placement Services, (KUCCPS) and Commission for University Education, (CUE) amounting to Kshs.4,472,500 which has not been recognized as payables.

Further, a comparison of bank statements for the University collection accounts held in two (2) commercial banks and the respective cash books revealed an amount of Kshs.23,448,604 and Kshs 45,420,597 respectively, resulting to an unexplained and unreconciled variance of Kshs.21,971,943.

In addition, there were 8861 invoice adjustments amounting to Kshs.29,917,183 forming part of tuition income but Management did not state the period to which the adjustments related. Fees deposits for nine (9) students amounting to Kshs.202,850 could not be traced in the commercial bank collection account even though receipts had been generated in the ERP system.

Consequently, the accuracy and completeness of tuition income of Kshs.273,630,770 reflected in the statement of financial performance for the year ended 30 June, 2020 could not be confirmed.

3. Unvouched Expenses

The statement of financial performance reflects total expenditure balance of Kshs.1,501,869,564 out of which expenditure amounting to Kshs.48,001,357 in respect of various items could not be vouched as payment vouchers and other relevant documentations were not provided for audit examination.

Consequently, the validity and completeness of the expenditure amounting to Kshs.48,001,357 for the year ended 30 June, 2020 could not be confirmed.

4. Unsupported Expenses

As disclosed in Note 20 to the financial statements, the statement of financial performance reflects Council expenses balance of Kshs.19,397,927. However, a review of expenditure records revealed that an amount of Kshs.13,288,188 was paid as sitting and mileage allowances to the Council members who had given apologies and did not sign the attendance registers for the meetings. The signed payment schedules and acknowledgement slips were not provided. No evidence of travelling by the Council members was attached to the payment vouchers to support the mileage allowances paid, attendance of the various meetings as well as evidence that the Management deducted and remitted PAYE for the allowances paid to the Council members.

Further, as disclosed in Note 11 to the financial statements, the statement of financial performance reflects general expenses amounting to Kshs.120,530,227 out of which an amount of Kshs.20,005,305 had not been supported with verifiable audit evidence.

In the circumstances, the accuracy and validity of the expenditure amounting to Kshs.33,293,493 reflected in the statement of financial performance for the year ended 30 June, 2020, could not be confirmed.

5. Doubtful Contracted Services

As disclosed in Note 22 to the financial statements, the statement of financial performance reflects payments for contracted services amounting to Kshs.12,520,000 paid as legal fees. The procurement process documentations were not provided for audit review. The fee notes and record of court appearances were not disclosed. It has not therefore, been possible to determine when services were rendered. Further, whereas the contracts agreement indicates that the contract was entered into on 8

October, 2019, some parties are indicated to have endorsed or signed the contract on 30 September, 2019 prior to contract date.

In the circumstances, the accuracy and validity of the expenditure amounting to Kshs.12,520,000 reflected in the statement of financial performance for the year ended 30 June, 2020, could not be confirmed.

6. Unsupported Property Plant and Equipment

As disclosed in Note 23 to the financial statements, the statement of financial position reflects property, plant and equipment balance of Kshs.1,344,120,666. A review of the supporting schedule revealed that the additions during the year of Kshs.10,099,075 included the purchase of computers worth Kshs.6,945,182. However, documents to support the additions in respect of the computers were not provided for audit review. Further, the balance includes an amount of Kshs.5,264,000 in respect of a parcel of land that was last valued in 2013. Management did not explained why the land has not been revalued to reflect the fair value in the books of account.

Consequently, the accuracy and completeness of the value of land and computers amounting to Kshs.12,209,182, and included under property, plant and equipment of as at 30 June, 2020 could not be confirmed.

7. Unsupported Cash and Cash Equivalent

As disclosed in Note 29 to the financial statements, the statement of financial position reflects cash and cash equivalent balance of Kshs.345,178,425. Examination of the cash book revealed that there were cash withdrawals made by the cashier and several other officers amounting to Kshs.58,720,020 from the various University's bank accounts. However, the withdrawals were not supported by appropriate authority, documentation and pre-numbered payment vouchers. Further, the University maintained a fixed deposit amounting to Kshs.16,000,000 which was supported by Fixed Deposit Certificate but no bank statements were not provided for audit review.

In view of the above, the accuracy and completeness of cash and cash equivalents balance of Kshs.345,178,425 reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

8. Unsupported Balances

As disclosed in Note 28 to the financial statements, the statement of financial position reflects receivables from exchange transactions of Kshs.114,726,301 which includes outstanding imprest amounting to Kshs.6,248,622 which were not supported.

Further, as disclosed in Note 30 to the financial statements, the statement of financial position reflects trade creditors balance of Kshs.138,424,684 which was not supported with invoices, vouchers, certificates, creditors statement and creditors aging analysis.

Consequently, the completeness and the accuracy of the trade creditors and imprest balances reflected in the statement of financial position as at 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Maasai Mara 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 adverse opinion.

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

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.2,543,907,000 and Kshs.1,401,026,261 respectively resulting to an under-funding of Kshs.1,142,880,739 or 45%of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs. 2,506,629,776 and Kshs. Kshs.1,470,724,698 respectively resulting to an under-expenditure of Kshs.1,035,905,078 or 41% of the budget.

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

2. Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular.

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. Double Payment of Salaries

During the year under review, an analysis of the bank remittance data schedule revealed that seven (7) employees received double salaries amounting to Kshs.2,280,926 for twelve (12) months through different bank accounts. Although Management explained that this was due to errors in capturing of the bank details when the officers changed their pay points, it did not provide any evidence from the bank(s) that the money bounced from the closed accounts and whether the amount was remitted and credited back in the cashbook.

In the circumstances, the effectiveness in the use of public resources could not be confirmed.

2. Irregular Payment of Allowances

During the year under review the Acting Vice-Chancellor earned an acting allowance of 50% of the basic salary from the month of December, 2019 to April, 2020 amounting to Kshs.700,848 against approved amounts of Kshs.247,085 resulting to overpayment of Kshs.453,763. Both the Acting Vice-Chancellor and the Acting Deputy Vice-Chancellor also drew other remunerative allowances amounting to Kshs.6,500,000 and Kshs.3,052,603 respectively. The Acting Vice-Chancellor drew further allowance as direct payments in respect of one-off payments relating to four (4) months prorated holiday package, security system, research allowances amounting to Kshs.2,432,894 inclusive of tax. The above allowances are entitlement to substantive office holder and not those in acting capacity.

Further, it was established that two (2) officers received acting allowance at a rate higher than that stipulated in human resource policy and procedures manual for the public service resulting to an overpayment of Kshs.496,175.35. The University however attributed this to Government freeze on new recruitment.

In addition, , sixteen (16) employees earned acting allowances amounting to Kshs.985,164 for more than six (6) months period. Management also paid other employees allowances amounting to Kshs.6,917,763 as direct payments. This is contrary to Maasai Mara University terms of service for the Vice-Chancellor and the Deputy Vice-Chancellor, 2017 and human resource policies and procedures manual for the Public Service, 2016 clause C.14(1) which provides for an acting allowance of 20% of the basic salary for an officer acting on a higher capacity.

Consequently, the Management was in breach of the law.

