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REPORT

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THE AUDITOR-GENERAL

ON

MURANG'A UNIVERSITY OF TECHNOLOGY

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



MURANG'A UNIVERSITY OF TECHNOLOGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2025

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



MUT IS ISO 9001:2015 & ISO/IEC 27001:2013 CERTIFIED





MUT IS ISO 9001:2015 & ISO/IEC 27001:2013 CERTIFIED



Table of Contents.....	page
1. Acronyms, Abbreviations and Glossary of Terms.....	iii
2. Key University Information and Management	iv
3. University Chancellor and Council Members	viii
4. Key Management Team.....	xi
5. Chairman's Statement.....	xiv
6. Report of the Vice Chancellor.....	xv
7. Statement of Performance against Predetermined Objectives for FY 2024/2025	xvii
8. Corporate Governance Statement	xx
9. Management Discussion and Analysis	xxviii
10. Environment and Sustainability Reporting.....	xxxvii
11. Report of the Council.....	li
12. Statement of Council Members' Responsibilities.....	lii
13. Report of the Independent Auditor for the Financial Statements.....	liiii
14. Statement of Financial Performance for the year ended 30 June 2025.....	1
15. Statement of Financial Position as at 30 June 2025.....	2
16. Statement of Changes in Net Assets for the year ended 30 June 2025.....	4
17. Statement of Cash flows for the year ended 30 June 2025	5
18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025	6
19. Notes to the Financial Statements	9
20. Appendices.....	38
Appendix I: Implementation Status of Auditor-General's Recommendations	38
Appendix II: Projects Implemented by the University.....	43
Appendix III: Transfers from Other Government Entities	44
Appendix IV: Recording of Transfers from Ministry of Education	45
Appendix V: Status of Project Implementation and Funding.....	46





1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CBK	Central Bank of Kenya
CUE	Commission for University Education
DVC	Deputy Vice Chancellor
GPO	General Post Office
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communication Technology
IPSAS	International Public Sector Accounting Standards
MoU	Memorandum of Understanding
MUT	Murang'a University of Technology
MUWASCO	Murang'a Water and Sanitation Company
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
TVET	Technical and Vocational Education and Training
VC	Vice Chancellor

B: Glossary of Terms

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

Comparative Year- Means the prior period



2. Key University Information and Management

VISION

A Leading University in Technological Innovation, Research, Training and Outreach

MISSION

To advance knowledge and technological transfer through teaching, training, learning, research, innovation, consultancy and community engagement for sustainable development.

CORE VALUES

Responsibility
Integrity
Transparency
Accountability



(a) Background Information

Murang'a University of Technology (MUT) is a public university in Kenya, chartered on 7th October, 2016. The University operates under the provision of the Universities Act No. 48 of 2012 of the Laws of Kenya. It is a successor to Murang'a University College, a former Constituent College of Jomo Kenyatta University of Agriculture and Technology (JKUAT), and Murang'a College of Technology based in Murang'a County. The University is strategically located 1.5 km from Murang'a Town, 85 km North East of Nairobi, 70 km South East of Nyeri and 50 km South West of Embu.

The University offers postgraduate studies at PhD and Masters Levels, undergraduate programmes, and Diploma and Certificate courses in Engineering, Information Technology, Computer Science, Business, Commerce, Human Resource Management, Hospitality, Tourism Management, Education, Humanities, Social Sciences, Agriculture, and Pure, Applied and Health Sciences, among others. The programmes are innovative in design and curricula implementation focuses on the development of graduates with sound knowledge, professional competencies and values that enable them to fit in the job market both locally and internationally. This is achieved through concerted and collaborative efforts in teaching, training, research, innovation, scholarship, entrepreneurship, and consultancy. The University is committed to developing and reviewing courses in order to address changing market demand and thus increase student enrollment. The University has built technology and innovation into its programmes and aligned them to the MUT Strategic Plan (2023-2027), Bottom-Up Economic Transformation Agenda (BETA) 2022-2027, Fourth Medium Term Plan (MTP IV) and Kenya's Vision 2030.

(b) Principal Activities

The principal activities of the University are derived from the core functions as set out in the Universities Act 2012 and the University Statutes. The mandate of MUT is to provide quality teaching, training, learning, research, innovation, consultancy and community engagement for sustainable development.

(c) Key Management

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

- University Council
- University Management Board
- Senate



(d) Fiduciary Management

The Key Management personnel who held office during the financial year ended 30th June, 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Vice Chancellor	Prof. Dickson M. Nyariki, Ph.D.
2	Deputy Vice Chancellor, Finance, Planning and Development	Prof. Beatrice W. Mugendi, Ph.D.
3	Deputy Vice Chancellor, Academic, Research and Student Affairs	Prof. Prisca J. Tuitoek, Ph.D.
4	Registrar, Academic, Research and Student Affairs	Prof. Richard Juma, Ph.D.
5	Deans' representative	Prof. Dorothy Akinyi Amwata, PhD.
6	Director, Mariira Campus	Prof. Benson Mwangi, Ph.D
7	Registrar, Administration and Human Resource	Dr. Peace Byrne Agufana, Ph.D.
8	Ag. Registrar, Finance, Planning and Development	Mr. Joseph Gachanja
9	Legal Officer	Ms Peninah Imwene
10	Finance Officer	CPA. Moffat K. Njoroge

(e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangements of the University are carried out by the Council through the following Committees:

- i. Audit, Governance and Risk Management
- ii. Finance and General Purposes
- iii. Human Resource
- iv. Physical Infrastructure, Planning and Development

The composition and roles of the above Committees are explained under the Corporate Governance Statement on page xxiii.

(f) Headquarters

Murang'a University of Technology
P.O. Box 75 – 10200
MURANG'A, KENYA

(g) Contacts

Telephone: (254) 0771463515, (254) 0771370824
E-mail: info@mut.ac.ke
Website: www.mut.ac.ke



(h) Bankers

1. Kenya Commercial Bank Limited
Murang'a Branch
P.O. Box 112 – 10200
Murang'a
2. Equity Bank Limited
Murang'a Branch
P.O. Box 1060 – 10200
Murang'a
3. Co-operative Bank of Kenya
Murang'a Branch
P.O. Box 954-10200
Murang'a

(i) Independent Auditors

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



3. University Chancellor and Council Members

The following is concise description of the Chancellor, Council members who served during the year under review.



Prof. Justin Irina, PhD.
University Chancellor

University Chancellor

Prof. Irina holds a PhD in Chemistry from University of Nairobi, 1977. M.Sc in Chemistry from St Francis Xavier University, 1968. B.Sc in Chemistry and Zoology from Makerere College, 1965. He was the Chancellor, MUT from May 2017 to May 2022. He has worked as Chairman of Council Meru University of Science and Technology, Vice Chancellor Moi University, Council member Maseno University, Council member Western University College of Science and Technology (WEUCO) Chairman, Board of Governors of the Coast Institute of Technology, CEO Commission for University Education (CUE) Principal Chepkoilel College, Secretary to the Public Universities Inspection Board, Chairman Kenya Plant Health Inspectorate Service (KEPHIS) Chairman Kenya Chemical Society. He was born on 17th May, 1941.



Dr. Abel B. Atiti, Ph.D.
Chairman of Council

Chairman of Council from 2nd November, 2023

Dr. Atiti holds a PhD in Environmental Studies from Macquarie University, 2008. M.Ed. Environmental Education from Rhodes University, 2003 and B.Ed. Science Education from Kenyatta University, 1990. He has worked as a Head of Planning, Monitoring and Evaluation Department, Acting Director, Quality Assurance Officer at the National Museums of Kenya. Research Fellow with the United Nations University Institute for the Advanced Study of Sustainability (UNU-IAS) in Japan. Consultant with the United Nations Educational, Scientific and Cultural Organization (UNESCO) as an Education for Sustainable Development Specialist. He is an independent Environmental/Education for Sustainable Development Consultant, Researcher and an expert on United Nations University acknowledged Regional Centres of Expertise on Education for Sustainable Development in Africa. He was born on 16th April, 1966.





Ms. Mary N. Njenga
Council Member

Chairperson- Audit, Governance and Risk Management Committee

Ms. Mary holds a MSc. Organizational Development, USIU Masters in Sociology, University of Nairobi, Certified Organizational Development (OD) Consultant and Accredited Executive Coach. She was born on 4th August, 1965.



CPA. Elias N. Muriithi
Council Member

Chairperson - Finance and General Purposes Committee

CPA. Elias holds a Bachelors of Commerce (Finance), 2007 Certified Public Secretaries (CPS), 2005 Certified Public Accountants (CPA), 2002. He was born on 15th October, 1980.



Mr. Francis M. Meja
Council Member

Chairperson Physical Infrastructure, Planning and Development Committee Up to 20th January, 2025

Mr. Meja holds an MBA, Strategic Management, University of Nairobi, 2007, Bachelor of Arts (Economics, Public Administration, and Political Science), Maratwada University-India, 1993. He is the Immediate former Director General, National Transport and Safety Authority (NTSA). He was born in 16th April, 1968.



Ms. Consolata Alawo
Council Member

Rep. Principal Secretary State Department for Higher Education

Ms. Alawo holds a Masters in Educational Administration, University of Nairobi, 2011. Bachelor of Education (Arts) (English and Literature)-University of Nairobi, 2008. Diploma in Education Management, Kenya Education Management Institute, 2016. She was born in 1969.





Ms. Naomi W. Matheri
Council Member-

Rep. Cabinet Secretary National Treasury and Economic Planning

Ms. Matheri holds a Master of Arts (Economics), University of Nairobi, 2011. Bachelor of Science (Statistics) Moi University, 2005 a Strategic Leadership Development Programme, KSG July-Aug 2019. She was born in 1981.



Dr. Josphat Kariuki, PhD
Council Member

Chairperson Human Resource Committee

Dr. Kariuki holds a PhD in Organizational Leadership from Pan Africa Christian University, 2022. Master of Science: Information Systems Engineering from University of Sunderland, 2010. Bachelor of Education Science, Mathematics and Physics Kenyatta University, 2010. He was born on 11th July, 1980.



Prof. Dickson M. Nyariki Ph.D.
Secretary to Council

Prof. Nyariki holds a PhD in Agricultural Economics University of Reading, United Kingdom, 1997; MSc Agricultural Economics University of Nairobi, 1990; BSc Range Management University of Nairobi, 1986; Vice Chancellor, Murang'a University of Technology, February 2018 to date; Ag. Vice Chancellor, Murang'a University of Technology, October 2016 to January 2018. Principal, Murang'a. University College, March 2016 to September 2016; Deputy Vice Chancellor (Administration and Human Resource Management), South Eastern Kenya University, March 2013 to February 2016; Deputy Principal (Administration and Finance), South Eastern University (Constituent College of the University of Nairobi), January 2010 to March 2013; Sub-Regional Coordinator, FAO Initiative on Soaring Food Prices (ISFP), April 2009 to January 2010; Regional Coordinator, IGAD Water Harvesting Pilot Project for Crop and Livestock Production to Enhance Food Security, February 2005 to December 2008.



4. Key Management Team



Prof. Dickson M. Nyariki Ph.D.
Secretary to Council

Prof. Nyariki holds a PhD in Agricultural Economics University of Reading, United Kingdom, 1997; MSc Agricultural Economics University of Nairobi, 1990; BSc Range Management University of Nairobi, 1986; Vice Chancellor, Murang'a University of Technology, February 2018 to date; Ag. Vice Chancellor, Murang'a University of Technology, October 2016 to January 2018. Principal, Murang'a. University College, March 2016 to September 2016; Deputy Vice Chancellor (Administration and Human Resource Management), South Eastern Kenya University, March 2013 to February 2016; Deputy Principal (Administration and Finance), South Eastern University (Constituent College of the University of Nairobi), January 2010 to March 2013; Sub-Regional Coordinator, FAO Initiative on Soaring Food Prices (ISFP), April 2009 to January 2010; Regional Coordinator, IGAD Water Harvesting Pilot Project for Crop and Livestock Production to Enhance Food Security, February 2005 to December 2008.



Prof. Beatrice W. Mugendi, Ph.D.
Deputy Vice Chancellor
(Finance, Planning and Development)

Prof. Mugendi holds a PhD in Food Biochemistry, Kenyatta University, 2008 MBA Strategic Management, Kenya Methodist University, 2015.



Prof. Prisca J. Tuitoek, Ph.D.
Deputy Vice Chancellor
(Academic, Research and Student Affairs)

Prof Tuitoek holds a PhD in Human Nutrition, University of Alberta, Canada, 1995; MSc in Human Nutrition and Food Service Management, University of Nebraska, USA, 1986; BSc in Biology/Chemistry Oral Roberts University, USA, 1985.





Prof. Juma holds a PhD in Development Studies, Victoria University of Wellington, New Zealand, 2009.

Prof. Richard Juma, Ph.D.
Registrar (Academic, Research and Student Affairs)



Prof. Amwata holds a Ph.D. in Rangeland Resource Management, Department of Land Resource Management and Agricultural Technology (LARMAT), University of Nairobi, 2013.

Prof. Dorothy Akinyi Amwata, Ph.D
(Deans Representative).



Prof. Mwangi, holds a PhD in Limnology, Vienna University, Austria, 2000.

Prof. Benson Mwangi, Ph.D.
Director Mariira Campus



Dr. Agufana holds a PhD in Educational Communication and Technology, Moi University-Eldoret, Kenya, 2015.

Dr. Peace Agufana, Ph.D.
Registrar, (Administration and Human Resource Management).





Mr. Gachanja holds an MBA in Strategic Management, Kenyatta University, 2008.

Mr. Joseph Gachanja
Ag. Registrar (Finance, Planning and Development)



Ms. Imwene has LL. B from Marathwada University, India, Diploma, Kenya School of Law, CS. (ICPSK)

Ms. Penninah Imwene
Legal Officer



CPA. Njoroge holds an MBA in Financial Management, Catholic University of Eastern Africa, 2012; Certified Public Accountant of Kenya (CPA (K) Member, Institute of Certified Public Accountants of Kenya (ICPAK) CPA (K).

CPA. Moffat K. Njoroge
Finance Officer



5. Chairman's Statement

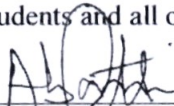
On behalf of the Council, it gives me great pleasure to share with you the progress our University made as detailed in the Annual Report and Financial Statements for Murang'a University of Technology for the financial year ended 30th June, 2025. University developments have taken cognizance of the Government's framework of Bottom-up Economic Transformation Agenda (BETA), the University Strategic Plan 2023 - 2027, the Fourth Medium-Term Plan (2023-2027) of the Kenya Vision 2030, Sustainable Development Goals, and African Agenda 2063. The University is committed to providing quality education to all its students that will equip them with knowledge and skills to succeed in future studies, employment and entrepreneurship. The University has positioned herself and developed a distinctive profile as a leading University in technology and innovation.

Notwithstanding operating in an increasingly tough macro-economic, backdrop of global economic slowdown underpinned by the ongoing Russia-Ukraine war and elevated global inflation; the University realized significant achievements during the year under review. Notably, among the realizations in the financial year under review included holding of the University's ninth graduation ceremony whereupon one thousand four hundred and seventy-three graduates were awarded degrees and conferred diplomas and maintaining Performance Contract composite scores at "Very Good."

The University currently offers graduate and undergraduate degrees, diplomas and certificates in Engineering, Information Technology, Computer Science, Pure and Applied Sciences, Business, Economics, Hospitality, Tourism Management, Education, Health Sciences, Humanities, Social Sciences, Agriculture, and Environmental Sciences. In addition, the University offers the competency-based curriculum for Technical and Vocational Education Training (TVET). The University has established Open, Distance and e-Learning (ODEL) and MUT-TVET Institute aimed at growing student numbers in its niche of technology courses besides continued increase in facilities and infrastructure to support its core mandate. Despite the hindrances, the University will endeavour to develop more interdisciplinary courses, embedding opportunities for collaboration and enterprise in curriculum development and assessment.

The going concern of the University was not at stake as we remained resilient and delivered a respectable performance. The University will continue with its operations in the future without liquidating or being forced to discontinue operations due to any reason. No indication is available to believe that it will cease its activities in the foreseeable future. The liquidity position of the University was stable with ability to meeting its maturing obligations. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have cashflows to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.

Finally, I take this opportunity to recognise and celebrate the Government of Kenya for funding our budget during the financial year, my fellow Council Members, the Management, Staff, Students and all other stakeholders for their contribution and overwhelming support.



Dr. Abel B. Atiti, Ph.D.
Council Chairman



6. Report of the Vice Chancellor

I am pleased to present the Annual Report and Financial Statements of MUT for the year ended 30th June, 2025. During the year under review, total revenue grew by Kshs.693.66M (48%) to Kshs.2,151.26M, while total expenditure increased by Kshs.291.60M (28%) to Kshs.1,333.94M resulting in a surplus of Kshs.817.32M.

Exchequer recurrent grants during the year were Kshs.583.70M. This was an increase from the previous year's amount of Kshs.461.44M attributed to an increase in exchequer recurrent grants allocation for FY2024-25 and partial release of funds to settle the CBA 2021-2025 basic salary arrears.

The University continued to implement the Ministry of Education, State Department for Higher Education directive that only household contribution and other internally generated revenue should be categorized as Appropriation-in-Aid (AIA) in the New Funding Model, while Scholarship Grants and HELB loans were classified as part of Government funding. As a result, total revenue from non-exchange transactions increased by Kshs.924.95M (185%) compared to the previous financial year. With respect to revenue from exchange transactions, this decreased by Kshs.231.29M (24%) caused by re-classification of income.

In general, Students' fees continued to grow mainly attributable to increased enrolment of Government sponsored students as compared to the previous year and implementation of the new funding model, starting with the 2022 KCSE cohort. Other income grew by Kshs.9.947M (22%) due to an increase in revenue from income generating activities.

The recurrent budget was mainly utilized in funding recurrent expenditure to the tune of Kshs.1,333.94M and purchase of plant and equipment amounting to Kshs.91.85M.

The Government did not allocate or fund development projects during the year with an approved budget of Kshs.393.91M. This slowed down the construction of projects; however, the University funded development projects to a tune of Kshs.195.49M using budget carryovers from the previous year and recurrent budget surplus.

To achieve operational sustainability, the University continued to rationalize and manage costs as part of prudent financial management. Personnel emoluments increased by Kshs.239.72M (35%) as the University continued to recruit more academic staff to support the teaching of new academic programmes that were mounted to meet market needs. In order to enhance human resource capacity, the University has continued to identify skills gaps in the existing human resource which are bridged by skills enhancement through training, seminars and workshops. Operating expenses increased during the year due to an increase in operation activities of the University caused by growth in student population. The Management instilled tight austerity measures with comprehensive cost management strategies to ensure that the University is able to finance all the budgeted activities without recourse to borrowing against the backdrop of declining self-sponsored student enrolment. The Management spent Kshs.56.88M to equip the University with library materials, computers and internet facilities to support learning, teaching and research.

As part of the staff welfare, the University was able to implement 2021-2025 National Collective Bargaining Agreement (CBA) during the year and will continue to defray pending arrears depending on the cashflows.



Through capital grants expected from the Government and partial support from Appropriation in Aid, the University has continued to implement key projects included in her 2023-2027 Strategic Plan. Notably, the construction of Tuition Block Phase II works continued during the year under review.

The University will continue to share knowledge and research outcomes as widely as possible to inform and inspire the society. The long-term outcome of our mission includes increased quality of life for our staff and students and supporting the aspirations of the youth by demonstrating the value of research, innovation and entrepreneurship. One of the major achievements recorded in the year was being accredited and awarded the Gold-Tier Certification under the Good Financial Grant Practice (GFGP) framework for Good Financial Grant Practice.

On behalf of the Management, I acknowledge the financial support from the Government; commend the Council for providing strategic guidance; and the staff for their exceptional dedication, diligence, commitment and loyalty to ensure a successful operation of the University during the year. I thank all of them and look forward to their continued support.



Prof. Dickson M. Nyariki, Ph.D.
Vice chancellor/ Council Secretary



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

Murang'a University of Technology Strategic Plan (2023-2027) provides the strategic direction of the University for five years. It also outlines the priorities, operations and actions to be undertaken in the plan period.

The plan is premised on the University's mandate of advancing knowledge and technological transfer through teaching, training, learning, research, innovation, consultancy and community engagement for sustainable development. This has an impact on national development through the generation of new knowledge and know-how for the benefit of humankind.

It has also taken cognisance of the Government's initiative that gives attention to the Bottom-Up Economic Transformation Agenda (BETA) 2022-2027, Kenya's Vision 2030, Fourth Medium Term Plan (MTP IV), Sustainable Development Goals, and Africa Union Agenda 2063.

In order to guide the pursuit of the University's mission, five broad strategic goals have been identified, namely:

- i) To enhance quality education by ensuring quality and relevance of the curriculum and providing practical training opportunities.
- ii) To promote quality research, innovation and consultancy, which reflect on our teaching and research activities.
- iii) To enhance technological advancement, through deployment of modern tools and equipment.
- iv) To enhance student welfare by providing a conducive environment for the students not only to learn but also to develop holistically.
- v) To improve Institutional Sustainability by provision of an enabling condition of sufficient infrastructure and resource base.

During the year under review, the University attained an impressive record in teaching, research and community service, contributing to the socio-economic development of the country despite the hard economic times.

