REPUBLIC OF KENYA

REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

THE NATIONAL ASSEMBLY
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REPORT OF

THE AUDITOR-GENERAL

ON

ALUPE UNIVERSITY

FOR THE YEAR ENDED 30 JUNE, 2025

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 02 DEC 2025 DAY. Tuesday
TABLED BY: Hon. Naomi Jillo, MP Deputy Majority Whip
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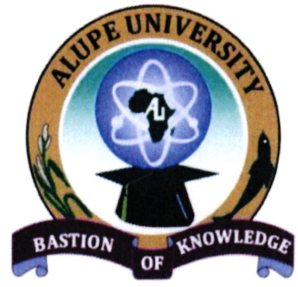

ALUPE UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2025

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

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1. Acronyms and Definition of Key Terms

A. Acronyms

Agencies VC	:	Vice Chancellor
ARE	:	Academic Research and Extension
AU	:	Alupe University
AUSO	:	Alupe University Student
B/F	:	Balance brought Forward
BA	:	Bachelor of Arts
Bed	:	Bachelor of Education
Board SAGAs	:	Semi-Autonomous Government
BSC	:	Bachelor of Science
CBA	:	Collective Bargaining Agreement
CBK		Central Bank of Kenya
COBES	:	Community Based Education and Service
CPA	:	Certified Public Accountant
CPAK	:	Certified Public Accountant of Kenya
FIDA	:	Federation of Women Lawyers
FPD	:	Finance Planning and Development
FY	;	Financial Year
GoK	:	Government of Kenya
HOD	:	Head of Department
HRDA	:	Human Resource Development and Administration
I and M	:	Investment and Mortgage bank
ICPAK	:	Institute of Certified Public Accountants of Kenya
ICPAK	:	Institute of Certified Public Accountants of Kenya
IHRM	:	Institute of Human Resource Management
IPSAS	:	International Public Sector Accounting Standards NT : National Treasury
IPUCCF :		Inter Public Universities Councils

		Consultative Forum
KALRO :		Kenya Agricultural and Livestock Research Organization
KARL	:	Kenya Agricultural Research Institute
KASNEB	:	Kenya Accountants and Secretaries National Examination Board
KCB	:	Kenya Commercial Bank
KCB	:	Kenya Commercial Bank
KEMRI :		Kenya Medical Research Institute
KESSA	:	Kenya Scholars and Studies Association
KIM	:	Kenya Institute of Management
LLB	:	Bachelor of Laws
MBA:	:	Masters of Business Administration
MOU :		Memorandum of Understanding
MSC	:	Master of Science
OAG	:	Office of the Auditor General
OCOB	:	Office of the Controller of Budget
Organization IGU	:	Income Generating Unit
PFM	:	Public Finance Management
PhD	:	Doctor of Philosophy
PIC	:	Parliament Investment Committee
PPE	:	Property Plant & Equipment
PSASB	:	Public Sector Accounting Standards
SMS	:	Short Message Service
TTC	:	Technical Teachers Training Institute
TVETA	:	Technical and Vocational Education and Training Authority
UFB	:	University Funding Board
UNHCR	:	United Nations High Commission for Refugees
UON	:	University of Nairobi

B: Definition of Key Terms

Duke of Edinburgh's International Award

Aglobal program that empowers young people aged 14 to 24 to develop skills, engage in community service, and experience adventure through a structured framework.

Plant pathology :

Plant pathology, also known as phytopathology, is the scientific study of plant diseases caused by pat hogens and environmental conditions, focusing on their causes, effects, and management strategies.

Amortization :

Amortization is when an asset or a long-term liability's value or cost is gradually spread out or allocated over a specific period

Amortization loss: t is the reduction in the value of intangible assets over a period of time.

Honoraria: Payment made to the Chairperson of Council or any other expert in exchange for the services offered

•Appropriations in Aid –

Day-to-day revenue received by the University and approved by Parliament for application by the University to finance its activities instead of being paid into the Consolidated Fund.

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

Comparative Year- Means the prior period.

Accrual basis of accounting

•Appropriations in Aid - Day-to-day revenue received by the University and approved by Parliament for application by the University to finance its activities instead of being paid into the Consolidated Fund.

TVET Authority

Technical and Vocational Education and Training Authority (TVETA) is a public corporate agency established under the Technical and Vocational Education and Training (TVET) Act CAP 210A to regulate and coordinate training in the country through licensing, registration and accreditation of programs, institutions, and trainers.

ICT stands for Information and Communication Technology, encompassing all technologies used to handle, process, and exchange information

KAIR : **Kenya Augmented Infant Resuscitator (KAIR):** Project carried out by Alupe University transitioning a novel behavior change innovation to drive newborn ventilation skills enhancement". Conducted in Kenya and India.

WIBA : Work Injury Benefit Act

An Act of Parliament to provide for compensation to employees for work related injuries and diseases contracted in the course of their employment and for connected purposes.

SCAC -: State Corporation Advisory Committee

SCAC is a government agency that oversees the management and governance of state corporations in Kenya.

2. Key Alupe University Information and Management

(a) Background information

Alupe University was established on 2nd August 2022 vide the Award of the Alupe University Charter 2022. It was formerly Alupe University College established on 24th July 2015 vide a Legal notice number 153 as a Constituent University of Moi University. The University is a body corporate established under Alupe University Charter 2022 within the provisions of the universities Act 2012. Alupe University is domiciled in Kenya and so far, has no branches. The University Council was appointed under special gazette notice No 151 of 5th August 2022.

The University has a total of four schools, namely;

1. School of Health Sciences
2. School of Science Technology and Engineering
3. School of Education and Social Sciences and
4. School of Business, Economics and Human Resource Development.

The University has a total of 16 departments in the four Schools.

(b) Principal Activities

The Principal activities of the University are as follows:

(i) To provide directly or in collaboration with other institutions of higher learning, facilities for university education (including technology, scientific and professional education) integration of teaching, research and effective application of knowledge and skills to the life and work and welfare of the citizens of Kenya.

(ii) To participate in the discovery, transmission, preservation and enhancement of knowledge and to stimulate the intellect participation of students in the economic, social, scientific, technological and cultural development of Kenya.

(iii) To provide and enhance University education and training to appropriately qualified candidates leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the Council and the senate may from time to time determine and in so doing contribute to the manpower needs.

(iv) To conduct examinations for such academic awards as maybe provided for in the statutes pertaining to the University.

(v) To examine and make proposals for the new Schools, Institutes, departments, resource and research centers, degree courses and subjects of study

(vi) To play a leading role in the development and expansion of the opportunities for higher education and research.

(vii) To contribute to industrial and technological development through innovations and technological transfer

Key Alupe University Information and Management (continued)

(viii) To develop as an institution of excellence in teaching, training, scholarship, entrepreneurship, innovations, research and consultancy services.

(ix) To participate in commercial ventures and other activities for the benefit of the University, the community and stakeholders

(x) To facilitate student mobility between different programs at different technical training institutions, Universities and Industry; and

(xi) To foster the general welfare of all staff and students.

Vision

"To be an inclusive Science-based University that is committed to achieving academic excellence, integrity, quality research and innovation for a better society"

Mission

"To create, evaluate, apply, preserve and share knowledge; and develop competencies and values in a free, open and inclusive environment of intellectual inquiry for the wellbeing of society"

Motto

Bastion of Knowledge

Core Values

- **Professionalism**
  Embrace integrity in teaching, learning and research
- **Creativity and Innovation**
  Commitment to promoting and supporting resourcefulness and the advancement of new ideas
- **Excellence**
  Commitment to quality teaching, research and service delivery
- **Good Corporate Governance**
  Prudent management of resources and best practice in leadership
- **Customer focus**
  Endeavour to provide services that meet the needs of the client
- **Teamwork**
  Promotion of a spirit of working together, internally and externally in an open and respectful way

Key Alupe University Information and Management (continued)

(c) Key Management

Alupe University's Day to-day management is undertaken by the following key organs:

- University Management Board
- Senate
- Deans Committee

(d) Fiduciary Management

The key management personnel who held office during the year under review and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Vice Chancellor	Prof. Peter Barasa
2.	Deputy Vice Chancellor Administration, Finance & Development	Prof. Bernard Toboso
3.	Deputy Vice Chancellor Academic, Research & Student Affairs	Prof. Margret N.B Orina
4	Head of Finance	CPA Imelda Akhonya
5.	Head of Procurement	Ms Jacqueline Walutsachi
6.	Human Resource	Dr. Wilbrodah Muchibi
7.	Registrar (Academics)	Dr Pamella Nyongesa

(e) Fiduciary Oversight Arrangements

1. The Audit and Risk Committee

Alupe University has an active five-member audit and risk management committee that plays an oversight role. The mandate of this committee is as listed below;

The mandate of the Audit Committee includes:

i. Formulation of policies on internal controls that will enhance security, accountability of resources management and improve on efficiency and transparency.

Key Alupe University Information and Management (continued)

ii. Examine internal and External Auditors' findings and recommendations for improvement of internal controls. Monitor management's response to and implementation of internal control.

iii. Assist the Vice Chancellor in enhancing internal controls in order to improve efficiency, transparency and accountability.

iv. Resolving unsettled and unimplemented issues raised by the Public Investment Committee (PIC).

v. Enhancing communication between management, internal and external audit and fostering effective internal audit function.

vi. Reviewing the systems established to ensure sound public financial management and internal controls as well as compliance with policies, laws, regulations, procedures, plans and ethics.

vii. Initiating special audits/ investigation on any allegation, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Vice Chancellor.

viii. Advice on quality and performance monitoring.

ix. Perform an oversight function as may be requested by the University Council from time to time.

2. **Finance, Planning and Development Committee**

The mandate of the FPD Committee includes:

i. Coordinating the infrastructural planning, development of the University both at short- and long-term planning and acquisition and utilization of property. It ensures that all the development of the University is in line with its master plan and consistent with the laws of the land and that appropriate funding had been sought before commencement of the projects.

ii. To develop appropriate and conducive policies to guide and promote resource mobilization and income generation activities in the University.

Key Alupe University Information and Management (continued)

iii. To be responsible for authorizing expenditure for all maintenance work with the provision that the committee will have authority to delegate the minor maintenance work to an executive sub-committee of the University.

3. **Academic, Research and Extension Committee**

The mandate of the ARE Committee includes the following:

i. To provide policy guidelines on university wide research activities and trainings to put in place comprehensive research and training structures for resource mobilization and funding.

ii. To review all research training and progresses and to deal with all matters related with statutes in terms of format and the contents of the University statutes.

iii. To set priorities and targets for research activities and advice council on consultancies, technology transfers and intellectual property rights.

4. **Human Resource, Development & Administration Committee**

The mandate of the HRD & A Committee includes the following:

i. To review, evaluate and make recommendations on the overall organizational structure, staff establishments, remuneration structure, terms and conditions of service and to provide for the welfare of staff as and when necessary or whenever directed to do so by the Council.

ii. To review, evaluate and make recommendations for approval of policies and other processes of accountability, internal controls and risk management, taking into account sustainability, ethics and compliance with the Constitution, all applicable laws, regulations and standards.

iii. To review the Code of Conduct and Ethics of the University employees.

To institute, through a sub-committee, regular reviews of individual members of staff grading with a view to determining whether a member of staff should be promoted.

Key Alupe University Information and Management (continued)

(e) Headquarters of the University

Alupe University

P.O. Box 845-50400

Busia

Off Busia-Malaba Road

Kenya

(f) University Contacts

Telephone :(254)0741217185/0722345603

E-mail: Vice Chancellor@au.ac.ke

Website: www.auc.ac.ke

(g) Bankers

1. Kenya Commercial Bank

   Busia Branch

   P.O. Box 27-50400

   Busia, Kenya

2. Co-operative Bank of Kenya

   Busia Branch

   P.O. Box 326-50400

   Busia, Kenya

3. Equity Bank
   Busia Branch
   P.O Box 553-20116
   Busia
   Kenya

4. I and M bank
   P.O Box 30238,
   Nairobi

(i) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084

GPO 00100

Nairobi, Kenya

(ii) Principal Legal Adviser

The Attorney General State

Law Office Harambee Avenue

P.O. Box 40112

City Square 00200

Nairobi, Kenya

3. Council

1.THE BOARD OF DIRECTORS/COUNCIL



Dr. Virginia W. Kimani,

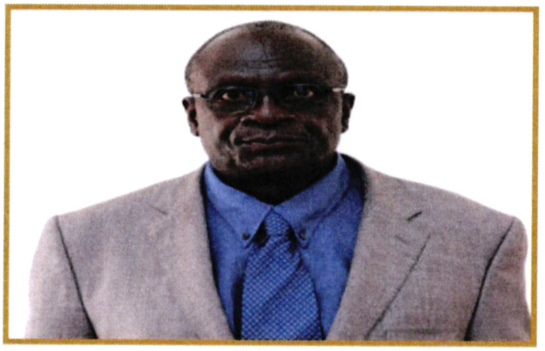
- **Doctor of Philosophy (1997)**
- **Crop Science (focus on pesticides Epidemiology)- UON**
- **M.Sc. Plant pathology Pesticides and Residues (1988) –UON**
- **B.Sc. Agriculture (1993) – UON**

Council Chairperson

Dr. Virginia was born on 7th Feb 1959 and she is the chair of the AU council which she joined on 8thNovember 2016 for a 4-year term which has been renewed.

She is an independent council member. She is an agriculturist who runs a private consultancy firm on pesticides in Nairobi since 1999.

She has worked with KARI and Ministry of Agriculture between 1984 and 1999 in various capacities.



Mr. Joseph Vincent Oyile
Council Member

- **Master of Science (MSc) Political Science, (BIAS, International Relations)- (1986)**
- **Bachelor of Arts (BA) Political Science, Nagpur University, India (1984)**

Mr. Oyile was born on 2nd February 1956 and he is an independent AU Council member having Joined on 8th November, 2019.
He served as a Deputy County Commissioner, Provincial Local Government Officer from July 2003- January 2007. He worked as a District Officer and Administrative, Officer, and as an Assistant Secretary in the Ministry of Finance, Planning and National Development, Department of Regional and International Cooperation.



CPA Samuel Kabiaru
Council Member

- **Master of Business Administration (MBA), Kenyatta University**
- **Bachelor of Science Degree in Agribusiness, Egerton University**
- **Certified Public Accountant - CPA(K)**
- **Member of ICPAK**

Mr. Samuel Kabiaru was born on 19th September, 1983 and he is an independent AU Council member having joined on 8th November, 2019. He is also the chair Academic research and Extension(ARE) Committee of Council.
He is in the banking industry and currently serving as the Branch Manager of I&M Bank, Nyeri.



Ms. Stella Osoro
Council Member

- **Master's degree in Economics and Bachelor's degree in Economics from University of Nairobi**
- **Certified Public Accountant (CPAK)**

CPA Stella is an Alternate Director, National Treasury and Planning having joined the Alupe University Council on 8th January, 2024.
She is an accountant with an MBA in Economics and CPAK.
She is a seasoned public finance management and public sector economist with experience of 16 years
Her experience is in Sovereign debt management, fiscal policy, risk and public finance management.
She currently works as a Public Sector Economist at the National Treasury. Her work entails development, overseeing, review and monitoring implementation of reforms, policies and capacity building.