3. Overpayment of Car Allowances

During the year under review, it was established that four (4) officers serving in Grade 15 earned annual car allowance at a rate of Kshs.115,000 per month against the authorized rate of 16,000 per month as provided by the Collective Bargaining Agreement, (CBA). This resulted to payment of Kshs.5,520,000 instead of Kshs.768,000 resulting to an over expenditure of Kshs.4,752,000. Similarly, another three (3) officers in the same Grade earned annual telephone allowance at a rate of Kshs.15,000 against the approved rate of Kshs.9,000 set by the CBA. This translated to a total payment of Kshs.1,540,000 compared to the approved amount of Kshs.324,000 resulting to an over expenditure of Kshs.1,216,000.

In the circumstances, the Management is in breach of the Collective Bargaining Agreement and value for money could not be ascertained and this amount to defrauding the University its meagre resources.

4. Non-Compliance with Law on Ethnic Composition

During the year under review, a review of Human Resource records revealed that the total number of employees at the University was five hundred and sixty-six (566) out of whom, two hundred and six (206) or 36 % were drawn from the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

Consequently, the Management is in breach of the law.

5. Non-Remittance of Statutory Deductions

As disclosed in Note 33 to the financial statements, the University had a pension obligations balance of Kshs.84,593,525 as at 30 June, 2020. A review of the documents confirmed that Management has not been remitting statutory deduction in form of pension contributions as required by the law. Failure to remit statutory deductions as required by the law attracts interests and penalties as well as disadvantaging the staff upon retirement contrary to Section 53A of the Retirement Benefits Authority Act, 1997.

Consequently, the Management is in breach of the law.

6. Construction of Perimeter Wall

Examination of contract documents revealed that the University contracted a firm for the construction of a boundary wall at a contract sum of Kshs.87,219,440. Works started on 29 September, 2017 and was to be completed on 13 April, 2018 which was varied severally to a final completion date of 17 February, 2020 due to long rains in the month of March, 2018, marshy grounds and slow disbursements of funds. However, no evidence that Tender Committee recommendations to the Accounting

Officers were used as the basis of varying the contract. This is contrary to Section 139 (2) (a) of Public Procurement and Asset Disposal Act, 2015.

Audit Inspection undertaken on 19 October, 2020 revealed that there were cracks developing on the walls near the back gate and gate one although the contractor had been paid 10% retention fees of Kshs.4,094,135.

In the circumstances, it is not possible to confirm that the University obtained value for money for the expenditure totalling Kshs.87,219,440.

7. Construction of Tuition Block Phase II and Phase III

Examination of contract documents revealed that the University awarded a contractor for the construction of Tuition Block for a contract sum of Kshs.410,700,000 with a commencement date of 16 February, 2016 and end date of 16 February, 2019. An extension of time was given and a new completion date was set of 16 February, 2020, a variation within twelve (12) months contrary to Section 139(3) (a) of the Public Procurement and Asset Disposal Act, 2015. Similarly, the contract sum was also varied to Kshs.564,712,500 or 25% (Kshs.154,012,500) above the contract sum to include the staircase and road works from the gate. The University contracted JKUAT Architectural School as the project consultants at a fee of Kshs.41,070,000 being 10% of the original contract amount and a further Kshs.15,401,250 upon variations of contract sum to Kshs.564,712,500. The Consultancy works was procured through a direct procurement method contrary to Section 103(2) of Public Procurement and Asset Disposal Act, 2015. However, Bills of Quantities to support the contracted works for roadworks from the gate that led to increase of contract variation by 25% was not provided for audit review.

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

8. Irregular Inspection and Acceptance Committee

The University's Inspection and Acceptance Committee was appointed on 18 November, 2015 as per Regulation 17(1) of the Public Procurement and Disposal Regulations, 2006 which has since been repealed. Further, Inspection and Acceptance Committee were to be an Ad hoc Committee appointed on need basis and members were not entitled to any allowance. However, a review of the position revealed that the same members have been in the committee for over six (6) years since 2015 contrary to Section 48(1) of the Public Procurement and Asset Disposal Act, 2015 and have been drawing allowances at a rate of Kshs.5,000 per month resulting to estimated cost of Kshs 1,440,000 since their appointment to date.

Consequently, the Management was in breach of the Law.

The audit was conducted in accordance with ISSAI 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 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 matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Missing Invoices and Receipts

Review of income records revealed that the Management raised 14,882 electronically generated invoices, ranging between numbers SF1142157 and SF1158110. However, analysis of the consignment revealed a total of 1,072 invoices were missing. Similarly, the University generated 45,702 electronic receipts ranging from Receipt No.142009 to Receipt no.187711. Analysis of the receipt data revealed that 9,797 receipts were missing from the range.

Although the Management provided samples of receipts to account for the lapses, the samples' dates were either not within the financial year 2019/2020 or the receipt number contradicted with the date of the receipt.

Under the circumstances, it has not been possible to confirm existence of effective measures in accounting for income including governance.

2. Long Outstanding Receivable from Exchange Transactions

As disclosed in Note 28 to the financial statements, the statement of financial position reflects a balance of Kshs.114,726,301 in respect of receivable from exchange transaction. The balance includes Kshs.5,538,960 deposit paid as rent security for Oltalet Campus which was closed in 2017. The lease agreement clearly stated that the security deposit was refundable on departure from the premise but it has not been refunded to date. Further, the balance includes student debtors balance of Kshs.108,630,149, the National Police Service balance of Kshs.5,138,250, the Department of Nomadic Education balance of Kshs.250,000 and the Kenya Rural Road Authority balance of Kshs.292,500. However, Management did not provide evidence of the efforts made to recover the mentioned debtors.

Under the circumstances, it has not been possible to confirm existence of effective measures in debts control and recovery.

3. Lack of Policies

During the year under review, there was no evidence that the University had in place an established Risk Management Policy, Conflict of Interest Policy and Whistleblowing Policy. Consequently, the university may not be in a position to manage risks in achieving its set goals as envisaged in the Mwongozo code of Governance of State Corporation.

Consequently, it has not been possible to confirm existence of effective internal controls, risk management and overall governance.

4. Lack of Council Evaluation Reports and Charter

The Council performance, evaluation reports and approved Charter were not provided for audit review to establish if the University had set criteria for evaluation of the Council or whether evaluation of their performance had been done. The Charter would have defined the roles and responsibilities of the Council members.

Further, examination of the Council register and workplan revealed that the Council held a total of fifty-five (55) meetings against stipulated maximum of six (6) meetings. This is contrary to Public Service Circular OP/CAB.9/1A of 11 March, 2020 on guidelines for the Management of State Corporations.

In the circumstances, it has not been possible to confirm existence of an effective overall governance measures at the University.

5. Lack of Substantive Vice Chancellor

The University has been without a substantive Vice Chancellor for more than one-year. This in effect which may lead to stalling of major substantive policy decisions as well as guiding the Council and the staff members on their responsibilities. The appointment of a substantive holder would also facilitates delegation of duties without abdicating responsibilities thus taking fill command in the management of the University.

In the circumstances, it has not been possible to confirm the existence of a strong direction in management of University affairs.

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 The University Council

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards

Accrual Basis and for maintaining effective internal 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 its services, disclosing, as applicable, matters related to sustainability of its 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.

The University Council is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the University 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 overall 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 overall 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 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 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.



