

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

PARLIAMENT
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OF

THE AUDITOR-GENERAL

ON

MOI UNIVERSITY

FOR THE YEAR ENDED

30 JUNE, 2024

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	08 MAR 2025 Thursday
TABLED BY:	Hon. Naomi Waga, MP Deputy Majority Party Whip
CLERK-AT-THE-TABLE:	A. Shibusko



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CLERK AT THE TABLE:	A. Shibusko





MOI UNIVERSITY

CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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



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Moi University
Consolidated Annual Report and Financial Statements
For the year ended June 30, 2024.

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

B: Glossary of Terms

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

Comparative Year- Means the prior period.

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2. Key University Information and Management

(a) Background information

The University was established under the Moi University Act in 1984 as the second Public University in Kenya. The University is a body corporate established under the Moi University Charter 2013 and is domiciled in Kenya. It has Campuses and Constituent Colleges as listed below.

Nairobi Satellite Campus

P.O. Box 63056-00200

Nairobi

Annex Campus,

P.O. Box 4603-30100,

Eldoret.

Coast Satellite Campus

P.O. Box 3735-80100

Mombasa.

College of Health Sciences

P.O. Box 4606-30100

Eldoret

Bomet University College

P.O. Box 701-201400

Bomet.

Rivatex East Africa Limited Factory

Kipkaren Road, off Eldoret- Kisumu Road

P.O.Box 4744- 30100

Eldoret

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The Main Campus of the University is located in Kesses, 35 kilometers from Eldoret Town, and 310 kilometers Northwest of Nairobi, the capital city of Kenya. Moi University has expanded tremendously over the past decade largely based on the commitment of the entire Moi University fraternity, government investments, strategic partnerships, and the visionary leadership of the University Council and Management. These achievements are a testament to the resilience and fortitude of every faculty and staff member.

Since 1984, the University has experienced phenomenal growth leading to the establishment of several constituent colleges across the country, many of which have since grown to fully fledged Universities namely Maseno University, Masinde Muliro University of Science and Technology, Maasai Mara University, University of Kabianga, University of Eldoret, Karatina University, Rongo University and Alupe University that was recently granted a charter on 2nd August 2022 to be a fully-fledged university.

The University currently has the following Schools:

- School of Education
- School of Arts and Social Sciences
- School of Business and Economics
- School of Agriculture and Natural Resources
- School of Information Sciences
- School of Engineering
- School of Medicine
- School of Public Health
- School of Nursing and Midwifery
- School of Dentistry
- School of Law
- School of Tourism, Hospitality and Events Management
- School of Sciences and Aerospace Studies
- School of Graduate Studies, Research and Innovation

The University also wholly owns the Rivatex East Africa Limited (REAL), a limited liability company that was acquired in the year 2007 and incorporated under the Companies Act, for purpose of Training, Research and to undertake Commercial activities for Income generation purposes.

(b) Principal Activities

The principal Activity/Mission of the University is to provide University education through teaching, research and outreach.

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The University's vision, mission, core values and philosophy underpin every facet of the University's operations.

Vision

To be the University of Choice in nurturing innovation and talent in science, technology and development

Mission

To preserve, create, and disseminate knowledge, conserve and develop scientific, technological, and cultural heritage through quality teaching and research; to create conducive work and learning environment, and to work with stakeholders for the betterment of society.

Core Values

Intellectual freedom, excellence and the truth

Team work, networking and culture of peace

Transparency and accountability

Professionalism and social justice

Self-respect, institutional loyalty and patriotism

Continual improvement of services, competitiveness and relevance

Philosophy

Putting knowledge to work is the University's guiding philosophy. At Moi University, the discovery, dissemination, and application of knowledge are synergistically balanced. The University is driven by the process of involvement - involvement in world affairs; in the needs of individuals and their communities, businesses, industries, and governments; in the nurturing of inquisitive minds; in the transfer of ideas from the campus to the market- place; and involvement in societal problems in our country and beyond. The creation of new knowledge that will benefit society is at the heart of the University's mission. The distinction between basic and applied research has become more blurred as the processes of discovery, scientific inquiry and scholarship inform all aspects of the educational enterprise at Moi University.