The University has experienced significant growth in student enrolment, academic programmes, staff numbers, and infrastructure and facilities. The University's on-going involvement in broad areas of national development, together with an institutional emphasis on quality, will ensure that its endeavours continue to bear fruit.

Table 1 indicates that the University has five strategic objectives within the current Strategic Plan for the period 2023- 2027. The strategic objectives are:

- i) To promote academic excellence
- ii) To promote quality research, innovation and consultancy
- iii) To strengthen student welfare services and promote linkages, collaboration and outreach
- iv) To enhance human resource training and Institutional capacity building
- v) To mainstream ICT in service delivery

The annual work plan is based on the above objectives. Assessment of the Council's performance against its annual work plan is done on a quarterly basis. The University achieved



its performance targets set for the FY 2024-2025 period for its five strategic pillars and maintained Performance Contract composite scores at "Very Good."

Table 1: Performance Targets Highlights.

Strategic Theme	Objective	Key Performance Indicators	Activities	Achievements
Academic Excellence	Promote academic excellence	No. of training reports	Strengthen the Academic Quality Assurance Directorate	Two
		Enhance academic advisory and career services	100% allocation of all students to academic advisors	100%
		No. of new programmes	Develop and mount programmes	Eight
		No. of reviewed programmes	Review academic programmes	Six
		Establish departmental review committees	Review policies and curricula to conform to CBC system of education	Twenty
Quality Research, Innovation and Consultancy	To promote quality research, innovation and consultancy	Engage in local and international collaborative research national collaborative research proposals	Engage in local and International collaborative research	Twenty Four
		No. of collaborative research proposals submitted for funding	Engage in local and international collaborative research	Twelve
		No. of awarded scholarships	Increase internal postgraduate funding	Thirty five
		Research conferences or Workshops	Organize research conferences or Workshops	One
Student Welfare	To strengthen student welfare services	No. of cultural activities	Hold cultural activities	One
		No. of community service activities undertaken	Participation in community service	Three
		Students placed in the work study programme	Placement of Work-study	Four hundred
	To promote linkages, collaboration	No. of participations in shows and exhibitions	Participate in shows and exhibitions	Five



	and outreach			
Institutional Sustainability	To enhance human resource training and capacity building	No. of internship opportunities	Providing internship opportunities	Ten
	Mainstreaming human resource productivity	Implementing workplace productivity initiatives	Implementing workplace productivity initiatives	One
	To enhance human resource training and capacity building	No. of staff trainings	Supporting staff training	Twenty
	To provide adequate infrastructure.	- Construction of Tuition Block Phase II -Renovate/repair/maintain/refurbish facilities -Master Plan Implemented	i. Expand infrastructure ii. Maintain and rehabilitate facilities iii. Progressively implement the master plan	Continuous Continuous Continuous
	To enhance corporate governance	-Council Inductions and trainings -Implementation of anti-corruption policy -Implement initiatives on national principles and values	i. Compliance with Mwongozo code of conduct ii. Promote a positive organizational culture iii. Promote national cohesion and values	100% 100% 100%
Technology advancement	To mainstream ICT in service delivery	Extend network and internet access points	Continuous Network infrastructure extension	Six
		Install biometric devices	No. of biometric devices installed	Twenty five



8. Corporate Governance Statement

Murang'a University of Technology is committed to enhancing high standards in all aspects of corporate governance. The foundation of our Institution is built on the core principles of Responsibility, Integrity, Transparency and Accountability, which are the cornerstones of effective governance. Under the guidance of the Ministry of Education's State Department for Higher Education, our primary funding comes from the National Treasury through the Ministry.

Our dedication to strong corporate governance is shaped by a variety of regulations and codes. These include the Universities Act No.42 of 2012 and its amendments, the Mwongozo Code of Governance for State Corporations 2015, the Commission for University Education's Universities Standards and Guidelines of 2014, the Murang'a University of Technology Charter, and the University Statutes of 2016 with their subsequent amendments. These frameworks define the duties and roles of the University's three key governing bodies: the Council, the Senate, and the Management Board, ensuring thorough oversight and management of all University operations.

The Council participated in a pivotal Induction and Policy Review Workshop from 3rd to 7th March, 2025 under the theme "Strengthening Governance, Academic Excellence, and Administrative Synergy for Sustainable University Growth." The workshop served as a critical platform for evaluating the effectiveness of governance practices and reviewing key institutional policies. It culminated in the adoption of several policy documents that reflected emerging priorities, including the Succession Planning Policy, Disaster Management Policy, Renewable Energy and Divestment Policy, and Work Study and Financial Aid Policy.



Figure 1: University Council and Management during the March 2025 Induction and Policy Review Workshop



The University Council

The University Council serves as the governing body of Murang'a University of Technology, embodying a diverse range of skills, ages, values, genders, academic qualifications, and experiences. This rich diversity enables the Council to effectively steer the University towards achieving its strategic goals and objectives.



Figure 2: University Council during the March 2025 Policy Review Workshop

a. Appointment of the Council

The University Council was appointed by the Cabinet Secretary for Education vide gazette notices No. 131 dated No.8056 dated 8th July, 2022 for a term of three years for two members while the Chairman of Council and two other members were appointed vide gazette notices No.15250 dated 2nd November, 2023, No.15964 of 24th November, 2023 and No. 110 dated 12th January, 2024 for a term of three years. The Representatives from the National Treasury and Economic Planning, and the State Department for Higher Education were appointed on 10th February, 2020 and 3rd April, 2024 respectively.

The appointment of the Council members through gazette notices underscores the formal and official nature of their roles in governing the University. The appointment further testified to the government's confidence in their abilities to lead and govern the University in a manner that fosters Academic Excellence, Quality Research, Innovation and Consultancy, Strengthen Student welfare services, Institutional Sustainability and Technology advancement, while pushing forward the Nation's socio-economic development as mandated by the Mwongozo Code of Governance.

b. Size and Composition of the Council

The Council consisted of seven members with some degree of balance of skills, knowledge and experience in a variety of disciplines appropriate for the oversight of the University. All the



members participated in effective decision making throughout the year.

c. Mandate of the Council

Guided by the State Corporations Act, Cap 446, and other relevant laws of Kenya, the Council's role of ensuring the best practice of corporate governance extends beyond mere compliance with legal and regulatory requirements. It actively promotes a culture of ethical conduct, accountability, and responsible decision-making throughout the University. It provides valuable guidance and strategic direction, aligning the University's activities with its long-term objectives, evaluates the effectiveness of existing policies and procedures, constantly seeking ways to enhance operational efficiency and organizational effectiveness.

The Council proactively identifies potential risks and vulnerabilities that may affect the University's operations and reputation, formulates strategies to mitigate these risks and thus creates an environment that fosters confidence and trust among stakeholders. In collaboration with the University's Management, the Council endeavours to strike a balance between prudent financial management and the pursuit of academic excellence. It ensures that financial resources are optimally utilized to support teaching, research, and other core activities while upholding the principles of fiscal responsibility.

The Council ensures internal controls serve as a safeguard against misuse and misappropriation of funds, safeguarding transparency and accountability at all levels of the institution. It fosters constructive partnerships with students, faculty, staff, alumni, and the broader community to ensure the University's relevance and impact on society while achieving the University's goals and objectives.

The Council continuously strives to nurture a culture of academic freedom, innovation, and intellectual rigour, by providing an enabling environment for research, creativity, and critical thinking, empowering the University community to contribute to the advancement of knowledge and address societal challenges.

d. Power and Authority of the Council

The University Council derives its powers and authority from the Charter and the Universities Act of 2012. It operates in adherence to the Mwongozo Code of Governance of 2015 and the Commission for University Education Standards and Guidelines to fulfil its corporate governance responsibilities towards stakeholders. As the executive governing body, the Council is responsible for the academic and strategic direction of the University, external relations, and the prudent administration of University resources in accordance with the Public Finance Management Act of 2012 and its regulations.

e. Council Effectiveness

To ensure Council's independence from the University Management, a clear distinction is maintained between the roles of the Chairman of the Council and the Vice-Chancellor, delineating their respective responsibilities. This arrangement fosters a balanced distribution of power, enhances accountability, and strengthens the capacity for effective decision-making. Throughout their term, the Council members have demonstrated a strong commitment to upholding the principles of good governance. Their active involvement in decision-making processes, prudent oversight of financial matters and engagement with various stakeholders,



contributed to the effective management and development of the University.

The Chairman is primarily responsible for providing leadership to the Council while the Vice-Chancellor is responsible for the day-to-day management of the University.

Beyond routine governance meetings, the Council actively engaged in institutional and community-based activities that reinforced its leadership role as follows:

- i) On 23rd August 2024, members of the Council, led by the Chairman and accompanied by the Vice-Chancellor and the Chancellor, participated in the 8th Graduation Ceremony, which marked a milestone in the academic journey of the University's students and celebrated the institution's contributions to national development.

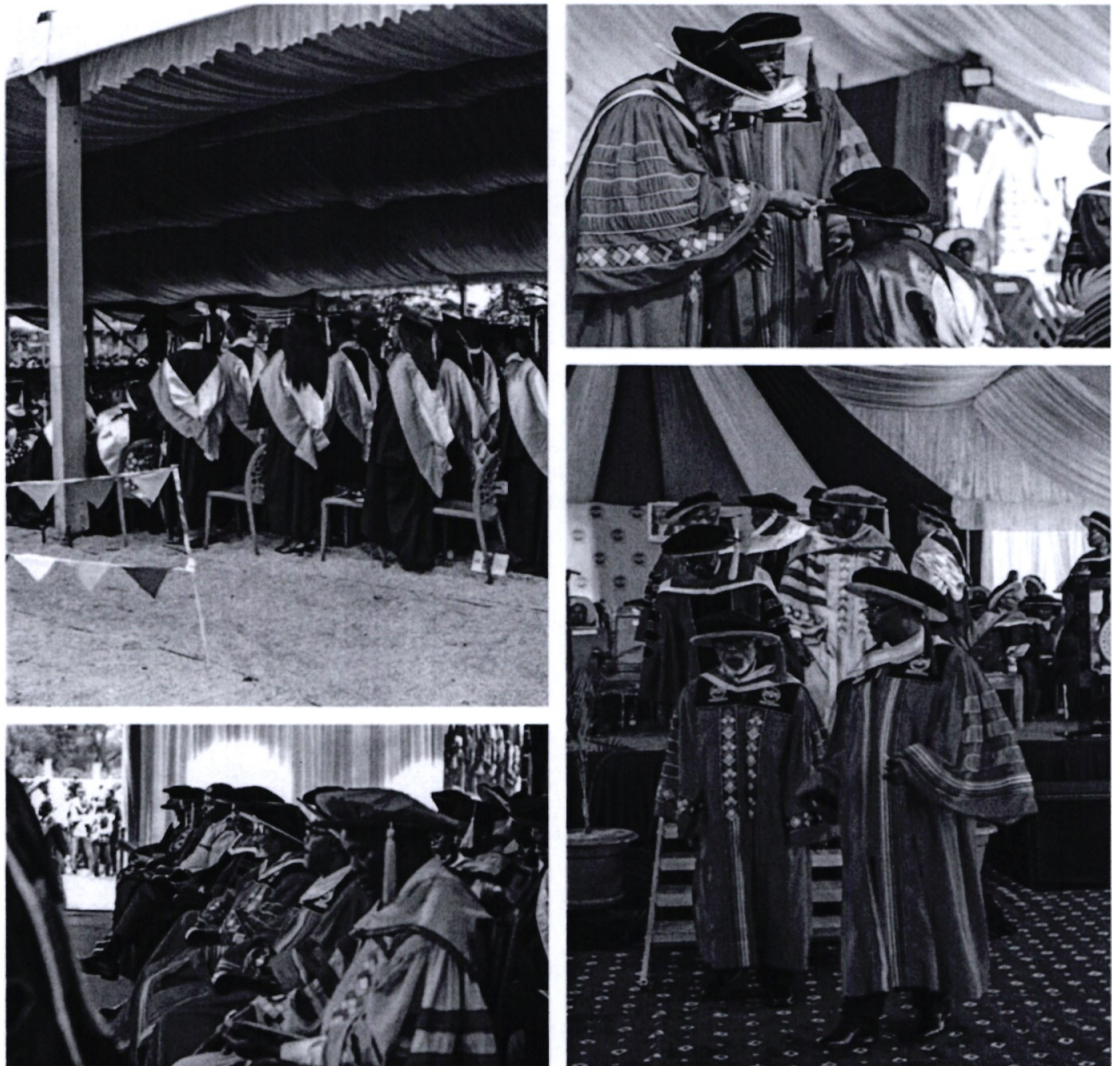


Figure 3: Council Members and Chancellor during the 8th Graduation Ceremony – August 2024

- ii) In October 2024, the Council joined the Chancellor, Management, staff, and students in a tree-planting initiative at the University's Mariira Centre. This symbolic and environmentally significant event underscored the University's growing commitment



to sustainability and ecological stewardship, aligning with the goals articulated in the newly adopted Renewable Energy and Divestment Policy.

- iii) On 6th September, 2024 the Council conducted a comprehensive Board Self-Evaluation Exercise for FY2023/24 in line with Mwongozo's recommended governance practices. The evaluation, which assessed the Council's performance against key governance and oversight benchmarks, yielded an impressive corporate performance score of 93.2%. This result reflected the Council's robust engagement, strategic effectiveness, and commitment to continual improvement.



Figure 4: Council members inspecting infrastructure projects under development in October 2024

f. Council Committees and Meetings

The Council meets quarterly, with additional special meetings as needed. It relies on various Committees for detailed consideration and recommendations on specific matters.

1. Audit, Governance and Risk Management:

The scope of this Committee includes provision of strategic oversight, insight, and foresight with respect to all auditing, financial reporting and internal control functions;



occupational health, safety, environmental stewardship, and security of the University community; university-wide risk management; and the effectiveness, impact, organization, and procedures of the Council, to enhance its performance. The Audit Committee broadly oversees the University's standards of integrity and behaviour, reporting of financial information and internal control systems.

2. Finance and General Purposes:

The primary responsibility of the Committee is strategic oversight, insight and foresight with respect to all significant financial matters such as budget, financial performance, financial position and financial implications; University teaching and research affairs; student health and wellness; and future educational expectations and challenges. The Committee reviews quarterly and annual financial reports and recommends to the Council ways of raising and utilizing University funds, and the establishment of systems and procedures for efficient financial management. This Committee manages the budget, financial performance, and resource utilisation, supporting the University's teaching and research activities.

3. Human Resource:

The mandate of the Committee is to provide strategic oversight, insight, and foresight with respect to University Human Resources, policies, procedures, and trends; collective bargaining and related service contracts; review, compensation, and succession planning; and proposes and reviews the terms and conditions of staff, career progression structures, performance management scheme, retirement benefit and pension scheme, and policies and regulations governing staff to the Council. The Committee reviews quarterly and annual reports on staff welfare and general University performance and recommends to Council for final direction.

4. Physical Infrastructure, Planning, and Development:

The Committee provides strategic oversight, insight and foresight with respect to all investments and property matters of the University; University reputation, identity, strategic communication, community engagement, philanthropy and advancement; sale, purchase, exchange and lease, or take-on of movable and immovable property; annual capital plans; changes in land use; and overseeing the development and review of the University Master Plan and Strategic Plans; monitors the implementation of Performance Contracts based on the Strategic Plans. The Committee oversees investments, property matters, strategic communication, and the development of the University Master and Strategic Plans.

Table 2 indicates the composition and number of meetings attended by the above Committee members during the year

	Council	Members	Area of responsibility	No. of meetings attended
1	Council			
	i.	Dr. Abel Barasa Atiti	Chairman	6
	ii.	Mr. Ellias Muriithi	Member	6



	Council	Members	Area of responsibility	No. of meetings attended
	iii.	Ms. Mary Murimi	Member	6
	iv.	Mr. Francis Meja	Member (Up to 20 th January, 2025)	4
	v.	Ms. Naomi Matheri	Rep. Cabinet Secretary National Treasury and Economic Planning	6
	vi.	Dr. Josphat Kariuki	Member	6
	vii.	Ms. Consolata Alawo	Rep. PS, State Department for Higher Education	6
	viii.	Prof. Dickson M. Nyariki	Secretary to the Council	6
2	Finance and General Purposes			
	i.	Mr. Ellias Muriithi	Chairman	5
	ii.	Ms. Naomi Matheri	Rep. CS National Treasury and Economic Planning	5
	iii.	Mr. Francis Meja	Member (Up to 20 th January, 2025)	4
	iv.	Ms. Consolata Alawo	Rep. PS, State Department for Higher Education	5
	v.	Prof. Dickson M. Nyariki	Secretary to the Council	5
3	Audit, Governance and Risk Management			
	i.	Ms. Mary Murimi	Chairman	4
	ii.	Ms. Naomi Matheri	Rep. CS National Treasury and Economic Planning	4
	iii.	Dr. Josphat Kariuki	Member	4
	iv.	Head Internal Audit	Secretary to the Committee	4
4	Human Resource			
	i.	Dr. Josphat Kariuki	Chairman	4
	ii.	Mr. Ellias Muriithi	Member	4
	iii.	Ms. Consolata Alawo	Rep. PS, State Department for Higher Education	4
	iv.	Prof. Dickson Nyariki	Secretary to the Council	4
5	Physical Infrastructure, Planning and Development			
	i.	Mr. Francis Meja	Chairman (Up to 20 th January, 2025)	4
	ii.	Ms. Mary Murimi	Member (From 20 th January, 2025)	5
	iii.	Ms. Naomi Matheri	Rep. CS National Treasury and Economic Planning	5
	iv.	Ms. Consolata Alawo	Rep. PS, State Department for Higher Education	5
	v.	Prof. Dickson M. Nyariki	Secretary to the Council	5

g. Remuneration of the Council

The Council Members, excluding the Vice-Chancellor/Secretary, do not receive salaries; however, the Chairman receives a monthly honorarium of Kshs.80,000. All Council members are entitled to sitting allowances of Kshs.20,000 per meeting attended, as well as reimbursement for transport, lunch, and accommodation expenses.



h. Statement of Compliance

The Council confirms that Murang'a University of Technology observed all statutory and regulatory requirements and has been managed in accordance with the principles of Corporate Governance throughout the financial year. Our commitment to upholding these standards ensured the effective and responsible management of the University's affairs and safeguarding the interests of all stakeholders.



9. Management Discussion and Analysis

a. Financial Performance Highlights

The University shows a steady financial growth in its nine years after the award of the Charter. The results of operations reflect the University's focus on achieving its mandate in the face of high competition for students; constrained Government funding for capital projects; an increasing need for competitive staff, teaching and research facilities; and high operational costs due to the unpredictability of the local currency. The University's financial performance recorded a surplus of Kshs. 817.26M. Total revenue grew by Kshs.693.66M (48%) while expenditure increased by Kshs.291.66M (28%) in the year under review, majorly due to accrual of CBA 2017-2025 arrears and an increased level of activities.

i. Income

Table 3 shows that total revenue from non-exchange transactions increased by Kshs.924.95M (185%) majorly occasioned by an increase in Exchequer recurrent grants of Kshs.122.26M (26%) after the Government increased recurrent grants allocation for FY 2024-2025. Government scholarships and HELB loans were also included as part of Revenue from non-exchange transactions.

Tuition and tuition related income decreased by Kshs.241.24M (26%) attributable to re-classification of Tuition Income where Scholarships and Loans were categorized as Revenue from non-exchange transactions leaving only Household fees as per the new funding model guidelines, starting with the 2022 KCSE cohort, compared to the previous year. Other incomes also increased by Kshs.9.94M (22%) due to growth in revenue earned from income generating activities. As a result, total revenue from exchange transactions decreased by Kshs.231.29M (24%).

Tuition and tuition related income formed the largest proportion of total income during the year with 31%. Exchequer Recurrent Grants contributed 27%, Government scholarships contributed 24%, HELB loans contributed 14%, other income 3%, and amortization of granted assets 1% of total revenue (Figure 5).

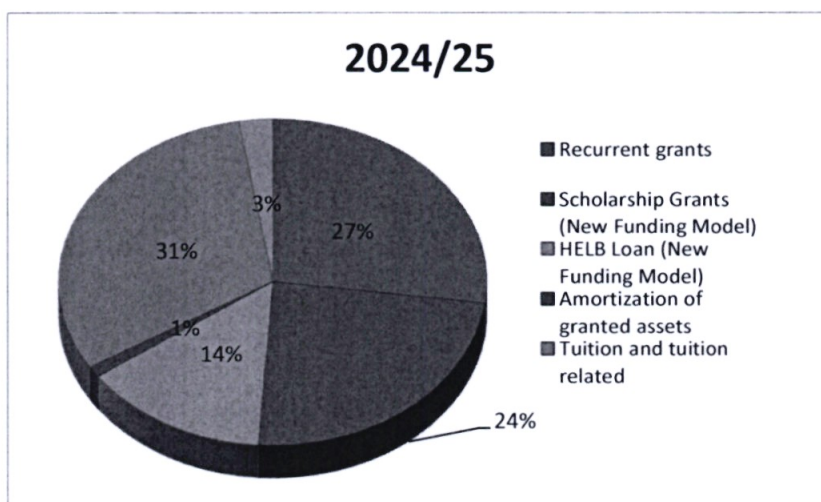


Figure 5: Composition of income during the financial year 2024-2025



Figure 6 shows growth in Income per category in the respective years with tuition and tuition related income making the highest contribution of total income, followed by Exchequer recurrent grants, Government Scholarships, HELB loan, other income and lastly amortization of granted assets.