Mrs. Phillys Chepkemboi
Council Member

- **MBA (Human Resource Management) Degree from Maseno University in 2012.**
- **Post Graduate Diploma in Law from Kenya School of Law, attained in 2008**
- **Bachelor of Law (LLB) Degree from Moi University in 2004**
- **Currently Undertaking CPSK training from KASNEB**

Mrs. Phyllis was born on 6th August, 1981 and she is an independent AU Council member having joined on 8th November, 2019.She is also the chair of Human Resource Development and Administration (HRDA) Committee of Council.
Currently, she is the managing partner at Chepkemboi Phyllis & Associates Advocates (CPAA). She also worked with Lake Victoria South Water Services Board in 2011 and Mumma Nyagaka & Company. Advocates in 2005.
She is an Associate Member of Mediation Training International.
Member of Law Society of Kenya, and FIDA – Kenya,
She is a Life member of Kenya Red Cross.



Mr. John Gogo
Council Member

- **Master of Business Administration (Strategic Management) Jomo Kenyatta University of Agriculture and Technology -2015**
- **Bachelor of Education (Arts), Egerton University-2004**
- **Diploma in Management (Project planning), Kenya Institute of Management-2011**

Mr. Gogo was born on 3rd August, 1979. He is an Alternate Council Member of Ministry of Education, State Department for Higher Education and Research having joined on 28th November, 2024. He currently serves as an Assistant Director of Education. He is a full member of Kenya Institute of Management, an educationist and has experience in policy formulation, strategy implementation and youth mentorship.



Mr. Mohammed Ali H. Dahir
Council Member

- **Master of Science degree in Management Information Systems from University of Nairobi in 2004**
- **Bachelor of Science degree in Physics and Mathematics from University of Nairobi.**

Mr. Ali was born in 1974 and he is an independent AU Council member having joined on 8th November, 2019. He is also the chair Audit committee of Council.
He currently works with UNCHR in Kakuma as the Project Manager in delivery of education content and is the CEO of Future -Tech in Nairobi. From 2010 to 2016, he worked as the Director, Future- Tech. Between 2005 and 2008, he was the Senior Documentarist and Information Management Officer at NEPAD. He also worked with HASS Petroleum Limited Nairobi as a Supplies and Information Manager from 2003 – 2004.He was a TSC Teacher from 1998 – 2003.



Dr. Leonard Kinyulusi
Council Member

- **Doctor of Philosophy: Project Planning and Management from University of Nairobi in December 2019**
- **Master of Arts: Project Planning and Management in August 2014 University of Nairobi**
- **Bachelor: Education Arts November 2003 Moi University**
- **Project Manager, President's Award Kenya (a Government Agency Licensed and working in partnership with The Duke of Edinburgh's International Award), Developing a Communications Strategy and a Brand Manual- Ongoing.**

He works with AgriBiz (a Kenya Climate Innovation Centre in partnership with the European Union, Danida and the Government of Kenya), Mentor.
March 2022-March 2023, Member, Political Parties Disputes Tribunal, Judicial Service Commission. He is also the chair Finance planning and development (FPD) committee of council.
He was a Senior Director with almost 20 years' experience in government and private sector affairs.
Dr. Leonard Kinyulusi is the Founding and Managing Director at Three Dimension (3D) Africa Communications Ltd. and Geekan Kenya Ltd, which are private Consultancy Firms in Kenya that serve Kenya's public and private sectors.
Dr. Leonard Kinyulusi has recently sat on the Judicial Bench of Political Parties Disputes Tribunal in Kenya as a member and was also an Adjunct Faculty of Project Management and Fundraising at the United States International University-Africa from 2019 to June 2022.



Prof. Peter L. Barasa-
Secretary to Council

- **Vice Chancellor**
- **Ph.D.,**
- **Master of Education**
- **Bachelor of Philosophy,**
- **Postgraduate Certificate in Research (The University of Hull, UK)**
- **Diploma in Education (English and Literature- Siriba T.T.C.).**

Vice Chancellor and Chief Executive Officer,Alupe University

4. Key Management Team

2. Key Management Team



Prof. Peter L. Barasa

- Vice Chancellor
- Ph.D.,
- Master of Education
- Bachelor of Philosophy,
- Postgraduate Certificate in Research (The University of Hull, UK)
- Diploma in Education (English and Literature- Siriba T.T.C.).

Vice Chancellor and Chief Executive Officer, Alupe University



Prof. Margaret N. B. Orina

- Deputy Vice-Chancellor (Academic Research and Student Affairs)
- PhD in Applied Linguistics
- Master of Arts in English Language and Linguistics
- Bachelor of Education in English Language and Literature
- Professional member of the English Language Teaching Contacts Scheme (ELTRCS)
- Professional member Kenya Scholars and Studies Association (KESSA)

Deputy Vice-Chancellor (Academic Research and Student Affairs) and head of Academic, Research and Student Affairs Division



Prof. mahero Toboso

- Ag. Deputy Vice Chancellor (Administration, Finance and Development)
- PhD in Kiswahili and other African Languages Moi University 2016
- Masters in Kiswahili and other African Languages 2012
- Bachelor of Education Arts Kenyatta university 199

Ag. Deputy Vice Chancellor (Administration, Finance and Development) at Alupe University



Dr. Pamela Nyongesa

- Senior Assistant Registrar (Academics)
- PhD in Business Administration (Human Resource Management Option) - Jaramogi Oginga Odinga University of Science and Technology - 2024
- Master of Science in Human Resource Management - Masinde University of Science and Technology - 2013
- Bachelor of Education Arts (B.Ed.) Moi University – 1994
- Member. Kenya Institute of Management (KIM)
- Associate Member, Institute of Human Resource Management (IHRM)

Senior Assistant Registrar (Academics) at Alupe University.



CPA. Imelda Akhonya

- **Deputy Finance Officer**
- **HOD, Finance**
- **Master of Business Administration (MBA)-(Finance Option)-UoN- 2016**
- **Bachelor of Commerce (BCOM)-(Accounting Option) - KCA University 2013.**
- **CPA(K)**
- **ICPAK Member**

She is the Deputy Finance Officer and head of Finance Department at Alupe University.

5. Council Chairperson's Statement

It is with great pleasure that I present this annual progress report for the year ending 30th June 2025. During the year under review, Alupe University conducted its 3rd graduation ceremony and conferment of bachelor degrees and diplomas for the 4th cohort of students on 6th December, 2024 at the University grounds. While the 1st and 2nd graduation ceremonies were held on 18th January 2023 and on 8th December, 2023 respectively at the University grounds after the University was awarded a Charter on the 2nd of August 2022. The 1st cohort of students graduated under Moi University in December 2021 when we were still a Constituent College of Moi University.

Alupe University is cognizant of the need to review and or develop new programmes to align with the Competence Based Education (CBE) and provide holistic education to the learners. This aims to maintain and enhance quality of education by ensuring that the curriculum aligns with established standards, best practices and accreditation requirements fostering confidence among stakeholders in the University's academic programmes. The University has so far reviewed all the current programmes and developed six (6) new programmes.

Alupe University managed to recruit new members of staff (both teaching and non-teaching) during the year under review; and reviewed/promoted members of staff who had served in the University for more than 3 years. The University appointed it's first Professors in February 2025 whereby six senior lecturers who met the requisite qualifications were promoted. In addition, the University procured a comprehensive medical cover for the members of staff.

Research is integral to the mission of Alupe University and the society at large, driving innovation, education, economic development, and societal progress. A strong research profile enhances institutional prestige, ranking, and competitiveness on a global scale, attracting collaborations and partnerships with other leading organizations. In the year under review (2024-2025) Alupe University funded 8 research proposals (2 proposals in each school). The University faculty published several research articles in the referred journals. The University intents to establish a research Centre and a multi-disciplinary Research Journal.

Development projects are initiatives aimed at improving the social, economic and environmental well-being of individuals, communities or nations. Alupe University is rapidly expanding it's

infrastructure development projects as per its work plan. The University progressed with the construction of the Student Hostel through the affordable Housing programme, Construction of Tuition Block and associated Works in the year under review; however, this slowed down due to revision of allocated capital grants to zero. It's my humble plea to the Government to continue funding the project so that it's completed on time to facilitate efficient learning space with the increased number of students.

During the year, the Council negotiated, vetted and implemented the performance contract for FY 2024/2025. The University, despite the inadequate funds, implemented most of the targets that were set in the performance contract.

Alupe University has undergone a rigorous process of strategic planning to develop a roadmap for the institution's growth and development over the next five years (2024-2028). The Strategic Plan's key strategic goals are: Improve the quality of education and training; Strengthen capacity for research, innovation and climate action; Enhance governance and Leadership; Strengthen institutional capacity; Establish adequate and appropriate student support systems. This was launched in December 2024.

I wish to extend my special thanks to all members of the Council who have diligently supported the University Management during the past year, enabling it to achieve the goals of the institution. I also thank the University Management under the leadership of the Vice-Chancellor for the prudent management of the limited resources.

As we commence the 2025/2026 fiscal year, I wish to assure the Government, the University Management, and the Staff, of the Council's dedication towards mobilizing resources and providing insightful and supportive oversight to management, to facilitate the achievement of the institution's objectives and plans for the next fiscal year.



CHAIRPERSON

DR. VIRGINIA KIMANI **Date:** 21/10/2025

6. The Vice Chancellor's Report

Alupe University was established on 2nd August 2022 vide the Award of the Alupe University Charter 2022. It was formerly Alupe University College established on 24th July 2015 vide a Legal notice number 153 as a Constituent University of Moi University. The University is a body corporate established under Alupe University Charter 2022 within the provisions of the universities Act 2012. Alupe University is domiciled in Kenya and so far, has no branches. The University Council was appointed under special gazette notice No 151 of 5th August 2022.

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Alupe University has undergone a rigorous process of strategic planning to develop a roadmap for the institution's growth and development over the next five years (2024-2028). The Strategic Plan's key strategic goals are: Improve the quality of education and training; Strengthen capacity for research, innovation and climate action; Enhance governance and Leadership; Strengthen institutional capacity; Establish adequate and appropriate student support systems. In addition, the University intends to launch new academic programmes aligned with emerging fields and market demands; establishing centers of excellence to promote interdisciplinary research and innovation; strengthening industry-academia partnerships to enhance employability and entrepreneurship among graduates; inbuilt systems that contribute to attainment of United Nations SDGs, Kenya's Vision 2030, The African Union Agenda 2063, Governments Bottom-Up Economic Transformative Agenda (BETA), and East African Community Vision 2050; upgrading IT infrastructure and digital resources to support learning and research; among others. The Strategic Plan represents a collective vision for the future of Alupe University; and believed that the strategic priorities and key initiatives outlined in the plan will position the University as a leading institution of higher learning and contribute to the socio-economic development of the region and beyond. The Strategic plan was launched in December 2024.

Nevertheless, while we are grateful for the support from Government which has facilitated the above achievements, we faced a number of challenges that collectively had a negative impact on the achievement of the institution's strategic and operational objectives. The main driver of the challenges is inadequate financial resources and delay of disbursement of funds by the University funding Board and Higher Education Loans Board. This has negatively hampered the operations of the University. During the year under review, the University made a surplus of Kshs 144Million, however Kshs 118Million was receivables out of which HELB owed us Kshs 40Million while UFB owed us Kshs14Million and the rest was attributed to household. This negatively hampered operations of the University and it led the University not to honor the Tuition block contractors' certificate of Kshs 37Million. The surplus was transferred to capital budget to fund the capital projects as their implementation solely depended on Internally Generated revenue. We are optimistic that the funds will be disbursed in the new financial year

The funding of the Alupe University has been low as compared to the increased student numbers and staff. This needs to be up-scaled given its focus on the sciences and the health sciences. Nevertheless, the University has improved in its internally generated revenue with increased student enrollment although it's not still sufficient to sustain it in its progress. It is our humble plea to the Government to fund personnel emoluments fully and the recurrent operations budget as much as possible. It has been a challenge during the year under review to operate with GOK grant of Kshs. 214Million against employee costs of Kshs. 275Million.

Alupe University needs to develop the entire needed infrastructure on its 200 acres of land that a university needs. Alupe University started from scratch as it did not take over any structures or an existing institution. It started its operations in facilities offered to it by the Alupe Sub- County Hospital with the understanding that in the long run the hospital shall benefit through infrastructure upgrade as the health sciences programs are developed by the University College.

I wish to thank the University Council for its tireless efforts in steering the University this far since its first year of operations despite all the challenges of starting a University College with limited resources.



DATE: 21/10/2025

PROF. PETER BARASA
VICE CHANCELLOR

7. Statement of Performance against Predetermined Objectives for FY 2024/25

As stipulated in Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012, we have included in the financial statement, a statement of the national government entity's performance against predetermined objectives.

Alupe University has five (5) strategic pillars and objectives within its Strategic Plan for the FY 2024-2028. These strategic pillars are as follows:

1. To enhance the quality and quantity of infrastructural facilities
2. To attract and retain qualified personnel
3. To establish strategic partnership with industry and academia
4. To initiate and advocate for sustainable climate solutions
5. To improve stakeholder engagement
6. To ensure prudent financial management and optimal use of resources

Alupe University develops its annual work plans based on the above 6 pillars. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2024/2025 period for its five (6) strategic pillars, as indicated in the matrix below:

Implementation Matrix FY 2024/2025					
#	**Strategic Pillars**	**Strategic objectives**	**Strategies/ Activities**	**Key Performance indicator**	**Achievement**
1	Infrastructure development	To enhance the quality and quantity of infrastructural facilities	Construct additional infrastructures	Number of constructions	Constructed tuition block to first floor level
		To integrate ICT into the University's systems and operations	Acquire and maintain ICT infrastructure	Purchase of ERP systems and integration with the Universities operations	Purchased ERP systems and integrated with the Universities operations. Uploaded the payment services to the e-citizen for access by the stakeholders. These are fees payment, funeral home payment services,
2	Staffing	To attract and retain qualified personnel	Develop a comprehensive plan to attract and retain qualified personnel	Number of qualified personnel retained	Ten (10) qualified personnel were retained through promotion to Associate Professors (6) Librarian (1), Senior lecturer (2), senior accountant (1)

3	Partnerships and linkages	To establish strategic partnership with industry and academia	Develop partnership MOUs with relevant institutions	Number of Partnerships established	Two (2) partnerships were established i. MOU between Life Care Hospital and Alupe University ii. MOU between County Government of Busia and Alupe University
4	Climate Action	To initiate and advocate for sustainable climate solutions	Develop nurseries and plant trees	Number of tree seedlings planted	Planted 12,000 tree seedlings during the short and long rains.
5	Engagement and Communication	To improve stakeholder engagement	Utilize digital form of communication for engagement Engage the community and dragonize the problems and offer solutions	Type of communication form utilized Number of times engaged the community	Engaged the community (students and parents/public) through website, WhatsApp and bulk SMS Health Science students engaged the community twice (2) during the Community Based Education programmes

6	Financial sustainability and resource mobilization	To ensure prudent financial management and optimal use of resources	Income generating activities enhanced Enhance the enrolment of self - sponsored students	Number of incomes generating activities in operation Number of self- sponsored students	The cafeteria and funeral home income generating services were operational and collected over 3M In additional to the undergraduate students enrolled for self-sponsored, we have further enrolled the TVET students on self-sponsorship

8. Corporate Governance Statement

Alupe University affirms its commitment to upholding high standards of corporate governance designed to protect the interests of all stakeholders while promoting the highest standards of integrity, transparency and accountability. A key objective of the institution's governance framework is to ensure compliance with legislative and regulatory requirements including compliance with the Constitution of Kenya, Public Finance Management Act, 2015 and Public Procurement and Disposal Act.