(c) Key Management

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

- The University Council;
- The Vice Chancellor;
- The University Management Board;
- The University Senate.

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Vice Chancellor	Prof. Isaac S. Kosgey
2.	DVC- Admin, Planning and Strategy	Prof. Eng Kirimi H. Kiriamiti
3.	DVC- Academics, Research, Extension & Student Affairs	Prof. Isaac N. Kimengi
4.	Principal – College of Health Sciences	Prof. Robert K. Tenge
5.	Ag. Chief Finance Officer	CPA Egla C. Samoei
6.	Senior Legal Officer	Ms. Petrolina Chepkwony
7.	Registrar - Admin, Planning and Strategy	Prof Simeon Mining
8.	Registrar - Academics, Research, Extension & Student Affairs	Dr. David Rutto
9.	Ag. Head of Procurement	Mr. Wilson Bett

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(e) Fiduciary Oversight Arrangements

The University Council provides fiduciary oversight on the financial operations of the University through the Finance, Administration and Strategy Committee and the Audit, Risk and Compliance Committee.

The Finance, Administration and Strategy Committee reviews the University Quarterly Financial Statements before they are submitted to the Ministry of Education and National Treasury by the 15th day after the end of every quarter.

The Audit, Risk and Compliance Committee provides oversight on the University's financial statements and through the Internal Audit Unit of the University provides oversight on the internal controls and the maintenance of proper accounting records.

The Office of the Auditor General conducts annual audit of the operations of the University. The reports of the Auditor General are submitted to the National Assembly through the Public Investments Committee (P.I.C), which provides the overall fiduciary oversight on the operations of the University.

Regular audit and financial and progress reports are provided to development partners who have provided funds to the University. This is to ensure financial probity on the utilization of funds in the University.

(f) University Headquarters

Moi University Main Campus
P.O. Box 3900-30100
Cheptiret – Kesses Road, Off Eldoret-Nairobi Road
Eldoret, KENYA

(g) University Contacts

Telephone: (254) 736 138770/771 336911
E-mail: info@mu.ac.ke
Website: www.mu.ac.ke

Rivatex East Africa Limited Contacts

Telephone: (254) 53 2030901
E-mail: info@rivatex.co.ke

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Website: www.rivatex.co.ke

(h) University Bankers

- | | |
|---|--|
| 1. National Bank of Kenya
Moi University Branch
P.O. Box 22 - 30107
Moi University, Kenya | 2. Co-operative Bank of Kenya
Eldoret Branch
P O Box 2948 - 30100
Eldoret, Kenya |
| 3. Kenya Commercial Bank
Eldoret Branch
P.O Box 560 - 30100
Eldoret, Kenya | 4 Equity Bank
Eldoret Branch
P.O Box 2210 - 30100
Eldoret, Kenya |
| a) Standard Chartered Bank
Eldoret Branch
P.O Box 7 - 30100
Eldoret, Kenya | 6 Absa Bank of Kenya
Eldoret Branch
P.O Box 22 - 30100
Eldoret, Kenya |
| 7 Access Bank
Eldoret Branch
P.O Box 4308 - 30100
Eldoret, Kenya | |

(i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084 GPO 00100
Nairobi, Kenya

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(j) Principal Legal Adviser

The Attorney General

State Law Office


Harambee Avenue

P.O. Box 40112


City Square 00200


Nairobi, Kenya

3. Members of The University Council


	Name	Key qualifications
1.	 <p>Dr. Dr. Humphrey Kimani Njuguna, Ph.D. Law, Ph.D. Enterp Chairman D.O.B - 18th July, 1961</p>	<p>Ph.D. (Law) (UoN), Ph.D. (Entrep.) (JKUAT), EMBA (JKUAT); LLM (Int. Trade & Invest. Law, UoN) LL.B (Hons., UoN); B.A. Land Econ (Hons. UoN), Dip. K.S.L; Dip. I.S.K.; M.I.S.K.: F.I.S.K., MCI Arb.; Lead Expert- EIA/EA; CPM (MTI-EA), Valuer; Estate Agent; Arbitrator; Mediator; Adv. of H.C. of Kenya.</p> <p>Dr. Dr. Njuguna has sound knowledge in Law, Land Economics, Public Administration and Entrepreneurship, Conflict and Dispute Resolution Management and related Consultancy Practices in Kenya spanning to close to 32 years.</p> <p>He is the current Chairman of Former Parliamentarians Association of Kenya, Managing Director Metrocosmo Limited, Senior Partner – Njuguna Kimani Nduhiu & Company Advocates, Director, Beyuz Communication Ltd, former Member of Parliament for Gatanga. He was the Lead Consultant in the drafting of the Valuers Act, Republic of Tanzania, and a former chairman and member of Institutions of Surveyors of Kenya (I.S.K) Chairman (Valuers and Estate Agents) I.S.K, Examiner (Valuers Chapter) ISK.</p> <p>He is a Part Time Lecturer at JKUAT and University of Nairobi (School of Law).</p>