This is greatly attributed to increased enrolment of students over the past three years and implementation of new funding model by the Government of Kenya.

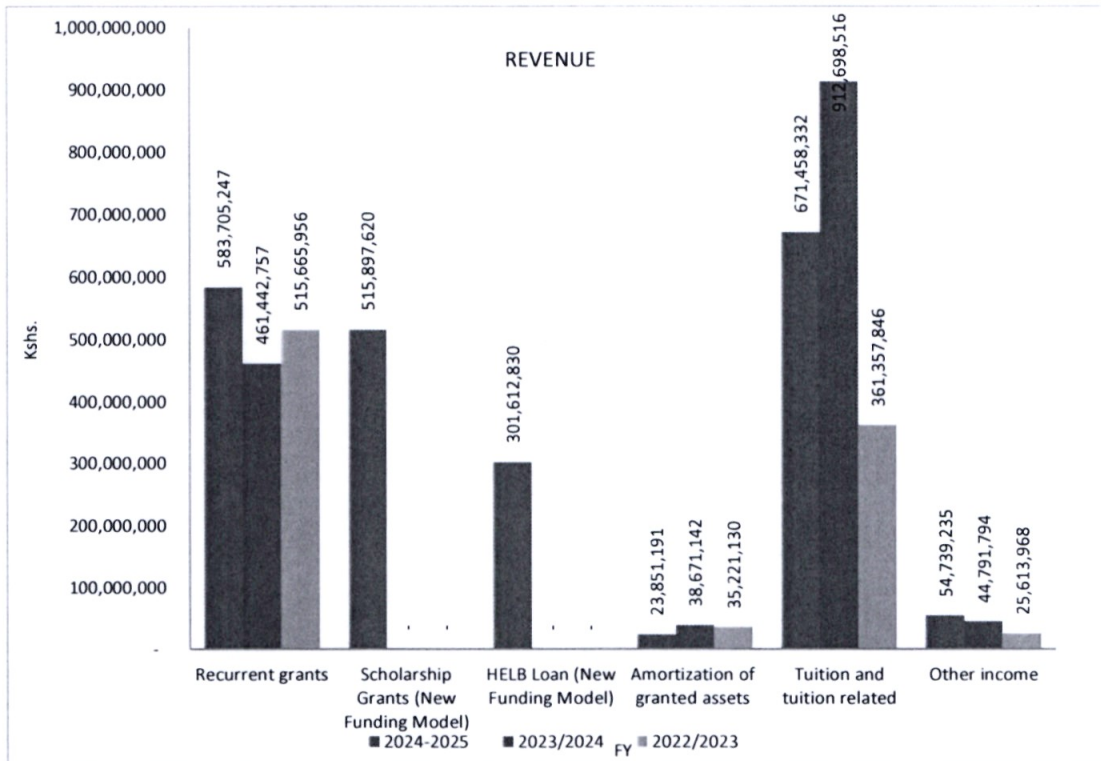


Figure 6: 3-year income analysis per category

ii. Expenditure

Table 3 indicates that total recurrent expenditure increased by Kshs.291.66M (28%) mainly attributable to accrual of CBA 2017-2025 arrears and increased activities in the University, which increased general operating expenses in the year under review. Personnel emoluments increased by Kshs.239.72M (35%) compared to last year's. This is attributable to increased number of teaching staff who were recruited to reduce reliance on part-time teaching lecturers and implementation of CBA 2021-2025 during the year under review. The Chancellor and Council expenses decreased by Kshs.0.58M (5%); depreciation and amortization rose by Kshs.8.62M (10%) due to the additional capitalization of completed projects; students' welfare expenses increased by Kshs.2.83M (11%); teaching/academic expenses decreased by Kshs.4.90M (6%); while repairs and maintenance expenses reduced by Kshs.2.95M (18%) as a result of reduced refurbishment of buildings. General operating expenses increased by Kshs.48.92M (34%). Provisions for bad and doubtful debts increased due to the inability of students to clear their household portion of fees and delay in disbursement of Government scholarships and loans.



Table 3: Financial Performance Highlights

	2024-2025	2023/2024	Change	% Change
	Kshs	Kshs	Kshs	
Income				
Revenue from non-exchange transactions				
Exchequer Recurrent Grants	583,705,247	461,442,757	122,262,490	26%
Amortization of granted assets	23,851,191	38,671,142	(14,819,951)	-38%
Scholarship Grants (New Funding Model)	515,897,620	-	515,897,620	100%
HELB Loan (New Funding Model)	301,612,830	-	301,612,830	100%
Total Revenue from non-exchange transactions	1,425,066,888	500,113,899	924,952,989	185%
			-	
Revenue from exchange Transactions				
Tuition Income	671,458,332	912,698,516	(241,240,184)	-26%
Other Incomes	54,739,235	44,791,794	9,947,440	22%
Total Revenue from exchange transactions	726,197,567	957,490,310	(231,292,743)	-24%
Total Revenue	2,151,264,454	1,457,604,209	693,660,245	48%
Expenditure				
	Kshs	Kshs	Kshs	
Personnel Emoluments	917,932,449	678,210,470	239,721,979	35%
Board Expenses	11,850,408	12,438,042	(587,634)	-5%
Depreciation and Amortization	91,382,175	82,756,031	8,626,144	10%
Students Welfare Expenses	27,662,057	24,827,984	2,834,074	11%
Teaching/Academic Expenses	80,521,039	85,421,903	(4,900,864)	-6%
Repairs and Maintenance expenses	13,300,052	16,252,079	(2,952,026)	-18%
General Operating Expenses	191,349,917	142,429,790	48,920,127	34%
Total Expenditure	1,333,998,097	1,042,336,299	291,661,798	28%
Surplus/Deficit for the year (a-b)	817,266,357	415,267,910	401,998,447	

The composition of expenditure during the financial year 2024-2025 is shown in Figure 7. Personnel emoluments had the largest proportion (69%) of expenditure, followed by general operating expense (14%), depreciation (7%), teaching/academic (6%), and students' welfare expenses (2%), Chancellor and Council expenses (1%), repairs and maintenance (1%).



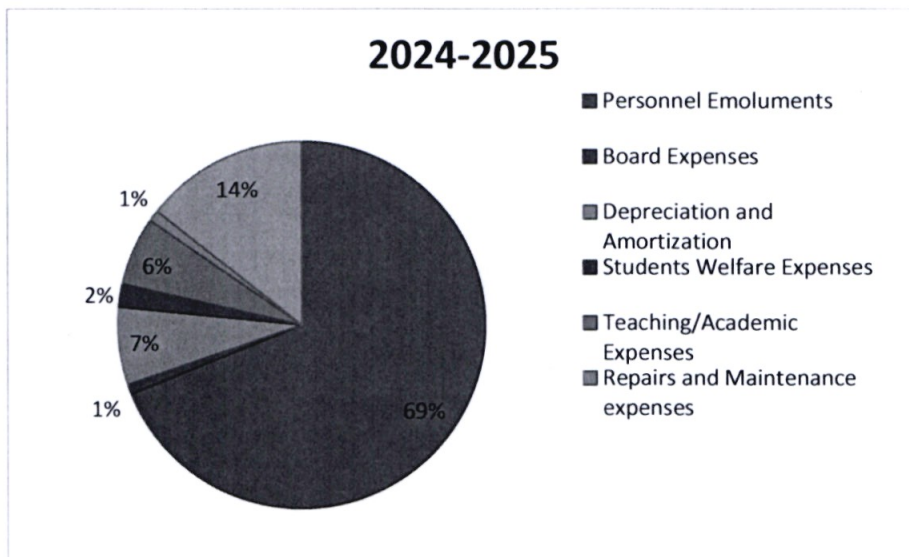


Figure 7: Composition of expenditure during the financial year 2024-2025

b. Financial Position Highlights

Table 4 shows that cash and cash equivalents increased by Kshs.284.65M (140%) as a result of improved cash inflows from Government of Kenya scholarships through the new funding model while inventory increased by Kshs.3.56M (79%). Plant, property and equipment grew by Kshs.181.69M (7%) due to inclusion of Work in Progress as part of Property, Plant and Equipment. Receivable from exchange transactions increased by Kshs.444.96M (471%) due to inability of students settle their balances and the delayed disbursement of Government scholarships. Consequently, total assets improved by Kshs.881.62M (29%).

Employee benefit obligation increased by Kshs.75.01M (73%) due to recognition of 2017-2025 periods CBA basic pay arrears during the year under review compared to the previous financial year. Total Liabilities increased by Kshs.102.64M (41%) largely due to accrued statutory deductions which were partially paid in the current financial year.

Net assets increased by Kshs.778.97M (28%) as a result of increase in Cash and Cash equivalents, work in progress, acquisition of more assets and growth in receivables from non-exchange transactions.



Table 4: Financial Position Highlights

ASSETS	2024-2025	2023-2024	Change	% Change
Cash & Cash equivalents	488,423,397	203,767,736	284,655,661	140%
Prepayments	8,060,791	3,062,345	4,998,446	169%
Receivables from exchange transactions	539,449,352	94,485,319	444,964,033	471%
Receivables from non-exchange transactions	-	38,453,564	(38,453,564)	-100%
Inventory	8,083,032	4,519,166	3,563,867	79%
Property, Plant & Equipment	2,870,228,997	2,688,536,045	181,826,932	7%
Intangible Assets	219,482	152,000	67,482	44%
Long Term Investments	25,318,800	25,318,800	-	0%
Total Assets	3,939,917,832	3,058,294,974	881,622,858	29%
Liabilities	2024-2025	2023-2024	Change	% Change
Trade and Other Payables	60,627,049	42,956,251	17,670,798	41%
Refundable deposits	33,347,758	29,864,427	3,483,330	12%
Prepayments from Customers	69,079,842	70,542,877	(1,463,035)	-2%
Current Provision	10,598,413	2,651,901	7,946,512	300%
Employee benefit obligation	177,387,862	102,377,146	75,010,717	73%
Total Liabilities	351,040,924	248,392,602	102,648,322	41%
Net Assets	3,588,934,328	2,809,902,372	778,974,536	28%

i. Composition of Assets

Figure 8 shows that assets comprised property, plant and equipment (73%), cash and cash equivalents (12%), receivables from exchange transactions (14%), long-term investments (1%), inventory and intangible assets at (<1%) respectively.

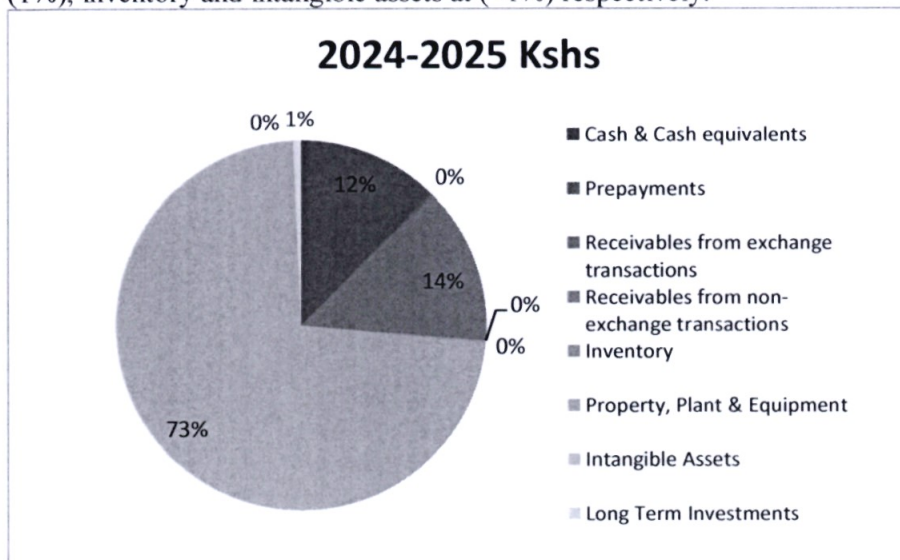


Figure 8: Composition of Assets during the financial year 2024-2025



ii. Composition of Liabilities

In Figure 9, the liabilities comprised Employee Benefit Obligation (51%), Prepayments from customers (20%), Trade and other Payables (17%), Refundable Deposits (9%) and Current provisions (3%).

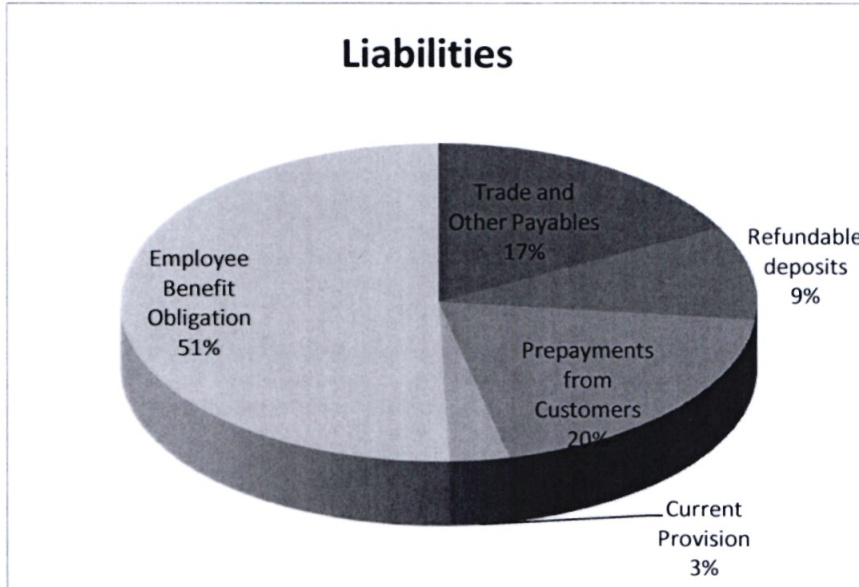


Figure 9: Composition of Liabilities during the financial year 2024-2025

Figure 10 shows a graphical growth of total assets, total liabilities and net assets in the financial years 2022/23 to 2024/25. The assets base grew from Kshs.2,732,910,613 to Kshs. 3,939,917,832 a growth of Kshs.1,207,064,639. Net assets rose from Kshs. 2,415,423,191 to Kshs. 3,588,876,908 in the same period, an increase of Kshs. 1,173,453,717, While Liabilities increased from Kshs. 317,487,422 to Kshs.351,040,924 an increase of Kshs. 33,553,502.

ASSETS AND LIABILITIES

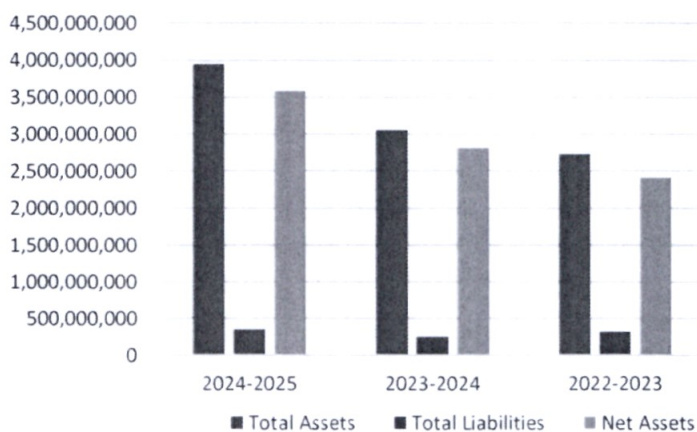


Figure 10: 3-year analysis of assets, net assets and liabilities



c. Financial Performance Ratios

Table 5 presents the financial performance ratios of the University.

i) Working capital ratio

This represents operating liquidity available to the University. Along with fixed assets such as plant, property and equipment, working capital is considered a part of operating capital. In general, the management of working capital involves managing inventories, accounts receivables/payables and cash.

The University's working capital ratio in the financial year 2024/2025 was 3:1 compared to 1.4:1 at the end of the previous financial year, indicating an improvement and within the desired availability of funds to meet maturing short-term obligations.

ii) Quick /Acid test ratio

This is an indicator of an entity's short-term liquidity position and measures an organization's ability to meet its short-term obligations with its most liquid assets, since it indicates the University's ability to instantly use its near-cash assets (assets that can be converted quickly to cash) to pay down its current liabilities.

The University's Quick/Acid test ratio in the financial year 2024/2025 was 3:1 compared to 1.4:1 at the end of the previous financial year indicating ability to instantly use its near-cash assets to pay down its current liabilities.

The University's continued to support construction projects using internally generated funds during the year to a tune of Kshs.195,490,629. The funds are to be reimbursed once capital development funds are received from the Government.

iii) Operating cash flow ratio

Operating cash flow ratio is a metric that denotes the number of times the University can pay off its current liabilities with the cash generated in a given period. It gauges the short-term liquidity position of an organization.

The University's operating cash flow ratio in the FY 2024/2025 was 1.6:1 compared to 1.6:1 at the end of the previous financial year, indicating stability. The liquidity position of the University was stable with no difficulties in meeting its maturing obligations.

Table 5: Financial Performance Ratios

Description	2024/2025	2023-2024
Working capital ratio	3:1	1.4:1
Acid Test Ratio	3:1	1.4:1
Operating Cash flow Ratio	1.6:1	1.6:1



d. Development Projects

During the year under review, the University had several projects that are on-going, and are at different stages of completion and funding, namely:

1. Hostel Block Phase 1 Wing 2 at 100% of certified works and funded at 82% after variation caused by termination of contract and completion of project awarded to another bidder and additional works.
2. Hostel Block Phase 3 at 100% of certified works and funded at 73%
3. Science Complex at 100% of certified works and funded at 88%
4. Perimeter Wall at 100% of certified works and funded at 80% after variation
5. Removal and replacement of asbestos at 100% of certified works and funded at 42%
6. Tuition Block Phase II at 45% of certified works and funded at 14%
7. Sinking of Borehole at 100% of drilling works. The project awaits fixing of a borehole pump and powering to pressurise water from the underground.

The approved budget for Development grants was Kshs.393.91M with an intention of completing the ongoing capital projects as per the expected date in the University Strategic Plan. However, the Government did not allocate or fund development projects in the year under review which ultimately slowed down the construction of projects during the year.

All the projects other than Sinking of Borehole are expected to be funded up to completion by the Government of Kenya. To ensure sustainability, the University is implementing the projects within the Treasury approved budget.

During the year under review, the University continued with Tuition Block Phase II construction works. Once complete, this will provide the much-needed teaching and research laboratories, seminar rooms, faculty offices, meeting rooms, lecture spaces and support amenities. The School of Hospitality and Tourism Management underwent roof replacement; this was capitalised to form part of Property, Plant and Equipment.



Figure 11(a): Front view of Tuition Block Phase II



Figure 11(b): Back view of Tuition Block Phase II



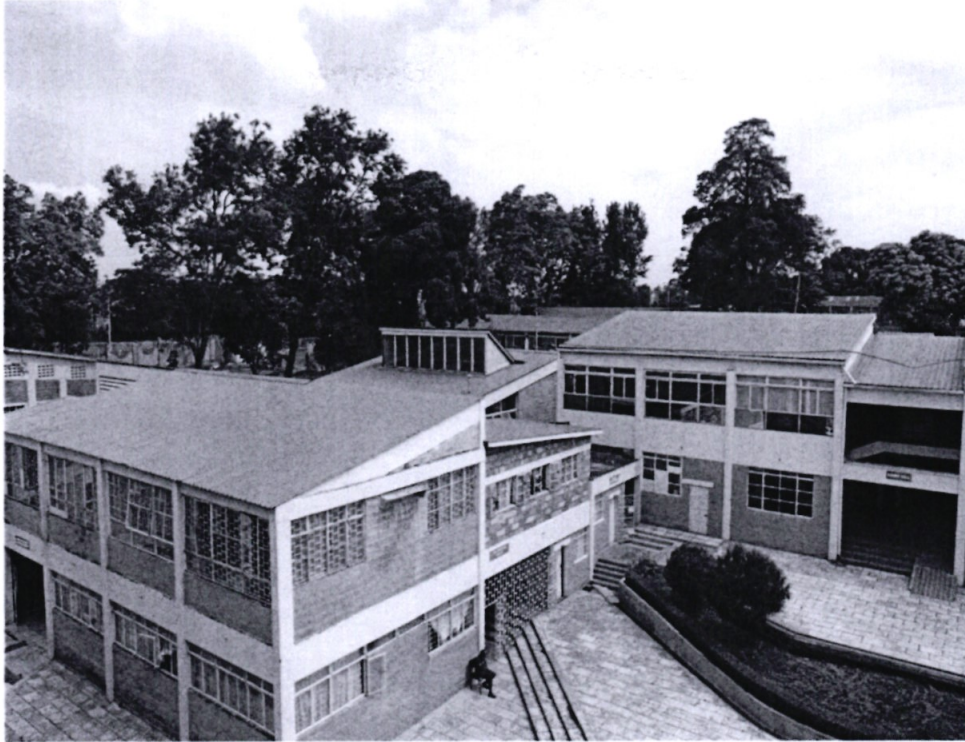


Figure 11(c): School of Hospitality and Tourism Management roof replacement



10. Environment and Sustainability Reporting

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

i) Sustainability strategy and profile

The University continues to strive for excellence, with all our undergraduate and postgraduate programs having been accredited by the Commission for University Education (CUE) and approved by relevant professional bodies. This has enabled us to be recognized as a center of excellence specifically in Science, Technology, Engineering and Technology, and Mathematics (STEM) area.