1.1 Council meetings

The Council meetings were held on a quarterly basis and the first meeting was held on 18th and 19th of July 2024 for the Sub-committees and 26th July 2024 for the full Council. The full Council had 2 special meeting in September on 24th 2024 to deliberate on SCAC evaluation in quarter I of the financial year. Sub-committees had their second, third and fourth meetings on 7th and 8th October, 2024, 28th and 29th October, 2024, October 8th and 15th 2024, December 6th 2024. The full Council had their third, fourth and fifth special meetings on 13th and 14th January 2025, Full council meeting on 24th January 2025, 14th February 2025 and 3rd March 2025 to deliberate on SCAC. Further, the full council held their third meeting on 1st 2nd,3rd,4th and 28th April, 2025 and special council meeting on 22nd and 23rd April 2025, 26th May 2025 and 23rd June 2025. The last full council meeting was held on 30th June 2025.

1.2 Succession plan

To ensure continuity and succession in the University Council, members of the Council at their first meeting after appointment determined by lot which two of their members shall vacate office after a period of three and four years respectively to ensure continuity in the activities of the Council as per section 35(5) of the Universities Act. In addition, the council members were not appointed on the same day. However, appointment of Council members is vested with the Cabinet Secretary and therefore the Council may not fully determine this succession plans.

1.3 Existence of a Council charter

The Council has a charter in place for guidance while defining the University's strategies, objectives and values and ensures that the procedures and practices are set up in place to ensure effective control over strategic, financial, operational and compliance issues.

1.4 Process of appointment and removal of Council Members

Appointment of Council members at Alupe University was pegged on the Universities Act 2012, whereby the appointment is done by the Cabinet Secretary, Ministry of Education in accordance with Section 36 of the Universities Act 2012 amended 2016 2018 and 2020. The governance parameter on process of appointment of council members as the oversight body was transparent and formal. The Council members include the Chairperson, two Principal Secretaries in charge of university education and finance respectively, five members appointed by the Cabinet Secretary through an open process and the Vice Chancellor of Alupe University who is an ex officio member of the council as per Section 36(1) of the Universities Act. The Council members bring their diverse experience and qualification into the Council's deliberations.

Removal of Council members is as stipulated in section 11 of the Alupe University Charter, the Universities Act 2012 and the State Corporations Act.

1.5 Roles and functions of the Council

As a steward of the University resources, the Council formulates policies that guide in the resource planning, mobilization, allocation and provides conducive environment for the implementation of its objectives. These are driven through council meetings which are held once in each quarter. During the financial year 2023/2024, there were four full quarterly council meetings and there was quorum in each of them. The council on the other hand has set up 4 sub-committees with well- defined terms of reference to discharge on its behalf specific mandates in order to hasten specific decisions relating to the given mandates so as to attain efficiency and effectiveness in the overall discharge of responsibilities.

The sub-committees include;

(a) Academic, Research and Extension;
(b) Finance, Planning and Development;
(c) Human Resource, Development and Administration; and
(d) Audit Committee.

The functions of full council meetings and sub- committee meetings include the following:

a) Acquire land, buildings, premises, furniture and equipment including specialized scientific

equipment, vehicles, and machinery and other means and facilities required for carrying out work and achieving the objects of the University in accordance with the Charter;

(b) Make the appointments authorized by the Order and these Statutes;

(c) Establish, confirm, abolish or suspend any professorship, lectureship or other academic posts on the recommendation of Senate;

(d) Promote and make financial provision and facilities for research within the University;

(e) Make new or additional Statutes, and alter, amend or revoke existing statutes on recommendation of the senate.

(f) Create or abolish faculties, schools, institutes, departments, divisions, centers or other units of learning and research of the University from time to time on the recommendation of the Senate, in accordance with and as provided by the Statutes;

(g) Plan, govern, manage and regulate the finances, accounts investments, property, business and all affairs of the University;

(h) Determine the fees payable to the University on recommendations of senate etc.

1.6 Induction and training

The new Council members were appointed on 5th August, 2022 and were inducted on 21st – 25th August 2023 by SCAC. Council members were also trained in April 2025

1.7 Council and member performance

The evaluation of the Council was conducted on 3rd March 2025 by SCAC.

1.8 Conflict of interest

In each meeting a conflict-of-interest register was signed by all members present and in the financial year no conflict of interest was declared by any member.

1.9 Council Remuneration

Remuneration of the Council members is pegged on meetings attended as they are paid sitting allowance for each meeting attended and night out for the period; they are on university official function as per the rates provided for in the national treasury circular for payment of sitting

allowances and per diems. The chairperson is also entitled to a monthly honoraria and telephone allowance.

1.20 and conduct as well as governance audit.

Council evaluation for 2024/2025 FY was conducted in March 2025 and the evaluation report is due for presentation in July 2025.

FULL COUNCIL MEETINGS

2.1 Almanac of Meetings for Au Council 2024/2025

MONTH	COUNCIL	AUDIT	FPD	HRDA	ARE	SCAC Evaluation
JULY 2024	26th	19th	19th	18th	18th	
AUG						
SEP			24th			
OCT	28th ,29th	8th	8th	7th	7th	
NOV	8th , 15th					
DEC	6th					
JAN 2025	24th	14th	14th	13th	13th	
FEB	14th					
MAR	3rd					3rd
APR	1st ,2nd 3rd 4th ,28th	23rd	23rd	22nd	22nd	
MAY			26th			
JUNE	30th		23rd			

Note: All meetings start at 9.00am unless otherwise specified in the invitation memo.

2.2 The Council Meeting Attendance

The Council consists of ten members inclusive of the Vice Chancellor as the Secretary. The Council members and their meeting attendance are indicated below;

FULL COUNCIL ATTENDANCE PER INDIVIDUAL						
		1ST QUARTER	2ND QUARTER	3RD QUARTER		4TH QUARTER
No.	**Name**	**26.07.2024**	**15.11.2024**	**3.03.2025**	**28.04.2025**	**30.06.2025**
1.	Dr. Virginia Kimani	✓	✓	✓	✓	✓
2.	Dr. Leonard Kinyulusi	✓	✓	✓	✓	✓
3.	Ms. Phyllis Chepkemboi	✓	✓	✓	✓	✓
4.	Mr. Samuel Kabiaru	✓	✓	✓	✓	✓
5.	Mr. Joseph Oyile	✓	✓	✓	✓	✓
6.	Mr. Festus Marangu (Retired)	✓	X	X	X	✓
7.	Mr. Mohammed Ali	✓	✓	✓	✓	✓
8.	Ms. Stella Osoro	✓	✓	✓	✓	✓
9.	Mr. Darius Ogutu (Retired)	✓	✓	X	X	X
10.	Prof. Peter Barasa	✓	✓	✓	✓	✓
11.	Mr. John Gogo	X	X	✓	✓	✓
12.	Ms. Christine Nanjala	X	X	✓	✓	✓
	In-Attendance					
13.	Grace Murungi	X	X	✓SCAC	X	
14.	Michael Njihia	X	X	✓ SCAC	X	

Council Committees Meeting Attendance

AUDIT AND RISK MANAGEMENT COMMITTEE					
		1st Quarter	**2nd Quarter**	**3rdQuarter**	**4th Quarter**
No.	**Name**	**19.07.2024**	**8.10.2024**	**14.01.2025**	**23.04.2025**
1.	Ms. Phyllis Chepkemboi	✓	✓	✓	✓

AUDIT AND RISK MANAGEMENT COMMITTEE					
		1st Quarter	**2nd Quarter**	**3rdQuarter**	**4th Quarter**
2.	Mr. Darius Ogutu (Retired)	✓	✓	X	X
3.	Ms. Stella Osoro	✓	✓	✓	✓
4.	Mr. Festus Marangu (Retired)	✓	✓	X	X
5.	Mohamed Ali	✓	✓	✓	✓
6.	Ms. Christine Nanjala	x	X	✓	✓
7.	John Gogo	x	X	✓	✓
	In- Attendance				
8.	Mr. Norbert Musina	✓ (Internal Auditor)	x	✓	✓

HUMAN RESOURCE DEVELOPMENT AND ADMINISTRATION					
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
No.	**Name**	**18.07.2024**	**7.10.2024**	**13.01.2025**	**22.04.2025**
1.	Mr. Joseph Oyile	✓	✓	✓	✓
2.	Ms. Phyllis Chepkemboi	✓	✓	✓	✓
3.	Ms. Stella Osoro	✓	✓	✓	✓
4.	Dr. Darius Ogutu (Retired)	✓	X	x	X
5.	Ms. Christine Nanjala	x	x	✓	✓
6.	Mr. John Gogo	x	x	✓	✓
7.	Prof. Peter Barasa	x	✓	✓	X

ACADEMIC RESEARCH AND EXTENSION					
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
No.	**Name**	**18.07.2024**	**7.10.2024**	**13.01.2025**	**22.04.2025**
1.	Mr. Mohammed Ali	✓	✓	✓	✓
2.	Mr. Samuel Kabiaru	✓	✓	✓	✓
3.	Mr. Darius Ogutu (Retired)	✓	X	x	X
5.	Ms. Stella Osoro	✓	✓	✓	✓
6.	Dr. Leonard Kinyulusi	✓	✓	✓	✓

7.	John Gogo	X	X	✓	✓
8.	Prof. Peter Barasa	✓	✓	✓	✓

FINANCE PLANNING AND DEVELOPMENT					
		1st Quarter	**2nd Quarter**	**3rd Quarter**	**4th Quarter**
No.	**Name**	**19.07.2024**	**08.10.2024**	**14.01.2025**	**23.04.2025**
1.	Mr. Samuel Kabiaru	✓	✓	✓	✓
2.	Dr. Leonard Kinyulusi	✓	✓	✓	✓
3.	Ms. Stella Osoro	✓	✓	✓	✓
4.	Dr. Joseph Oyile	✓	✓	✓	✓
5.	Mr. John Gogo	X	X	✓	✓
6.	Prof. Peter Barasa	X	✓	✓	✓

9. Management Discussion and Analysis

SECTION A

a.) Core Business

Alupe University has the mandate of teaching, research and community outreach. Teaching, learning and research take place in academic departments which make up the four schools of the University namely the school of: -

i. School of Health Sciences

ii. School of Science Technology and Engineering

iii. School of Education and Social Sciences and

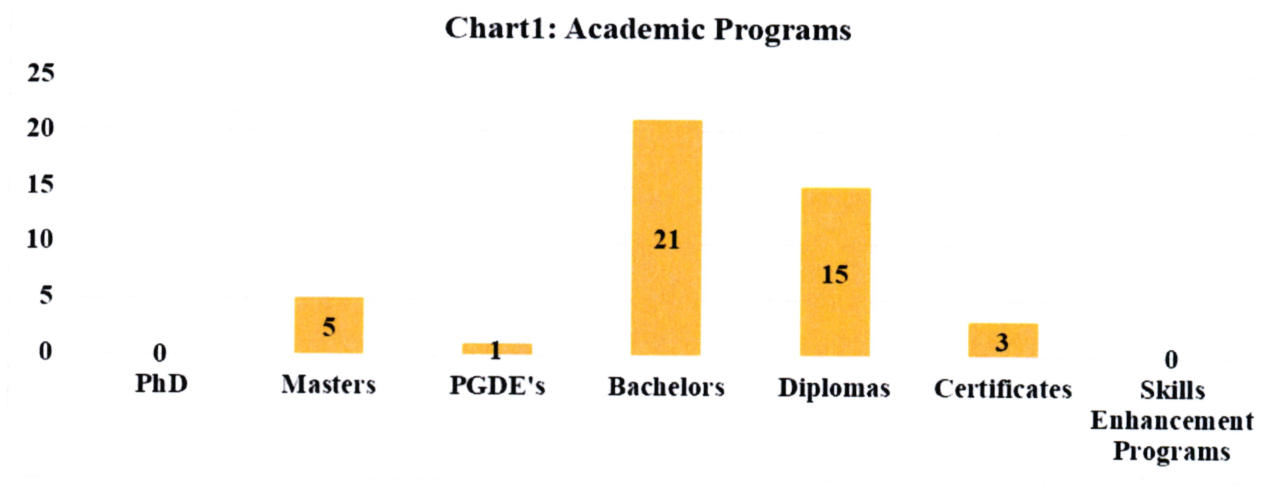
iv. School of Business, Economics and Human Resource Development.

b.) Academic programs

At the moment the university is offering three programs at Certificate level, fifteen programs at Diploma level, twenty-one programs at bachelors' level, one program at post graduate diplomas and five programs at Masters Level all at full time basis as shown in ***Table 1 and Chart 1 below.***

Table1: Academic Programs

LEVEL	PhD	Masters	PGDE's	Bachelors	Diplomas	Certificates	Skills Enhancement Programs	Total
Number of Programs	0	5	1	21	15	3	0	**45**
Mode of Study	n/a	Full time	Full time	Full time	Full time	Full time	n/a	**n/a**



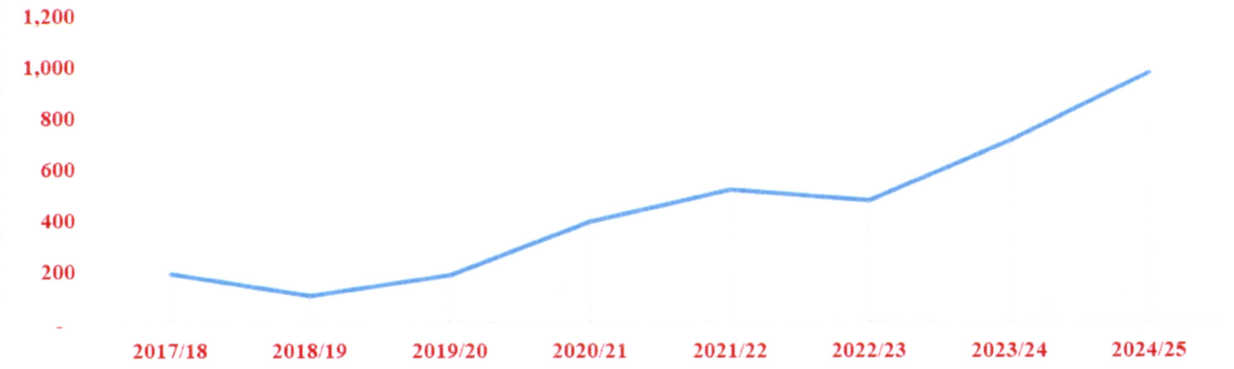
c.) Student Enrollment

In FY 2024/2025 academic year Alupe University had a total enrollment of 973 students of which 943 are Government sponsored students placed by KUCCPS and 30 students are privately sponsored students as tabulated in table 2 below.