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2.	 <p>Mr. Christopher Khaemba Independent Member D.O.B – 18th January, 1960</p>	<p>MBA, (Kenyatta University), Diploma in Science Education, Kenya Science Teachers College (Constituent College of the University of Nairobi)</p> <p>Mr. Khaemba is an educator, mentor and turnaround leader who thrives in challenging and new environments.</p> <p>He is the co-founder and Director of Nova Pioneer Academies and Chair of the Kenya Board. He has been the County Executive for Urban Planning and Lands, Nairobi County, County Executive in charge of Education, Youth Affairs, Sports, Children, Culture and Social Services, Nairobi County.</p> <p>He serves as a member of the Board of Housing Finance Foundation, was the Vice-Chairman of the Local Organizing Committee of the 2017 IAAF World Athletics Youth Championships. He has been the head of the following institutions: Friends School Kamusinga (Kenya), the Alliance High School (Kenya) and the founding head, African Leadership Academy (South Africa).</p> <p>He has also been the Education Advisor in the Office of the Prime Minister, General Manager, Education Pillar, Equity Group Foundation where he helped to shape Wings to Fly Scholarship Programme and Deputy Director at the Teachers Service Commission focusing on teacher management.</p>
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3.	 <p>Prof. Clara Samiji M., Ph.D., EBS Independent Member D.O.B 15th September, 1954</p>	<p>Ph.D. in Kiswahili Literary and Gender Studies (Kenyatta), M.A. in Kiswahili Studies (Kenyatta), B.Ed. (UoN). Prof. Samiji is a Professor of Kiswahili, researcher, translator and a Kiswahili literary writer.</p> <p>A Fulbright Programme Alumni and a university scholar who has served as chairperson of Language, Literature and Communication Department, member of senate, member of committees such as Postgraduate Committee, University Faculty Programmes, School of Postgraduate Studies, Internal Quality Assurance and Steering Committee of Academic Management Systems (CUEA). She served as a member of Kiswahili Postgraduate Committee, member of Intellectual Property Rights and Coordinator of Kiswahili Department Staff Seminars (KU). She has served as the National Secretary General of Chama cha Kiswahili cha Taifa (CHAKITA), a member of Chama cha Kiswahili Afrika Mashariki (CHAKAMA), and a member of Chama cha Ukuzaji wa Kiswahili Duniani (CHAUKIDU). She has served as one of the Directors of the Women Enterprise Fund (WEF) and the National Campaign Against Drug Abuse Authority (NACADA). She has participated as one of the jurors in the Literary Awards Competitions like the Mabati – Cornell Kiswahili Prize for Literature and one of the translators of the Kenya Parliamentary Standing Orders of the Senate and National Assembly into Kiswahili.</p>
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4.	 <p>Ms. Susan Amlango Aletia, HSC Independent Member D.O.B – 19th August, 1974</p>	<p>Susan holds a Master’s degree in Public Health, majoring in disaster preparedness and management from Moi University; B.Ed. (Science) (Moi University) She is a focused, result oriented, passionate in development, keen to advance public health principles and practice in disaster situations to promote the well-being of communities. She has strong advisory, negotiation, analytic and communication competencies gathered from years of work experience in Government, Non-governmental organizations and the United Nations.</p> <p>She coordinated a UN and Turkana County development partnership initiative; promoting integrated programming. Prior to this, she worked for UN Women as a gender advisor to the Turkana County government. Before then, worked with a DFID as an M&E specialist and UNICEF as the head of field office and emergency project officer for Turkana and West Pokot Counties. She has also worked with a World Bank funded project focused on need-based and sustainable community development projects. She has also served as a council member in two public universities in the country.</p>
5.	 <p>Hon. Eusilah J. Ngeny Independent Member D.O.B 15th November, 1974</p>	<p>Eusilah is a MBA Global Business and Sustainability Social Entrepreneurship Track (Catholic University of Milan); She is currently pursuing Masters in Social Transformation. Catholic University of East Africa (CUEA); BBM (Accounting option), Moi University; Diploma in Business Management, Kenya Institute of Management (K I M). Eusilah has served in various elective positions as National Assembly Women Rep, Uasin Gishu</p>