Our aim is building capacity for national development and wealth creation through training a highly skilled workforce in science, engineering, technology, research, consultancy, and extension services. Indeed, these efforts align to the government's Bottom-up Economic Transformation Agenda.

We are committed to sustainable development of the environment and to supporting the communities in which it operates. Indeed, as a University our contribution towards the attainment of sustainable development of our environment remains one of our core values and aims to be a leader in environmental and sustainability issues.

Through the School of Engineering and Technology, we are committed to advancing renewable energy technologies and fostering innovations that contribute to sustainable development. This will be achieved by strengthening the already established industry-academia collaborations to enhance contributions in all the engineering field especially sustainable energy development, capacity building, and the preparation of future engineers equipped to address emerging technological challenges.

One of our key Strategic Objective is to promote linkages, collaboration and outreach through enhancing linkages, collaboration, partnerships and outreach initiatives with all relevant stakeholders. This involves use of knowledge and resources to make a positive and decisive difference to people, organisations and the community at large. We recognize the importance of multi-stakeholder collaboration with diverse stakeholders ranging from Government agencies, private sector players, local communities, academic institutions and non-governmental organizations to promote research, education, and practical implementation of renewable energy solutions.

During the year under review, the University signed additional Memorandums of Understanding (MOU) and took part in various activities among them:

- (i) MOU with International Institute of Tropical Agriculture (IITA) – Through the MOU, IITA, accepted to take one of our students on internship, sponsored one of our staff for training on healthy seedling production and donated the first inputs that we used to start the nursery.
- (ii) MOU with Alliance Bioversity International (CIAT which has funded three-year



research on Climate Smart Agriculture through Prof. Dorothy Amwata, the Dean, School of Agriculture and Environmental Sciences.

- (iii) Provisional of International Technical Backstopping through a Consultancy on technical expertise on Adaptation policy, planning, and monitoring expertise to climate adaptation projects in Africa and Asia. The University has been sub-contracted by the Institute of Research and Policy Alternatives (IRPA) as Adaptation Planning Expert to support the development of Ghana National Adaptation Plan and Malawi National Adaptation Plan.

a) Engagement with stakeholders on renewable energy and innovations

(i) The 6th Engineering Partnership Convention (EPC 2025)

The School of Engineering and Technology participated in the 6th Engineering Partnership Convention (EPC 2025) held from May 7th to 9th 2025 at the Edge Convention Centre Nairobi. The theme of the convention was “Engineering a Digital World,” brought together key stakeholders from government, academia, and industry to explore innovations driving digital transformation.



Figure 12(a): EBK leadership and Deans of Engineering in Kenya during the Convention

(ii) Participation in the World Engineering Day on 4th March, 2025

The World Engineering Day procession was organized by the Institution of Engineers of Kenya (IEK). The Engineering Student Association in collaboration with the IEK Central Chapter, organized a clean-up within Murang'a to celebrate the day.

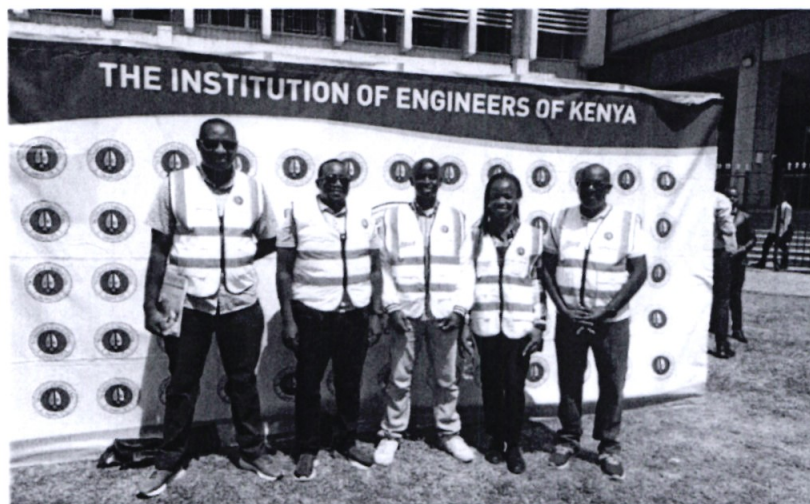


Figure 12(b): The School of Engineering and Technology at the World Engineering Day celebrations

(iii) MUT-Engineering Students Association career talk

The MUT-Engineering Students Association successfully organized a career talk on 25th January, 2025 at the Milimani Hall 1, with guest speakers drawn from the industry. The guest speakers were Eng. Edwin Michira and Mr. Alex Mugane. The topics discussed ranged from application of internet of things and artificial intelligence in agriculture to soft skills and leadership in engineering.

In effort to promote creativity and innovation, engineering students participated in the ORIGIN FEST 2025 held in Dedan Kimathi University from 10th to 12th May, 2025. The event presented an excellent opportunity to students to experience immersive learning with AR, VR, and XR technologies.

(iv) Collaboration with Ecomobilus Technologies Ltd

The School of Engineering and Technology in collaboration with Ecomobilus Technologies Ltd is developing an electric Versatile Courtesy Vehicle. The EV is expected to reduce environmental impact, lower running and maintenance costs, and provides a potentially smoother, quieter driving experience.

Further, the school is exploring possible collaborations with industry players such as Tec Tec Autos to develop cutting-edge innovation to address renewable energy challenges.





Figure 12(c): SET staff at Tec Tec Auto workshop in Nairobi on 9th May, 2025

(v) Promoting women in engineering.

The University through the School of Engineering and Technology has taken a leading role in promoting women in engineering. The effort of the school in this regard was recognized during the IEK organized Women in Engineering Convention held in Naivasha from 29th to 30th May, 2025. The IEK presented the school with a recognition plaque and a certificate of excellence for our role in promoting women in engineering.



Figure 13: SET staff presenting the IEK recognition plaque to the Vice Chancellor

b) IAESTE International Conference

During the year under review the University participated in the IAESTE International Conference, which took place online from January 23rd to 25th 2025. This global event brought together institutions, industry leaders, and students to foster international collaboration and exchange opportunities. As part of our commitment to providing global exposure to our students, we successfully nominated two students for international internships through the IAESTE program from School of Business and Economics and School of Engineering and Technology.



These students will embark on a three-month internship, gaining valuable hands-on experience in their respective fields while representing Murang'a University on the international stage.

MUT hosted two (2) international students from the University of Sousse and the Higher School of Engineering & Telecommunications (ESPRIT) in Tunisia. The students arrived on 31st July and 15th August, 2024, and are in their final year of study in Computer Engineering. They completed a two-month internship in the ICT Directorate and return in October 2024.

c) Participation in the Inaugural Kenya National Research Festival, September, 2024

The University took part in the Kenya National Research Festival, held from 13th to 16th September, 2024, at the Edge Convention Centre, Nairobi.

The event was organized by the National Research Fund Kenya, and brought together various research institutions, including Universities, Secondary & Primary Schools, to present their projects. This platform allowed the University to showcase her research projects and academic programs.

During the event, MUT researchers were honored with certificates of recognition under the National Outstanding Researcher Awards (NORA) as follows:

- (i) Prof. Dorothy Amwata: Women Researcher Award in the category of Biological Sciences, Technology, and Innovation.
- (ii) Prof. Christopher Maina Muriithi: National Outstanding Researcher Award in the category of Physical Sciences, Technology, and Innovation.

d) Kenyatta ATC stakeholders' farmers' day – October 2024

The University participated in the Mariira Farmers' Field Day, which took place from 4th to 5th October 2024. The event brought together a diverse range of stakeholders from the agriculture and livestock sectors. This provided an opportunity for MUT to showcase modern agricultural technologies and the various courses offered at the university, demonstrating her commitment to supporting agricultural innovation and education.

e) Engagements with the German Academic Exchange Service (DAAD)

- (i) The Directorate represented the University in the Erasmus + Networking Forum “EU-Higher Education Cooperation between Germany and Eastern Africa”. The event took place from 12th to 13th September 2024, in Nairobi. The aim was to strengthen Higher Education Cooperation between Germany and Eastern Africa in Erasmus+. The forum provided a networking opportunity to the selected higher education representatives from Germany and their colleagues from Kenya, Uganda, Tanzania, Ethiopia, Rwanda, Burundi and South Sudan. Participants were sensitized on the funding opportunities in Erasmus+ with a focus on Capacity Building in the Field of Higher education (CBHE).
- (ii) On 17th September 2024, the Directorate participated in a meeting organized by the Dean, School of Business and Economics (SBE) with a representative from Kempten University of Applied Sciences in Germany. The aim was to explore potential for collaboration in research, grant proposal writing & student and staff mobility.



- (iii) The Directorate in partnership with the Deans, SET, SCIT & SBE submitted three applications for the DAAD call for “expression of interest” on behalf of MUT on 19th September 2024. This was an initiative for Universities and Higher Education Institutions in Sub-Saharan Africa to serve as host institutions within the DAAD In-Country/In-Region Scholarship Programme for the 2027 to 2029 student intakes. Three (3) MUT programmes were submitted for this call namely; PhD in Business Administration, Master of Technology in Electrical and Electronics Engineering and Master of Science in Information Technology.

f) Participation in Career Fairs

The University participated at Mukuyu Boys' High School's Career Day. This engagement provided the school with an opportunity to learn about the University's offerings, thereby guiding students in making informed decisions about their future. The event was held on 22nd February, 2025. Through these initiatives, MUT continue to exemplify its role as a leading institution in technological innovation, research, training, and outreach.

g) Participation in 1st Murang'a County Investment Conference

The University participated in the 1st Murang'a County Investment Conference held on 13th and 14th June, 2025 at Thika Greens Golf Club Arena. The event, officially opened by H.E. the President and Governor Dr. Irungu Kang'ata, brought together key stakeholders to explore investment and development opportunities in the County. MUT showcased her academic programmes and student innovations, engaged with potential partners, and received valuable public feedback—particularly interest in environmental studies, water technology, urban planning, and ODeL programmes.

The conference offered a strategic platform for networking, visibility, and aligning the University's efforts with regional growth priorities.

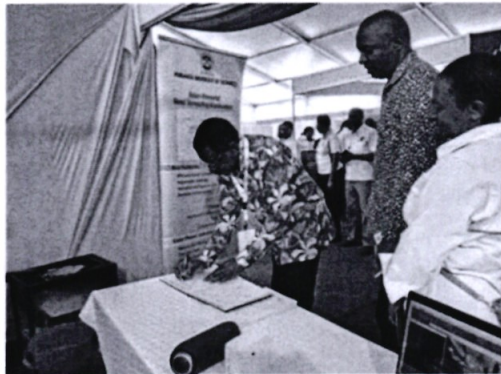


Figure 14(a): The governor of Murang'a County visiting the MUT Stand



Figure 14(b): Engineering MUT staff explaining an innovation to the governor

ii) Environmental performance

The Universities Act No. 42 of 2012, and amendments thereto, and the Commission for University Education guidelines (CUE, 2014), state that a University shall engage in community service, which may include but not limited to extension, consultancies, public lectures, environmental conservation and promotion of cultural and social life of the society,



and disseminate outcomes of research to the community. In order to achieve these objectives and functions, the University has established and developed linkages, extensions and community outreach frameworks to guide it in the establishment of these programmes.

The University continued to support various educational initiatives, community outreach and other institutions particularly those catering for the aged, prisoners and children's homes. Among the initiatives the University supported included:

a) Contribution in adaptation and mitigation of Climate Change

Murang'a University of Technology continued to be in the forefront of advocating for climate change through provision of requisite skills and manpower to support the implementation of the country's priority actions in adaptation and mitigation.

It is in this respect that we have launched Climate Smart Agriculture (CSA) as an important tool to bring the much-needed transformation climate change adaptation and mitigation in Kenya through quality human resource development and enhanced innovative research capacity envisaged in social and economic pillars such as Vision 2030 and Sustainable Development Goals (SDGs) to support state and non-state actors such as farmers and practitioners, policy makers, academic and research institutions to deliver their mandate in climate change management.

This has been enabled by introduction of Curricular in Climate smart agriculture and Climate smart Engineering (Master of Science in Climate Smart Agriculture). Others include short courses like introduction to climate smart agriculture (CSA), CSA technologies, approaches and practices, climate finance for agriculture, international negotiation skills for agriculture, climate prediction and agri-food systems modelling and applied agroecology. So far, a total of one hundred and thirteen (113) junior school and Secondary school Agriculture teachers in Murang'a County have been trained on integrating CSA in their teaching and the appropriate strategies and illustrations. In addition, two hundred and thirty five (235) women and youth farmers have received training on climate smart technologies and agroecology as trainer of trainers.



Figure 15(a): Training of Agriculture Teachers, June 2025 *Figure 15(b): Farmers learning on organic fertilizer production Management*

Other initiatives include; introduction of Farm lab to promote innovations, technology development and Transfers for experiential learning and demonstrations, hosting of Farmers'



Field days for practical, hands-on Learning from 4th to 5th October, 2024 at Mariira Farm and Research projects.

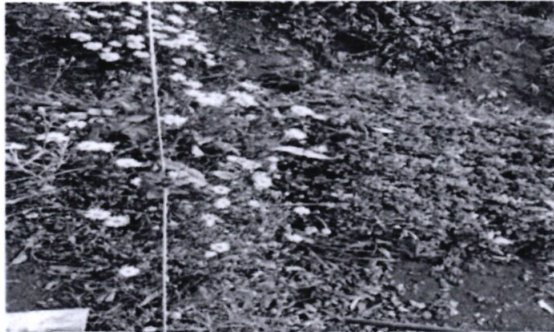


Figure 16(a): Research project on use of Mexican Marigold as pest repellent. March 2025



Figure 16(b): Student led extension, March 2025

b) National tree growing and restoration campaign

The University in partnership with Kenya Forest Service (KFS) and organized for a University tree planting day in an effort to heed to the presidential directive. This was held on 30th April, 2025, at Karua Hill and in partnership with Kenya Forest service, Kiambicho Forest Station, Mariira Campus and the Karua Hills Community Forest Association in this activity. A total of Seven Thousand Three Hundred (7,300) tree seedlings, donated by the Kenya Forest Service (KFS) and Mariira Campus were planted by staff. The tree planting activity was graced by the area Assistant Chief and the Registrar ARSA.



Figure 17(a): Registrar ARSA addressing the participants



Figure 17(b): The participants take a group photo

c) Murang'a Town cleaning initiative

In celebration of World Engineering Day, the School of Engineering and technology organized a town cleaning activity in Murang'a Town. This initiative emphasizes MUT's ongoing commitment to environmental conservation, enhances the university's visibility, and fosters a positive relationship with the local community. The event took place on Tuesday, 4th March, 2025.



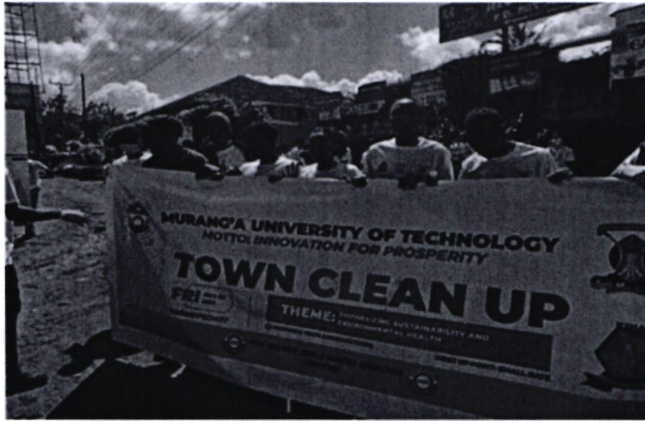


Figure 18: MUT community participating in clean-up exercise

iii) Employee welfare

The University has a set of policies aligned to relevant statutory laws that guides recruitment and general welfare of staff. This includes The Constitution of Kenya 2010, Employment Act 2007, and Collective Bargaining Agreements for all unionisable unions, Human Resource Policy, Scheme of Service, Statutes, Terms of Service and Staff Establishment. Formulation of University policies takes a stakeholder participatory approach and are always reviewed by Council from time to time as need arises.

Murang'a University of Technology is an equal opportunity employer and gives opportunities to Women, persons with disability and from minority groups free of discrimination and disregarding gender, religion, race, tribe, region, or origin, historical background, nepotism, or position held.

Employees are subjected to regular trainings both external and internal in their various functional areas in order to keep them abreast with emerging technologies and improve on skills as part of competency and career development. Furthermore, the University has a structured system for evaluating staff through annual staff appraisals. All members of staff are evaluated on a regular basis by a Promotion and Appraisal Committee appointed by the Vice Chancellor, and those who merit or demonstrate outstanding performance are rewarded with promotions, awards, and tokens. This is intended to motivate employees to provide better service to the institution and to advance their careers.

In addition, the University ensures that staff, students, and stakeholders are provided with a safe environment in order to maximize productivity. There is a policy in place that is in accordance with the Occupational Safety and Health Act of 2007 for the environment, occupation, health, and safety. The goal in occupational health and safety is to proactively take preventive measures to assure employees and other stakeholders of a safe and good working environment, free of accidents, injuries or ill-health.

During the year under review, the University organised a staff welfare activity (team outing) aimed at ensuring the well-being (physical, mental, social aspects of the employees). These activities are crucial in fostering a productive and positive work environment, enhanced employee morale and fostering long-term growth as well as improved workplace culture. Best performing employees under various categories were recognised and awarded certificates during the function.





Figure 19(a): MUT staff welfare activity (team outing)



Figure 19(b): MUT Vice Chancellor participating in staff welfare activity (team outing)

iv) Market place practices-

a) Responsible competition practice

We operate in a manner that delivers improved social, environmental and economic outcomes through public policies, societal norms, and customer actions. This has been made possible through implementation and adherence to University corruption prevention policy, public service code of conduct and ethics 2016 and treating our competitors with the respect any great competitor owes another.

b) Responsible Supply chain and supplier relations

The University has fully adopted the Public Procurement and Asset Disposal Act, 2015 policies to achieve a standard procurement and asset disposal system that is fair, equitable, transparent, competitive, sustainable and cost effective. We have ensured that performance and payment obligations are met in line with contract terms and conditions.



c) Responsible marketing and advertisement

We have marketed our products and services by focusing not only on how they benefit customers but also how they benefit socially responsible. Our promotions are done in a way that aligns with our not values and morals by not making inflated claims, as well as practicing full transparency and openness.

d) Product stewardship

The University has ensured Consumer protection to safeguards the well-being and interests of consumers through education, mobilization and representation. This ensures that consumers make well-informed decisions about their choices and have access to effective redress mechanisms as well as pushing for the institution to guarantee quality of the products and services been offered.

The Council has put in place adequate policies, laws and regulations to ensure that consumers are protected from harmful practices in addition to refraining from fraudulent or unfair conduct that misleads or negatively affects consumers. We encourage the consumers to be well-informed about their rights and be able to proactively assert them.

v) Corporate Social Responsibility / Community Engagements

a) Farmers' field day & exhibition at KATC Mariira farm

As part of her commitment to environmental sustainability and community welfare, the University in collaboration with Mariira Campus, participated in the Mariira Farmers' Field day, which took place from 7th to 8th March, 2025. This event convened a diverse array of stakeholders from the agriculture and livestock sectors, providing MUT with the opportunity to showcase modern agricultural technologies and highlight the various courses offered at the University. Such participation demonstrates MUT's commitment to supporting agricultural innovation and education.

b) Education and Research activities-

(i) Kenya National Research Fund (KNRF) Conference

The Kenya National Research Fund (KNRF) Conference was held between 19th and 23rd August, 2024 at the Edge in Nairobi. The University participated and exhibited four projects including those funded by NRF. Two researchers were recognized and awarded certificates of recognition for their research work. Prof. Christopher Maina was recognized under the researcher of the year while Prof. Dorothy Amwata was recognized under women researcher of the year.

(ii) Accreditation of Institutional Scientific and Ethics Review Committee

National Commission for Science, Technology and Innovation (NACOSTI) approved the documents submitted for purposes of accreditation of Murang'a University of Technology Institutional Scientific and Ethics Committee (MUT-ISERC). The committee was accredited in February 2025.

(iii) Accreditation for Good Financial Grant Practice (GFGP)

Murang'a University of Technology was awarded the Gold Tier Certification under the Good Financial Grant Practice (GFGP) framework. This prestigious achievement underscores the University's commitment to the highest standards in financial management and accountability in research grant handling, setting us apart as one of the leading institutions in the region.



c) Gender and Disability Mainstreaming

The University has ensured ongoing commitment to promotion of an inclusive, safe and supportive learning environment to all stakeholders. The University has strived to ensure student and staff with disability enjoy a barrier free environment by putting in place accessible toilets for PWD, ramps, accessible University website where one can increase and decrease the font for the low vision, recruiting a sign language interpreter, clear signage and presenting information in a format which can be understood by all users.

During the year under review the University conducted various activities costing Kshs.301,100 to promote gender and disability mainstreaming within the University and its environs. These included:

i) Procurement of Perkins braille, braille papers and special papers for students with Visual impairment and Albinism.

The Persons with Disabilities Act, 2025 mandates educational institutions to supply the necessary equipment, assistive devices, and technologies to support the academic and social inclusion of students with disabilities.