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

08 October 2021

MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2020

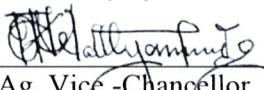
	Notes	Jun-20 Kshs	Jun-19 Kshs
REVENUE			
Revenue From Non-Exchange Transactions			
Recurrent Grants	5	1,012,848,348	979,833,931
CBA 2017-2021 Recurrent Grants	6	125,886,000	-
Research Income	7	1,425,650	2,377,799
Total Revenue From Non-Exchange Transactions		1,140,159,998	982,211,729
Revenue From Exchange Transactions			
Rental Revenue from Facilities & Equipment	8 (i)	20,696,850	27,466,512
Finance Revenue- Interest on Short term Deposit	8 (ii)	7,750,919	8,065,014
Other Income	8(iii)	29,962,264	14,985,781
Cafeteria Revenue	9	10,244,125	21,048,299
Tuition Income	10	273,630,770	347,833,231
Total Revenue From Exchange Transactions		342,284,928	419,398,837
Total Revenue		1,482,444,926	1,401,610,567
EXPENDITURE			
General Expenses	11	119,326,705	168,531,160
Rent and Rates	12	900,000	1,441,595
Casual Wages	13	11,165,544	14,794,799
Schools Direct Expenses	14	84,074,564	76,962,960
Research Expenses	15	-	427,300
Catering & Accommodation Expenses	16	13,976,871	30,232,421
Medical Costs	17	10,497,850	35,027,444
Water & Electricity	18	16,120,554	20,879,107
Employee Costs	19 (i)	1,001,374,255	900,019,553
CBA Expenditure	19(ii)	125,886,000	-
Council Expenses	20	19,397,927	29,996,725
Repairs & Maintenance	21	23,264,424	28,681,157
Contracted Services	22	12,520,000	18,421,764
Depreciation and Amortization Expense	23	61,694,551	67,780,278
Financial Expenses	24	1,381,888	1,989,209
Total Expenditure		1,502,784,654	1,395,185,472
SURPLUS/(DEFICIT)		(21,398,755)	6,425,094

The notes set out on pages 42 to 66 form an integral part of the Financial Statements

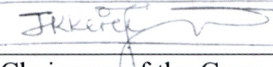
MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2020

	Notes	Jun-20 Kshs	Jun-19 Kshs
<u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipment	23	1,344,120,666	1,395,716,142
Work in Progress	25	483,363,436	375,112,690
Total non-current assets		1,827,484,102	1,770,828,832
<u>CURRENT ASSETS</u>			
Inventories	26	9,399,413	7,125,487
Receivables from Non-Exchange Transactions	27	125,886,000	59,780,902
Receivables from Exchange Transactions	28	114,726,301	145,183,895
Cash and Cash Equivalents	29	345,178,425	289,166,032
Suspense		218,069,224	-
Total current assets		813,259,362	501,256,316
TOTAL ASSETS		2,637,587,742	2,272,085,148
<u>CAPITAL FUNDS & LIABILITIES</u>			
<u>CAPITAL FUNDS</u>			
Accumulated Capital Fund		1,881,413,580	1,837,911,445
Revaluation Reserve		3,101,540	3,101,540
Revenue Reserve		3,607,951	22,744,158
Total capital funds		1,888,123,071	1,863,757,143
<u>CURRENT LIABILITIES</u>			
Trade Creditors	30	138,424,684	54,551,872
School Direct expenses	31	146,195,258	90,617,005
Students' Payables	32	90,445,708	35,794,859
Employee Obligation/Pension Obligation	33	84,593,525	55,763,006
Payroll Creditors	34	74,172,367	63,922,338
Contractors Payables	35	26,173,886	49,874,632
Research grants Payable	36	23,888,252	14,754,253
CBA Expense payable		125,886,000	-
Total current liabilities		709,779,680	365,277,965
<u>LONG TERM LIABILITIES</u>			
Contractors Retention - WIP	37	39,684,991	43,050,040
TOTAL LIABILITIES		749,464,671	408,328,005
TOTAL FUNDS & LIABILITIES		2,637,587,743	2,272,085,148

The financial statements set out on pages 35 to 41 were signed on behalf of Maasai Mara University by:


Ag. Vice-Chancellor


Finance Officer


Chairman of the Council

Prof. Kitche Magak

CPA Elkana Kimeli
ICPAK Member No.11022

Dr. Kennedy Kerei

Date 30/09/2020

Date 30/09/2020

Date 30/09/2020

MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
STATEMENT OF CHANGES IN NET ASSETS AS AT 30TH JUNE 2020

	Accumulated Fund	Revaluation	Revenue	Total
	Fund	Reserve	Reserve	
	Ksh	Ksh	Ksh	Ksh
Balance as at 1st July, 2017	1,507,601,305	3,101,540	(35,761,512)	1,474,941,333
Government Capital Grants	54,072,000	-	-	54,072,000
Surplus/Deficit for the Period	-	-	52,080,576	52,080,576
Balance as at 30th June 2018	1,561,673,305	3,101,540	16,319,064	1,581,093,909
Balance as at 1st July, 2018	1,561,673,305	3,101,540	16,319,064	1,581,093,909
Government Capital Grants	276,238,140	-	-	276,238,140
Surplus/Deficit for the Period	-	-	6,425,094	6,425,094
Balance as at 30th June 2019	1,837,911,445	3,101,540	22,744,158	1,863,757,143
Balance as at 1st July, 2019	1,837,911,445	3,101,540	22,744,158	1,863,757,143
Government Capital Grants	43,502,135	-	-	43,502,135
Surplus/Deficit for the Period	-	-	(21,398,755)	(21,398,755)
Balance as at 30th June 2020	1,881,413,580	3,101,540	3,607,951	1,888,123,071

MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
STATEMENT OF CASH FLOWS AS AT 30 JUNE 2020

	Notes	Jun-20 Ksh	Jun-19 Ksh
Cash flow from Operating Expenses:			
Surplus/(Deficit)		(21,398,755)	6,425,094
Adjustment for:			
Donations		-	-
Provision for Audit fees		-	-
Depreciation	23	61,694,551	67,780,278
Increase /(Decrease) in Provision for doubtful debts	8(iii)	1,203,522	(720,508)
		41,499,318	73,484,865
Changes in Working capital			
(Increase) / Decrease in stocks	26	(2,273,926)	4,337,912
	27 -		
(Increase)/ Decrease in Receivables	28	(77,576,887)	(54,051,914)
Increase/ (Decrease) in Payables	30-36	285,226,302	36,543,397
Increase/ (Decrease) in retention	37	(3,365,049)	(3,827,281)
Total Changes in working capital		202,010,440	(16,997,886)
Net cash fom Operating Activities (a)		243,509,758	56,486,979
Investing Activities			
Property, Plant and Equipment	23	(10,099,075)	(70,758,474)
Work in Progress	25	(108,250,746)	(131,553,870)
Cash from Investing Activities (b)		(118,349,821)	(202,312,345)
Financing Activities			
Government Grants - Capital		43,502,135	276,238,140
Grants from Development Partners		-	-
Proceeds from long term borrowing		-	-
Cash from Financing Activities (c)		43,502,135	276,238,140
Net Increase in Cash & Cash Equivalents		168,662,072	130,412,774
Suspense		(112,649,679)	-
Net Cash & Cash Equivalents - Bal b/f	29	289,166,032	158,753,258
Net Cash & Cash Equivalents - Bal c/d	29	345,178,424	289,166,033

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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2020