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		<p>County; Councillor, Eldoret Municipal Council (Hospital Ward) and Deputy Mayor, Eldoret Municipal Council. She has also gained a wealth of experience in women leadership by attending various international seminars including; Women Leadership with the United Nations; UNDP and USAID in New York, London, Rome, Texas, India, South Africa; Municipal Platforms for local Strategic Development course in Rehovot, Israel; Elected Women Leaders in Africa course (Morocco); International course Women Leaders in Africa, held in South Africa. She has been appointed in various leadership positions and she is currently a member of Kenya Women Parliamentary Association (KEWOPA)</p>
7.	 <p>Prof. Isaac S. Kosgey, PhD., MBS Vice-Chancellor, Secretary to Council D.O.B - 5thApril, 1961</p>	<p>PhD (Animal Sciences), M.Sc. Animal Science (Wageningen), B.Sc Animal Production, Diploma in Animal Husbandry (Egerton), MBA (Kenyatta), Diploma in Law (MKU), LL.B, PGDP. Law (OUT)</p> <p>Professor Kosgey is a Professor of Animal Sciences (Animal Breeding and Genetics). He has extensive experience in public and university administration and management, having served in various capacities in Laikipia and Egerton Universities. Prior to being appointed the Vice-Chancellor of Moi University, he was the DVC–Administration, Finance and Development at Laikipia University. He has published widely and won several research grants. He is a peer reviewer in various refereed journals and has supervised several M.Sc. and PhD students. He is also a trained ISO 9001 auditor. He participates in several Government and community activities.</p>

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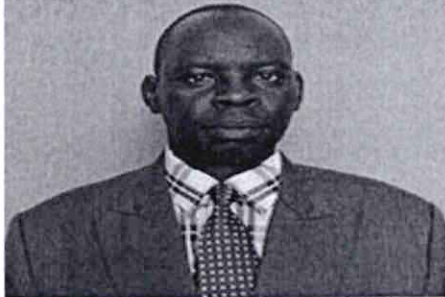
8.	 <p style="text-align: center;">Dr. Chris Kiptoo, CBS PS The National Treasury and Economic Planning</p>	<p>Ph.D. Finance (UoN), Master of Science (Ag. Economics) and Bachelor of Science (Ag. Economics) (Egerton) He is an Accredited Fellow in Micro Economic and Financial Management Institute of Eastern and South Africa(MEFMI)</p> <p>Dr. Chris Kiptoo has also served as the Principal Secretary Ministry of Environment and Forestry and the state department of Trade, Ministry of Industry, trade and cooperatives. He has a rich wealth of experience in economic policy analysis, mainly gained at the Central Bank Of Kenya, Capital Markets Authority and the International Monetary Fund, where he served in various capacities.</p>
9.	 <p style="text-align: center;">Dr. Beatrice Inyangala Muganda PS State Department for Higher Education and Research, Ministry of Education</p>	<p>Ph.D. (Athens) B.Ed. M. Phil in Planning and Economics of Education (Moi)</p> <p>She has served in various capacities in the Education sector such as Director of higher Education at the Partnership for African Social and Governance Research (PASGR) and has led Pedagogical Leadership in Africa (PedaL) Project. She has trained over 1,000 teaching staff in 60 Universities on the African Continent in innovative pedagogies. She has contributed to Kenya National Policy documents such as the Medium Term Framework on Education and Training for Vision 2030, and the National Manpower Survey</p>