The Perkins braille machines allow students with visual impairments to write and access exams in alternative formats, ensuring they can fully participate in their education. Additionally, the special papers were specifically designed to accommodate the unique visual needs of students with albinism, providing higher contrast for easier reading and reducing eye strain.



Figure 20: Perkins braille for students with Visual Impairment

ii) Celebration of International Disability Day

As part of ongoing efforts to improve inclusivity the University marked the International Day of Persons with Disabilities on 3rd December, 2024 by organizing a walk around the campus and its surroundings to raise awareness about disability related issues. The event brought together students, staff and the broader community to promote greater understanding and acceptance of disabilities. This initiative served not only to celebrate the day but also to highlight the available support services for students with disabilities at the University.

The walk further reinforced the University's dedication to ensuring that all students, regardless of ability, have the resources and support they need to succeed.



Figure 21 Celebrating the International Day of Persons with Disabilities (IDPD)

iii) Training of Trainers (TOT) on Gender-Based Violence and Sexual Harassment on International Disability Day.

The initiative was designed to equip students with practical knowledge and skills to support survivors of gender-based violence (GBV) and sexual harassment. A total of eighty (80) students successfully completed the training. These student trainers are now empowered to:

- a) Disseminate and raise awareness about the University's gender and sexual harassment policies,
- b) Provide peer support and guidance to survivors of harassment,
- c) Sensitize fellow students on appropriate reporting procedures,
- d) Direct victims to the relevant offices or support services for help.

The Training of Trainers program is an important step toward empowering students to be advocates for change within their communities.

iv) Community outreach on Sexual Harassment and Gender Based Violence

The University continued her commitment to raising awareness and sensitizing the local community about critical social issues, particularly the fight against femicide and gender-based violence. In this regard and to promote gender equality and safety, the University organized a community outreach event on March 8th, 2025 in observance of International Women's Day. The event included a walk around Murang'a town and its surrounding areas, aimed at educating the community about the prevalence of femicide and the broader issue of gender-based violence. This outreach initiative was designed not only to raise awareness but also to encourage active community participation in efforts to combat these societal challenges.





Figure 22: MUT Members of staff during a walk to celebrate international women's day



11. Report of the Council

The Council submits its report together with the financial statements for the year ended June 30, 2025 which show the state of the University's affairs.

a. Principal Activities

The principal activities of MUT are to provide quality teaching, training, scholarship, innovation and research and consultancy services in Entrepreneurship, Science and Technology for Socio-economic Development in a dynamic world.

b. Results

The results of MUT for the year ended June 30, 2025 are set out on pages 1 to 46.

c. Council Members

The members of University Council who served during the year are shown on page viii to xi. During the year one member retired.

d. Auditors

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

By Order of the Council



Prof. Dickson M. Nyariki, PhD.
Vice-Chancellor/Council Secretary

Date 03/12/2025



12. Statement of Council Members' Responsibilities

Section 81 of the Public Finance Management Act, 2012 and sections 14 and 15 (1) of the State Corporations Act, CAP 446 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 that year. The Council members are also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council members are also responsible for safeguarding the assets of the University.

The Council members are responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2025, and of the University's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Financial Statements

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



Prof. Dickson M. Nyariki, Ph.D.
Vice-Chancellor/ Council Secretary

Date 03.12.2025



Dr. Abel B. Atiti, Ph.D.
Council Chairman

Date 03.12.2025



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MURANG'A UNIVERSITY OF TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Murang'a University of Technology set out on pages 1 to 37, which comprise of the statement of financial

position as at 30 June, 2025, statement of financial performance, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Murang'a University of Technology as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the comply with the University Act, No.42 of 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Student Receivables

The statement of financial position and as disclosed in Note 19 to the financial statement reflect receivables from exchange transaction net balance of Kshs.539,449,352. Included in the figure is Kshs.17,921,746 that relates to the period 2022/2023 and the previous years that has been long outstanding. No documentary evidence was provided to show what the University is doing to recover this long outstanding debt.

In the circumstances, the validity and recoverability of long outstanding could not be confirmed.

2. Property, Plant and Equipment

The statement of financial position and as disclosed in Note 22 in the financial statements on property, plant and equipment reflects net book value of Kshs.2,870,362,997. The Note includes sub-note 22(c) reflecting assets with a cost value of Kshs.82,701,638 relating to fully depreciated asset in respect of teaching equipment, motor vehicles, computers, networking and telephone infrastructure. However, physical verification of assets at the time of audit in the month of November, 2025 revealed that the assets were in use and the University was deriving economic benefit yet there was no evidence of revaluation of these assets. In addition, the long delay in revaluation of assets fails to take cognizance of the economic changes in the value of the assets contrary to International Accounting Standards which stipulates that property, plant and equipment should be revalued regularly.

In the circumstances, the accuracy and completeness of property, plant and equipment reflects net book value could not be confirmed.

3. Long-Term Investments

The statement of financial position and as disclosed in Note 24 to the financial statements reflect long-term investments balance of Kshs.25,318,800 in respect to 126,594 shares

held in Bamburi Cement Company. However, as reported in the previous periods, the shares are registered in the names of the Trustees of the Murang'a Technical College. Although Management indicated that the process of registering the shares in the name of the University had commenced, the process had not been completed as at the time of the audit in the month of November, 2025.

In the circumstances, the ownership and existence of long-term investments balance could not be confirmed.

4. Unsupported Trade and Other Payables

The statement of financial position and as disclosed in Note 25 to the financial statements reflect trade and other payables balance of Kshs.60,627,049. The balance includes VAT withholding clearing amount of Kshs.445,664. However, the University only provided a general ledger with block figures as the balance was not analyzed or supported with documentary evidence.

In the circumstances, the accuracy and completeness of trade and other payables amount of Kshs.445,664 balance could not be confirmed.

5. Long Outstanding Refundable Deposits

The statement of financial position and as disclosed in Note 26 to the financial statements reflect refundable deposit balance of Kshs.33,347,758. Audit review of the balances revealed the following observations;

- i. The balance includes Constituencies Development Fund/Sponsorship amounting to Kshs.10,619,550 received from various Government sponsors. However, Management did not provide copies of acknowledgement notifications sent to the transferring institutions as a confirmation of both the receipts and enrollment of the beneficiary student in the University.
- ii. The balance includes student caution money amount of Kshs.779,622 as opening and closing balance. However, the balance was not supported with details of students who made the deposits and has been outstanding since December, 2022.
- iii. The balance includes unidentified receipts amount of Kshs.1,642,347 which has been outstanding for a period dating back to March, 2018.

In the circumstances, the accuracy and completeness of refundable deposit could not be confirmed.

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the University in 2024/2025 period revealed that the following matters remained unresolved.

No	Financial Year	Audit Issue
1	2023/2024	Long Outstanding Students Debtors
2	2023/2024	Long-Term Investments not Registered in University's Name
3	2023/2024	High Wage Bill
4	2023/2024	Non-Compliance with Law on Staff Regional Diversity
5	2023/2024	Encroachment on University Land

Other Information

Management is responsible for the Other Information set out on page iii to Lii which comprise of Key Entity Information and Management, The Council of Governance, Key Management Team, Chairman Statement, Report of the Chief Principal, Statement of Performance against Predetermined Objectives, Corporate Governance, Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council of Governors and Statement of Governing Council's Responsibilities.

The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-compliance with Approval of Budget

The statement of comparison of budget and actual amounts for the year 30 June, 2025 reflects final budget revenue budget of Kshs.2,142,522,695 which includes approved budget by the Ministry of Education Ref: MOE/SDHER/11/1/Vol.V/72 dated 30 April, 2025 of Kshs.1,789,146,909 and unexpended carryover of funds of Kshs.353,375,786. However, the prior year audited financial statements reflected cash and cash equivalent of Kshs.203,767,736 as unspent amount resulting to unexplained budget funding shortfall of Kshs.149,608,050 whose source of revenue funding was not substantiated.

Further, the statement of comparison of budget and actual amounts reflects total final expenditure budget of Kshs.2,142,522,695 which includes recurrent budget of Kshs.1,516,806,666 and capital expenditure budget of Kshs.625,715,029. However, the total approved budget of expenditure by the Ministry of Education was Kshs.1,789,146,909 and unexpended carryover of funds of Kshs.203,767,736 totaling to Kshs.1,992,914,645 resulting unapproved expenditure budget of Kshs.149,608,050. This is contrary to section 44(2) of Universities Act, 2012.

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

2. Encroachment on University Land

As reported in the previous years' audits, the University sits on a 30.95 hectares (HA) parcel of land. The previous audits revealed that a total of eighteen (18) parcels of land have been encroached upon and hived off the main parcel of land. The 18 parcels of land were confirmed as encroachments on the University land when the survey was conducted on 1st and 2nd October, 2020 by the District Surveyor of Murang'a County. A conservative value of Kshs. 3,000,000 placed for each of the plots and as such, the combined value of the 18 plots was Kshs. 54,000,000.

Management in an attempt to reclaim the encroached land has written various letters to several government institutions however, as at the time of audit November, 2025 the matter had not been resolved.

In the circumstances, the University is at a risk of losing undetermined current market value of encroached parcels of land.

3. Investment of Surplus Funds at Commercial Banks

During the year under review, Management invested Kshs.350,000,000 in call deposits at a commercial bank. It was noted that the placement of funds on call deposit of different amounts was made for a period of three (3) months and being rolled over upon maturity which is within the tenure of the Treasury Bills, and there was no evidence of instances where the call deposits were recalled before maturity. In addition, there was no evidence provided for request to the National Treasury for approval prior to the investment of surplus funds. This is contrary to the requirement of the National Treasury Circular No.4/2017 on the financial management in State Corporations on investment of surplus funds in Treasury bills/bonds

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

4. Employee Costs

The statement of financial position and as disclosed in Note 10 to the financial statement reflects Kshs.917,932,449 in respect to employee costs. Audit review of the expenditure revealed the following anomalies;

4.1 Non-compliance with Law on Acting Allowance

Audit of the payroll and human resource personnel files of the University staff revealed during the year under review a staff member working as Acting Registrar Finance, Planning and Development was paid acting allowance amounting to Kshs.642,388. This is contrary to section C.14(1) of the public service commission Manual which requires that the acting allowance will not be payable to an officer for more than six (6) months. In addition, it was observed that the member of staff has been acting in the position since August,2020 (over five years). There is no evidence of any recruitment process for the Registrar position having been carried out during the period.

4.2 Non-Compliance with Law on Affirmative Action

Review of Human Resource records revealed that during the year under review, the University did not allocate 5% of employment opportunities to persons living with disability. This is contrary to Section 21 of persons with disability Act, 2025 which requires employers to allocate at least 5% of the employment opportunities to persons with disability.

4.3 Non-Compliance with the Public Finance Management Fiscal Responsibility Principles on Employee Costs

The statement of financial performance and as disclosed in Note 10 to the financial statements reflects Kshs.917,932,449 in respect to employee costs. However, the percentage of the expenditure to the University's total revenue of Kshs.2,151,264,454 for the year was forty-three percent (43%) which exceeded the set limit of thirty-five percent (35%) under Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations 2015.

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

5. Review of Procurement Planning and Contracts Management.

5.1 Unprocedural Termination of Contract for Provision of Cleaning Services

During the financial year under review, the University procured cleaning services for contract sums of Kshs.23,329.50 per cleaner per month where the contractor had to provide sixty-four (64) cleaners at a total cost of Kshs.1,493,088 per month and the numbers would vary based on the level of mechanization or equipment availed and used in working in the University. The University however terminated the contract on 22 November, 2024. Review of the termination of the contract process revealed the following anomalies;

- i. The University demanded a refund of Ksh.1,188,230 being the pecuniary value lost during the subsistence of the default and the cleaning agent to carry all excess costs that may accrue as a result of the fact that the University will procure similar services, as per clause 20(d) of the contract, the contractor was directed to vacate the premises of the University by 5.00pm on 22 November, 2024. The cleaning agent via correspondence dated 22 November, 2024 acknowledging the termination letter from the University stated that there has never been any complaint of their firm not complying with its contractual obligations and they pleaded with the University to think of the stewards depending on them for their livelihood. The cleaning Agent was of the opinion that they should have been given a notice or a call to be notified on the shortcomings in their service delivery. However, the University did not provide documentary evidence of correspondence with the cleaning agent prior to the termination of the contract and there was no evidence of compliance with Section 153 of the Public Procurement and Disposal Act, 2015 on termination of contract.
- ii. A letter dated 19 December, 2024 from the Public Procurement Regulatory Authority to the Vice Chancellor notified the Management that the Authority was in receipt of the letter dated 17 December, 2024 from cleaning agent in regard of the termination of their contract and the Authority stated that there were no records that the University had reported the termination of the contract with the necessary supporting documents including clearance from the attorney general before terminating the contract in accordance with the Procurement Act or Regulations, and therefore the University was required to respond on the issues raised by the complainant(Cleaning Agent) in the compliance with the contract conditions and the relevant provisions of the law on termination of the contract which was to reach the Authority before 27 December 2024. In addition, there was no evidence that University sought the approval of Attorney General prior to termination of contract contrary to Regulation 141(4) and (5) of the Public Procurement and Disposal Regulation, 2020.

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

5.2 Lack of Framework Agreement.

During the year under review, the University procured fuel directly from a fuel supplier. However, there was no evidence of signed framework agreement between the University and the supplier in contravention to the procurement regulations.

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

6. Non-remittance of Capacity Building Levy

During the year under review the Management did not deduct and remit Capacity Building Levy contrary to paragraph 3(1) of the Public Procurement Capacity Building Levy order, 2023.

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

7. Proposed Construction of Tuition Block Phase II

The University signed the contract for consulting services for the design and construction supervision of tuition block phase II on 2 May, 2023 at a contract sum of Kshs.54,717,200 for services which included architectural, quantity surveying, structural/civil engineering, electrical engineering, mechanical engineering, land surveying, environmental social health and safety services, land scaping, green building and direct costs(road transport, reproduction of drawings and reports and 3D site models.

Further, the contract for the construction of the tuition block phase II was awarded at a contract sum of Kshs.478,909,101 as per the contract agreement signed on 18 October, 2023 for the contract period of 104 weeks. The scope of works included; substructure, ground floor and auditorium, first floor, second floor, roof level and external works. The contract start date was 11 December, 2023 with a completion date of 10 December, 2025. Review of the contract administration and implementation of the contract revealed the following anomalies;

- i. The University further awarded tender for the construction of the proposed tuition block phase II extension and additional works (at a contract sum of Kshs.144,645,721 as per the contract agreement signed on 7 April, 2025 through direct procurement as recommended by ad-hoc evaluation committee meeting held on 14 March, 2025 and the approved professional opinion for the award dated 18th March 2025. However, there was no evidence of negotiation with the Supplier as required by Regulation 90(1)(d) of the Public Procurement and Asset Disposal Regulations, 2020.
- ii. According to the tender document for the proposed construction of the tuition block phase II extensions and additional work the contract sums reflect Kshs.144,645,721 out of which Kshs.129,610,861 relates to additional works for construction and Kshs.15,034,860 for consultancy services. The scope of works includes; builders work Kshs.67,171,168, extended preliminaries Kshs.1,500,000, mechanical works Kshs.4,725,310 and electrical works Kshs.3,261,141 for third floor; external works of Kshs.17,254,547 and provisional sums of Kshs.50,733,556 (Installation of furniture, smart board, price fluctuations, consultancy and contingency sums). However, the external works amounting to Kshs.17,254,547 had already been included in the initial contract signed on 2 May, 2023 and therefore this was double payment for additional works.
- iii. As at 30 June, 2025 the latest interim valuation certificate dated 17 May, 2025 reflects total certified amount of Kshs.310,760,285. Included is an amount of Kshs.8,516,431 in respect of price fluctuations which was not supported by analysis of computations to support the basis of the actual consumption elements(inputs) of the contracts during

the period of the interim valuation whose tendered prices were affected due to market conditions. In addition, the certificate was not supported by the evidence of purchasing invoices of such materials from the contractor during the interim valuation period.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Optimal Staffing Level

Review of the University payroll and the approved staff establishment at the time of audit revealed the University had four hundred and ten (410) members of staff. Out of which two hundred and twenty-nine (229) are technical and academic staff representing 55% total staff and one hundred and eighty-one (181) are non-teaching staff representing 45% of the total staff. This is contrary to the Public Service Commission Circular Ref. No. PSC/GEN/22/11/ (91) which requires that optimal staffing levels will be informed by the focus on core business of the organization, while observing the 70:30 ratio of technical to administrative support staff.

In the circumstances, the effectiveness optimal staffing level could not be confirmed.

2. Composition of Audit, Governance and Risk Management Committee.

The University Council established an Audit, Governance and Risk Management committee composed of three (3) members. However, review of the Council Member's personal profiles in the financial statement reports revealed the membership does not have the necessary skills and expertise to execute their responsibilities. Further, University Management did not provide personal files of the Council members for audit review.

In addition, there was no evidence that the Council has co-opt non-board members to the committee where the required skills are not available to the committee. This is contrary to Section 1.7.3 and 4 of Mwongozo (The Code of Governance for State Corporations) which states that committee members should have the necessary skills and expertise to execute their responsibilities, and where required skills are not available to the committee, the board may, with the approval of the oversight body, co-opt non-board members to the committee

In the circumstances, the effectiveness of audit, governance and risk management committee could not be confirmed.

3. Lack of Governance Audit

There was no evidence of Governance audit having been conducted on the University Council since inception of the University. This is contrary to paragraph 1.13 of the Mwongozo code of governance for State Corporations which requires that the Board, in consultation with the oversight office, should ensure that it subjects the organization to an annual Governance Audit by a member regulated by Institute of Certified Public Secretaries of Kenya (ICPSK).

In the circumstances, the existence and effectiveness good governance mechanisms could not be confirmed.

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

Responsibilities of the Management and the University Council

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

10 December, 2025

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

		2024/2025	2023/2024
	Note	Kshs	Kshs
Revenue from Non-Exchange Transactions			
Transfers from other governments entities	6	583,705,247	461,442,757
Amortization of granted assets during the year	7	23,851,191	38,671,142
Scholarship Grants (New Funding Model)	8(a)	515,897,620	-
HELB Loan (New Funding Model)	8(b)	301,612,830	-
Total Revenue from non-exchange transactions		1,425,066,888	500,113,899
Revenue from Exchange Transactions			
Tuition Income	8(c)	671,458,332	912,698,516
Other Incomes	9	54,739,235	44,791,794
Total Revenue from exchange transactions		726,197,567	957,490,310
Total Revenue (a)		2,151,264,454	1,457,604,209
Expenditure			
Employee costs	10	917,932,449	678,210,470
Board Expenses	11	11,850,408	12,438,042
Depreciation and Amortization	12	91,382,175	82,756,031
Students Welfare Expenses	13	27,662,057	24,827,984
Teaching/Academic Expenses	14	80,521,039	85,421,903
Repairs and Maintenance Expenses	15	13,300,052	16,252,079
General Operating Expenses	16	191,349,917	142,429,790
Total Expenditure (b)		1,333,998,097	1,042,336,299
Surplus/Deficit for the Year (a-b)		817,266,357	415,267,910

The notes set out on pages 9 to 37 form an integral part of these Financial Statements


The Financial Statements set out on pages 1 to 37 were signed on behalf of the Council by


Vice Chancellor
Prof. Dickson M. Nyariki, Ph.D.

Date 03.12.2025


Finance Officer
CPA Moffat K. Njoroge
ICPAK Member No: 8483

Date 02/12/2025


Chairman of the Council
Dr. Abel B. Atiti, Ph.D.

Date 03.12.2025



15. Statement of Financial Position as at 30 June 2025

	Note	2024/2025	2023-2024
		Kshs	Kshs
ASSETS			
Current Assets			
Cash & Cash equivalents	17	488,423,397	203,767,736
Prepayments	18	8,060,791	3,062,345
Receivables from exchange transactions	19	539,449,352	94,485,319
Receivables from Non-exchange transactions	20	-	38,453,564
Inventory	21	8,083,032	4,519,166
Total Current Assets		1,044,016,573	344,288,129
Non- Current Assets			
Property, Plant & Equipment	22	2,870,362,977	2,688,536,045
Intangible Assets	23	219,482	152,000
Long Term Investments	24	25,318,800	25,318,800
Total Non-Current Assets		2,895,901,259	2,714,006,845
Total Assets		3,939,917,832	3,058,294,974
Current Liabilities			
Trade and Other Payables	25	60,627,049	42,956,251
Refundable deposits	26	33,347,758	29,864,427
Prepayments from Customers	27	69,079,842	70,542,877
Current Provision	28	10,598,413	2,651,901
Employee Benefit Obligation	29	177,387,862	102,377,146
Total Current Liabilities		351,040,924	248,392,602
Total Liabilities		351,040,924	248,392,602
Net Assets		3,588,876,908	2,809,902,372
Represented by:			
Accumulated Surplus	30	2,220,616,465	1,414,432,103
Revaluation Reserves	31	234,175,551	237,534,187
Deferred Development Grants	32	1,134,084,892	1,157,936,083
Net Assets		3,588,876,908	2,809,902,372



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

	Note	2024/2025	2023-2024
		Kshs	Kshs

The Financial Statements set out on pages 1 to 37 were signed on behalf of the Council by:

[Signature]

Vice Chancellor
 Prof. Dickson M. Nyariki, Ph.D.