	2019-2020		2018-2019		
	Kshs	Kshs	Kshs	Kshs	
a) RECURRENT BUDGET					
REVENUE					
Recurrent Grants	1,012,848,000	-	1,012,848,000	1,012,848,348	348 0%
Rental Revenue from Facilities and Equipment	40,824,000	-	40,824,000	20,696,850	(20,127,150) -49%
Finance Revenue: Interest on Short Term Deposit	3,500,000	-	3,500,000	7,750,919	4,250,919 121%
Other Income	38,185,000	-	38,185,000	29,962,264	(8,222,736) -22%
Research Income	27,529,000	-	-	1,425,650	1,425,650 0%
Cafeteria Revenue	13,550,000	-	13,550,000	10,244,125	(3,305,875) -24%
Tuition Fee	300,000,000	-	300,000,000	273,630,770	(26,369,230) -9%
Total Revenue	1,436,436,000	-	1,408,907,000	1,356,558,926	(52,348,074) -4%
EXPENDITURE					
General Expenses	164,347,000	(4,525,769)	159,821,231	119,326,705	40,494,526 25%
Rent and Rates	900,000	-	900,000	900,000	- 0%
Casual Wages	11,106,879	2,000,000	13,106,879	11,165,544	1,941,335 15%
Schools Direct Expenses	76,511,075	19,950,000	96,461,075	84,074,564	12,386,511 13%
Research Expenses	7,500,000	(7,500,000)	-	-	- 0%
Catering & Accom Expenses	15,255,000	4,042,085	19,297,085	13,976,871	5,320,214 28%
Medical Costs	35,644,000	(21,342,084)	14,301,916	10,497,850	3,804,066 27%
Bulk Purchases of Water & Electricity	20,100,000	(2,700,000)	17,400,000	16,120,554	1,279,446 7%
Employee Costs	958,124,975	7,961,275	966,086,250	1,001,374,255	(35,288,005) -4%
Council Expenses	34,367,000	(13,500,000)	20,867,000	19,397,927	1,469,073 7%
Repairs & Maintenance	25,538,000	(1,500,000)	24,038,000	23,264,424	773,576 3%
Contracted Services	12,200,340	-	12,200,340	12,520,000	(319,660) -3%
Depreciation and Amortization	25,000,000	-	25,000,000	60,643,696	(35,643,696) 143%
Financial Expenses	750,000	1,400,000	2,150,000	1,381,888	768,112 36%
TOTAL EXPENSES	1,387,344,269	(15,714,493)	1,371,629,776	1,374,644,277	(3,014,502) 0%

MAASAI MARA UNIVERSITY
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SURPLUS/(LOSSES)	49,091,731	15,714,493	37,277,224	(18,085,351)	(49,333,573)
b) Development					
Revenue					
Government Grants- Development	50,000,000	-	50,000,000	43,502,135	(6,497,865) -13%
Grants from Development Partner- Dev't	1,085,000,000	-	1,085,000,000	-	(1,085,000,000) -100%
Other Incomes- Dev't	-	-	-	-	-
Total	1,135,000,000	-	1,135,000,000	43,502,135	(1,091,497,865)
Expenditure					
Construction of Tuition Block	50,000,000	-	50,000,000	83,137,473	(33,137,473) -66%
Laboratory/Science Complex	1,085,000,000	-	1,085,000,000	-	1,085,000,000 100%
Perimeter Fence	-	-	-	5,317,180	(5,317,180) 100%
Total	1,135,000,000	-	1,135,000,000	88,454,653	1,046,545,347

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Explanation of variances above 10%

[a] [c] and [d] Rental of facilities, Other sources of income namely: NHIF capitation, endowment fund, alumni and innovation services and cafeteria recorded lower revenue as compared to budget due to Covid-19 pandemic interruption.

[b] The University received more revenue from short term deposits due to higher investments on short term placements.

[e] [f] [g] and [h] Savings were realized in relation to the general expenses, casual wages, school direct expenses and catering and accommodation expenses this was due to the closure of the university due to the Covid-19 pandemic

[i] Medical costs increased due to covid-19

[j] Depreciation expenses exceeded budget due to underbudgeting

[k] Financial expenses reduced as a result of closure of the University which minimized fee payments and transactions in addition to the reorganization of bank accounts of the University

[l] The University's development budget was reduced in the April 2020 supplementary budget

[m] and [o] The University did not receive any development funds from its development partners

[n] and [p] Relates to settlement of old certificates and retentions relating to the tuition block and the perimeter wall

MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020
NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Maasai Mara University is a public body corporate established by Charter as per the Universities Act 2012. The University is the successor of Narok University College constituted under the Narok University College Order (Legal Notice No. 101 of 2008). All rights, liabilities and assets held by anybody on behalf of Narok University College, existing at the commencement of the Charter were automatically and fully transferred to The Maasai Mara University. The University's vision is to be a world Class University committed to academic excellence for development. The mission is to provide quality University education through innovative teaching, research and consultancy services for development.

At Cabinet level the University is represented by the Cabinet Secretary for Education. It is specifically funded under the State Department of University Education and Research. The general policy and strategic direction of the University is provided by the Cabinet Secretary.

2. Statement of compliance and basis of preparation – IPSAS 1

The University's financial statements have been prepared on historical cost basis in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University. The accounting policies have been consistently applied to all the years presented. The financial statements have also been prepared in accordance with Public Finance Management Act 2012 and the State Corporation Act 446. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standards

Standard	Impact
IPSAS 39 - Employee benefits	The University does not use defined benefit plan but instead uses defined contribution plan. Hence this standard is not applicable.
IPSAS 40 - Public Sector Combinations	The University does not intent to combine either through amalgamation or combinations in the near future. Therefore, this standard is not applicable.

The University did not early adopt any new or amended standard in the financial year 2019/2020.

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ANNUAL REPORT AND FINANCIAL STATEMENTS
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4. Summary of significant accounting policies

a) Revenue recognition

i) Revenue from exchange transactions

The University recognizes revenue from rendering of services (tuition fee) 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 academic semester period incurred to date as a percentage of total academic semesters. Tuition fee revenue from students is recognised as it accrues unless collectability is in doubt. Where fees has been paid in advance such is treated as deferred income since the teaching would not have taken place at close of the financial year.

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

The University also maintains a provision of 5% of all outstanding fee balances due from students.

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. This income is generated mainly from catering services.

Interest revenue

Interest income is recognized when earned. The University makes short term placements from student's fees received in lump sum at the beginning of the semester to finance its operations for a longer period of time. Such income is therefore not utilized immediately. The rates of interest are negotiated and the amounts are mainly put on call deposits.

Rental revenue

Rental revenue arising from operating leases on the University's properties is accounted for on a straight-line basis over the lease terms and included in revenue. This revenue is recognized when earned and is mainly from accommodation of students within the University hostels. This amount is also deferred if paid in advance and hence not earned.

Other Exchange transactions revenue

The University realized further income from hire of facilities like halls and pavilion grounds.

ii) Revenue from non-exchange transactions – transfers from other Government entities

Non-exchange transactions revenue is mainly from Government grants which are split into recurrent and development. They are recognized on receipt. In cases where the receipt is after year end, the University still recognizes the revenue to the year it applies to and records the same as income receivable.

b) Budget information

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This Standard requires that the financial statements of public sector entities that make their approved budget(s) publicly available include by proving a comparison of actual amounts with amounts in the original and final budget. This comparison is to be made on the same basis of accounting as adopted for the budget, even if that basis is different from the basis adopted for the financial statements. Actual amount describes the amounts that result from execution of the budget. An explanation of material differences between budget and actual amounts is supposed to be provided.