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4. Key Management Team

Name of Staff and Area of Responsibility		Qualifications
<p>Prof. Isaac S. Kosgey Vice-Chancellor</p>		<p>Ph.D. (Animal Sciences), M.Sc. Animal Science (Wageningen), B.Sc. Animal Production, Diploma in Animal Husbandry (Egerton), MBA (Kenyatta), Dip. Law (MKU), LL.B (OUT)</p>
<p>Prof. Eng. Kirimi H. Kiriamiti Deputy Vice-Chancellor, Administration, Planning & Strategy</p>		<p>Post graduate Diploma, INP Toulouse (France), BSc., MSc, Technical University of Wroclaw, (Poland) Ph.D, PE, Ph.D. Chemical and Process Engineering, INP Toulouse, (France)</p>
<p>Prof. Isaac N. Kimengi Deputy Vice-Chancellor, Academics, Research and Extension</p>		<p>B.Ed. (Sc.), M.A (Ed.) (Nairobi), Ph.D (Kenyatta)</p>
<p>Prof. Tenge R. Kuremu Principal, College of Health Sciences</p>		<p>MBChB, M.Med (Surg) (UoN), M.Med (Paediatric Surg) (Kwazulu Natal), FCS(ECSA)</p>

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<p>CPA Eglia C. Samoei Ag. Chief Finance Officer</p>		<p>BA (Economics) (Nairobi) MBA (Moi) CPA (K)</p>
<p>Petrolina C. Chepkwony Senior Legal Officer</p>		<p>LL.B. (Moi), Dip (Kenya School of Law), EMPA (Moi), LL.M. (Nairobi)</p>
<p>Prof. Simeon Mining Ag. Registrar-Administration, Planning and Strategy</p>		<p>DVM, M.sc. (Moscow Vet Academy), Ph.D. (Liverpool), Ph.D. (h.c) (Linkoping)</p>
<p>Dr. David Rutto Registrar -Academics, Research, Extension and Student Affairs</p>		<p>B.Ed (Moi) , M.Ed. (UEA, Baraton), Ph.D. (CUEA), MAARUK</p>

5. CHAIRMAN'S STATEMENT

On behalf of the Moi University Council, and on my own behalf, I am pleased to present the Financial Statements for the Year Ended 30th June 2024. This report affords us an opportunity to reflect on the major operational and financial strides that the University has undertaken in the period under review. These strides were made in the backdrop of a return to normalcy in major areas of the country post-the Covid 19 pandemic and the 2022 elections. In addition, there was a change by government in the University Funding Model from the Differentiated Unit Cost approach to the Means Testing Instrument adopted under the auspices of the Bottom-Up Economic Transformation Agenda of the Government.

On the operational side, the University's operations and activities ran smoothly despite the financial challenges arising from reduction in government capitation arising from the phase-out of the differentiated unit cost approach to student financing, and continued decline in university revenues that is mainly generated internally as Appropriation in Aid (AIA) through the privately sponsored student programme. The capitation grants from the Government remain the only reliable revenue source that sustains University operations, and the shift in student funding meant a reduction in capitation, and thus continue to be inadequate to meet the current University obligations. This has given rise to pending bills which currently stand at Kes. 7.6 billion.

The University adopted a Strategic Plan for the period 2023/24-2027/28 with the theme of "Nurturing Entrepreneurial and Sustainable University." This theme will be achieved through achievement of the following strategic goals: Excellence in Academics, Research and Extension Services; Quality student experience in the University; Effective management of University Resources in Service delivery; Enhancement of governance structures and systems; and enhancement of sustainability through resource mobilization. I firmly believe that successful attainment of these goals will enable the University surmount the financial challenges currently abounding and lead to a path of recovery.

On the financial aspects of the University's operations, the University continued its engagement with the government for financial support to settle historical debts, and to enable it rationalize staff payroll costs which takes up over 70% of the entire University recurrent budget. The University will continue pursuing the support from the government through the parent Ministry to enable it restructure its operational costs.

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Also, the University received an increased allocation of government sponsored first year students than the previous year, and under the new funding model, the revenues generated from the enrolment is considered as Appropriation-in-Aid. As such, there was an increase in the Appropriation-in-Aid as a result of the increase in first year enrolment from government sponsored students.