Date 03.12.2025

[Signature]

Finance Officer
 CPA Moffat K. Njoroge
 ICPAK Member No: 8483

Date 02/12/2025

[Signature]

Chairman of the Council
 Dr. Abel B. Atiti, Ph.D.

Date 03.12.2025



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

	Accumulated Surplus	Revaluation Reserves	Development Grants	Total Accumulated Fund
Balance at July 1, 2023	1,013,743,097	240,892,822	1,160,787,273	2,415,423,192
Surplus/Deficit for the Year	415,267,910	-	-	415,267,910
Revaluation Reserves	-	-	-	-
Revenue reserves	(17,937,539)	-	-	(17,937,539)
Transfer of excess depreciation on revaluation	3,358,635	(3,358,635)	-	-
Deferred Development Grants for the Year	-	-	21,000,000	21,000,000
Less: Amortization of granted assets during the year				
Amortization - Buildings	-	-	(18,209,682)	(18,209,682)
Amortization - Land Improvement (Internal Roads)	-	-	(5,641,509)	(5,641,509)
Balance as at June 30, 2024	1,414,432,103	237,534,187	1,157,936,083	2,809,902,372
Balance at July 1, 2024	1,414,432,103	237,534,187	1,157,936,083	2,809,902,372
Surplus/Deficit for the Year	817,266,357	-	-	817,266,357
Transfer of excess depreciation on revaluation	3,358,636	(3,358,636)	-	-
Revenue reserves-prior year Student Invoice adjustments	(14,440,631)	-	-	(14,440,631)
Deferred Development Grants for the Year	-	-	-	-
Less: Amortization of granted assets during the year				
Amortization - Buildings	-	-	(18,209,682)	(18,209,682)
Amortization - Land Improvement (Internal Roads)	-	-	(5,641,509)	(5,641,509)
Balance as at June 30, 2025	2,220,616,465	234,175,551	1,134,084,892	3,588,876,908



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

		2024/2025	2023/ 2024
	Note	Kshs	Kshs
Cash flows from investing activities			
Revenue			
Exchequer Recurrent Grants		622,158,812	461,442,757
Scholarship Grants (New Funding Model)		387,286,880	-
HELB Loan (New Funding Model)		199,682,135	-
Tuition Income		467,586,900	851,887,335
Other Incomes		43,809,721	43,363,152
Total Revenue		1,720,524,448	1,356,693,244
Expenditure			
Personnel Emoluments		852,274,009	739,280,414
Board Expenses		11,850,408	12,438,042
Students Welfare Expenses		40,435,525	19,238,730
Teaching/Academic Expenses		72,860,502	66,191,802
Repairs and Maintenance Expenses		12,167,672	12,593,425
General Operating Expenses		179,533,915	110,836,018
Total Expenditure		1,169,122,031	960,578,431
Net cash flows from/ (used in) operating activities		551,402,417	396,114,813
Cash flows from investing activities			
Increase in Property, Plant & Equipment	22	(266,487,497)	(300,270,153)
Increase in Intangible Asset	24	(259,260)	-
Adjustment in Accumulated Fund		-	514,045
Net cash flows used in Investing activities (b)		(266,746,757)	(299,756,108)
Cash flows from financing activities			
Development Grants	32	0	21,000,000
Net cash flows used in Financing activities (c)		0	21,000,000
Net increase in cash and cash equivalents(a+b+c)		284,655,661	117,358,705
Cash and cash equivalents balance brought Forward	17	203,767,736	86,409,031
Cash and cash equivalents at 30 June 2025	17	488,423,397	203,767,736

Notes:

- Statement of Cash flow has been prepared using the direct method of presentation.
- Net cash flows from operating activities were positive at Kshs.551.4 during the year. This was attributed to increase in receipts from Exchequer grants, Government Scholarships and HELB loans.
- Net cash flows used in investing activities was negative (Kshs.266.7M) partially due to acquisition of property, plant and equipment (Kshs.79.1M) and paid certificates of (Kshs.186.6M).
- Cash flow from financing activities had no transactions.

The notes set out on pages 9 to 37 form an integral part of these Financial Statements



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

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance Difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	%
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from the previous year*	-	353,375,786	353,375,786	-		-
Receipts						
Transfers from Other Governments entities	541,097,584	42,607,666	583,705,250	583,705,247	3	100%
Scholarship Grants (New Funding Model)	-	382,713,640	382,713,640	515,897,620	(133,183,980)	135%
HELB Loan (New Funding Model)	-	182,841,315	182,841,315	301,612,830	(118,771,515)	165%
Tuition and other related	272,269,050	342,886,704	615,155,754	671,458,332	(56,302,578)	109%
Development Grants	40,000,000	(40,000,000)	-	-	-	0%
Other Incomes	24,730,950	-	24,730,950	54,739,235	(30,008,285)	221%
Total Receipts	878,097,584	1,264,425,111	2,142,522,695	2,127,413,263	15,109,432	99%
Payments					-	
Personnel Emoluments	422,074,636	570,083,794	992,158,430	917,932,449	74,225,981	93%
Board Expenses	17,000,000	-	17,000,000	11,850,408	5,149,592	70%
Students Welfare expenses	33,000,000	3,400,000	36,400,000	27,662,057	8,737,943	76%
Teaching/Academic Expenses	70,022,948	40,477,052	110,500,000	80,521,039	29,978,961	73%
Repairs & Maintenance	15,000,000	10,000,000	25,000,000	13,300,052	11,699,948	53%
General Operating Expenses	222,500,000	113,249,236	335,749,236	190,019,674	145,729,562	57%
Total Payments	779,597,584	737,210,082	1,516,807,666	1,241,285,679	275,521,987	82%
Capital Expenditure Payments	98,500,000	527,215,029	625,715,029	270,887,736	354,827,293	43%
Surplus	-	-	-	615,239,849	-	

Budget Notes

1. Reconciliation of difference between Statement of Comparison of Budget and Closing Cash and Cash Equivalent as per the statement of Cash flows

Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	615,239,849
Depreciation	91,324,755
Increase in provision for Doubtful Debts	1,330,243
Amortization of granted assets during the year	23,851,191
Expenditure for Development	(243,322,640)
Closing Cash and Cash Equivalent as per the statement of Cash flows	488,423,397

Significant underutilization (below 90% of utilization) (IPSAS 24.14) was caused by budget commitments that were honoured in the current financial year.

2. Explanation of changes between the original and final budget (IPSAS 24.29)

The original and revised budgets for the financial year 2024-2025 were approved by the Council on 06th September, 2024 and 11th April, 2025 respectively.

i) Revenue

The Government released all the Differentiated Unit Cost (Revenue from Non-Exchange Transactions) of Kshs. 583,705,250 after re-allocation in the year under review. While Kshs. 382,713,640 and Kshs. 182,841,315 was approved as Scholarship Grants and Higher Education Loans Board respectively under the New Funding Model to form part of the budget. Revenue from Exchange Transactions increased from the original budgeted amount of Kshs. 297,000,000 to Kshs. 639,886,704.

ii) General operating expenses

The Management is making inevitable cost-cutting efforts to manage the limited resources and without affecting the quality of its core services. As a result, General operating expenses were within the expected levels during the year.

To factor the growth in income and to reduce the budget deficit due to increased level of activities, an adjustment to the original budget was done. The Council approved a total amount Kshs. 1,071,960,330 to be re-aligned within the various vote heads on 11th April, 2025.

3. Explanation of Variances

a. Revenue from Exchange Transactions

Tuition and Tuition related income had a favourable variance of 135%. Students' fees earned were higher than the budget mainly due in high student enrolment and Government implementation of new funding model, starting with the 2022 KCSE cohort.

Other income recorded favourable variance of 221% due to increase in interest on call deposit,



accommodation/hostel fees, sale of food & beverages - Students' Cafeteria, hire of facilities and Conference/ Workshops fees.

b. Expenditure

The University resources have become more constrained and the Management has been making inevitable cost-cutting efforts to manage the limited resources within the budget without affecting the quality of its core services. As a result, the actual expenses for students' welfare expenses, teaching/academic expenses, repairs and maintenance, and general operating expenses were slightly lower than expected during the year.

c. Personnel Emoluments

The University implemented 2021-2025 CBA from December, 2024 but was not in a position to fully clear basic salaries arrears having not budgeted for it. An amount of Kshs. 102,266,979 was accrued to form part of expenditure as at the end of the year and is to be paid after sourcing for funds.

d. Capital projects

Approved budget for Development grants was Kshs.393,915,029. However, the Government funded only Kshs. Zero leading to a deficit of Kshs. 393,915,029. This slowed construction of projects during the year.



19. Notes to the Financial Statements

1. General Information

Murang'a University of Technology is established by and derives its authority and accountability from Universities Act. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is to advance knowledge and technological transfer through teaching, training, learning, research, innovation, consultancy and community engagement for sustainable development.

2. Statement of Compliance and Basis of Preparation

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

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

The financial statements have been prepared in accordance with the PFM Act, 2012 and Regulations, 2015, the State Corporations Act and International Public Sector Accounting Standards (IPSAS).

3. Adoption of New and Revised Standards

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

The University did not have any new standards or amendments to published standards during the year.

ii. New and amended standards and interpretations in issue.

The University applied IPSAS 45 on Property Plant and Equipment. The standard supersedes IPSAS 17 on Property, Plant and Equipment and has an additional guidance/ new guidance for heritage assets, infrastructure assets and measurement.

iii. Early adoption of standards

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



Notes to the Financial Statements (Continued)

4. Summary of Significant Accounting Policies

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

a. Revenue recognition

Generally, revenue is recognized when it can be reliably measured; when the inflow of future economic benefits is probable and when specific criteria have been met. There are two categories of revenue namely revenue from non-exchange-transactions and revenue from exchange transactions.

i. Revenue from non-exchange transactions

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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

Transfers from other government entities

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

Recurrent grants are recognized in the statement of financial performance. Development/capital grants are recognized in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

Fees, Fines and Penalties

The University recognizes revenues from fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Revenue from exchange transactions

Exchange transactions are those in which university sells goods or provides services in exchange of a consideration.

Rendering of services

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is



Notes to the Financial Statements (Continued)

recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Dividends

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

Rental income

Rent income arising from students' accommodation in the hostels and staff members who occupy University's houses, is recognized when the event occurs and the revenue recognition criterion is met.

b. Budget information

The original budget for the financial year 2024-2025 was approved by the Council on 06th September, 2024. Subsequent revisions or vote head re-allocations or virement were made to the original budget by the University upon receiving the Council approvals in order to conclude the final budget.

The University's budget is prepared on the same basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance and the budget is prepared on the same accrual basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 5 of these financial statements.

c. Taxes

The Income Tax Act, Cap 470 provides a provision for the exemption of the income of certain entities upon satisfying the criterion that; it is established solely for purposes of the relief of poverty or distress of the public; or it is established for the advancement of religion or education. This is upon satisfying the commissioner that the income is to be expended either in Kenya or in circumstances in which the expenditure of that income is for purposes which result in the benefit of the residents of Kenya.

Murang'a University is a public institution of higher learning, established under the Universities Act No. 42 of 2012. By the nature of its establishment and operations, the University is a public entity that is not subject to income tax. The University does not engage



Notes to the Financial Statements (Continued)

in any unrelated trade or business, hence exempted from taxation under the first schedule section 10 of the Income Tax Act, Cap 470. However, income tax on interest on call deposit arising from filing of corporation tax have been reported in the University's financial statements and settlement done accordingly.

Consequently, a provision for income taxes was done.

d. Property, plant and equipment

Property, plant and equipment are stated at revalued amounts less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

During the year under review, School of Hospitality and Tourism Management underwent roof replacement; this was capitalised to form part of Property, Plant and Equipment.

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. The fair value at the date of acquisition is deemed to be its cost.

Assets are depreciated using straight line method and the applicable rates by asset class are as follows:

Asset Class	Percentage Depreciation Rate
Buildings	2%
Land Improvements (Internal Roads) and perimeter wall	5%
Plant and Equipment	10%
Office Equipment	10%
Teaching Equipment	30%
Furniture & Fittings and master plan	10%
Motor vehicles	20%
Computer hardware, networking & telephone infrastructure	30%
Intangible assets	30%
Academic attire	5%
Master Plan	10%

Lease hold land is not depreciated as it is deemed to have an infinite life.

The County government of Murang'a allocated the University fifty (50) Acres of land at Mariira and directed the National Land Commission to process ownership documents. The valuation of the land will be undertaken to have the value reflected in the financial statements



Notes to the Financial Statements (Continued)

once the transfer is complete.

e. Intangible assets – IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. Computer software will be amortized on straight line basis at the rate of 30%.

f. Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g. Financial instruments

Financial assets

Initial recognition and measurement

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

Loans and receivables

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

Impairment of financial assets

The University assesses at each reporting date whether there is objective evidence that a financial asset or an entity off financial assets is impaired. A financial asset or an entity of



Notes to the Financial Statements (Continued)

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The University determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

h. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs
- Library books are not recognized as assets due to the fact that they lose relevance and currency within a very short period (useful life of less than one year). Consequently, they are expensed after procurement and inventory taking is undertaken at the end of the year to determine physical verification of the quantities and condition of the books

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.



Notes to the Financial Statements (Continued)

i. Provisions
Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The University does not recognize a contingent liability, but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The University does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.



Notes to the Financial Statements (Continued)

j. Nature and purpose of reserves

The University creates and maintains reserves in terms of specific requirements.

	Nature of Reserves	Purpose of the Reserves
1	Accumulated Surplus	This was the initial capital for the University and the aggregate of the accumulated surpluses or deficits and reserves that reflect the net assets/equity attributable to the University's operations.
2	Accumulated Development Grants	This is accumulated development grants from the Government of Kenya to fund development projects undertaken by the University. The development projects once completed; the grants are amortized for the useful life of the asset.
3	Revaluation Reserves	These records the surplus created when assets are revalued. Amount equal to the amount by which that sum exceeds the sum which would have been so written off or retained for the depreciation of that asset over that period, if that profit had not been made, is treated as a realised profit made over that period.

k. Changes in accounting policies and estimates

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

l. Employee benefits

The University provides a defined contribution retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. The University maintains a defined contribution plan whereby the employee contributes 10% of basic pay and University contributes 20% of employee's basic pay less employer contribution to National Social Security Fund. The pension scheme is registered with Retirement Benefit Authority and has independent trustees.

m. Foreign currency transaction

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



Notes to the Financial Statements (Continued)

n. Related parties

The University regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa. Government of Kenya, Members of Key Management are regarded as related parties and comprise the Council, the Vice Chancellor and University Management Board members.

o. 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 in Kenya at the end of the financial year.

p. Comparative figures

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

q. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the UniversityH



Notes to the Financial Statements (Continued)

- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available and as guided by the Debt Management Policy. Additional disclosure of these estimates of provisions is included in Note 20.

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

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date. It is a University policy to make a provision for doubtful debts of the total receivables as per the policy except receivables from Government grants.

6. Transfers from Ministry of Education, State Department for Higher Education

Description	2024/2025	2023-2024
	Kshs	Kshs
Total exchequer recurrent grants for the year	583,705,247	461,442,757

b) Transfers from Ministry of Education, State Department for Higher Education

Name of the 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 2024-25	Total grant income during the year 2023-24
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
State Department for Higher Education	583,705,247	-	-	583,705,247	461,442,757
Total	583,705,247	-	-	583,705,247	461,442,757

7. Amortization of granted assets	2024/2025	2023-2024
Deferred Development Grants:	Kshs	Kshs
Amortization:		
2% of Capitalized Buildings Development Grants	18,209,682	18,209,682
5% of Capitalized Perimeter wall Grants	3,030,012	3,030,012
5% of Capitalized Internal Roads Development Grants	2,611,497	2,611,497



Notes to the Financial Statements (Continued)

10% of Donated Assets (generator)	-	510,000
30% of NRF Donations-Analytical Lab Equipment	-	14,309,951
Total Amortization	23,851,191	38,671,142
REVENUE FROM EXCHANGE TRANSACTIONS		
8. Tuition income and tuition related	2024/2025	2023-2024
Description	Kshs	Kshs
Tuition Fees	1,093,382,137	606,812,800
Registration fees	9,815,760	8,455,717
Medical fees	38,529,886	32,136,657
Internal Examination	65,878,585	54,941,212
University ID card	2,538,100	2,439,200
Activity fees	22,532,107	17,310,935
Internet fees	18,348,490	15,756,200
Computer fees	22,418,508	18,988,730
CUE Quality Assurance	3,184,200	3,044,400
KUCCPS Placement Fee	5,132,000	5,232,500
Industrial Attachment Fee	19,936,540	18,880,900
Application fees	601,290	312,934
Internal Industrial Attachment Fee	3,233,980	2,290,618
Fines & penalties	224,261	160,269
Students Damages/Surcharges	15,080	81,107
Graduation fee	6,270,710	5,029,780
Library fees	27,486,202	23,459,377
Thesis Supervision fee	3,065,000	2,062,500
Thesis Examination	277,500	192,500
Indexing fee medical lab tech	561,450	679,150
Practical/Research fee	15,317,000	9,625,046
Academic Trip fee	12,924,000	10,347,107
Material Development fee	61,272,000	38,498,000
Clinical/Placement Fee	968,530	533,360
Skill/Laboratory fee	555,110	469,360
Clinical Assessment/Attachment Fee	409,000	170,000
Clinical Transport Fee	145,000	80,000
Practicum fee	8,566,517	6,109,000
Teaching Practice fee	11,885,816	6,680,680
Workshop/Laboratory fee	33,494,024	21,918,477
Total Tuition and tuition related Income	1,488,968,782	912,698,516
8 (a). Scholarship Grants (New Funding Model)	515,897,620	-
8 (b). HELB Loan (New Funding Model)	301,612,830	-
8 (c). Tuition Income	671,458,332	-
Total Breakdown of Tuition and tuition related Income	1,488,968,782	-



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

9. Other Incomes	2024/2025	2023-2024
Description	Kshs	Kshs
Accommodation/Hostel Fees	18,184,254	12,663,997
Duty House Charges	356,970	376,600
Students Administration Fees	38,000	14,000
Sale of Food & Beverages - Students' Cafeteria	5,239,525	5,525,099
Sale of Food & Beverages - Hospitality	189,573	218,824
Hire of Facilities - MUT Services	749,508	716,695
Administration Fees	751,118	422,562
Sales - MUT Workshops services	7,264,861	7,161,989
Income from Disposal of loose tools	436,823	87,816
Interest on Call Deposits	19,369,866	13,039,323
Staff damages surcharges	-	30,792
Hire of Facilities -general	528,838	699,369
Conference, Workshops and Seminars Fess	744,560	1,061,500
Other Damages/Surcharges	-	6,720
Sale of Food/Beverages-Mariira Campus	794,760	621,188
Farm and Other Sales-Mariira Campus	48,580	183,913
Analytical Lab Income	40,000	191,400
ISREC Fee	2,000	-
Decrease in Provision for Doubtful Debts	-	1,770,008
Total Other Incomes	54,739,235	44,791,794
10. Employee costs	2024/2025	2023-2024
Description	Kshs	Kshs
Basic Salaries	417,904,009	340,461,947
House Allowance	157,909,381	138,245,754
MUT Pension Scheme Employer Contribution	60,641,073	51,405,071
Responsibility Allowance	6,950,919	6,735,607
Telephone Allowance	5,850,550	5,612,692
Acting Allowance	2,037,946	1,144,175
Special Duty Allowance	3,385,183	2,465,748
Management Allowance	32,694,440	28,582,446
BOG and Other Gratuities	10,712,630	4,079,333
Leave Travel Allowance	2,806,117	2,551,743
Commuter Allowance	26,583,381	23,916,867
Car Allowance	14,862,381	13,662,800
Non-use of Official Car	840,000	840,000
Entertainment Allowance	7,326,969	6,941,214
Electricity and Water Benefit Allowance	4,775,293	4,470,664
Passage and Baggage Allowance	289,575	246,087
Domestic Workers Allowance	1,800,000	1,800,000
Risk Allowance	217,798	-
Extraneous Allowance	8,230,493	6,361,314



Notes to the Financial Statements (Continued)

Co-ordinating Allowance	1,204,166	1,268,189
Research Allowance	560,000	560,000
Book Allowance	340,000	340,000
Non-Practice Allowance	780,000	-
Professorial Allowance	5,144,462	4,635,000
NSSF Employers Contribution-expense	12,126,068	6,211,737
Academic Allowance	1,680,100	1,680,000
Security Allowances	1,800,000	1,800,000
Gratuity & Other Pensions Employer Contribution	2,422,348	2,406,606
Other personal allowances	2,160,500	2,084,351
National Industrial Training Authority charges	247,100	213,750
Health Service Allowance	366,129	-
Adjunct Lecturers Lumpsum Salary	10,134,439	7,883,721
Housing Levy-Employer Contribution	10,882,019	7,459,645
2017-2025 CBA Arrears	102,266,979	2,144,009
Total Employee costs	917,932,449	678,210,470
11. Board Expenses		
	2024/2025	2023-2024
Description	Kshs	Kshs
Council Expenses	9,983,655	11,494,212
Chancellor Expenses	1,866,753	943,830
Total Board Expenses	11,850,408	12,438,042
12. Depreciation		
	2024/2025	2023-2024
Description	Kshs	Kshs
Buildings	30,725,662	30,567,647
Internal Roads	7,580,474	6,823,994
Plant & Equipment	2,275,089	2,144,637
Office Equipment	1,129,698	809,795
Teaching Equipment	22,947,050	21,233,727
Furniture & Fittings	6,669,438	4,904,474
Motor Vehicles	12,184,461	7,986,931
Computer hardware, networking & telephone infrastructure	7,130,214	5,099,720
Intangible Assets	191,778	2,780,000
Academic attire	357,811	214,607
Master plan	190,500	190,500
Total Depreciation	91,382,175	82,756,031
13. Students Welfare expenses		
	2024/2025	2023-2024
Description	Kshs	Kshs
Purchase of Gas, Charcoal and firewood	284,482	357,243
Purchase of Foodstuff	7,056,159	6,668,334
Purchase of Utensils and cutlery	92,590	105,400