The Universities statement of comparison of budget and actual performance is on accrual basis since the revenue and expenses are accrued. During the year there were budget virements leading to revised budget. Differences between final budget and actual budget of over 10% were explained.

c) Taxes

The University is exempted from Taxation under First Schedule to the income Tax Act (CAP470). However, as a withholding tax agent the University withholds 2% VAT, 3% income withholding tax on construction contracts, 5% income withholding tax on consultancies and 10% rental expenses. The University further compiles PAYE tax and remits the same on monthly basis.

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. 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. Depreciation on assets is charged on reducing balance basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. Full depreciation is charged during the year of acquisition.

The depreciation applied on straight line are as follows:

The annual depreciation rates in use are:

Plant and Equipment	20%
Buildings	2.5%
Furniture and Fittings	12.5%
Motor vehicles	25%
Computer	33.3%
Library Books	25%

Buildings that are completed and handed over to the University are capitalized in the year of completion and depreciated during that year.

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ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

e) Inventories

Inventories are stated at the lower of cost and Net Realisable Value. 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 purchased by the University are expensed immediately to the various expense classes. At the end of the year, a stock take is carried out to establish the remaining consumable stock. They are valued at historical cost.

As at the closure of 2019/2020 financial year the University had consumable stock valued at **Kshs 9,399,413**.

f) 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. During the financial year, the University made a total debtor provision of 5% amounting to **Kshs 5,672,429**.

g) Contingent assets

The contingent asset is a possible asset 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. The University at the time of preparing the 2018/2019 did not have contingent assets.

h) Changes in accounting policies and estimates

Estimates and Judgements are continually evaluated on the basis of historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. During the year, the University did not change her accounting policies.

i) Employee benefits

Retirement benefit plans

The University operates a defined contribution benefit scheme for all its employees. The scheme is administered by Octagon Pension Services and operates according to provisions of the Retirement Benefits Act (1997). The assets of the scheme are held in a separate trustee administered fund that is funded by both the University and its Employees.

The University also contributes to a statutory defined contribution scheme, The National Social Security Fund (NSSF). The contributions are determined by the National Social Security Fund Act (CAP 258).

The University's contribution to this scheme is charged to the income statement in the year to which they relate.

The University provides gratuity for employees on contract. Such staff do not benefit from the Defined Contribution Benefit Scheme.

MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

j) Related parties

Members of key management are regarded as related parties. Key management of the University have been disclosed on pages 11 to 13 of these financial statements. The University is also related to National Government and Council members. During the year, the University Council member's expenses were **Kshs 20,034,927**.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. The total cash and cash equivalents during the year was **Kshs 345,178,424**.

l) Intangible assets

The University is in the process of installing a new ERP system. Since the modules have not been installed and tested and the system has not been handed over, capitalization process has not taken place.

m) 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, 2020.

n) Financial Risk Management Objectives and Policies

The University's activities expose it to a variety of financial risks including credit risk and liquidity risk. There exists an Audit, Risk and Compliance committee of the Council charged with overall responsibility of reviewing the risk profile and establishing mitigating measures to manage risks. The University's overall risk management programme focuses on the unpredictability in the markets and seeks to minimize adverse effects on its financial performance.

The University regularly reviews its risk management policies and systems to reflect emerging best practises. Risk management is carried out by the management under the supervision of Council.

Credit risk Management

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the University. Most of the credit facilities offered by the University relate to tuition fees.

Accounts receivable from exchange transactions are as follows:

	As at 30th June 2020	As at 30th June 2019
Accounts Receivables	Kshs 114,726,301	Kshs 145,183,895

MAASAI MARA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
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Liquidity Risk Management

Liquidity risk is the risk that the University will not be able to meet its financial obligations when they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring un acceptable losses or at the risk of damaging the University's reputation. This is done by phasing the University's activities in line with the timing of receipt of Government subventions and tuition fees revenue.

The University ensures that it has sufficient cash on demand to meet expected operational expenses. This is done by ring fencing funds for mandatory expenses including employee emoluments and related expenses payroll deductions. All liquidity policies and procedures are subject to review and approval by Council. All capital investments are funded by Grants from Government.

Accounts payables from exchange transactions are as follows:

	As at 30th June 2020	As at 30th June 2019
Accounts payables	Kshs 138,424,684	Kshs 54,551,872

o) Significant judgments and sources of estimation uncertainty

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

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

- i) The condition of the asset based on the assessment of the University's management.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset
- v) Changes in the market in relation to the asset

p) Donations

Gifts and donations (other than services in-kind) are recognized as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. With gifts and donations, the making of the gift or donation and the transfer of legal title are often simultaneous, in such circumstances, there is no doubt as to the future economic benefits flowing to the entity. The University recognizes gifts and donations as revenue when it is certain of the fair value of the same. The donations which constitute fixed assets are reported as part of the Property, Plant and Equipment and depreciated as per the depreciation policy. Any costs associated with transfer of ownership and carriage is expensed in full.

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q) Contingent liabilities – IPSAS 19

The University had a number of court cases which had not been determined by the end of the year. These included:

- i) Nakuru Employment and Labour Relations Court Case No.249 of 2013
- ii) Nakuru Employment and Labour Relations Court Case No.523 of 2014.
- iii) Kericho Employment and Labour Relations Court Case No.22 of 2015
- iv) Nakuru Employment and Labour Relations Court Cases NO.506/507 of 2014
- v) Nakuru Employment and Labour Relations Court Judicial Review No.4 of 2016
- vi) Kisumu Employment and Labour Relations Court Case No.346 of 2016 claiming Kshs 575,000
- vii) Nyeri Employment and Labour Relations Court Case No .87 of 2016. Claiming Kshs 199,080
- viii) Engineer S.R.M'S Court Case No.174 of 2016 claiming Kshs 1,200,000.
- ix) Nairobi High Court Civil Case No.294 of 2015 claiming Kshs 76,380,000.

Since the outcome of these court cases is uncertain, they have not been included in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

Revenue from non-exchange transactions - IPSAS 23

5	Recurrent Capitation		
(a)		Jun-20	Jun-19
		Ksh	Ksh
	July	84,404,029	78,235,802
	August	84,404,029	78,235,802
	September	84,404,029	78,235,802
	October	84,404,029	78,235,802
	November	84,404,029	73,541,654
	December	84,404,029	73,541,654
	January	84,404,029	76,671,085
	February	84,404,029	76,671,085
	March	84,404,029	71,976,938
	April	84,404,029	78,235,801
	May	84,404,029	78,235,802
	June	84,404,029	78,235,802
	June (Supplementary Budget)	-	59,780,902
		<u>1,012,848,348</u>	<u>979,833,931</u>
	Development Grants		
	October-18		45,927,500
	November-18		100,742,500
	February-19		42,861,526
	May-19	43,502,135	86,706,614
	Total development	<u>43,502,135</u>	<u>276,238,140</u>
	Total	<u>1,056,350,483</u>	<u>1,256,072,071</u>

6	CBA Arrears		
		Jun-20	Jun-19
		Ksh	Ksh
	June-20	<u>125,886,000</u>	-
	Total	<u>125,886,000</u>	-

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NOTES TO THE FINANCIAL STATEMENTS

7 Research income/Consultancy	Jun-20	Jun-19
	Ksh	Ksh
National Research Fund	-	2,210,000
Sino-Africa Joint Research Center	-	-
Teacher Education Sub Sahara Africa (TESSA)	276,252	390,859
Africa Experts	-	817,556
Open University	-	-
Norbrook	-	-
Osho Chemicals	-	156,400
NACOSTI	-	1,301,800
Oil Zone East Africa Ltd - Consultancy services	-	315,460
Templeton World Charity Foundation	-	10,424,181
University of Nottingham	-	235,734
JRS Bio diversity	1,308,080	
USAID & US ACADEMY FOUNDATION	7,920,000	
Total	9,504,332	15,851,990
Administrative charge	<u>1,425,649.80</u>	<u>2,377,799</u>

The research income recognized in the Statement of Financial Performance only comprises the 15% administrative charge.