Table2: Student Enrollment

Level	Student Enrollment For Each Year								
	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**Total**
PhD	-	-	-	-	-	-	-	-	-
Masters	-	-	-	-	10	4	1	2	**17**
PGDE	-	-	3	-	3	-	1	3	**10**
Undergraduates	185	98	175	389	490	466	669	943	**3,415**
Diplomas	3	7	4	1	12	2	35	25	**89**
Certificate	-	-	-	1	1	-	-	-	**2**
Total	**188**	**105**	**182**	**391**	**516**	**472**	**706**	**973**	**3,533**

Chart2: Student Enrolment



The University's strategy to enhance enrolment includes vigorous marketing of the privately sponsored programs through exhibitions, road shows, career talks, brochures among others in a bid to attract students even across borders since the University is on the border of Kenya and Uganda.

d.) Alupe University Graduation matrix

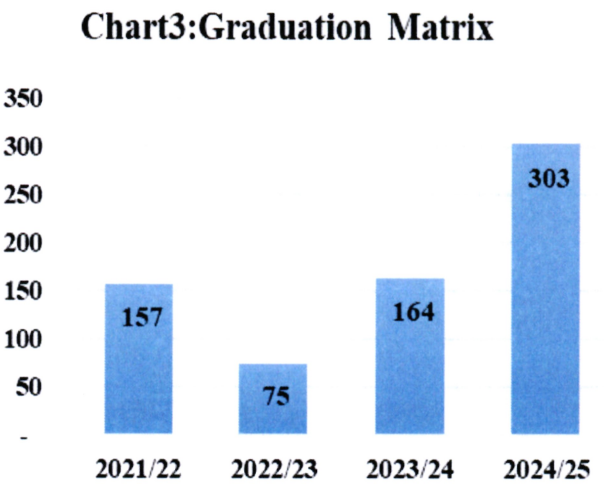
Alupe University conducted its 3rd graduation ceremony and conferment of bachelor degrees and diplomas for the 4th cohort of students on 6th December, 2024 at the University grounds. While the 1st and 2nd graduation ceremonies were held on 18th January 2023 and on 8th December, 2023 respectively at the University grounds after the University was awarded a Charter on the 2nd of August 2022.

The 1st cohort of students graduated under Moi University in December 2021 when we were still a Constituent College of Moi University.

The graduation matrix is as tabulated in Table 3 and Chart 3 on the next page

Table3: Graduation Matrix

Level	Year of Graduation				
	2021/22	2022/23	2023/24	2024/25	Total
PhD	-	-	-	-	-
Masters	-	-	-	-	-
PGDE	1	2	-	3	6
Bachelors	147	73	158	300	678
Diplomas	9	-	6	-	15
Certificate	-	-	-	-	-
Total	**157**	**75**	**164**	**303**	**699**

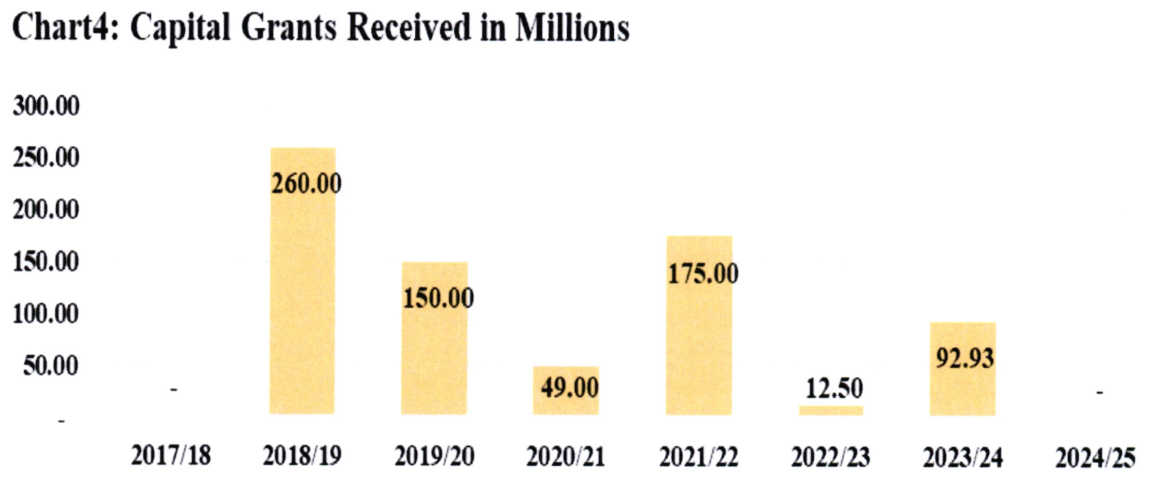


e.) Alupe University's operational and financial performance

During the period under review, the University did not receive any Development grant and has not been allocated any money for capital in the 2024/25F.
Table 4* and *Chart 4 below shows spread of capital grants received since FY 2017/2018.

Table4: Capital grants

Capital Grants	Capital Grants Received For Each Year in Millions							
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Amount	-	260.00	150.00	49.00	175.00	12.50	92.93	-

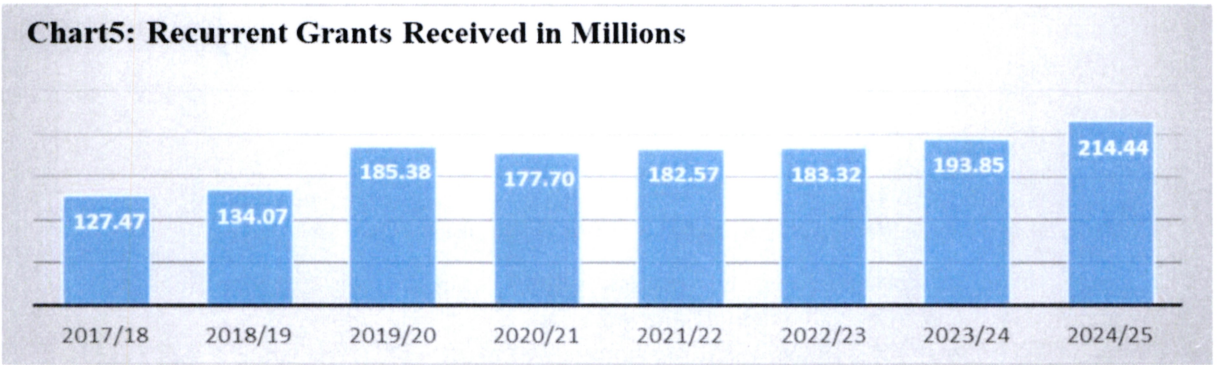


During the financial year 2024/25, Alupe university was allocated Kshs 214 million as GoK capitation by the State Department of University Education and Research out of which Kshs 11.5Million catered for 2021-2025 CBA arrears while Kshs 202 million was utilized on payment of staff salaries. The funds had been fully disbursed by 30th June 2025.

Table 5* and *Chart 5 below shows spread of recurrent grants received since FY 2017/2018.

Table5: Recurrent grants

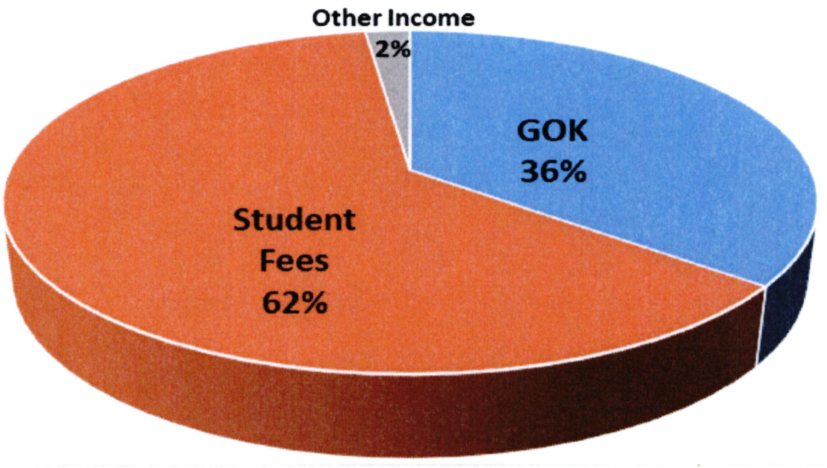
Recurrent Grants	Recurrent Grants Received For Each Year in Millions							
	2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Amount	127.47	134.07	185.38	177.70	182.57	183.32	193.85	214.44



The funds received from GOK, Student fees and other sources of income were receipted as shown in ***Table 6 and Chart 6 below.***

Table 6: Sources of revenue during the period		
Source	**% of Total Revenue**	**Amount in Kshs.**
GOK	36%	214,435,752
Student Fees	62%	373,553,290
Other Income	2%	12,598,532
Total revenue	**100%**	**600,587,574**

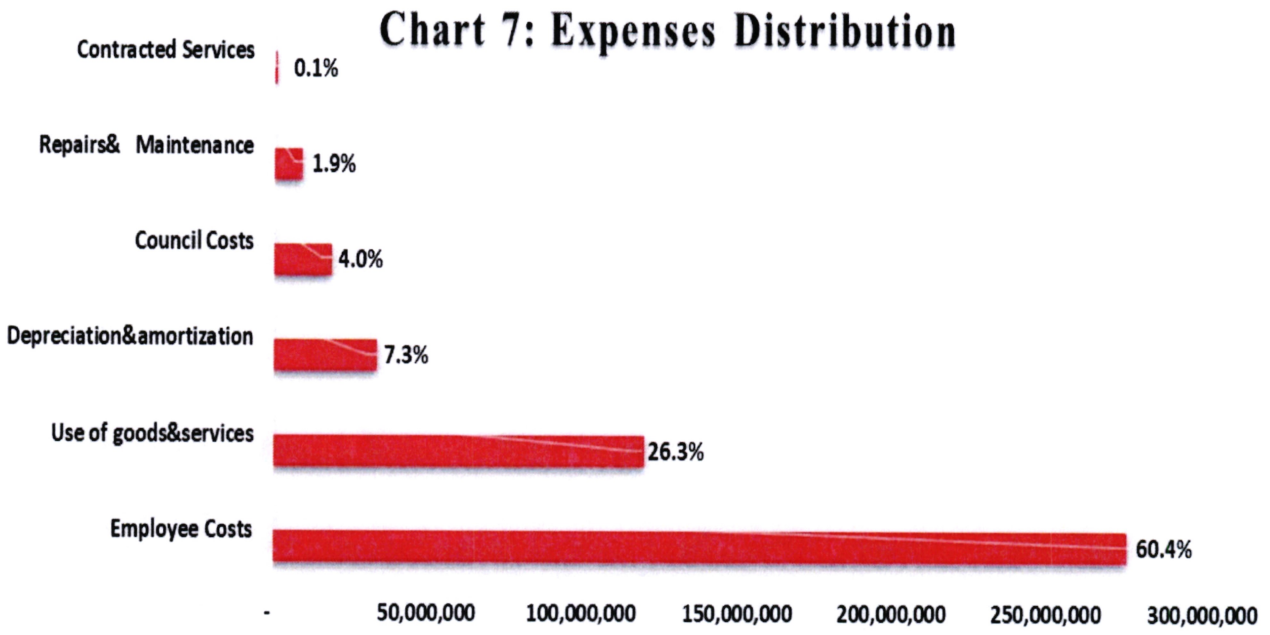
Chart 6: Sources of Revenue During the period



The funds received from GOK, Student fees and other sources of income were utilized in meeting Employee costs, rendering of services, Council remuneration and other recurrent expenditure as shown in ***Table 7 and Chart 7***

Table 7: Expenses Distribution during the period

Costs	Expenditure Class						
	Employee Costs	Use of goods & services	Depreciation& amortization	Council Costs	Repairs& Maintenance	Contracted Services	Total
Amount	275,425,392	119,820,744	33,441,514	18,351,339	8,652,491	562,032	456,253,513
%	60.4%	26.3%	7.3%	4.0%	1.9%	0.1%	



SECTION B

University's compliance with statutory requirements

During the period under review the University endeavored to adhere to the Government set statutory requirements in its operations as a legal entity, such as remittance of with-holding tax (V.A. T), P.AY. E, NHIF, NSSF, Pension and HELB within the stipulated deadlines.

SECTION C

Key projects and investment decisions the entity is planning/ implementing

During the period under review, the University was unable to progress with its capital project that had been approved during the period since the allocation for capital projects was revised to zero in supplementary 1. The University set aside Kshs 132 million for capital development from A.I.A of which Kshs. 78 million was utilized on Construction of Tuition block whereas 54 million was utilized on other capital expenditure. By end of the financial year, we had received a certificate of Kshs. 37 million that had not been settled due to late disbursement of funds by HELB and University Funding Board.

The University benefited from the affordable housing project whereby the government approved the construction of the students hostel at a cost of Kshs. 1.1Billion. The project is at 12% completion. However, the budget for this project is under the Ministry of Housing and not Alupe University.

Table 3 below shows key projects that were undertaken during the period under review.

Project Distribution	Cost in Millions	Funded by	Completion % to date
1. Construction of Tuition Block	437	GOK	35%

Ongoing Construction of Alupe University Tuition Block



Photo-1: AU Tuition Block at 35% Construction

SECTION D

Major risks facing the entity

Since the University is relatively new, it is exposed to majorly liquidity risk. Liquidity risk relates to the University's inability to meet its obligations as and when they fall due. The University has operated with limited funds disbursed by the Government and therefore it ensures that it has sufficient cash on demand before incurring any operational expenditure.

During the period under review the university identified two (2) major potential risks and their mitigation measures as shown in ***Table 4 below***

Table 9: Identified high risks and the mitigation measures

S/N	Identified Potential Risk	Mitigation Measures
1	Liquidity Risk	The University has put mechanisms in place to ensures that it has sufficient cash on demand before incurring any operational expenditure. The University faces this risk due to delayed funding and budget cut. To avert this, the University keeps on revising its budget from time to time so as to operate within the available budget.
2	Inadequate Teaching and Learning Facilities	Through government funding the university has constructed Lecture rooms, laboratories and Library Phase 1 which is at 100% completion.

SECTION E

Material arrears in statutory/financial obligations

Alupe University did not have any material arrears this financial year.

SECTION F

The University's financial probity and serious governance issues

Alupe University did not have any financial probity and there was no report against it during the year.

10. Environmental and Sustainability Reporting

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

i. Sustainability strategy and profile

Alupe University is a science focused institution whose core mandate is teaching, research and extension. Being a young university, having started as a constituent college of Moi University in 2017 and later chartered in 2022, it is committed in its sustainability even with limited resources. The institution has engaged in publicity strategies aimed at attracting more self-sponsored students from within Kenya beyond boarders as well as establishing income generating activities such as a welfare/funeral home so as to mobilize resources. The University has come up with strategies to keep wage bill sustainable such as outsourcing non-core functions and activities.

The institution has also signed international collaborations with foreign universities and research institutions such as Vives University, Arden University and University of East Carolina There are also existing MOUs with the County Government of Busia and research and training institutions such as KEMRI, KALRO, Lake Basin Authority and the Kenya Chamber of Commerce and Industry with the aim of establish university-industry links and a long term goal of having an industrial park within the university.

ii) Environmental Performance

Alupe University is committed to upholding national and international policies and guidelines on the preservation of the environment and mitigation to climate change. Waste disposal measures are in place where garbage waste is collected in strategically located waste bins around the university sorted and disposed of by burning and incineration for medical waste. Effluent from laboratories is disposed of in separate septic tanks from the normal human waste ones. The institution works closely with the health authorities in the County for solid medical waste management through recommended medical waste guidelines.