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

Sports Activities	4,548,400	2,580,444
Students Work study Programme	1,777,908	1,381,320
Students Placement Charges	7,877,500	8,342,000
Purchase of Drugs & other Health unit expenses	1,391,358	2,070,266
Drama	1,520,035	1,851,675
Student Governance and Welfare expenses	3,113,625	1,471,302
Total Students Welfare expenses	27,662,057	24,827,984
14. Teaching/Academic Expenses	2024/2025	2023-2024
Description	Kshs	Kshs
Purchase of Teaching Materials	6,557,168	5,233,584
Curriculum and Development	778,223	383,700
Academic Trips	1,617,707	944,174
Internal Research	4,323,669	917,600
Part-Time Teaching Costs	43,903,525	60,942,660
Examination Materials	4,242,825	4,337,348
External Examiners	1,571,501	1,436,176
Teaching Practice Supervision	5,114,850	3,211,650
Accreditation of Academic programmes	9,203,900	4,701,200
Industrial Attachment	3,207,670	3,313,810
Total Teaching/Academic Expenses	80,521,039	85,421,903
15. Repairs and Maintenance	2024/2025	2023-2024
Description	Kshs	Kshs
Repairs and Maintenance Expenses	12,127,136	14,894,444
Repair & Refurbishment of Mariira Campus	1,172,917	1,357,635
Total Repairs and Maintenance Expenses	13,300,052	16,252,079
16. General Operating Expenses	2024/2025	2023-2024
Description	Kshs	Kshs
Travel & Subsistence	9,360,529	9,432,214
Fuel & Oils for Motor Vehicles	6,568,278	7,484,329
Maintenance of Vehicles	3,903,901	3,584,307
Vehicle Insurance	1,607,994	1,561,733
Office Stationery	5,962,694	5,576,567
Printing & Publishing	710,620	182,074
Advertising and Publicity	778,818	1,500,946
Marketing Activities	1,129,632	681,445
Governance Expenses	7,252,141	2,918,727
Conferences	2,885,617	2,000,295
Staff Welfare Expenses	1,555,775	-
Staff Medical Expenses	37,659,960	7,873,834
Benevolent Expense	327,705	296,854
Professional Subscription	74,200	146,980



Notes to the Financial Statements (Continued)

Purchase of Uniforms	951,872	366,207
Consultancy and Professional Services	1,515,348	630,962
Telephone & Postage Expenses	466,851	450,484
Internet Charges	5,717,574	5,904,866
Books, Journals and Magazines	4,912,852	3,421,994
ISO & SP Expenses	1,873,885	1,819,477
Bank Charges	1,454,011	1,398,684
Electricity Expenses	8,396,869	8,383,735
Water and Conservancy	12,232,780	11,533,460
Cleaning and Fumigation	13,647,003	18,165,419
Software License Renewal	2,015,413	2,601,387
Hire of Security Services	14,173,200	10,957,200
Honoraria	42,850	174,750
Casual Wages	-	322,185
Branding University assets	1,924,000	962,000
Linkages Expenses	441,324	497,851
MUTES Workshops Unit expenses	7,442,134	1,942,256
Mariira Campus Startup costs	3,703,401	3,195,717
Legal Fees	1,379,423	1,372,500
General Insurance	1,186,128	1,296,503
Corporate Social Responsibility Donations	1,218,800	242,605
Graduation Expenses	8,810,795	10,574,338
Module II MUT Undergraduate Scholarship	479,400	-
Shows & Exhibitions	-	1,418,794
Group Personal Accident Cover and WIBA	1,071,683	1,122,837
General Subscription	700,408	629,700
Impairment of Assets	48,911	-
Audit Fees	696,000	696,000
Staff Development, Seminars & Workshop	4,947,168	4,770,649
Staff and Dependents' Tuition Fees waiver	-	371,860
Tax Expense	5,810,966	3,965,064
Masters Scholarship	2,980,760	-
Increase in Provision for Doubtful Debts	1,330,243	-
Total General Operating Expenses	191,349,917	142,429,790
17. Cash & Cash Equivalents	2024/2025	2023-2024
Description	Kshs	Kshs
KCB Collection Account -1107198356	55,633,845	27,707,894
KCB Paying Account -1142192814	998,582	7,344,909
Equity Enterprise Account -0220290131328	14,827,581	10,881,971
Equity Collection Account-0220273636188	3,965,275	19,419,766
Equity Development Paying account No.0220273636180	46,240,954	12,041,757



Notes to the Financial Statements (Continued)

Co-operative Bank Research Fund Account No.01141573999200	2,311,914	3,985,779
Co-operative Bank Fees Collectn. Account - 01129573999200	7,356,845	15,068,485
MUT Endowment Fund Account-1267531142	2,205,503	2,081,113
MUT Alumni Association Account-1267529652	4,882,898	5,236,063
Call Deposit Account - Equity Development	250,000,000	100,000,000
Call Deposit Account - Co-operative Bank Fees	100,000,000	-
Total Cash & Cash Equivalents	488,423,397	203,767,736
18. Prepayments		
	2024/2025	2023-2024
Description	Kshs	Kshs
Utility Deposit receivable/pre-payments	8,060,791	3,062,345
Total Prepayments	8,060,791	3,062,345
19 (a). Receivable from Exchange Transactions		
	2024/2025	2023-2024
Description	Kshs	Kshs
Students Debtors	542,615,877	94,090,781
House Rent Debtors	88,750	88,750
Imprest Debtors	-	2,082,174
E-Citizen Payment (Not Settled)	314,541	-
Sundry Debtors	1,189,795	1,652,982
Total Receivables from Exchange Transactions	544,208,963	97,914,686
Less: Impairment/Provision for Doubtful Debts	(4,759,610)	(3,429,367)
Net Receivables from Exchange Transactions	539,449,352	94,485,319
19 (b). Provisions for Doubtful Debts		
	2024/2025	2023-2024
Description	Kshs	Kshs
Bal b/f 1st July	3,429,367	5,199,376
Increase/(Decrease) in provision during the period	1,330,243	(1,770,008)
Balance as at 30th June	4,759,610	3,429,367

Note 19(c) Ageing analysis for Receivables from exchange transactions				
Ageing analysis for Receivables from exchange transactions	2024/2025		2023/ 2024	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	506,285,972	93.03%	77,993,190	79.65%
Between 1- 2 years	20,001,246	3.68%	7,229,732	7.38%
Between 2-3 years	6,024,504	1.11%	3,869,837	3.95%
Between 3-4 years	3,013,675	0.55%	2,082,553	2.13%
Between 4-5 years	2,203,854	0.40%	1,651,838	1.69%



Notes to the Financial Statements (Continued)

Between 5-6 years	1,538,007	0.28%	2,016,825	2.06%
Over 6 Years	5,141,706	0.94%	3,070,712	3.14%
Total (a+b)	544,208,963	100%	97,914,686	100%

20. Receivable from Non-Exchange Transactions	2024/2025	2023-2024
Description	Kshs	Kshs
Recurrent/Development Grants Receivables	-	38,453,564
Total Receivables from Non-Exchange Transactions	-	38,453,564
21. Inventory	2024/2025	2023-2024
Description	Kshs	Kshs
Stationery-Central Stores	662,226	294,526
Hardware and Plumbing Materials	1,723,641	169,070
Foodstuff	180,291	150,541
Electrical Materials and Electronics	222,550	48,660
House Keeping & Accommodation Materials	241,537	16,699
Medical Drugs and Related Consumables- Health Unit	1,894,037	957,758
Sch. of Hospitality and Tourism Mgnt	62,130	45,645
MUTES-Mechanical and Woodwork Materials	2,495,473	2,458,480
MUTES- Textile workshop	333,033	61,142
MUTES-Office	268,115	316,645
Total Inventory	8,083,032	4,519,166
Detailed disclosure on inventories	2024/2025	2023-2024
	Kshs	Kshs
Opening balance	4,519,166	3,689,003
Additional Inventory in the year	7,127,832	1,660,326
Inventory expensed in the year	3,563,916	830,163
Closing balance	8,083,032	4,519,166



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

Notes to the Financial Statements (Continued)

22. Property, Plant and Equipment

Plant, Property and Equipment Particulars	Lease-Hold Land	Buildings	Land Improvement (Internal Roads)	Plant & Equipment	Office Equipment	Teaching Equipment	Furniture & Fittings	Motor Vehicle	Computers, Networking & Telephone Infrastructure	Academic Attire	Master Plan	Work in Progress	Totals
RATES	-	0.02	0.05	0.10	0.10	0.30	0.10	0.20	0.30	0.05	0.10	-	
Cost/Value at Bal b/f July 1, 2023	750,000,000	1,519,655,673	57,560,288	22,769,887	4,946,170	71,550,255	38,484,047	50,363,172	37,973,816	2,704,176	-	154,282,237	2,710,289,720
Additions during the year 2023/2024	-	8,726,680	78,919,584	176,488	3,151,779	11,620,860	10,560,694	14,271,481	2,678,201	1,587,961	1,905,000	248,652,104	382,250,830
Adjustment for KOHA Software	-	-	-	-	-	-	-	-	(380,000)	-	-	-	(380,000)
Capitalization of Assets												(83,885,676)	(83,885,676)
Cost/Value Bal c/d at June 30, 2024	750,000,000	1,528,382,353	136,479,872	22,946,375	8,097,949	83,171,114	49,044,741	64,634,653	40,272,017	4,292,136	1,905,000	319,048,665	3,008,274,874
Assets procured in FY 2020/2021						773,046							4,122,641
Assets procured after FY 2020/2021						65,087,553		39,934,653	9,973,938				
FY 2024/2025													
Cost/Value at Bal b/f July 1, 2024	750,000,000	1,528,382,353	136,479,872	22,946,375	8,097,949	83,171,114	49,044,741	64,634,653	40,272,017	4,292,136	1,905,000	319,048,665	3,008,274,874
Additions during the year 2024/2025	-	7,900,767	15,129,604	1,304,516	3,199,031	12,152,155	17,649,640	21,237,650	16,267,752	2,864,094	-	195,490,629	293,195,838
Adjustment for Motor vehicle to teaching equipment						50,000		(50,000)					-
Disposal of assets						(220,000)	(1,013,400)		(315,450)				(1,548,850)
Capitalization of Assets												(19,869,659)	(19,869,659)
Cost/Value Bal c/d at June 30, 2025	750,000,000	1,536,283,119	151,609,476	24,250,890	11,296,980	95,153,269	65,680,981	85,822,303	56,224,319	7,156,230	1,905,000	494,669,635	3,280,052,203
ACCUMULATED DEPRECIATION													
Acc. Dep Bal b/f July 1, 2023	-	106,316,559	13,623,772	9,367,890	1,143,327	32,828,403	11,644,839	33,046,303	31,490,285	301,421	-	-	239,762,798
Dep. Adjustment KOHA									(114,000)				(114,000)
Depreciation Charged for the year	-	30,567,647	6,823,994	2,144,637	809,795	21,233,727	4,904,474	7,986,931	5,099,720	214,607	190,500		79,976,031
Acc. Dep Bal c/d June 30, 2024	-	136,884,206	20,447,766	11,512,527	1,953,121	54,062,129	16,549,313	41,033,234	36,590,005	516,028	190,500		319,738,829
ACCUMULATED DEPRECIATION													
Acc. Dep Bal b/f July 1, 2024	-	136,884,206	20,447,766	11,512,527	1,953,121	54,062,129	16,549,313	41,033,234	36,590,005	516,028	190,500	-	319,738,829
Accum Depn on Disposed Assets						(220,000)	(709,380)		(310,620)				(1,240,000)
Dep. of assets procured in FY 2021/2022	-	-	-	-	-	137,431	-	-	370,341	-			507,772
Dep. of assets procured after FY 2021/2022	-	-	-	-	-	22,759,619		12,234,461	6,761,483	-			41,755,563
Adjustment for Motor vehicle to teaching equipment						50,000		(50,000)					-
Depreciation Charged for the year	-	30,725,662	7,580,474	2,275,089	1,129,698	22,947,050	6,669,438	12,184,461	7,130,214	357,811	190,500	-	91,190,397
Acc. Dep Bal c/d June 30, 2025	-	167,609,868	28,028,239	13,787,616	3,082,819	76,789,179	22,509,371	53,217,694	43,409,599	873,839	381,000	-	409,689,226
Net Book value at June 30, 2024	750,000,000	1,391,498,147	116,032,107	11,433,847	6,144,828	29,108,985	32,495,428	23,601,419	3,682,012	3,776,108	1,714,500	319,048,665	2,688,536,045
Net Book value at June 30, 2025	750,000,000	1,368,673,251	123,581,237	10,463,274	8,214,161	18,364,090	43,171,610	32,604,608	12,814,721	6,282,390	1,524,000	494,669,635	2,870,362,977

NOTE** The County government of Murang'a allocated the University fifty (50) Acres of land at Mariira and directed the National Land Commission to process ownership documents. The valuation of the land will be undertaken to have the value reflected in the financial statements once the title is out.



Notes to the Financial Statements (Continued)

22(b): Property, Plant and Equipment at Cost			
Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Lease-Hold Land	750,000,000	0	750,000,000
Buildings	1,536,283,119	167,609,868	1,368,673,251
Land Improvement (Internal Roads)	151,609,476	28,028,239	123,581,237
Plant & Equipment	24,250,890	13,787,616	10,463,274
Office Equipment	11,296,980	3,082,819	8,214,161
Teaching Equipment	95,153,269	76,789,179	18,364,090
Furniture & Fittings	65,680,981	22,509,371	43,171,610
Motor Vehicle	85,822,303	53,217,694	32,604,608
Computers, Networking & Telephone Infrastructure	56,224,319	43,409,599	12,814,721
Academic Attire	7,156,230	873,839	6,282,390
Master Plan	1,905,000	381,000	1,524,000
Work in Progress	494,669,635	0	494,669,635
Total	3,280,052,203	409,689,226	2,870,362,977

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

Description	Cost or valuation	Normal annual depreciation charge
Teaching Equipment	20,662,185.00	30%
Motor Vehicle	24,650,000.00	20%
Computers, Networking & Telephone Infrastructure	37,389,453.26	30%
Total	82,701,638.26	

23. Intangible Assets	2024/2025	2023/24
Description	Kshs.	Kshs.
At the beginning of the year	25,900,000	25,520,000
Additions:	259,260	380,000
Total	26,159,260	25,900,000
Amortization: @ 30%		
Balance brought forward	(25,748,000)	(22,968,000)
Annual Depreciation	(191,778)	(2,780,000)
Total Amortization	(25,939,778)	(25,748,000)
Net book Value	219,482	152,000
24. Long Term Investments	2024/2025	2023-2024
Description	Kshs	Kshs
Bamburi Shares	25,318,800	25,318,800
Total Long-Term Investments	25,318,800	25,318,800



Notes to the Financial Statements (Continued)

25. Trade and Other Payables	2024/2025	2023-2024
Description	Kshs	Kshs
Recurrent Creditors	12,191,660	8,070,552
Sundry Creditors	154,225	-
External Research fund	2,312,564	4,157,659
Contract retentions (10%)	28,237,677	24,546,909
Capital Creditors	15,438,536	4,544,232
VAT Withholding (6% of 116%)	10	10
VAT Withholding (2% of 108%)	1	1
Income Tax Withholding (3%)	1,276,720	947,918
VAT Withholding clearing	445,664	445,664
VAT Withholding (2% of 116%)	522,179	243,306
Income Tax Withholding @0.5%	47,814	-
Total Trade and Other Payables	60,627,049	42,956,251
26. Refundable deposits	2024/2025	2023-2024
Description	Kshs	Kshs
External Examination-TIVET/CDACC	7,738,496	6,916,203
HELB Loan & Bursaries	11,286,112	14,365,515
CDF/Sponsorships	10,619,550	5,660,557
Students caution money	779,622	779,622
Student Union Payable	1,113,291	891,080
Unidentified Receipts	1,642,347	1,117,575
Students and other refunds	168,339	133,875
Total Refundable Deposits	33,347,758	29,864,427
27. Prepayments from Customers	2024/2025	2023-2024
Description	Kshs	Kshs
Student Fees Prepayments	69,079,842	70,542,877
Total Prepayments from Customers	69,079,842	70,542,877
28. Current Provision	2024/2025	2023-2024
Description	Kshs	Kshs
Provisions for Audit fees b/f	696,000	1,392,000
Increase /(Decrease) in provision during the period	-	(696,000)
Provisions for Audit fees c/d	696,000	696,000
Provision for Income tax b/f	1,955,901	-
Increase /(Decrease) in provision during the period	949,582	1,955,901
Provision for Income tax c/d	2,905,483	1,955,901
Provision for Gratuity	6,996,930	-
Total Provisions	10,598,413	2,651,901
29. Employee Benefit Obligation	2024/2025	2023-2024



Notes to the Financial Statements (Continued)

Description	Kshs	Kshs
NSSF	2,786,490	1,449,309
NHIF	-	559,800
UASU	1,066,995	550,155
KUSU	3,725,458	458,115
KUDHEIHA	112,680	78,748
HELB Staff deductions	282,825	224,780
Net Pay	66,145,490	31,024,458
Wages Payables	418,466	418,466
Sacco Deductions	5,577,464	4,074,424
Insurance and Investments	424,835	609,843
Mortgage payable-staff	-	16,000
Bank Loan Deductions	6,366,760	7,129,823
MRUC Staff Welfare Deductions	79,300	79,200
MRUC Benevolent Fund Payable	7,000	7,500
MRUC Workshops deductions payable	51,461	30,274
MRUC Pension Scheme payable	19,913,715	7,067,685
Other Pension Schemes Payable	306,568	306,280
Former BOG employee's gratuity Payable	6,916,100	6,916,100
Imprest recoveries	158,618	489,628
Housing levy- deductions Payables	3,234,068	1,549,695
SHIF Payable	1,760,114	-
MUT Endowment Fund	2,227,770	2,083,363
MUT Alumni Association	6,548,758	5,236,063
PAYE Deductions	49,276,929	32,017,437
Sub-total	177,387,862	102,377,146

These reserves relate to recognition of carrying amounts of Plant, Property and Equipment whose future economic benefits have been re-determined based on their probable extended economic lifespans. Subsequent depreciation on re-valued amount will be charged against the reserves.

30. Accumulated Surplus	2024/2025	2023-2024
Description	Kshs	Kshs
Balance brought forward	1,414,432,103	1,013,743,096
Revaluation Reserves	3,358,636	3,358,636
Revenue reserves-prior year Student Invoice adjustments	(29,260,582)	(17,937,539)
Adjustment of Amortized Income on Donated assets	14,819,951	-
Add: Surplus during the year	817,266,357	415,267,910
Total	2,220,616,465	1,414,432,103
31. Revaluation Reserves	2024/2025	2023-2024
Description	Kshs	Kshs
Balance brought forward	237,534,187	240,892,822



Notes to the Financial Statements (Continued)

Reserves transfer	(3,358,636)	(3,358,635)
Total	234,175,551	237,534,187

32. Development grants	2024/2025	2023-2024
Description	Kshs	Kshs
Balance brought forward	1,157,936,083	1,160,787,273
Development grants received during the year	-	21,000,000
Total	1,157,936,083	1,181,787,273
Less: Amortization of granted assets		
Amortization - Buildings	(18,209,682)	(18,209,682)
Amortization - Land Improvement (Internal Roads)	(5,641,509)	(5,641,509)
Balance as at 30th June	1,134,084,892	1,157,936,083
33. Cash Generated from Operations	2024/2025	2023-2024
	Kshs	Kshs
Surplus/Deficit for the year	817,266,357	415,267,910
Adjustments for Non-cash items in the Income statement:		
Amortization of granted assets during the year	(23,851,191)	(38,671,142)
Depreciation charge for the year	91,382,175	82,756,031
Prior year adjustments	(11,081,995)	514,045
Increase/Decrease in provision for doubtful debts	-	(1,770,008)
Cash Generated from Operations	873,715,347	458,096,837
Working Capital Adjustments		
Increase/Decrease in receivables from exchange transactions	(4,998,446)	(7,034)
Increase/Decrease in Prepayments	(444,964,033)	(62,462,321)
Increase/(Decrease) in receivables from non-exchange transactions	38,453,564	70,926,358
Increase/Decrease in Inventory	(3,563,867)	(830,163)
Trade and Other Payables	7,973,729	5,598,432
Refundable deposits	3,483,330	15,843,378
Prepayments from Customers	(1,463,035)	19,580,576
Current Provision	7,946,512	1,259,901
Employee Benefit Obligation	75,010,717	(111,891,151)
Net cash flows used in Operating activities (a)	551,593,817	396,114,813

34. Financial Risk Management

The University's major source of revenue is the Government with the proportion of Government funding compared to total funding of 34.77% in FY 2023/2024 and 64.23% in FY 2024/2025. Failure of Government funding means that the University would be unable to operate.