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8(i) Rental revenue from facilities & equipment		Jun-20	Jun-19
		Kshs	Kshs
Students accommodation		19,644,250	19,102,500
Hire of facilities (Hall & bus)		1,052,600	8,364,012
Total		20,696,850	27,466,512

8(ii) Finance Revenue		Jun-20	Jun-19
		Kshs	Kshs
Interest on Short Term Deposit		7,750,919	8,065,014

8(iii) Other income

Other income		Jun-20	Jun-19
		Kshs	Kshs
Conference Fees		8,040,000	76,750
ID Replacement		47,230	-
Key Replacement		104,000	-
Fines(Late Registartion)		1,833,000	9,200
Graduation Income		11,501,000	12,866,250
Misc Income		207,216	120,600
Nursery Income		-	-
Exam Retake Fees		3,407,404	-
Conference fees		-	-
Decrease in provisions for doubtful debts		1,059,026	720,509
NHIF Income(Capitation)		3,763,388	1,192,473
		29,962,264	14,985,781

9 Cafeteria revenue

		Jun-20	Jun-19
		Kshs	Kshs
Staff Mess Sales		1,364,595	4,240,749
Students Mess		3,703,975	16,807,550
Other Sales-Bookings		5,175,555	-
		10,244,125	21,048,299

10 Tuition Income

		Jun-20	Jun-19
		Ksh	Ksh
PSSP PROGRAM		57,742,430	100,730,257
KUCCPS STUDENTS		215,888,340	247,102,974
Total		273,630,770	347,833,231

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Note 11: General Expenses	Jun-20	Jun-19
	Kshs	Kshs
Administrative/Office	709,013	1,573,741
Advertising & Publicity	8,588,193	15,740,615
Cleaning Materials and Detergents	1,154,694	1,644,890
Committee expenses	-	822,410
Computer Maintenance Expenses	6,437,277	3,987,386
Conferences & Seminars	7,275,561	3,488,051
Corporate Social Responsibility	191,900	484,965
E -Resources	3,294,200	1,395,636
Fee Waiver	1,512,690	1,254,860
Motor Vehicle Fuel	5,268,987	7,258,594
Gender Issues	96,500	182,762
Graduation Expenses	10,412,731	14,016,382
Innovations	208,535	1,512,010
General Asset Insurance Expenses	489,497	1,398,136
Internet Expenses	23,440,673	18,485,322
Kitchen Expenses	-	-
Library Books-E-Books & Journals	670,000	-
Postage & Telephone/Calling cards	1,787,725	2,169,421
Provision for Audit Fees	696,000	696,000
Publishing & Printing Expenses	-	210,000
Purchase of Uniforms & Clothing	638,270	1,341,188
Sanitary Expenses	1,536,304	2,304,200
Security Surveillance&Expenditure	4,580,509	5,281,170
Senate Expenses	4,900,769	3,953,386
Service Charter Delivery/Quality Assurance	1,219,358	7,136,552
Staff & Student Welfare-Last respect	1,554,597	1,221,149
Staff Development	3,353,400	3,982,487
Purchase of Stationery & stores	2,841,995	5,604,552
Students' Activities	4,036,330	9,005,838
Provisional expenses	2,235,175	487,700
Students Financial Aid (Scholarship)	2,500,000	2,833,360
MMUSA Expenses	-	-
Subscription and Registration of Membership	825,879	2,156,441
Travel and Subsistence -External	3,156,101	13,004,127
Travel and Subsistence -Internal	7,943,822	13,264,098
Audit Fees Expense	-	2,413,241
Collaborations, Linkages, outreach & fundraisings	157,450	20,300
KUCCPS/CUE Charges	5,026,000	11,682,600
HIV/AIDS Awareness	42,000	30,650
Interest Expense on Pension Obligation	-	6,276,170
Land title expenses	-	162,725
Recruitment expenses	-	48,045
Increase in provision	1,203,522	-
Donations (Stores supplies)	544,570	-
Total	120,530,227	168,531,160

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12 Rent and Rates	Jun-20	Jun-19
	Ksh	Ksh
United Kenya Club	900,000	1,441,595
	<u>900,000</u>	<u>1,441,595</u>

13 CASUAL WAGES -2019-2020

Time –Tabling casuals

February	64,995.00	
January	27,236.00	
December	58,805.00	
November	71,804.00	
March	55,710.00	278,550.00

MAIN-CASUALS

July	841,410	
August	832,337	
September	1,209,841	
October	1,167,098	
November	1,139,681	
December	1,157,635	
January	590,937	
February	1,753,787	
March	1,674,052	
April	174,031	
May	182,615	
June	163,569	10,886,994
TOTAL		<u><u>11,165,543.75</u></u>

14 School's Direct Expenses	Jun-20	Jun-19
	Ksh	Ksh
Teaching Practice/Attachment	14,286,300	23,324,674
Africa Experts-Siana Students	-	574,656
Examination Materials	2,328,557	4,888,025
Students Practicals, Media & Forestry Trips	2,005,255	4,005,018
Program Development	100,000	1,658,771
Admission Expenses	-	-
Accreditation of Programs	35,655	-
External Examiners	3,228,611	1,600,708
Teaching Materials	3,867,949	2,681,736
Lab Consumables	216,863	882,636
Part time teaching expenses for the year	58,005,375	37,346,736
Total	<u><u>84,074,564</u></u>	<u><u>76,962,960</u></u>

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	Jun-20	Jun-19
	Ksh	Ksh
15 Research expenses	-	427,300
Total	-	427,300
16 Catering and Accommodation Expenses		
	Jun-20	Jun-19
	Ksh	Ksh
Purchase of foodstuff	13,976,871	30,232,421
Total	13,976,871	30,232,421
17 Medical Costs	Jun-20	Jun-19
	Kshs	Kshs
Staff Medical expenses	7,286,885	24,597,886
Purchase of Drugs	2,717,374	8,630,680
Purchase of BP Machine	-	-
Medical lab reagents	493,591	1,798,878
Total	10,497,850	35,027,444
18 Water and Electricity		
	Jun-20	Jun-19
	Ksh	Ksh
Electricity	10,555,097	13,803,677
Water	5,565,457	7,075,430
Total	16,120,554	20,879,107
19(i) Employee costs	Jun-20	Jun-19
	Ksh	Ksh
Gross Pay plus NSSF	923,383,826	825,490,516
Pension Employer	62,147,456	56,813,595
Pension accrued Interest charge	9,521,067	6,276,170
Gratuity	6,321,906.57	11,439,272
Total	1,001,374,255	900,019,553
19(ii) CBA Expenditure	Jun-20	Jun-19
	Ksh	Ksh
National CBA 2017-2021	125,886,000	-
Total	125,886,000	-

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20	Council expenses	Jun-20	Jun-19
		Kshs	Kshs
	Sitting, Travelling & Accommodation		
	Allowances and Council Insurance	19,397,927	29,996,725
	Total	<u>19,397,927</u>	<u>29,996,725</u>