NEMA approved all buildings before the University infrastructure was established. Elaborate greening programme has been put in place where trees have been planted yearly within the University compound with the recent presidential directive on tree planting boosting the exercise.



Plans are also underway to establish a botanical garden and an agricultural demonstration farm within the university.



Employee welfare

Alupe University upholds employee welfare with high esteem in line the provisions of the 2010 constitution of Kenya and other existing provisions of laws and regulations.

The University has policies guiding the hiring process of staff. These are:

i) Alupe University Human Resource Manual
ii) Alupe University Statutes
iii) Scheme of Service for non- teaching staff
iv) Commission for University Education Harmonized Criteria for Appointment and Promotion of Academic Staff in Universities in Kenya
v) Moi University Academic Staff Appointment and Promotion Policy
vi) Public Service Commission Human Resource Policy Manual, 2016
vii) Labor laws (Employment Act, Labor relations Act 2007, Institutions Act, Occupational safety Health Act, Work Benefits Injury Act 2007).

The process involves stakeholder engagements where user departments determine their staffing needs and make requests for such staff. Students as the key stakeholders have their representatives in the Senate where issues concerning staffing needs for the Academic Division are deliberated.

Currently the University has a workforce of 127 both teaching and non-teaching staff with a gender (male: female) ratio of 66:40. However, the ethnic diversity has not be fully achieved owing to the small workforce and the immediate needs of the institution. However, the trajectory shows that this will be achieved over a few years.

The University allows staff to take study leaves and where possible facilitating them to attend capacity building seminars and workshops in their areas of specialization as well as organizing relevant in-house trainings and workshops. Despite having no monetary reward system in place, the institution carries out annual staff appraisal to evaluate the performance of all staff.

The university has complied with OSHA (2007) and has a Fire and Disaster Management Policy as well as a Fire Master Plan in place. The University conducts sensitization workshops on safety and Standard Operating Procedures (SOPs) and provides Personal Protective Equipment (PPEs) for its staff.

iii) Market Place Practices

a) Responsible Competition Practice.

The university has responsible political involvement by maintaining principle of neutrality on political matters. Staff recruitment is open fair and competitive through advertisement in the university website and newspapers with national circulation.

The University promotes fairness in procurement process by employing open and competitive procurement methods for goods and services. The institution also has anti-corruption prevention committee in place.

b) Responsible Supply Chain and Supplier Relations

Alupe University adheres to regulatory requirements governing Procurement and Supply Chain Management such as Public Procurement & Asset Disposal Act 2015 and Regulations of 2020 to ensure fair procurement practice and prompt payment of Suppliers and Service providers once the Procurement cycle is complete. The procurement process is open involving relevant committees comprising of different members at every stage of the procurement cycle. The University also ensured that 40% of its purchases promote the local content products. The university normally organizes for capacity building workshops to sensitize suppliers and service providers on the requirements in the procurement process.

c) Responsible Marketing and Advertisement

Alupe University maintains responsible marketing and advertisement measures. A Systems Administrator controls and uploads all contents on the University website or portal. Advertisements in the print and audio-visual media are done in a responsible manner without undercutting competitors.

d) Product Stewardship

The University has a service charter in place both in English and Kiswahili as well as in sign language (visual) with specific timelines for various services offered by the institution. It has also put in place anti-plagiarism mechanism to protect intellectual properties scholarly works.

V) Corporate Social Responsibility / Community Engagements

Alupe University has maintained healthy university-community relationship by having students reside in university identified hall of residence within the neighborhood. Students organized in small groups and clubs are involved in community activities such visiting children's homes and giving donations, cleaning market places and giving mentorship talks to basic education learners within the immediate community. Medical Science students are also involved COBES in the health centers and sub-county hospitals where they provide service in these facilities by having one on one interaction with members of the community. Students from School of Education also undertake annual teaching practice and practicum in the schools in the region.

The university supports annual research by staff within the region on issues affecting the communities and provide feedback is provided to communities through publications and workshops. The University conducts quarterly community engagements in the area of HIV/AIDS through community meetings and sensitization.

11. Report of the University Council

The Council submitted their report together with the financial statements for the year ended June 30, 2025 which show the state of Alupe University affairs.

i) Principal activities

The principal activities of Alupe University are to offer higher education, research and extension services.

ii) Results

The results of the entity for the year ended June 30, 2025 are set out on page 1 to 5

iii) Council Members

The Council members who served during the year are shown on pages (xxi) to (xxv)

iv) Auditors

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

By Order of the Council

Chairperson Council

Date: 21/10/2025

12. Statement of Council Members Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act require the Directors to prepare financial statements in respect of Alupe 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 period. The Directors are also required to ensure that the University keeps proper accounting records which disclose with accuracy the financial position of the University. The Directors are also responsible for safeguarding the assets of the University.

The Directors 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 entity; (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; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act, 2012. The Directors further confirm the completeness of the accounting records maintained by 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 Directors 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 Board on and signed on its behalf by:

Name: Dr. Virginia Kimani
Chairperson of the Council

Name: Prof. Peter Barasa
Vice Chancellor

REPUBLIC OF KENYA

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REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON ALUPE UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.

B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.

C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 Alupe University set out on pages 1 to 44, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets,

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Alupe University as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Receivables from Exchange Transactions

The statement of financial position and Note 18 to the financial statements reflects current portion of receivables from exchange transactions balance of Kshs.117,833,649. However, the balance includes receivables totalling Kshs.498,700 which have been outstanding for more than one (1) year.

In the circumstances, the accuracy and recoverability of long outstanding receivables from exchange transactions balance of Kshs.498,700 could not be confirmed.

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

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 effects of the matter 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 Matters

In the report for the previous year, several issues were raised under Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management and Governance, as detailed in **Appendix I.** Management has indicated under implementation status of Auditor-General's recommendation section of the financial statements that the issues have been resolved. However, no supporting documents were provided for audit indicating how the issues were resolved.

In the circumstances, the issues remain unresolved.

Other Information

The University Council is responsible for the Other Information set out on page vi to li which comprise of Key Alupe University Information and Management, The Council, Key Management Team, Council Chairman's Statement, Report of the Vice-Chancellor, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the University Council, Statement of University Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the University's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information 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. Holding of more Council Meetings than Stipulated

The statement of financial performance reflects council expenses amounting to Kshs.18,351,339 as disclosed in Note 12 to the financial statements. However, during the year under review, the University council held eight (8) meetings which exceeded the maximum required six (6) meetings by two (2), contrary to Part A, Paragraph 2 and 3 of Executive Office of the President Circular referenced OP/CAB.9/1A of 11 March, 2020.

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

2. Irregular Subscriptions Fees to Vice Chancellor's Committee Kitty

The statement of financial performance reflects use of goods and services amounting to Kshs.119,820,744 which, as disclosed in Note 10 to the financial statements includes subscription to regulatory bodies amount of Kshs.3,476,500. The subscriptions include a payment of Kshs.300,000 to the Vice-Chancellor's committee kitty which was made to University of Embu. However, no explanation was provided for making payment to a public university on behalf of vice-chancellor's committee kitty. Further, the basis for the payment and the legal backing for the existence of the committee was not disclosed.

In the circumstances, the regularity of the expenditure amounting to Kshs.300,000 could not be confirmed.

3. High Wage Bill above Allowed Threshold

The statement of financial performance reflects revenue totalling Kshs.600,587,574 and compensation of employees expenditure totalling Kshs.275,425,392. The compensation of employees costs constituted forty-six (46) percent of the total revenue of the University for the year under review. This was contrary to Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which requires that expenditure on compensation of employees shall not exceed 35% of the total revenue.

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

4. Irregular Use of Direct Procurement Method

During the year under review, Management approved issuance and use of imprests on procurement of goods and services totalling Kshs.363,953. However, there was no documentary evidence provided indicating that the suppliers were competitively procured. This was contrary to Section 103(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that a procuring entity may use direct procurement as allowed under Sub-section (2) as long as the purpose is not to avoid competition. Management failed to demonstrate that the purpose was not to avoid competition.

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

5. Long Outstanding Payables

The statement of financial position and Note 24 to the financial statements reflect a balance of Kshs.98,338,930 in respect of trade and other payables. However, the ageing analysis shows that payables totalling Kshs.15,907,402 have been outstanding for more than one year. The Management did not provide evidence of efforts made to settle the long outstanding payables. This was contrary to Regulation 42(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states debt service payments shall be a first charge on the Consolidated Fund and the Accounting Officer shall ensure this is done to the extent possible that the Government does not default on debt obligations.

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

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

Basis for Conclusion

1. Failure to Conduct Governance Audit

During the year under review, the University Council did not sanction for a governance audit to be carried out contrary to Chapter 1 paragraph 1.13 (1) of the Mwongozo Code of Governance for State Corporations of 2015, which mandates that the Board, in consultations with the Oversight Office, should ensure that it subjects the organization to an annual governance audit by a member regulated by the Institute of Certified Public Secretaries of Kenya (ICPSK) and accredited for that purpose.

In the circumstances, the effectiveness of the University's governance could not be confirmed.

2. Under-Staffed Internal Audit Department

Review of the University's staff records revealed that the University had only one (1) internal auditor against approved eight (8) internal auditors as per the approved staff establishment.

In the circumstances, the internal audit department could not effectively carry out its oversight role.

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 sustain services, disclosing, as applicable, matters related to sustainability of the services and using the applicable basis of accounting unless Management is aware of the intention to terminate the University or cease its 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, the Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 November, 2025

Appendix I

Unresolved Prior Year Matters

Reference No. of the Auditor-General's Report	Observation
	Report on Lawfulness and Effectiveness in the Use of Public Resources
1	Holding of More Council Meetings than Stipulated
2	Irregular Membership of Council Committees
3	Irregular Subscriptions Fees to Vice Chancellor's Committee Kitty
	Report on Effectiveness of Internal Controls, Risk Management and Governance
1	Failure to Submit Council Almanac for Approval
2	Internal Controls Weaknesses

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

Description	Notes	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6 (a)	214,435,752	193,854,767
		214,435,752	**193,854,767**
Revenue from exchange transactions			
Rendering of services	7	373,553,290	171,676,500
Sale of goods	8	36,400	4,800
Other Income	9	12,562,132	8,878,906
		386,151,822	**180,560,206**
Total revenue		**600,587,574**	**374,414,973**
Expenses			
Use of goods and services	10	119,820,744	91,125,464
Employee Costs	11	275,425,392	232,008,613
Council Expenses	12	18,351,339	12,778,687
Depreciation and amortization expense	13	33,441,514	27,073,801
Repairs and Maintenance	14	8,535,664	5,331,586
Contracted Services	15	562,032	285,790
Bank Charges	16	116,827	61,904
Total expenses		**456,253,513**	**368,665,845**
Surplus/(deficit) for the period		**144,334,061**	**5,749,128**

The notes set out on pages 6 to 28 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the University Council by:

Prof. P. Barasa
Vice Chancellor

Date: 21/10/2025

I. Akhonya
Head of Finance
ICPAK M/No. 20102

Date: 21/10/2025

Dr.V Kimani
Council Chairperson

Date: 21/10/2025

15. Statement of Financial Position as at 30 June 2025

Description	Notes	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Assets			
Current assets			
Cash and cash equivalents	17	32,883,884	29,887,929
Current portion of receivables from exchange transactions	18	117,833,649	16,158,897
Receivables from non-exchange transactions	19	-	16,154,564
Prepayments	20	5,951,779	-
Inventory	21	1,746,364	1,201,642
Total Current Assets		**158,415,674**	**63,403,032**
Non-current assets			
Property, plant and equipment	22	1,375,039,846	1,275,062,001
Intangible assets	23	-	498,666
Total non - current assets		**1,375,039,846**	**1,275,560,667**
Total assets		**1,533,455,521**	**1,338,963,699**
Liabilities			
Current liabilities			
Trade and other payables	24	98,338,930	100,712,278
Refundable deposits from customers	25	10,417,846	12,349,513
Current provisions	26	-	-
Total current liabilities		**108,756,776**	**113,061,791**
Total liabilities		**108,756,776**	**113,061,791**
Net assets			
Reserves		384,500,000	384,500,000
Accumulated surplus/deficit		1,191,347	(53,271,429)
Capital Fund		1,039,007,398	894,673,337
Total net assets		**1,424,698,745**	**1,225,901,908**
Total net assets and liabilities		**1,533,455,521**	**1,338,963,699**

The Financial Statements set out on pages 1 to 5 were signed on behalf of the University Council by:

Prof. P.Barasa
Vice Chancellor
Date: 21/10/2025

I. Akhonya
Head of Finance
ICPAK M/No. 20102
Date: 21/10/2025

Dr.V Kimani
Council Chairperson
Date: 21/10/2025

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

Description	Notes	Revaluation reserve	Retained earnings	Capital/ Development Grants/Funds	Total (Kshs)
As at 1 July 2023		**135,679,800**	**(155,684,666)**	**801,745,822**	**781,740,956**
Revaluation gain		345,484,310	-	-	345,484,310
Adjustments during the period		-	-	-	-
Surplus/Deficit for the Year		-	5,749,127	-	5,749,127
Capital/Development Grants received during the year		-	-	92,927,515	92,927,515
Transfer of depreciation from capital fund to retained earnings		(96,664,110)	96,664,110	-	-
At June 30, 2024		**384,500,000**	**(53,271,429)**	**894,673,337**	**1,225,901,908**
As at 1 July 2024		**384,500,000**	**(53,271,429)**	**894,673,337**	**1,225,901,908**
Revaluation gain			-	-	
Adjustments during the period		-	(89,871,285)	144,334,061	54,462,776
Surplus/Deficit for the Year		-	144,334,061	-	144,334,061
Capital/Development Grants received during the year	6b	-	-		
Transfer of depreciation from capital fund to retained earnings				-	-
At June 30th, 2025		**384,500,000**	**1,191,347**	**1,039,007,398**	**1,424,698,745**

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

Description	Note	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other government entities	6(c)	230,590,316	177,700,203
Rendering of services	7(a)	271,119,687	166,910,837
Sale of goods	8	36,400	4,800
Other Income	9(a)	12,653,280	8,878,906
Total Receipts		**514,399,683**	**353,494,746**
Payments			
Use of goods and services	10(b)	125,087,643	91,125,464
Compensation of employees	11(b)	270,947,094	217,345,425
Remuneration to Council	12(b)	18,575,339	12,467,687
Repairs and Maintenance	14	8,535,664	5,331,586
Contracted Services	15	562,032	285,790
Bank Charges	16	116,827	61,904
Total Payments		**423,824,599**	**326,617,856**
Net cash flows from operating activities		**90,575,084**	**26,876,890**
Cash flows from investing activities			
Purchase of PPE and intangible assets	22(e)	(87,579,129)	(173,089,478)
Proceeds from sale of property, plant and equipment		-	-
Decrease/(Increase) in non-current receivables		-	-
Net cash flows used in investing activities		**(87,579,129)**	**(173,089,478)**
Cash flows from financing activities			
Increase in deposits	6(a)		92,927,515
Net cash flows used in financing activities			**92,927,515**
Net increase/(decrease) in cash and cash equivalents		**2,995,954**	**(53,285,073)**
Cash and cash equivalents at the beginning of the year	17	29,887,929	83,173,002
Cash and cash equivalents at end of the year		**32,883,884**	**29,887,929**

Note: Cash flow statement is presented using Direct method as prescribed by PSASB for the entities under IPSAS Accri basis of accounting

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

Description	Original annual Budget	Adjustments	Final Annual Budget	Actual Cumulative to date	% of Utilization
	a	b	c=(a+b)	d	e=d/c%
Revenue					
Transfers from other governments entities	202,911,637	11,524,115	214,435,752	214,435,752	100%
Rendering of services	334,504,920	39,048,370	373,553,290	373,553,290	100%
Catering Income	2,500,000	113,802	2,613,802	2,613,802	100%
Sale of goods	10,000	26,400	36,400	36,400	100%
Other Income	5,173,443	4,250,725	9,424,168	9,948,330	106%
Transfer from recurrent to capital budget	(77,450,000)	(99,801,414)	(177,251,414)	(177,775,575)	100%
Total Income	**467,650,000**	**(44,838,002)**	**422,811,998**	**422,811,998**	**100%**
Expenses					
Compensation of Employees	278,250,000	(2,824,608)	275,425,392	275,425,392	100%
Goods and services	159,296,177	(39,475,433)	119,820,744	119,820,744	100%
Remuneration to Council	17,500,000	851,339	18,351,339	18,351,339	100%
Repairs and Maintenance	8,209,454	326,210	8,535,664	8,535,664	100%
Contracted Services	4,314,369	(3,752,337)	562,032	562,032	100%
Bank charges	80,000	36,827	116,827	116,827	100%
Total expenditure	**467,650,000**	**(44,838,002)**	**422,811,998**	**422,811,998**	**100%**
(Deficit)Surplus for the period	**-**	**(0)**	**(0)**	**(0)**	

Budget notes

The change between original and final budget was as a result of CBA arrears approved by the government under the supplementary budget and reallocations which were approved by the University council.