The University also continued implementing reforms and measures aimed at cutting on costs, enhancing revenue performance, and ensuring operational efficiency. The revenue generation initiatives through apple farming, and other farming activities is meant to generate more income for the university. The apple farming project has reached the production stage, and its contribution to university revenues should increase in the next financial year. Further, the University has engaged other partners to utilize its land to diversify into other potential commercial crops.

The University through its Directorate of Resource Mobilization, Enterprise Development and Institutional Advancement (RMEDIA) continues to explore other sources of income for generation and mobilization of resources from within and outside the University. To this end, the University has established an Endowment Fund through which alumni and other stakeholders of the institution can mobilize resources. The University celebrated its 40th Anniversary during the period, and noted that the alumni who are largely spread within and outside the country can be mobilized

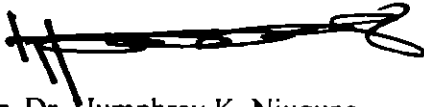
The University continued its contribution to the national research agenda, and managed research funds of over Kes.305 Million. during the period. In addition, it signed Memoranda of Understanding and Financial Memoranda of Understanding with various institutions intended to facilitate all cooperative initiatives in the areas of instruction, research, cooperative projects, and staff, faculty, and student mobility.

The University through the Centre for Strategic leadership Development (CSLD) has commenced offering short courses on leadership and governance to our leaders in the National and County government, other Institutions, Non-Governmental Organisation among others for purpose of income generation. The Centre also offers courses on Enterprise Development and mentorship on business start-ups and Research.

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On behalf of the University Council, I would like to thank the Government for continued support to the University through recurrent and capital development grants as well as our development partners.

I appreciate the University Management, Staff and Students for their tireless efforts in enabling the University meet its core mandate of teaching, research and community outreach.



Dr. Dr. Humphrey K. Njuguna
Ph.D. Law, Ph.D. Enterp
Chairman of Council,
Moi University.

6. REPORT OF THE VICE CHANCELLOR

It is with great pleasure that I present this report for the Financial Year ended 30th June 2024.

The year was fairly marked by a good working environment following normal resumption of economic activities in the country. The University's academic and operational activities ran smoothly. There was one graduation ceremony held during the year that saw more than four thousand students graduate and enter the job market.

Despite the lasting negative effects of the Covid-19 pandemic that had a negative impact to the University operations, the University continues to grow in Infrastructural Development with the support of the Government and other development partners.

However, the recurrent capitation from the Government has been declining due to a decline in both the number of Government and self-sponsored students enrolled in the University each year following the change in government policy to admit all students qualifying to join University to both Public and Private Universities.

It is our appeal to the Government to review and increase funding for the on-going students under the Differentiated Cost Unit Model (DUC). This is due to the rising costs involved to maintain the students in the University, that can't be meet by the declining exchequer grants.

Further, the Government should allocate adequate financial resources to the on-going and stalled projects currently being implemented in the University, due to strain on the existing facilities following closure of other Campuses by the University and termination of leased facilities so as to cut on operational costs.

To support the governance systems put in place, there has been enhancement of automation of University processes through upgrade of the Enterprise Resource Planning (ERP) software to Microsoft Business 365 to ensure effectiveness and efficiency in service delivery, including managing Student Results, Course Management, Fees collection, Master Time-tabling, Human Resource Management, Procurement, Financial System Management, Transport, Generation of Reports and general decision-making of the University.

To address the financial challenges, the University has redefined its path progressively towards modernisation and digitization of its operations, processes and academic programmes so as to utilize the available resources and ensure efficiency in service delivery. The University has allocated adequate financial resources to improve on the ICT Infrastructure and equip the IODEL for digital learning and operations so as to cut on costs as well increase revenues through increased students enrolments. Further, the University is exploring avenues and engaging in negotiations with Potential Partners in an effort to make use of its Idle Assets to generate more revenue to the Institution.

Review of the University's Governing Structures and policies.

The University is reviewing its processes and policies to align to the reviewed University Statutes and has implemented the new governance structures for clarity and ease of decision making and to ensure effectiveness and efficiency in decision-making.