21	Repairs and Maintenance	Jun-20	Jun-19
		Kshs	Kshs
	Buildings -Minor works	222,298	3,199,194
	Catering Facilities	-	-
	Motor Vehicles	1,039,210	3,342,326
	Water & Sewerage	183,526	519,140
	Maintenance of Contingent& minor works	293,066	473,249
	Grounds	638,740	1,295,672
	Computers & Office Equipment	6,465,777	579,052
	Plant & Equipment	14,209,157	19,045,524
	Minor Security Equipment	86,650	-
	General repair	-	
	Assets valuation and tagging	126,000	227,000
	Total	<u>23,264,424</u>	<u>28,681,157</u>

22	Contracted Services	Jun-20	Jun-19
		Ksh	Ksh
	Legal and Consultancy Expenses	12,520,000	18,421,764
		<u>12,520,000</u>	<u>18,421,764</u>

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23 Property, Plant and Equipment

		20.0%	2.5%	12.5%	25.0%	33.3%	25.0%	
	LAND	PLANT & EQUIPMENT	BUILDINGS	FURNITURE AND FITTINGS	MOTOR VEHICLES	COMPUTER	LIBRARY BOOKS	TOTAL
Cost/Valuation	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
Cost/Valuation								
Net Book Value as at 1.07.2018	5,264,000	4,751,650	1,295,056,753	16,165,280	9,378,449	3,064,548	59,057,267	1,392,737,946
Additions during the Year:	-	52,209,502	-	7,310,950	8,615,339	1,664,719	957,965	70,758,474
Total	5,264,000	56,961,152	1,295,056,753	23,476,230	17,993,788	4,729,266	60,015,232	1,463,496,420
Accumulated Depreciation								
Accumulated Depreciation b/f	-	34,649,138	93,621,684	17,556,787	45,145,734	19,093,358	45,933,430	256,000,132
Amortization/Depreciation for the Year	-	11,392,230	32,376,419	2,934,529	4,498,447	1,574,846	15,003,808	67,780,278
Accumulated Depreciation c/d	-	46,041,369	125,998,103	20,491,316	49,644,181	20,668,204	60,937,238	323,780,411
Net Book Value as at 30.6.2019	5,264,000	45,568,921	1,262,680,334	20,541,701	13,495,341	3,154,420	45,011,424	1,395,716,142
Net Book Value as at 1.07.2019	5,264,000	45,568,921	1,262,680,334	20,541,701	13,495,341	3,154,420	45,011,424	1,395,716,142
Additions during the Year:	-	450,000	-	2,478,290	-	6,945,182	225,603	10,099,075
Total	5,264,000	46,018,921	1,262,680,334	23,019,991	13,495,341	10,099,602	45,237,027	1,405,815,217
Accumulated Depreciation								
Accumulated Depreciation b/f	-	46,041,369	125,998,103	20,491,316	49,644,181	20,668,204	60,937,238	323,780,411
Amortization/Depreciation for the Year	-	9,203,784	31,567,008	2,877,499	3,373,835	3,363,168	11,309,257	61,694,551
Accumulated Depreciation c/d	-	55,245,153	157,565,111	23,368,815	53,018,016	24,031,372	72,246,495	385,474,962
Net Book Value as at 30.6.2020	5,264,000	36,815,137	1,231,113,326	20,142,492	10,121,506	6,736,435	33,927,770	1,344,120,666

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24 Finance Expenses(BANK CHARGES)	Jun-20	Jun-19
		Kshs
Bank Charges - BBK	117,529	20,440.10
Bank Charges - Equity		
Bank Charges - KCB		
Bank Charges - NBK	461,284	326,502.34
Bank Charges - Chase	-	
Finance Lease Expense		
EQUITY CATERING AND ACCOMODATION	-	770.00
EQUITY PSSP	66,614	107,135.00
EQUITY GSSP	2,040	3,580.00
Coop (600)	173,473	364,029.62
Coop (601)	381,211	959,166.34
Coop(602)	33,600	29,590.00
KCB DEVELOPMENT	23,232	30,305.50
KCB PSSP	109,325	2,007.00
Bank of Africa	12,260	144,603.49
Jamii Bora	1,320	1,080.00
	-	
Total	1,381,888	1,989,209

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25. Work in progress

CERT. NO	CONTRACTORS	GROSS PAY Kshs	VAT 6% or 2%	WITHHOLDING TAX 3%	RETENTION 10%	NET PAY
	Balance 1st July 2018	260,276,779	11,429,487	8,436,280	5,917,093	234,493,919
ADDITIONS						
Cert No. 7	Vee Vee Entre. (Tuition Block)	42,861,526	2,216,975	1,108,488	4,286,153	35,249,910
Cert No. 4	Mycall General Services Ltd	3,701,060	191,434	95,717	370,106	3,043,803
Cert No. 5	Mycall General Services Ltd	14,697,080	760,193.79	380,097	1,469,708	12,087,081
Cert No. 6	Mycall General Services Ltd	2,047,067	-	-	(2,047,067)	2,047,067
Cert No. 8	Vee Vee Entre. (Tuition Block)	51,529,178	2,665,302.31	1,332,651	-	47,531,225
	Balance 1st July 2019	375,112,690	17,263,393	11,353,233	9,995,992	334,453,005
	Balance 1st July 2019	375,112,690	17,263,393	11,353,233	9,995,992	334,453,005
ADDITIONS						
ERP Software	ABNO International Softwares	1,165,000	60,259	50,216	-	1,054,526
Cert 8	Mycall General Services Ltd	5,317,180	275,027	137,513	531,718	4,372,922
ERP Software	ABNO International Softwares	18,631,093	963,677	803,064	-	16,864,351
Tuition Block						
Cert No. 9	Vee Vee Entre.	35,015,446	1,811,144	905,572	-	32,298,730
	Sess Solution ltd	4,612,800	238,593	119,297	461,280	3,793,630
	Tee Piping Eng. Services ltd	3,873,890	200,374	100,187	387,389	3,185,941
Cert 10	Sess Solution ltd	2,738,958	47,223	70,835	273,896	2,347,004
Cert 10	Tee Piping Eng. Services ltd	4,763,705	82,133	123,199	476,371	4,082,002
Cert 11	Vee Vee Entre.	32,132,674	554,012	831,017	-	30,747,645
	TOTAL ADDITIONS	108,250,746	3,897,156	2,953,171	1,598,935	93,319,303
BAL. 30/6/2020		483,363,436	21,160,548	14,306,404	11,594,928	427,772,309

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26 Inventories	Jun-20	Jun-19
	Ksh	Ksh
Closing Stock-Stationeries	5,243,958	5,012,601
Closing Stock - Estates	-	669,645
Closing Stock - Catering	204,942	343,658
Closing Stock - Health drugs	1,509,924	1,099,583
Building Materials	450,000	
Cleaning Materials Stock-Estate	496,172	
Computer Accessories	1,494,417	
Total	<u>9,399,413</u>	<u>7,125,487</u>

27 Receivables from Non - Exchange Transactions	Jun-20	Jun-19
	Ksh	Ksh
National CBA 2017-2021	125,886,000	
Ministry of Education -Supplementary Budget		59,780,902
Total	<u>125,886,000</u>	<u>59,780,902</u>