2. Actual on Comparable basis does not tie to the statement of financial performance totals due to differences in accounting basis where budget is cash basis and statement of financial performance is accrual. Reconciliation is provided under Note 27

19. Notes to the Financial Statements

1. General Information

Alupe University is established by and derives its authority and accountability from the Universities Act, 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity is education and research.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on 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 judgment in the process of applying the University's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements are highlighted.

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

The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act and the International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.

There were no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 202.

Standard	**Effective date and impact:**
IPSAS 43	***Applicable 1st January 2025*** The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	***Applicable 1st January 2025*** The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	***Applicable 1st January 2025*** The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of

	IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	***Applicable 1st January 2025*** The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
IPSAS 47- Revenue	***Applicable 1st January 2026*** This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash Flow arising from revenue transactions.

IPSAS 48- Transfer Expenses	***Applicable 1st January 2026*** The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	***Applicable 1st January 2026*** The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

(a) Revenue Recognition

i) Revenue from non –exchange transactions

Transfer from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/ Capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from exchange transactions Rendering of Services

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

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

Sale of Goods

Revenue from 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 the revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

(b) Budget Information

The original budget for the FY 2023/2024 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget.

The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts

c) Property, plant and equipment

All property, plant and equipment are stated at cost accumulated depreciation and Impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific lives and depreciates them accordingly.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation is calculated on a straight-line basis at annual rates estimated to write off carrying values of the assets over their expected useful lives, the asset is initially measured at its fair value. Depreciation rates in use are; Buildings – 2%, Furniture, plant & Equipment – 12.5%, Motor Vehicle – 25% and Computers – 33.3%.

c) Intangible Assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

d) 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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued) Research and Development Costs (Continued)

- 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 as surplus or deficit.

e) 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.

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

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

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Inventories (Continued)

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 entity.

f) Provisions

Provisions are recognized when the entity 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 the any provision is presented in the statement of financial performance net of any reimbursement.

g) Contingent Liabilities

The University does not recognize 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.

h) 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Contingent Assets (Continued)

Events not wholly within the control of the entity in the notes to the financial statements. Contingent assets are assessed continuously 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 revenues are recognized in the financial statements of the period in which the change occurs.

i) Nature and purpose of reserves

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

j) Changes in accounting policies an estimate

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

k) Employee Benefits

Retirement Benefits plan

The University provides retirement benefits for its employees and directors. 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Employee Benefits (Continued)

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

l) Related Parties

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

m) Service concession arrangements

The analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In case of assets other than 'whole-of- life' assets, it controls, through ownership, beneficial entitlements or otherwise-any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

n) 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 or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

o) Comparative figures

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

p) 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 entity'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 have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives and residual values

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

Notes to the Financial Statements

6. a) Transfers from Other Government Entities

Description			FY 2024-2025 Kshs	FY 2023-2024 Kshs
Unconditional grants				
Operational grant				
Month	**Date Received in bank**	**Receipt No.**		
July, 2024	Date Received: 13.08.2024	37083	16,909,303	16,154,564
August, 2024	Date Received: 11.09.2024	40874	16,909,303	16,154,564
September, 2024	Date Received: 08.10.2024	42516	16,909,303	16,154,563
October, 2024	Date Received: 08.11.2024	45792	16,909,303	16,154,564
November, 2024	Date Received: 05.12.2024	45795	16,242,636	16,154,564
November, 2024	Date Received: 05.12.2024	45804	666,667	
December, 2024	Date Received: 06.01.2025	47606	16,242,636	16,154,564
December, 2024	Date Received: 06.01.2025	48727	666,667	
January, 2025	Date Received: 07.01.2025	49495	16,909,303	16,154,564
January, 2025	Date Received: 10.02.2025	49497	16,909,303	
February, 2025	Date Received: 13.03.2025	49797	16,909,303	16,154,564
March, 2025	Date Received: 10.04.2025	51522	16,909,303	16,154,564
April, 2025	Date Received: 02.05.2025	52786	16,909,303	16,154,564
May, 2025	Date Received: 12.06.2025	54055	16,909,303	16,154,564
June, 2025	Date Received: 27.06.2025	54054	11,524,116	16,154,564
Subtotal-Operational Grants			**214,435,752**	**193,854,767**
Unconditional Development grants				
Month	**Date Received in bank**	**Receipt No.**		
July, 2023	Date Received: 04.07.2023	21127	-	87,215,324
February, 2024	Date Received: 29.02.2024	30829	-	5,712,191
Subtotal-Unconditional Development Grants			**-**	**92,927,515**
Total Government Grants			**214,435,752**	**286,782,282**

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

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial Performance	Amount deferred under deferred income	Amount recognized in capital fund	Total transfers FY 2024-2025	FY 2023-2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education	214,435,752	-	-	214,435,752	286,782,282
Total	**214,435,752**	**-**	**-**	**214,435,752**	**286,782,282**

6. c) Transfers from Other Government Entities-recorded to the statement of cashflows

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers from Other Government Entities as per statement of Financial Performance	214,435,752	193,854,767
LESS: - Current FY Receivables Ref: note 19		
Non-Remitted GOK grants	-	(16,154,564)
ADD: -FY23/24 Receivables Received in FY24/25 Ref: -Note 19 of FY23/24		
Non-Remitted GOK grants	16,154,564	-
Transfers from Other Government Entities-recorded to the statement of cashflows	**230,590,316**	**177,700,203**

7. Rendering Of Services

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Student fees - Regular: -		
1st Years (Sept 2024 Intake)	214,650,490	-
2nd Years (Sept 2023 Intake)	125,668,800	129,406,500
3rd Years (Sept 2022 Intake)	17,353,500	14,206,000
4th Years (Sept 2021 Intake)	15,880,500	18,801,000
Sept 2020 Intake	-	9,263,000
Total revenue from rendering of services	**373,553,290**	**171,676,500**

7 a). Rendering Of Services-Recorded to statement of cash flows: -Ref: W3 Listings (Schedule)

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Student fees - Regular: -		
1st Years (Sept 2024 Intake)	145,703,942	-
2nd Years (Sept 2023 Intake)	98,363,172	120,665,280
3rd Years (Sept 2022 Intake)	14,391,603	13,725,116
4th Years (Sept 2021 Intake)	12,660,970	17,022,916
Sept 2020 Intake	-	15,497,525
Total revenue from rendering of services	**271,119,687**	**166,910,837**

8. Sale of Goods

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Sale of Soap and Sanitizers	36,400	4,800
Total revenue from the sale of goods	**36,400**	**4,800**

9. Other Income

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Catering Income	2,613,802	3,603,553
Supplementary Fee	817,000	609,500
Student Application Fee	158,500	75,000
Library fines and charges	14,573	21,610
Disciplinary charges	507,000	205,000
Graduation fees	1,638,500	881,500
Graduation Gown Late Surrender Charges	-	13,000
Events Sponsorship grants	140,000	166,000
Income from Research activities	2,213,515	1,703,561
Income from AUSO Rented Units	12,600	29,900
Income from Funeral Home	4,133,642	1,442,282
Income from Hire of Lecture theatre	313,000	128,000
Total Other Income	**12,562,132**	**8,878,906**

9. a) Other Income-recorded to the statement of cashflows

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Other incomes as per statement of Financial Performance	12,562,132	8,878,906
LESS: - Current FY Other Income Receivables		
E citizen receipts	(36,852)	-
ADD: - FY23/24 Receivables Received in FY24/25 Ref:-Note 18 of FY23/24		
TVETA	128,000	-
Transfers from Other Government Entities-recorded to the statement of cashflows	**12,653,280**	**8,878,906**

10. Use of Goods and Services

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Medical Expenses	27,730,080	12,000,000
Advertising	2,666,998	2,249,678
Transport operating expenses	2,277,040	2,278,421
Travelling & accommodation	8,647,690	5,593,593
Foreign Travelling & Accommodation	939,536	-
Performance contracting	1,198,845	504,825
Postal and telecommunication	102,940	316,422
Internet/ ICT	5,221,868	5,294,577
Deans and Senate Committee	52,100	145,900
Electricity	939,599	661,634
Teaching materials	1,543,650	4,014,076
Publishing and printing expenses	14,300	444,000
Library books & other expenses	2,546,903	235,052
Purchase of stationery	3,222,313	2,587,656
Audit fees	2,784,000	-
Insurance	996,105	915,561
Legal expenses	136,720	282,200
Cleaning materials	481,461	394,444
Student Activity expenses	4,463,158	1,829,420
Games and Sports	1,787,751	359,712
Research & Training materials	2,601,848	2,944,000
General Office Supplies	878,244	463,053
External examiners	2,082,617	2,270,647

Training Expenses	681,980	1,300,958
AUSCO	1,437,850	1,285,515
Field Assessment and Trips (COBES)	4,509,468	4,044,836
Teaching practice	9,504,986	3,817,230
Academic trips	302,800	548,350
School of business attachment	1,095,910	513,340
Purchase of lab materials	519,282	903,146
Subscription to Regulatory bodies	3,476,500	6,478,940
Subscription to Professional bodies Staff	132,300	13,000
Purchase of uniform	654,890	27,000
Catering	2,443,105	3,102,710
Staff Pension Insurance	1,245,960	1,376,869
Security services related expenses	1,106,300	1,020,000
Soap and sanitizers expenses	23,070	6,500
IGU-Meetings meals expenses	819,190	803,265
Graduation Expenses	8,292,839	5,273,447
Purchase of graduation gowns	4,160,000	-
Last expense	223,192	-
Funeral Home Expenses	1,103,942	498,151
Curriculum Review	2,237,686	4,621,240
WIBA- Insurance expenses	94,909	-
Internal Audit Office	18,881	10,000
Strategic plan review	677,200	396,400
Biometrics	288,000	-
TVET Expenses	475,700	-
Common wealth Activities	262,400	898,000
Mother Child Health Project	716,638	-
KAIR Project Expenses	-	3,609,424
Inauguration Expenses	-	4,792,272
Total Use of Goods and Services	**119,820,744**	**91,125,464**

Note: The drastic change in audit gees was as a result of payment of audit fees for 2020/21, 2021/22 and 2022/23FY which we had not received invoices in the previous years but we they were sent to the institutic in April 2025.

10(a). Current FY Outstanding-Use of goods and services Ref: note 24

Description	**FY 2024-2025** **Kshs**	**FY 2023-2024** **Kshs**
Suppliers	684,226	-
Commissioner for domestic taxes-suppliers' payments	654	-
Total Outstanding-Use of goods and services	**684,880**	**-**

10(b). Use of goods and services-recorded to the statement of cashflows

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Total Use of goods and services as per statement of Financial Performance	119,820,744	91,125,464
LESS: -Current FY Outstanding-Use of goods and services Ref: note 24		
Suppliers	(684,226)	-
Commissioner for domestic taxes-suppliers' payments	(654)	-
ADD: - FY23/24 Payables paid in FY24/25 Ref: -Note 23 of FY23/24		
Suppliers	-	-
Commissioner for domestic taxes-suppliers' payments	-	-
ADD: - Current FY Prepaid expenses Ref: -Note 20		
Prepaid Insurance Premiums	5,951,779	
Use of goods and services-recorded to the statement of cashflows	**125,087,643**	**91,125,464**

11. Employee Costs

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Salaries and Wages	163,368,143	139,288,486
CBA Arrears	3,929,708	-
Employer contribution to pension schemes	20,174,958	13,554,729
Commuter and car allowances	14,256,134	11,919,052
House allowance	51,511,412	42,449,353
Social Contributions (NSSF)	3,281,943	1,271,160
Part-time Lecturers	13,578,000	19,832,000
Gratuity	5,059,732	3,388,218
Other Employee Related costs (Passage and Baggage costs)	265,362	305,615
Total Employee costs	**275,425,392**	**232,008,613**

11(a). Current FY Outstanding-Employee Costs Ref: note 24

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
June, 2025 staff salaries	23,135,412	18,208,542
Commissioner for domestic taxes-staff payments	-	448,572
Total Outstanding-Employee Costs	**23,135,412**	**18,657,114**

11(b). Employee Costs-recorded to the statement of cashflows

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Total Employee costs as per statement of Financial Performance	275,425,392	232,008,613
LESS: -Current FY Outstanding-Employee Costs Ref: note 24		
June, 2025 staff salaries	(23,135,412)	(18,208,542)
Commissioner for domestic taxes-staff payments	-	(448,572)
ADD: - FY23/24 Payables paid in FY24/25 Ref: -Note 23 of FY23/24		
June, 2024 staff salaries	18,208,542	3,993,926
Commissioner for domestic taxes-staff payments	448,572	-
Employee Costs-recorded to the statement of cashflows	**270,947,094**	**217,345,425**

12. Council Expenses

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Chairperson's Honoraria	1,044,000	1,044,000
Sitting allowance	5,799,900	4,340,000
perdiem	5,803,400	3,676,700
Travel/Mileage	3,709,713	2,316,770
Training	240,800	168,234
Council meals	421,950	373,200
Fuel to pick council members from airport	357,000	130,300
Stationery	-	53,000
Others costs (Driver's allow/Parking/carwash)	523,858	85,250
Medical Insurance	450,718	591,233
Total Council Expenses	**18,351,339**	**12,778,687**

12(a). Current FY Outstanding-Council Expenses Ref: note 24

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Council Chair	56,550	56,550
Commissioner for domestic taxes-Council payments	30,450	254,450
Total Outstanding-Council expenses	**87,000**	**311,000**