The inflation rate in Kenya was 3.8% in June, 2025 from a low of 3.5% in March, 2025 below



Notes to the Financial Statements (Continued)

market forecasts ranging from 7.2% to 8.2% but within the ceiling of the Central Bank's target range of 2.5%-7.5%. The effect of this is a hike in prices of commodities and a decrease of purchasing power.

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

The University does not hedge any risks and has in place an integrated risk management framework which is based on risk governance structures, risk management policies, risk identification, measurement and reporting. The risk management framework focuses on the unpredictability of environmental factors, to set appropriate risk limits and controls, and to monitor risks and seeks to minimize potential adverse effects on the financial performance and position of the University.

The principal financial assets are trade receivables and cash deposits which arise directly from operations. The University has financial liabilities comprising trade and other payables.

The Audit and Risk Management Committee assesses the risk exposure of the University and her risk appetite. A risk management framework has been established.

The University's risk management policy is established to identify and analyze the risks faced by the University to set appropriate risk limits and controls, and to monitor risks. Risk management policy and systems are reviewed regularly to reflect changes in economic conditions and the University's activities.

The University is exposed to the following risks:

- i) Credit risks
- ii) Liquidity risk
- iii) Market risks
- iv) Natural Disasters risks
- v) Capital Risk Management

The University's financial risk management objectives and policies are detailed below:



Notes to the Financial Statements (Continued)

i. Credit risk

The University has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents which include short-term deposits held with banks, as well as trade and other receivables and available-for-sale financial investments. The University receives fees from students, rent from staff and advances imprest to the staff which further exposes it to credit risk. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors.

The University has a student fees payment policy which defines how and when fees should be paid thereby minimizing credit risk. Other customers settle their obligations within a maximum credit period of 30 days. We also have a Debt Management Policy which establishes the criteria for issuing debt, managing the outstanding debt portfolio and collection of income, including fees.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University's management based on the Debt Management Policy. The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk is made up as follows:

Analysis of Credit risk exposure					
At 30 June 2025					
	Total amount	Below 6 years		Over 6 years	
		Fully Performing	Past due	Impaired	Risk rating
	Kshs.	Kshs.	Kshs.	Kshs.	
Bank balances	488,423,397	488,423,397	-	-	low
Receivables from exchange transactions:					
Students Debtors	542,615,877	537,562,921	-	5,052,956	medium
House Rent Debtors	88,750	-	-	88,750	high
Sundry Debtors	1,189,795	1,189,795	-	-	low
e-Citizen payment (not settled)	314,541	314,541	-	-	low
Utility Deposit receivable/pre-payments	8,060,791	6,817,395	-	-	low
Total Receivables from exchange transactions	1,040,693,151	1,034,308,049	-	5,141,706	

Notes to the Financial Statements (Continued)

At 30 June 2024					
Bank balances	203,767,736	203,767,736	-	-	low
Receivables from exchange transactions:					
Imprest receivables	2,082,174	2,082,174	-	-	low
Students Debtors	94,090,781	91,108,819	-	2,981,962	medium
House Rent Debtors	88,750	-	-	88,750	high
Sundry Debtors	1,653,869	1,653,869	-	-	low
Utility Deposit receivable/pre-payments	3,062,345	3,062,345	-	-	low
Total Receivables from exchange transactions	100,977,919	97,907,207	-	3,070,712	

The customers under the fully performing category are paying their debts as they continue getting services from the University. Impairment arises when there are some doubts that the University will collect the full amount due. As at the year end, the university had no impaired receivables. However, it is University tradition to make a provision for doubtful debts at the recommended rate as prescribed in the policy.

The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The University has significant concentration of credit risk on past due and impaired.

ii. Liquidity risk management

Liquidity risk is the risk that the University will not be able to meet the financial obligations as 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 unacceptable losses or risking damage to the University's reputation and going into overdraft. Typically, the University ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations. Liquidity risk is maintained through continuous monitoring of forecasts and actual cash flows.

iii. Market risk

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

Market risk is the possibility that the institution might incur financial losses arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective



Notes to the Financial Statements (Continued)

of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The University's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

a. Interest rate risk

Interest rate risk is the risk that the University's financial condition may be adversely affected as a result of changes in interest rate levels. The University's interest rate risk arises from

bank deposits. This exposes the University to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the University's deposits. The University was not exposed to the risk of falling interest rates during the year. As a result, changes in interest rates do not have an impact on the carrying amounts of the financial assets of the University.

The University had Call Deposit amounts where interest was earned and there was no major risk associated with the deposits. The interest rate for the deposits is set at the time of placing the deposit with banks which has a strong capital base.

The University Management has endeavoured to bank with institutions that offer favourable interest rates. The University would manage risk associated with the deposits and other investments by ensuring that the interest rate is negotiated prior to investing and is constant throughout the investment period. In case of investments, the University places its Call deposits with the qualifying commercial banks that quote the highest interest rate over a given period.

b. Foreign currency risk

The University has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. The currency exposure to the University transactions is mitigated as receipts, and payments are made in local currency with very few cases where suppliers quote in foreign currency mostly in US dollars. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rates.

The University receives revenue from fees, grants and other sources in functional currency and no other currencies. All the assets of the University were denominated in Kenya Shillings which is the functional currency used in these financial statements. Therefore, for the year ended June 30, 2025 currency exposure has minimal impact on financial status of the University. There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

iv. Natural Disasters Risks

The University has adopted some of the best risk assessment and management tools and techniques that are used to manage risks and for disaster management. The University Disaster Management Policy provides the framework that enables a defined



Notes to the Financial Statements (Continued)

course of action proposed or adopted in the event of a disaster occurrence. It also provides synergy and opportunities for the University to partner with the Government of Kenya, County Government of Murang'a and other stakeholders such as the security and health sectors, in initiating, participating and sustaining safety and health initiatives to staff, students and the surrounding communities.

The policy also gives direction in dealing with the considerable and ever-growing pandemic and threats to the safety of staff, students and property. It serves as a framework for

responding to emergency situations that are of such magnitude as to cause a significant disruption to normal operations and provision of a disaster recovery strategy and business continuity plan.

It provides guidelines on how to:

- a. Anticipate and respond to emergencies and disasters
- b. Mitigate and reduce the negative effects of an emergency and disasters
- c. Provide disaster management protocols
- d. Allocate resources for disaster management and recovery
- e. Align auxiliary support system from stakeholders for disaster management and recovery
- f. Carry out annual monitoring and evaluation of the procedure manual.

v. Capital Risk Management

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

	2024-2025	2023-2024
	Kshs.	Kshs.
Accumulated Surplus	2,220,673,885	1,414,432,103
Revaluation Reserves	234,175,551	237,534,187
Development Grants	1,134,084,892	1,157,936,083
Total funds	3,588,934,328	2,809,902,372
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/ (excess cash and cash equivalents)	-	-
Gearing	-	-

35. Related Party Balances

Entities and other parties related to the University include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include the National Government of Kenya, the Council Members, Key Management Members, their associates and close family members.



Notes to the Financial Statements (Continued)

i. The National Government of Kenya

Murang'a University is a Public University hence the National Government of Kenya through the Ministry of Education, is the principal owner of the University. The Government of Kenya has appointed the University Chancellor, the Council Members, Vice Chancellor and Deputy Vice Chancellors.

ii. The Ministry of Education

The Ministry of Education is the University's parent ministry. The University's operations and development projects are partially and fully funded respectively by the Government of Kenya through the Ministry of Education.

iii. The University Chancellor

The Chancellor is the titular head of the University.

iv. The Council

The Council provides effective leadership and control in terms of approving the University's strategies and policies and best practice of corporate governance.

v. The University Management Board

The Vice Chancellor is the head of the University Management Board (UMB). The UMB is the in charge of day-to-day operations of the University.

Summary of transactions with related parties	2024-2025	2023-2024
	Kshs.	Kshs.
1) Grants from the Government		
i. Recurrent Grants		
a) Received	541,097,581	461,442,756
b) CBA Grants	42,607,666	-
ii. Development Grants Received	-	21,000,000
Total grants from the Government	583,705,247	641,295,878
2) Chancellor and Council expenses:		
i. Chancellor expenses	1,866,753	943,830
ii. Council expenses	9,983,655	11,494,212
Total Chancellor and Council expenses	11,850,408	12,438,042
3) Key management compensation		
Compensation to Key Management Members	4,584,192	4,167,448
Total Key management compensation	4,584,192	4,167,448

Notes to the Financial Statements (Continued)

36. Contingent Assets and Contingent Liabilities

Contingent liabilities	2024-2025	2023-2024
	Kshs.	Kshs.
Court Cases Against The University		
ELJRCJR/E046/2024: Joseph Masinde Vs. Murang'a University Of Technology	-	-
Court of Appeal Civil Appeal E762 of 2025: Nelson Kipngetich Bett Vs. Murang'a University Of Technology	-	-
Nyeri ELRC No. E057 of 2021: KUDHEIHA Vs. Murang'a University of Technology	-	-

37. Capital Commitments

	Authorised and contracted for and on-going	2024-2025	2023-2024
	Description	Kshs.	Kshs.
1	Hostel Block Phase 1, Wing 2	18,647,840	55,898,123
2	Hostel block-Phase 3	-	2,480,959
3	Science Complex	-	1,580,133
4	Tuition Block Phase II	151,874,825	158,711,272
5	Perimeter wall	-	15,077,148
6	Land Improvement-carpark and student's shades	15,129,604	3,242,204
7	Master plan	-	1,905,000
8	Construct Sports Field and Pavilion	-	599,432
9	Sinking Borehole	2,241,300	4,417,778
	Total	187,893,569	243,912,049

38. Events After the Reporting Period

There were no events after reporting period.

39. Ultimate and Holding Entity

Murang'a University of Technology is a State Corporation under the Ministry of Education State Department for Higher Education. Its ultimate parent is the Government of Kenya.

40. Currency

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



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

20. Appendices

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. The management has nominated responsible personnel to resolve the various issues as shown below.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Long Outstanding Students Debtors; Receivables from Exchange Transactions balance of Kshs.97,547,663, which includes Kshs.94,090,781 in respect to Gross Students' Debtors. Review of the Schedule provided for Audit revealed that Kshs.19,832,746 of the gross students' debtors were debts which had been outstanding for a period beyond one year and no effort has been made by Management to recover the debts.	Receivables from exchange transactions balance of Kshs.94,090,781 includes Kshs.19,832,746 which had been outstanding for a period beyond one year. The debts are less than 6 years old and belong to students categorized as active and are expected to clear fees prior to sitting examinations or graduating. However, no student has graduated without clearing fees.	The Management and the Council	Partially Resolved	FY 2024/2025
2	Long-Term Investments not Registered in University's Name; Kshs.25,318,800 in respect to long-term investments for 126,594 shares held in Bamburi Cement. The shares were registered in the names of the trustees of the Murang'a College of Technology. Validity, accuracy and existence of the share's investment balance of could not be confirmed.	This matter was raised with the Parliamentary Investment Committee (PIC) that advised the University to take up the matter with EACC and the Hon. Attorney General to assist in the transfer of the shares and recovery of dividends. The University has written letters to the EACC and the Hon. Attorney General seeking advice on the recovery of the dividends and transfer of shares, but to date no response has been received. The University Council has resolved and approved that a declaratory suit be filed by Management in order to recover the shares and dividends.	The Management and the Council	Not Resolved	FY 2025/2026



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3	Unsupported Board Expenses; Board Expenses amount of Kshs.12,438,042 which include Kshs.11,494,212 Council Expenses, which further include Kshs.786,060 paid to the council members as air transport and mileage allowance not supported by the necessary documents like boarding passes for the travels	The air transport costs supported by receipts belong to the Chairman of Council and one member who reside outside Nairobi, and air travel is the most economical means of transport to Nairobi when attending meetings. The Management verifies physical attendance of Council meetings through signing of mileage claim forms at each instance of travel. Additionally, meeting attendance forms are signed by all members upon arrival, further substantiating their presence and participation	The Management and the Council	Resolved	FY 2024/2025
4	Unresolved Prior Year Audit Matters	Progress reports and explanations to unresolved matters raised in the previous audit report were given in the Implementation Status of the Auditor-General's Recommendation report.	The Management and the Council	Resolved	FY 2024/2025
5	Personnel Emoluments; 5.1 High Wage Bill Kshs.678,210,470 in respect of personnel emoluments accounts for forty-seven percent (47%) of the total revenue for the year of Kshs.1,457,604,209 which exceeded the set limit of thirty-five percent (35%) provided under Regulation 26 (1)(a) of the Public Finance Management (National Government) Regulations 2015 5.2 Non-Compliance to One Third of Basic Salary Rule Review of the payroll revealed that Seventeen (17) employees of the University earned net salaries of less	For us to deliver and achieve the Mission of the University, it is clear that much of our budget goes to personnel emoluments but below sixty-five percent (65%). Actual Personnel Emoluments of Kshs.678,210,470 that accounts for fifty-one percent (51%) of total revenue had been budgeted for as reflected in the statement of budget comparison of budget and actual Amounts on page 5 of audited annual report and financial statements. The Management ensures that employees' salaries are not committed beyond the allowable limit through a third rule checker on the excel payroll. However, checking on a third rule for staff on suspension was based on their half basic salary.	The Management and the Council The Management and the Council	Not Resolved Not Resolved	FY 2024/2025 FY 2024/2025



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>than a third of their respective basic salaries. This is Contrary to Section 19(3) of the Employment Act, 2007.</p> <p>5.3 Non-Compliance with Law on Staff Regional Diversity A review of the Human Resource records revealed that, the University had three hundred and seventy (375) members of staff out of whom, two hundred and sixteen (216) or 58% 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</p>	<p>However, others were as a result of imprest recovery and uneven allowances.</p> <p>The University inherited a large number of staff from the local dominant community when the University transited from being Murang'a College of Technology (MCT) to Murang'a University College (MRUC) and subsequently to Murang'a University of Technology (MUT). However, there has been an effort by Management to reduce the number, and the percentage has progressively reduced over the past six (6) years. The reasons for reduction include staff movement occasioned by recruitment, retirement, natural attrition and resignation. This demonstrates the milestones the University has achieved to ensure compliance with the 'third rule' on ethnic diversity.</p>	The Management and the Council		FY 2024/2025
6	Operating Bank Accounts without Approval from National Treasury; Luck of authority from National Treasury to operate two (2) of the commercial bank accounts was not provided. This is Contrary to Section 28(1) of the Public Finance Management Act, 2012.	Pursuant to Section 28(1) of the Public Finance Management (PFM) Act, 2012, The National Treasury has since granted the authority to continue operating the two (2) of the commercial bank accounts	The Management and the Council	Resolved	FY 2024/2025
7	Lack of Committee charter; Review of the University's financial statements on Performance Information, revealed that the University council has established four council committee, three (3) of them;	To enhance clarity and accessibility, the Council is in the process of reviewing and formalizing separate committee charters that will complement the overarching governance provisions outlined in the University Charter.	The Management and the Council	Resolved	FY 2024/2025



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Finance and General Purpose, Human Resource, and Physical Infrastructure committees did not have Charters contrary to Circular No. OP/CAB.9/1A dated March 11 2020 (4).				
8	Delays in completion of the construction of perimeter wall; Construction of perimeter wall at a contract sum of Kshs.60,600,232 with a contract period of 52 weeks starting November 2016. The project sum was revised to Kshs.75,677,380 (representing 24.88% increase) after three extensions of the contract period. A certificate of practical completion was issued on 10th February, 2024 after 375 week	The projects were initiated in the financial year 2016/2017 with expected completion date of April 2018. Construction of the perimeter wall had stalled due to encroachment of the University land by a private developer. Work on the perimeter wall ended in the year under review and the project was capitalized at a total cost of Kshs. 75,677,380	The Management and the Council	Resolved	FY 2023/2024
9	Encroachment on University Land; The Audit revealed that a total of 18 parcels of land have been encroached upon and hived off the main parcel of land. The 18 parcels of land were confirmed as encroachments on the University land when the survey was conducted on 1st and 2nd October, 2020 by the District Surveyor of Murang'a County. A conservative value of Kshs.3,000,000 was placed for each of the plots and as such, the combined value of the 18 plots was Kshs.54,000,000	i) The University has made efforts to recover the land encroached on by strangers through different government agencies as follows: a) On 30th August, 2022, the University wrote a letter to the Ethics and Anti-Corruption Commission seeking assistance in order to recover the University land. b) On 20th April, 2023, the University wrote a letter to National land Commission seeking intervention to recover the University land. c) Attending the Parliamentary Investment Committee (PIC) and sharing the University's position, in October, 2023 d) We have taken a proactive measure to prevent any further encroachment by constructing a	The Management and the Council	Not Resolved	FY 2025/2026



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>perimeter wall around the University land where there is no contention.</p> <p>ii. The conservative value of Kshs 3,000,000 per plot cited by Miller and Company was in order to quantify the advocate's remuneration to total chargeable fees of Kshs 54,000,000 for the 18 plots; so, the University did not give them such valuations, and therefore Kshs 54,000,000 is not the value of the 18 plots of land. As a result, the matter was not pursued by the University since the advocate's fee was too high</p>			

Dickson

Vice-Chancellor
 Prof. Dickson M. Nyariki, PhD.

Date 03/12/2025

Moffat

Finance Officer
 CPA Moffat K. Njoroge
 ICPAK Member Number. 8483
 Date 02/12/2025

Abel

Council Chairman
 Dr. Abel B. Atiti, Ph.D.

Date 03.12.2025



Appendix II: Projects Implemented by the University

Projects implemented by the University funded by development partners

	Project Title	Project Number	Donor	Period/ Duration	Donor Commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	N/A	N/A					

Status of Projects Completion

	Project title	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A	N/A					

Appendix III: Transfers from Other Government Entities

Murang'a University of Technology			
Break down of Transfers from the State Department for Higher Education			
FY 2024-2025			
	Bank Statement Date	Amount (Kshs.)	Indicate the FY to which the amounts relate
a Recurrent Grants			
	Tuesday, August 13, 2024	45,091,465	2024-2025
	Thursday, September 12, 2024	45,091,465	2024-2025
	Tuesday, October 8, 2024	45,091,465	2024-2025
	Friday, November 8, 2024	45,091,465	2024-2025
	Thursday, December 5, 2024	45,091,465	2024-2025
	Monday, January 6, 2025	45,091,465	2024-2025
	Tuesday, January 7, 2025	45,091,465	2024-2025
	Monday, February 10, 2025	45,091,465	2024-2025
	Thursday, March 13, 2025	45,091,465	2024-2025
	Thursday, April 10, 2025	45,091,465	2024-2025
	Friday, May 2, 2025	45,091,465	2024-2025
	Friday, June 13, 2025	45,091,465	2024-2025
	Friday, June 27, 2025	42,607,666	2024-2025
	Total	583,705,246	
b Development Grants			
	Bank Statement Date	Amount (Kshs.)	Indicate the FY to which the amounts relate
		0	2024-2025
	Total	0	

Finance Officer

CPA Moffat K. Njoroge

ICPAK Member Number. 8483

Sign 

Head of Accounting Unit

State Department for Higher Education

Sign 



Murang'a University of Technology

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

Appendix IV: Recording of Transfers from Ministry of Education

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount Kshs.	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Statement of Financial Position	Deferred Income	Receivables	Others - must be specific	
			Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
State Department for Higher Education	Refer to Appendix III	Recurrent Grants	583,705,246	583,705,246	-	-	-	-	583,705,246
State Department for Higher Education	Refer to Appendix III	Development Grants	0	-	0	-	-	-	0
Total			583,705,246	583,705,246	0		-	-	583,705,246



Murang'a University of Technology
Annual Report and Financial Statements for the year ended June 30, 2025

Appendix V: Status of Project Implementation and Funding

Ser. No.	Project	Project start date	Total project Cost	Total expended as at 30 th June, 2025	% of Certified works as at 30 th June, 2025	GoK Funds received	% of Funds received	GoK Un-disbursed funds to completion	Sources
1	Hostel Block Phase 1 Wing 2	FY 16/17	181,795,693	169,674,540	**92%	154,189,346	**85%	27,606,347	GoK Development Grants
2	Hostel Block Phase 3	FY 16/17	248,615,314	248,615,314	100%	180,331,171	73%	68,284,143	GoK Development Grants
3	Science Complex	FY 17/18	397,244,253	397,119,212	100%	351,300,680	88%	45,943,573	GoK Development Grants
4	Perimeter Wall	FY 16/17	*75,677,380	75,677,380	100%	60,600,232	80%	15,077,148	GoK Development Grants
5	Removal and replacement of asbestos	FY 20/21	23,402,395	23,402,395	100%	9,943,065	42%	13,459,330	GoK Development Grants
6	Tuition Block Phase II	FY 23/24	*691,304,522	310,586,096	45%	100,000,000	14%	591,304,522	GoK Development Grants
	TOTAL		1,618,039,557	1,225,074,937		856,364,494		761,675,063	

* This was after variation of project costs

** This was after variation caused by termination of contract and completion of project awarded to another bidder.

NB: The projects' completion rates have been sluggish, with a possibility of litigation by contractors against the University for not honouring payments. We appeal to GoK to release the un-disbursed funds to enable us pay certified works.