28 Receivables from Exchange transactions	Jun-19	Jun-18
	Kshs	Kshs
Staff Debtors - Imprest	53,100	10,389,200
Rent Deposit (United Kenya Club)	150,000	150,000
Fuel Deposit (Total Kenya)	1,208,094	1,208,094
Deposits (Oltalet)	5,538,960	5,538,960
Other Debtors	-	442,250
Students' Debtors	107,614,149	128,506,096
National Police Service	5,138,250	5,138,250
Department of Nomadic Education	250,000	250,000
Interest on fixed deposits-Equity bank& nbk	153,677	
Kenya Rural Roads Authority	292,500	292,500
	<u>120,398,730</u>	<u>151,915,350</u>
Provision for doubtful debts	5,672,429	6,731,455
Total	<u>114,726,301</u>	<u>145,183,895</u>

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29 Cash and Bank balances	Jun-2020	Jun-19
	Kshs	Kshs
Equity PSSP a/c no.0360292999764	1,678,444	1,189,865
Equity a/c no. 0360293859409 -Catering and Accomodation	-	417,671
Equity GSSP a/c no. 0360293859386	36,119,777	1,164,653
National Bank of Kenya a/c no. 01400042224300	87,736,532	57,686,797
Barclays Bank of Kenya a/c no. 041111267	3,735,447	3,978,112
Cooperative of Bank a/c no.01129337192600	-	70,637
Cooperative of Bank a/c no.01129337192601 - GSSP	2,525,882	2,339,624
Cooperative of Bank a/c no.01129337192602 -C&A	-	1,455,325
KCB Development a/c no.1112635831	1,475,396	3,103,007
KCB PSSP a/c no. 1136121064	87,887,213	119,559
JAMII Bora Bank a/c 0011795088002	-	1,054,944
SBM Bank a/c no.	481,608	393,107
Bank of Africa	2,827,519	1,192,732
Short Term Deposits		
National Bank of Kenya a/c no. 01300042224312	-	30,000,000
National Bank of Kenya a/c no. 01400042224306	-	60,000,000
National Bank of Kenya a/c no.	710,607	28,000,000
KCB	-	84,000,000
Bank of Africa	-	13,000,000
Cooperative Bank	-	-
Barclays Bank of Kenya	-	-
Equity	120,000,000	-
Total	345,178,425	289,166,032

30 Trade Payables	Jun-20	Jun-19
	Kshs	Kshs
Trade Creditors	138,424,684	54,551,872
Total	138,424,684	54,551,872

31 School Direct expenses	Jun-20	Jun-19
	Kshs	Kshs
Part time Teaching payable	146,195,258	90,617,005
Total	146,195,258	90,617,005

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32 Students' Payables

	Jun-20	Jun-19
	Kshs	Kshs
Caution money Deposits	11,566,000	9,892,000
Students' fees received in advance	67,310,298	19,972,959
Students' Union	9,369,910	3,905,400
HELB Payable	2,199,500	2,024,500
Total	90,445,708	35,794,859

33 Employee Obligation/Pension Obligation

	Jun-20	Jun-19
	Kshs	Kshs
Pension Contribution Payable	84,593,525	55,763,006
Total	84,593,525	55,763,006

34 Payroll Creditors

	Jun-20	Jun-19
	Kshs	Kshs
Staff Payroll Payables	39,245,001	49,267,663
Pension Contribution Payable	7,588,174	-
Casual wages	-	-
Gratuity	27,339,192	14,654,675
Total	74,172,367	63,922,338

35 Contractors payable

	Jun-20	Jun-19
	Kshs	Kshs
Pending Interim Certificates	26,173,886	49,874,632
Total	26,173,886	49,874,632

36 Research Grants Payable

	Jun-20	Jun-19
	Kshs	Kshs
Balance b/f	14,754,253	2,798,010

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Received during the year	9,850,932	15,851,990
Total	24,605,184	18,650,000
Prior year adjustment	6,686,611.44	-
Less: -Expenses	(5,925,904.00)	
-Administrative charges	(1,477,639.80)	(3,895,747)
Balance b/f	23,888,252.39	14,754,253

37 Contractors Retention for Work in Progress

	Jun-20	Jun-19
	Kshs	Kshs
Balance b/f as at 1 st July 2018	46,877,321	40,946,263.00
Additions during the year	3,093,328	14,313,575.29
Less Payment	(10,285,658)	-8382518
Balance as at 30th June 2019	39,684,991	46,877,320

Transfers from Ministries, Departments and Agencies

Name of Entity Sending the grant	Amount recognized to statement of comprehensive income	Amount deferred under deferred income	Amount Recognized in capital fund	Total Grant income during the year	2018-2019
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Ministry of Education	1,138,734,348	-	43,502,135	1,182,236,483	1,256,072,071
Total	1,138,734,348	-	43,502,135	1,182,236,483	1,256,072,071

Events after the reporting period

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

Ultimate and Holding Entity

Maasai Mara University is a Semi-Autonomous Government Agency under the Ministry of Education, State Department of University Education. Its ultimate parent is the Government of Kenya.

Currency

The financial statements are presented in Kenya Shillings.

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**APPENDIX I: PROGRESS ON FOLLOW – UP OF AUDITORS
RECOMMENDATIONS**

The following is the summary of outstanding paragraphs raised by the external auditor and their resolution status.

Audit matter	Audit paragraph	Management comment	Status
Receivables from exchange Transactions	The net receivables from exchange transactions stood at Kshs. 150,192,375 as at 30 June 2018 compared to Kshs. 159,558,931 as at in 30 June 2018 representing an increase of Kshs. 9,366,555. Included in the receivables from exchange transactions is Kshs 148,597,020 in respect of student's debtor gross. However, the figure remains substantially high.	Reconciliations to clean up the student's debtors is ongoing. This figure has now been reduced to Kshs 128,506,096.	On - going.
Pension obligation	The pension obligation as at 30th June 2018 was Kshs 49,486,837. During the year the balance moved from Kshs 43,917,055 to Kshs 49,486,837 representing an increase of Kshs 5,569,782 which is accrued interest.	The pension obligation result from outstanding remittances to Moi University Pensions Scheme dating back from 2011 to 2013 during which period the current University management has requested for specific funding from the National Treasury through the Parent Ministry but this has yet to be honoured. The University has no outstanding obligations since 2014.	Discussions are underway for Moi University to transfer the pension contribution to Maasai Mara Scheme.
Sustainability of services	The current assets stood at Kshs 320,409,032 while the current liabilities were Kshs 328,734,568 leading to a negative working capital of Kshs 8,325,536. This situation indicates uncertainty exists that may cast significant doubt on the University's ability to continue honouring its obligations as and when they fall due.	The working capital has now improved to a positive balance of Kshs 135,978,350	The University is on course with regard to management of her working capital needs.
Delayed completion of Boundary wall	The Boundary wall contract sum during the year was Kshs 87,219,440. The Contractor, Mycal General Services has been paid Kshs 49,646,924 exclusive of retention money which represents 57% of work certified. Physical verification of project showed lower percentage completed.	The Boundary wall is now practically complete.	

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APPENDIX II: INTER-ENTITY TRANSFERS

The University received the following transfers from the Ministry of Education:

a) Recurrent grants

Month	Kshs
July	84,404,029
August	84,404,029
September	84,404,029
October	84,404,029
November	84,404,029
December	84,404,029
January	84,404,029
February	84,404,029
March	84,404,029
April	84,404,029
May	84,404,029
June	<u>84,404,029</u>
Total	<u>1,012,848,348</u>
Development Grants	
Sep--19	43,502,135
Total development	<u>43,502,135</u>
Grand Total	<u>1,056,350,483</u>