12(b). Council expenses-recorded to the statement of cashflows

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Total Council expenses as per statement of Financial Performance	18,351,339	12,778,687
LESS: -Current Outstanding-Council expenses Ref: note 24		
Council Chair Honoraria	(56,550)	(56,550)
Commissioner for domestic taxes-Council payments	(30,450)	(254,450)
ADD: - FY23/24 Payables paid in FY24/25 Ref: -Note 23 of FY23/24		
Council Chair Honoraria	56,550	-
Commissioner for domestic taxes-Council payments	254,450	-
Council expenses-recorded to the statement of cashflows	**18,575,339**	**12,467,687**

13. Depreciation and amortization Expenses

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Building	14,631,117	11,467,660
Motor vehicles	7,013,089	5,225,863
Furniture and fittings	2,553,083	2,659,678
Computers	4,883,275	4,190,554
Plant and equipment	3,862,286	3,031,380
Intangible assets	498,666	498,667
Total depreciation and amortization	**33,441,514**	**27,073,801**

14. Repairs and Maintenance

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Maintenance of plant & Equipment	260,320	1,030,424
Maintenance of Buildings	3,191,575	1,093,216
Maintenance of motor vehicle	1,425,041	1,013,117
Maintenance of Office equipment	1,587,779	799,110
Maintenance of Grounds	2,012,549	1,337,719
Maintenance of Sewerage system	58,400	58,000
Total repairs and maintenance	**8,535,664**	**5,331,586**

15. Contracted Services

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Contracted Security Services	562,032	-
Contracted Cleaning Services	-	285,790
Total contracted services	**562,032**	**285,790**

16. Bank Charges

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
KCB-Main Account	16,550	15,439
KCB-Operations Account	57,229	28,215
KCB-IGU Account	32,447	8,048
KCB-Retention Account	2,571	2,493
Co-op Bank-Student Account	480	2,530
Co-op Bank-Research Account	1,630	5,180
Equity Bank Account	3,775	-
I&M Bank Account	2,145	-
Total Bank Charges	**116,827**	**61,904**

17. Cash and Cash Equivalents

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Current accounts	32,883,884	29,887,929
Others (Paybill accounts)	-	-
Total cash and cash equivalents	**32,883,884**	**29,887,929**

17. (a) Detailed Analysis of the Cash and Cash Equivalents

Description	Account Number	FY 2024-2025 Kshs	FY 2023-2024 Kshs
a) Current accounts			
KCB Main account	1201874084	16,546,728	6,121,852
KCB Operations account	1201874025	1,707,178	309,307
KCB IGU Account	1239525036	413,466	1,135,830
KCB Retention Account	1320870465	11,086,902	20,688,049

Coop- Student account	01141238933900	522,870	126,045
Coop- Research account	01141238804100	1,635,031	1,506,846
Equity- Receiving account	0780285189875	958,854	-
I & M-Endowment Fund account	05306487841450	12,855	-
Sub-total		**32,883,884**	**29,887,929**
b) Others			
Other Incomes-Paybill Account	4091651	-	-
IGU-Paybill Account	4069369	-	-
Sub-total		**-**	**-**
Grand total		**32,883,884**	**29,887,929**

18. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	**FY 2024-2025 Kshs**	**FY 2023-2024 Kshs**
Students fees		
1st Years (Sept 2024 Intake)	73,229,179	-
2nd Years (Sept 2023 Intake)	38,245,423	11,136,915
3rd Years (Sept 2022 Intake)	3,060,912	1,782,293
4th Years (Sept 2021 Intake)	2,464,033	1,936,159
Sept 2020 Intake	298,550	668,830
Sept 2019 Intake	296,900	304,900
Sept 2018 Intake	59,500	59,500
Sept 2017 Intake	142,300	142,300
Sub total	**117,796,797**	**16,030,897**
Other Receivables		
E Citizen Payments Yet to be credited as at 30.06.2025	36,852	-
Technical and Vocational Education Authority-For catering services	-	128,000
Sub total	**36,852**	**128,000**
Total current receivables	**117,833,649**	**16,158,897**

(b) Aging analysis for receivables from Exchange Transactions

Description	FY2024/25	% of the total	FY2023/24	% of the total
Less than 1 year	117,334,949	99.6%	15,957,097	98.8%
Between 1-2 years	296,900	0.3%	59,500	0.4%
Between 2-3 years	59,500	0.1%	142,300	0.9%
Over 3 years	142,300	0.1%	-	0.0%
Total	**117,833,649**	**100%**	**16,158,897**	**100.0%**

(c) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At the beginning of the period	117,833,649	16,158,897
Provisions made during the period	-	-
Recovered during the period	-	-
Written off during the period	-	-
At the end of the period	**117,833,649**	**16,158,897**

Receivables from Non-Exchange Transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
GoK Grants	-	16,154,564
Total Receivables from Non-Exchange Transactions	**-**	**16,154,564**

Description	FY2024/25	% of the total	FY2023/24	% of the total
Less than 1 year	-	0.0%	16,154,564	100.0%
Between 1-2 years	-	0.0%	-	0.0%
Between 2-3 years	-	0.0%	-	0.0%
Over 3 years	-	0.0%	-	0.0%
Total	**-**	**0%**	**16,154,564**	**100.0%**

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At the beginning of the period	16,154,564	-
Provisions made during the period	-	-
Recovered during the period	-	-
Written off during the period	-	-
At the end of the period	**-**	**16,154,564**

19. Prepayments

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
AAR Insurance Kenya Limited	5,951,779	-
Total Prepayments	**5,951,779**	**-**

21. Inventories

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Central stores	882,158	581,208
Estates and central stores	202,375	434,822
Catering/Kitchen Stores	106,161	56,531
SHS Laboratories	294,147	129,081
Nursing Laboratories	23,680	-
SSTE Laboratories	195,893	-
Examinations office	41,950	-
Total inventories at the lower of cost and net realizable value	**1,746,364**	**1,201,642**

Note: 'Catering store' as referred to in 2024/25FY was previously described as 'Kitchen store in 2023/24FY and they are one and the same expense component.

Notes to the Financial Statements (Continued)

22 a). Property Plant and Equipment

Description	Land & Buildings	Motor vehicles	Furniture and fittings	Computers&ICT	Plant and Equipment	Capital Work in progress	Total
	2%	25%	12.50%	33.33%	12.50%		
Cost		Shs	Shs	Shs	Shs	Shs	Shs
As At 1 July 2023	**668,198,790**	**19,842,050**	**18,337,622**	**17,758,569**	**22,270,741**	**92,627,556**	**839,035,328**
Additions	-	13,741,200	2,939,800	6,338,874	1,980,300	162,052,089	187,052,263
Disposals	-	-	-	-	-	-	-
Revaluation	328,801,422	866,655	(723,392)	8,013,456	8,526,169	-	345,484,310
Transfers/adjustments	28,184,226	-	-	(11,525,782)	-	(28,184,226)	(11,525,782)
As At 30th June 2024	**1,025,184,438**	**34,449,905**	**20,554,030**	**20,585,117**	**32,777,210**	**226,495,419**	**1,360,046,119**
Additions	-	-	9,712,862	4,406,925	6,615,857	112,185,050	132,920,694
Revaluation	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Transfers	136,578,751	4,200,000		(3,387,900)	3,387,900	(140,778,751)	
Adjustments	(45,707,337)	(10,597,550)	(9,842,230)	(6,954,318)	(11,882,683)	-	(84,984,118)
As At 30th June, 2025	**1,116,055,852**	**28,052,355**	**20,424,662**	**14,649,824**	**30,898,284**	**197,901,718**	**1,407,982,695**
Depreciation and impairment							
As At 1 July 2023	**32,183,594**	**5,391,752**	**7,810,803**	**17,284,413**	**8,430,715**	**-**	**71,101,277**
Depreciation	11,467,660	5,225,863	2,659,678	4,190,554	3,031,380	-	26,575,135
On Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/adjustment	2,056,083	(20,065)	(628,251)	(14,520,649)	420,588	-	(12,692,294)
As At 30th June 2024	**45,707,337**	**10,597,550**	**9,842,230**	**(6,954,318)**	**11,882,683**	**-**	**84,984,118**
Depreciation	14,631,117.04	7,013,089	2,553,083	4,883,275	3,862,286	-	32,942,849
On Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Transfer/adjustment	(45,707,337)	(10,597,550)	(9,842,230)	(6,954,318)	(11,882,683)	-	(84,984,118)
As At 30th June, 2025	**14,631,117**	**7,013,089**	2,553,083	**4,883,275**	**3,862,286**	**-**	**32,942,849**
Net book values							
As At 30th June, 2025	**1,101,424,735**	**21,039,266**	**17,871,579**	**9,766,549**	**27,035,999**	**197,901,718**	**1,375,039,846**
As At 30th June 2024	**979,477,101**	**23,852,355**	**10,711,800**	**13,630,799**	**20,894,527**	**226,495,419**	**1,275,062,001**

Note:

1. Depreciation *is calculated on a straight-line basis at annual rates estimated to write off carrying values of the assets over their expected useful lives, the asset is initially measured at its fair value.*

2. Depreciation rates in use are;

i.	*Buildings*	*– 2%,*
ii.	*Furniture, plant & Equipment*	*– 12.5%,*
iii.	*Motor Vehicle*	*– 25%*
iv.	*Computers*	*– 33.3%.*

3. WIP relates to:

i.	*Construction of tuition block*	*Kshs. 150,363,806*
ii.	*Fencing and estates workshop*	*Kshs. 18,794,996*
iii.	*Construction of University bus*	*Kshs. 17,866,120*
iv.	*Imported computers in transit*	*Kshs. 831,196*
v.	*Ongoing ERP software installation*	*Kshs. 10,045,600*
Total		***Kshs.197,901,718***

Notes to the Financial Statements (Continued) 22 b).

Plant, Property and Equipment at Cost

Description	Cost	Accumulated Depreciation	NBV
Land	384,500,000	-	384,500,000
Building	731,555,852	14,631,117	716,924,735
Plant and Equipment	30,898,284	3,862,286	27,035,999
Motor vehicles	28,052,355	7,013,089	21,039,266
Computers	14,649,824	4,883,275	9,766,549
Furniture and Fittings	20,424,662	2,553,083	17,871,579
Work In Progress	197,901,718	-	197,901,718
Total	**1,407,982,695**	**32,942,849**	**1,375,039,846**

22(c). Current FY Outstanding-PPE Payments Ref: note 24

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Contractors	52,796,169	-
Commissioner for domestic taxes- Contractor's payments	2,149,036	-
Total Outstanding-Use of goods and services	**54,945,205**	**-**

22(d). Retention funds

Description			FY 2024-2025 Kshs	FY 2023-2024 Kshs
Opening balance				
Retention Money Released				6,727,756
Contractor	**Certificate**	**Note**		
Orion Nebula	1st Moiety	Note 27	6,979,348	-
Orion Nebula	2nd Moiety	Note 27	6,979,348	-
Ever fortunes co. limited	1&2 Moiety		-	(592,777)
Mershil Kenya limited	1&2 Moiety		-	(245,499)
LESS:- Retention Money Withheld				
Orion Nebula	Cert. 8		(245,007)	
M/s Venus (208) Engineering & Co. Ltd	Cert. 3	Note 27	(2,334,843)	-
M/s Venus (208) Engineering & Co. Ltd	Cert. 4	Note 27	(1,775,205)	-
Orion Nebula	Cert. 3,4,5,6,7		-	7,794,784.00
Mershil Kenya limited	Cert. 3		-	29,423.00
M/s Venus (208) Engineering & Co. Ltd	Cert. 1,2		-	6,976,854.00
Net changes in retention funds			**9,603,640**	**20,690,542**

22(e). PPE Purchases-recorded to the statement of cashflows

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
Total PPE additions as per PPE schedule Note 22	132,920,694	187,052,263
LESS: -Current FY Outstanding-PPE payments Ref: note 24		
Contractors	(52,796,169)	-
Commissioner for domestic taxes-suppliers' payments	(2,149,036)	-
ADD: - FY23/24 Payables paid in FY24/25 Ref: -Note 23 of FY23/24		
Contractors	-	-
Commissioner for domestic taxes-suppliers' payments	-	-
ADD/LESS: - Current FY changes in retention funds Ref: note 22(d)		
Net changes in retention funds	9,603,640	(13,962,785)
PPE purchases-recorded to the statement of cashflows	**87,579,129**	**173,089,478**

23. Intangible Assets

Description	FY 2024-2025	FY 2023-2024
Cost	**Kshs**	**Kshs**
At the beginning of the year	**1,496,000**	**2,746,000**
Additions	-	-
At end of the year	**1,496,000**	**2,746,000**
Additions-internal development	-	-
Adjustment for Fully Amortized Intangible asset	1,250,000	(1,250,000)
At end of the year	**2,746,000**	**1,496,000**
Amortization and impairment		
At the beginning of the year	**997,334**	**1,748,667**
Amortization at the rate of 33.33%	498,667	498,667
At the end of the year	**1,496,000**	**2,247,334**
Impairment loss	-	-
Adjustment for Fully Amortized Intangible asset	1,250,000	(1,250,000)
At the end of the year	**2,746,000**	**997,334**
NBV	-	**498,666**

24. Trade and other payables

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
June, 2025 staff salary	23,135,412	18,208,542
Contractors	52,796,169	-
Commissioner of Domestic Taxes- contractors' payments	2,149,036	703,021
Suppliers	684,226	-
Commissioner of Domestic Taxes- suppliers' payments	654	-
Council chair	56,550	56,550
Commissioner of Domestic Taxes- council chair payment	30,450	-
Caution Money continuing students	5,960,000	3,938,000
Caution Money-Graduates (class of 2019)	-	326,000
Caution Money-Graduates (class of 2018)	-	150,000
Caution Money-Graduates (class of 2017)	-	314,000
Withheld Retention Funds	11,086,902	20,690,542
Alumni Fee	804,500	356,000
Projects Fund	1,635,031	1,506,846
Payables b/f from 2016/17FY: -		-
Salaries for staff paid by Moi University on behalf of Alupe University Nov 2016-June 17	-	33,133,718
Salaries for staff paid by Moi University on behalf of Alupe University Aug 2015-Oct 16	-	21,329,058
Total trade and other payables	**98,338,930**	**100,712,278**

Aging analysis: (Trade and other payables)	FY2024-2025	% of the total	FY2023-2024	% of the total
Under one year	82,431,528	83.8%	21,956,959	21.8%
1-2 years	12,568,902	12.8%	21,552,542	21.4%
2-3 years	862,000	0.9%	928,000	0.9%
Over 3 years	2,476,500	2.5%	56,274,776	55.9%
Total	**98,338,930**	**100%**	**100,712,278**	**100%**

25. Refundable Deposits and Prepayments from customers

Description	FY 2024-2025 Kshs	FY 2023-2024 Kshs
1. Prepaid Student fees		
1st Years (Sept 2024 Intake)	2,207,170	-
1st Years (Sept 2023 Intake)	3,471,275	6,082,380
2nd Years (Sept 2022 Intake)	1,828,152	2,833,289
3rd Years (Sept 2021 Intake)	1,329,777	2,026,123

Sept 2020 Intake			1,041,740	881,989
Sept 2019 Intake			447,552	433,552
Sept 2018 Intake			81,600	81,600
Sept 2017 Intake			10,580	10,580
Total			**10,417,846**	**12,349,513**
Aging analysis: (Refundable deposits)	**FY2024-2025**	**% of the total**	**FY2023-2024**	**% of the total**
Under one year	2,207,170	21.2%	6,082,380	49.3%
1-2 years	3,471,275	33.3%	2,833,289	22.9%
2-3 years	1,828,152	17.5%	2,026,123	16.4%
Over 3 years	2,911,249	27.9%	1,407,721	11.4%
Total	**10,417,846**	**100%**	**12,349,513**	**100.0%**

26. Retention Funds Reconciliation

Opening Balance as at 1st July, 2024			20,690,542	Balance b/f
ADD: **Retention Withheld during FY 2024-2025**				
Contractor's Name	**Cert no.**	**Gross Pay**	**Retention**	**Description**
Orion Nebula	8	2,450,074	245,007	Lecture Theater
M/s Venus (208) Engineering & Co. Ltd	3	23,348,428	2,334,843	Tuition Block
M/s Venus (208) Engineering & Co. Ltd	4	17,752,047	1,775,205	Tuition Block
Total retention withheld during FY 2024-2025			**4,355,055**	
Total Retention as at 30.06.2024			**25,045,597**	
LESS: **Retention Released during FY 2024-2025**				
Contractor's Name	**Pv no./Cert no.**		**Amount**	**Description**
Orion Nebula	1st Moiety		6,979,348	Lecture Theater
Orion Nebula	2nd Moiety		979,348	Lecture Theater
Total Retention released during FY 2024-2025			**13,958,695**	
Closing Balance as at 30th June, 2025			**11,086,902**	**Balance c/f**

27. Statement of Comparison of Budget & Actual Vs Statement of Financial Performance Surplus Reconciliation

Description	Amount
Surplus as per Statement of Financial Performance	144,334,061
ADD	
Non-Cash Items	
1. Depreciation	33,441,514
Total Non-Cash Items	**33,441,514**
Surplus as per Statement of Comparison of Budget & Actual Amounts	177,775,576

29. Retained Earnings Disclosure/Reconciliation

Description	Notes	Amount
Retained Earnings Balance b/f	**a**	**(53,271,429)**
ADD: -		
FY 2024/2025 Surplus as per statement of financial performance	**b**	144,334,061
Sub total	**c=(a+b)**	**91,062,632**
Adjustments during the period		
ADD: -		
Write back of salaries paid by Moi University on behalf of Alupe University from Aug 2015 to June 2017 that had been incurred as payable in Alupe University Financial statements	**d**	54,462,776
LESS: -		
FY 2024/2025 Surplus Transferred to Capital fund	**e**	(144,334,061)
Net adjustments during the period	**f=(d+e)**	**(89,871,285)**
Retained Earnings Balance c/d	**g=(c+f)**	**1,191,347**

30. Capital Funds Disclosure/Reconciliation

Description	Notes	Amount
Capital Funds Balance b/f	**a**	**894,673,337**
ADD: -		
FY 2024/2025 AIA Net of depreciation transferred to capital budget	**b**	144,334,061
Capital Funds Balance c/d	**c=(a+b)**	**1,039,007,398**

31. Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes of foreign currency. The entity' overall risk management program focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with established credit history.

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

(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, and deposits with banks, as well as trade and other receivables and available for- sale- financial investments.

Management assesses the credit quality of each customer taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity's management based on prior experience and their assessment of the current economic environment.

The council sets the University's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

Details	**Total Amount (Kshs)**
As at 30 June 2025	
Receivable from exchange transactions	117,833,649
Receivable from non-exchange transactions	-
Bank Balances	32,883,884

Total	**150,717,532**
As at 30 June 2024	
Receivable from exchange transactions	16,158,897
Receivable from non-exchange transactions	16,154,564
Bank Balances	29,887,929
Total	**62,201,390**

(ii) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the University Council, who have built an appropriate liquidity risk management framework for the management of the University's short, medium and long–term funding and liquidity management requirements. The University manages liquidity risk through continuous monitoring of forecast and actual cash flows.

Details	**Less than 1 Month**	**Less than 1-3 Month**	**Over 5 Months**	**Total**
As at 30 June 2025				
Trade Payables	684,880	-		684,880
Other Payables	74,318,638	-		74,518,638
Provisions	-	-	-	-
Employee benefit obligation	23,135,412	-	-	23,135,412
Total	**98,338,930**	**-**		**98,338,930**
As at 30 June 2024				
Trade Payables	-	-	-	-
Other Payables	759,571	22,197,389	59,546,776	82,503,736
Provisions	-	-	-	-
Employee benefit obligation	18,208,542	-	-	18,208,542
Total	**18,968,113**	**22,197,389**	**59,546,776**	**100,712,278**

(iii)Market Risk

The board has put in place an internal audit function to assist it in the assessing

The risk faced by the entity on an ongoing basis, evaluate and test the design and the effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate

Equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risks rest with the Audit and Risk Management Committee.

(a) Foreign currency risk

The university has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time payment is done using the prevailing exchange rate.

(b) Interest risk

Interest risk is the risk that the entity's financial condition may be adversely affected as a result of changes in the interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the entity's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavored to bank with institutions that offer favorable interests' rates.

Notes to the Financial Statements (Continued)
Sensitivity Analysis

The entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variable s, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

(iv)Capital Risk Management

The objective of the entity's capital risk management is to safeguard the Board's ability to continue as a going concern. The capital structure comprises of the following funds;

Description	**2024/2025**	**2023/2024**
Revaluation Reserve	384,500,000	384,500,000
Retained Earnings	1,191,347	(53,271,429)
Capital Reserve	1,039,007,398	894,673,929
Total funds	**1,424,698,745**	**1,225,901,908**
Total Borrowings	-	-
Less: Cash and Bank Balances	(32,883,884)	(29,887,929)
Net Debt/(Excess Cash and Cash equivalents)	(32,883,884)	(29,887,929)
Gearing	**-2%**	**-2%**

Notes to the Financial Statements (Continued

32. Related Party Disclosures Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of Alupe University, holding 100% of the University equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

(i) The National Government
(ii) The Ministry of Education
(iii) Board of Directors
(iv) University Management

33. Events after the Reporting Period

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

34. Ultimate and Holding Entity

Alupe University is a State Corporation under the Ministry of Education, State Department for University Education. Its ultimate parent is the Government of Kenya.

35. Currency

The financial statements are presented in Kenya Shillings (Kshs)

20. Appendices

Appendix I: 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.

Reference No on the external audit Report	Issue/Observation from Auditor	Management comments	Status (*Resolved/Not Resolved*)	Timeframe
1.	**Holding of More Council Meetings than Stipulated** Note 12 to the financial statements reflects council expenses amounting to Kshs.12,778,687 which includes a total of ten (10) the university council meetings held which exceeds the maximum required six (6) meetings by four additional unapproved meetings	The management noted the audit remarks, and with consultation with the University Council, management shall put in place measures/ controls going forward to ensure that the council only holds a maximum of six (6) meetings, including special and any extra meetings, council will seek approval as provided for in the Executive Office of the President circular ref. OP/CAB.9/1A dated 11th March, 2020.	Resolved	2024/2025 FY
2.	**Irregular Membership of Council Committees**	Dr. Leonard Kinyulusi was not a member of the Audit and Risk	Resolved	2024/2025 FY

Reference No on the external audit Report	Issue/Observation from Auditor	Management comments	Status (*Resolved/Not Resolved*)	Timeframe
	During the year under review, two (2) council members had membership in more than two committees of the council contrary to presidential directive. The members were sitting in Human Resource development and Administration, Academic Research and Extension, Finance and Planning, and Audit and Risk Management Committees	management committee during 2023/2024 FY, he was only co-opted into the meeting held on 17th October 2023 (**Appendix V(a)**: Extract Audit committee attendance register and minutes). On other hand, Mr. Mohammed Ali, sitting in more than two committees was noted and has been corrected in the reconstitution of council committees for the 2024/25 financial year.		
4.	**Failure to submit Council Almanac for approval** During the year under review, Alupe University council did not submit their ALMANAC through	Management has ensured that there is an approved Council ALMANAC in place for 2024/25FY	Resolved	2024/2025 FY

Reference No on the external audit Report	Issue/Observation from Auditor	Management comments	Status (*Resolved/Not Resolved*)	Timeframe
	the parent ministry for approval as required.			
5.	**Internal control weakness and lack of enabling policies** During the year under review, the University did not have IT steering and IT strategic committee, an IT continuity plan, risk management policy, IT security policy, IT strategic plan and IT operational plans. In addition, a formal risk assessment was not carried out in the university.	Management noted the issue and formed the IT steering and IT strategic committee in 2024/25FY. Further, the university has implemented the risk management policy and ICT Policy which contains the aspect of IT security, IT continuity plan, ICT Training and operational plans. Additionally, risk assessment is always carried out by the internal auditor before development of annual work plan	Resolved	2024/25FY

Signed by : Vice Chancellor

Appendix II: Projects implemented by Alupe University

Projects implemented by Alupe University Funded by the Government

	Project title	Project Number	Donor	Period/ Duration	Donor Commitme nt	Separate donor reporting required as per the donor agreement (YES/NO)	Consolidated in these financial statements (YES/NO)
1	Library phase 1	AUC/ONT/1/2016/2017	GoK	128 Weeks	None	No	Yes
2	Laboratory & Lecture Rooms	AUC/ONT/2/2016/2017/28	GoK	24 Weeks	None	No	Yes
3	Admin, Anatomy & Biochemistry Laboratory	AUC/ONT/13/2016/2017	GoK	56 Weeks	None	No	Yes
4	Borehole	D106/WE/BSA/1601	GoK	24 Weeks	None	No	Yes
5	Computer Lab & Lecture rooms	AUC/ONT/1/2019/2020	GoK	24 Weeks	None	No	Yes
6	Admin Block Phase II	AUC/ONT/03/2020/2021	GoK	24 Weeks	None	No	Yes
7	Construction of Chapel Steel Gate and Sentry House	AU/RFQ/GATE/22/09/17	GoK	3 Weeks	None	No	Yes
8	Construction of Chapel	AU/RFQ/05/69/2021/2022	GoK	16 Weeks	None	No	Yes
9	Construction of Lecture Theatre	AUC/ONT/01/001/2022	GoK	52 Weeks	None	No	Yes
10	Construction of Tuition Block	AUC/ONT/001/2023-2024	GoK	80 Weeks	None	No	Yes

Status of Projects Completion

SN	Project	Total Project Cost	Total expended to date	Completion % to date	Budget (Kshs)	Actual (Kshs)	Sources of Funds
1	Library phase 1	191,710,241	191,710,241.00	100%	191,710,241	191,710,241	GoK
2	Laboratory & Lecture Rooms	24,932,594	24,932,594	100%	24,932,594	24,932,594	GoK
3	Admin, Anatomy & Biochemistry Laboratory	254,281,320	254,281,320.00	100%	254,281,320	254,281,320	GoK
4	Borehole	5,936,300	5,936,300	100%	5,936,300	4,684,774	GoK
5	Computer Lab & Lecture rooms	28,885,510	28,885,510	100%	28,885,510	28,885,510	GoK
6	Admin Block Phase II	44,995,020	43,858,288	100%	44,995,020	44,995,020	GoK
7	Construction of Chapel Steel Gate and Sentry House	500,100	500,100	100%	500,100	500,100	GoK
8	Construction of Chapel	4,998,900	4,660,205	100%	4,998,900	4,998,900	GoK
9	Construction of Lecture Theatre	139,647,898	138,328,677	99%	139,647,898	138,328,677	GoK
10	Construction of Tuition Block	437,646,444	150,363,806	38%	437,646,444	150,363,806	GoK/AIA

Appendix III: Inter-Entity Transfers

ENTITY NAME: ALUPE UNIVERSITY			
Breakdown of transfers from state department for university			
a) Recurrent Grants			
Month	**Bank Statement Date**	**Amount (Kshs)**	**FY that the money relates**
July, 2024	Date Received: 13.08.2024	16,909,303.00	2024/2025
August, 2024	Date Received: 11.09.2024	16,909,303.00	2024/2025
September, 2024	Date Received: 08.10.2024	16,909,303.00	2024/2025
October, 2024	Date Received: 08.11.2024	16,909,303.00	2024/2025
November, 2024	Date Received: 05.12.2024	16,242,636.00	2024/2025
November, 2024	Date Received: 05.12.2024	666,667.00	2024/2025
December, 2024	Date Received: 06.01.2025	16,242,636.00	2024/2025
December, 2024	Date Received: 06.01.2025	666,667.00	2024/2025
January, 2025	Date Received: 07.01.2025	16,909,303.00	2024/2025
January, 2025	Date Received: 10.02.2025	16,909,303.00	2024/2025
February, 2025	Date Received: 13.03.2025	16,909,303.00	2024/2025
March, 2025	Date Received: 10.04.2025	16,909,303.00	2024/2025
April, 2025	Date Received: 02.05.2025	16,909,303.00	2024/2025
May, 2025	Date Received: 12.06.2025	16,909,303.00	2024/2025
June, 2025	Date Received: 27.06.2025	11,524,116.00	2024/2025
TOTAL		**214,435,752.00**	

The above amounts have been communicated to and reconciled with the State Department of University Education

Head of Finance
University

Head of Accounting Unit
State Department of University Education Alupe

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor transferring the funds	Date Received as per Bank Statement	Nature: Recurrent/ Development/ Others	Total Amount (Kshs)	Where Recorded/Recognized				Total Transfers
				Statement of Financial Performance	Capital Fund	Receivables	Others-Must be specific	
State Department of University Education	Date Received: 13.08.2024	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 11.09.2024	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 08.10.2024	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 08.11.2024	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 05.12.2024	Recurrent	16,242,636	16,242,636	-	-	-	16,242,636
State Department of University Education	Date Received: 05.12.2024	Recurrent	666,667	666,667	-	-	-	666,667
State Department of University Education	Date Received: 06.01.2025	Recurrent	16,242,636	16,242,636	-	-	-	16,242,636
State Department of University Education	Date Received: 06.01.2025	Recurrent	666,667	666,667	-	-	-	666,667
State Department of University Education	Date Received: 07.01.2025	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303

State Department of University Education	Date Received: 10.02.2025	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 13.03.2025	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 10.04.2025	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 02.06.2025	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 12.06.2025	Recurrent	16,909,303	16,909,303	-	-	-	16,909,303
State Department of University Education	Date Received: 27.06.2025	Recurrent	11,524,116	11,524,116	-	-	-	11,524,116
TOTAL			**214,435,752**	**214,435,752**	**-**	**-**	**-**	**214,435,752**

Appendix V: Inter-Entity Confirmation Letter

Name of transferring entity : Alupe

University Name of Beneficiary entity

: None

Confirmation of amounts received by other entities as at 30th June 2024					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
Total					

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

Head of Accounts Department - Disbursing Entity:

Name ..... Sign ..... Date .....

Head of Accounts Department - Beneficiary Entity:

Name ..... Sign ..... Date.....

Note:

Alupe University did not have any Inter-Entity transfers

Appendix VI: Reporting of Climate Relevant Expenditures

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

Note:

Alupe University did not have any expenditure relating to climate

Appendix VII: Reporting on Disaster Management Expenditure

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

Note:

Alupe University did not have any disaster management related expenditure