The University recognizes the importance of policies in the day-to-day running of operations. Consequently, the University Management Board and Council in the last one (1) year has developed key policies and reviewed existing ones in line with The Constitution of Kenya, 2010 and relevant laws and regulations.

Resource Mobilization

There is a raft of measures to improve the sustainability of Income Generating Units (IGUs) such as the establishment of a Directorate of Resource Mobilization, Enterprise Development and Institutional Advancement (RMEDIA) to focus on IGUs and mobilization of resources for the University and establishment of Advisory Committee to oversee their operations. The University has embarked on an ambitious plan to diversify its revenue sources from its existing assets to supplement tuition fees and related income.

Some of the measures include revamping of the University Farm that has seen increased revenue from the Dairy Farm, Wheat Farming, Apple Farming, lease of arable land for maize farming and value addition through Elimu Millers.

Other measures include establishment of the Centre for Strategic Leadership Development (CSLD) to offer short term leadership courses, Technical and Vocational Education and Training (TVET) Institute, operationalization of the Dental Clinic amongst others.

To increase the resource base of the University, efforts have been made on commercialization of research proposals for grants and projects. In addition, the University continues to collaborate with other Universities and Institution to widen research grants to the institution.

Currently the University has a number of running research projects, notable of these is the World Bank supported project (ACEII-PTRE) that has been running for the last five years. The funds received from this Project have reached Kes.740 Million that has among others, been used to teaching and operational facilities. There are also other partnerships Centres of Excellence that have directed their resources to the University and enhanced the much-needed support.

Staff and Students' Welfare

University continues to provide a conducive working environment for its staff and comfortable facilities for its student. A number of student hostels have been renovated to improve and provide comfort and security to the students. In addition, the University continues to provide new facilities to ensure that staff and students' welfare is enhanced. The University continues to promote a harmonious working relationship with the surrounding communities to provide a cohesive business environment; comfort and security to our students also enjoy reciprocal business exchanges.

The University is currently building a new ultra-modern Amphitheatre that will provide the staff and students facilities to showcase their talents apart from providing teaching and recreational space.

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Further, the University is engaging with Alumni to explore possibilities of resource mobilization as well as seeking support for needy students in terms of scholarships

Financial Performance

Like all other Universities in the Country, the University is facing challenges arising from budgetary deficits and low cash flow due to a decline in the numbers of students and other external factors. As a result, the University continues to accumulate pending bills due to its inability to meet its obligations. Revenue collection from A-I-A has been dropping each year because of change of policy by the Government on admission and support of all the students qualifying to join the Universities.

The University has put in place measures of harmonization and rationalization of academic programmes, courses, merger of Schools and Departments and other turn-around cost reduction strategies in an effort to return to positive performance.

Appreciation

The University appreciates the support of the Government in providing financial support in form of recurrent and capital grants. This support has gone a long way in helping the University in achieving its goals and mandate.

I would also like to appreciate the support and advice of the University Council, Management Board as well as our dedicated staff and students.



PROF. ISAAC S. KOSGEY, Ph.D., MBS
VICE-CHANCELLOR

7. Statement of Performance against Predetermined Objectives For FY 2022/23

Section 81 subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statements, a statement of the national government University's performance against predetermined objectives.

Moi University has five strategic issues and objectives within its Strategic Plan for the FY 2023/2024-2027/2028. These strategic issues are as follows:

Strategic issue 1: Enhance learning experience through Establishment, Design, Review and Delivery of Academic Programmes .

Strategic Issue 2: Quality Student life in the University

Strategic Issue 3: Effective Management of University resources in Service Delivery

Strategic Issue 4: Enhanced Governance Structures , Systems and Corporate Social Responsibility

Strategic Issue 5: Sustainability through Resource Mobilization

The University develops its annual work plans based on the above five Strategic issues. 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 2023/2024 period for its five strategic issues, as indicated in the diagram below:

Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
S.I 1 Academic Excellence, Research and Extension	For the year ended June 30, 2024. To promote Excellence in Academics, Research and Extension	1. Provide Quality, accredited and market driven Academic programmes 2. Create an environment that supports cutting edge research 3. Improve library services 4. Mainstream outreach and extension services 5. Restructure academic units to enhance delivery of academic services	1. Reviewed 13 programmes of academic as per CUE requirements -Negotiate and conclude agreements with partners and collaborating institutions 2. Finalised the merit award policy and sensitized stakeholders 3. The University designed and initiated the process of constructing Annex Phase II library Subscribed to electronic resources database 4. Engaged the community leaders during Moi @ 40 celebrations, Participated on the environmental conservation through tree planting, Held dental outreach camp 5.The university harmonised academic programmes	Implemented 13 reviewed programmes The University signed 32 MOU's with various collaborating institutions 2. The University completed the Merit award policy and completed the ACEII PTRE building for researchers 3. Contract awarded and signed Increased usage of E resources Increased sitting capacity through re designing of sitting arrangement 4. Provided access to healthcare in 20 counties through the COBES Programme 5. The university aligned the programmes and academic staff at the school of Arts, HR IS and School of law
S.I 2 Quality Student Life in the University	To ensure quality student experience in the University	1. Create a conducive environment that enriches student life 2. Provide and improve student support services 3. Streamline existing and introduce new games and other co	1. Renovated students hostels, Lecture halls and increased Wifi hotspots 2. Held cultural week and did training on the mental health and provided mentors to students 3. Drafted working programme and provided mentors to students	1. Renovated hostel A,B,H & J Hostel C & E in progress 2. The University mentored 503 students 3. 4. Repaired the toilets and fixed new brail machines. Constructed ramps in Hostel H & fixed frailly for people living

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		<p>curriculum activities</p> <p>4. Construct and revamp facilities to support disadvantaged students</p> <p>5. Sustain students' involvement in management of university affairs</p>	<p>4. Provided toilets in the new ACEII building</p> <p>5. Constantly involved students in the management of student affairs</p>	<p>with disabilities.</p> <p>5. Student leadership MUSO are allowed to participate/seat in Senate meetings and articulate issues affecting the students. They present students grievances if any champion welfare needs.</p>
<p>S.I 3</p> <p>Effective and Efficient Management of University Resources in service delivery</p>	<p>To effectively manage University Resources in Service delivery</p>	<p>1. Effective Management of University Human Resources in Service Delivery</p> <p>2. Effective Management of University's Financial Resources in Service Delivery to achieve financial stability & sustainability</p> <p>3. Effective Management of University's Infrastructural Resources in</p>	<p>1. Proper placement and engagement of staff</p> <p>2. The University to absorb the funds allocated to it by GoK</p> <p>3. Developed annual maintenance schedule and procurement plan</p>	<p>1. Job description for staff well categorised</p> <p>2. The University absorbed 100% of the funds allocated by GoK</p> <p>3. Maintained the infrastructure and timely completion of projects</p>

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		Service Delivery 4. Effective Management of University's ICT Infrastructural Resources in Service Delivery		
S.I 4 Enhanced Governance Structures, Systems and Corporate Social Responsibility	To enhance governance structures, systems and corporate social responsibility	1. Effective Governance structure and systems 2. Corporate social responsibility engagements 3. Marketing and promotion of activities	1. Reviewed University Statutes 2. Engaged the community leaders during Moi @ 40 celebrations, Participated on the environmental conservation through tree planting, Held dental outreach camp 3. Develop innovative academic programmes and review for relevance, marketability and competitiveness	1. The Statutes were reviewed and approved during the year 2. Held Marathon at the University with the community 3. Increased the no of students admitted under postgraduate programmes
S.I 5 Sustainability through Resource Mobilization	To enhance sustainability through resource mobilization	1. Create an entrepreneurial unit for financial growth and sustainability	1. Created Directorate of RMEDIA to spearhead resource mobilization 2. Provided seed capital for IGU 3. Collaborations with partners are in advance stage of completion	1. Over 100 acres of apple fruits planted and first harvest realised. 2. The Elimu millers is now operational on production of

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		<ul style="list-style-type: none"> 2. To Enhance IGU Revenue Generation 3. Improve partnerships and collaborations with strategic partners 4. Promote Alumni activities in the University 	<ul style="list-style-type: none"> 4. Assembly of computer and IT related products 5. Mentorship programmes was held and donation of games kits to the University 	<ul style="list-style-type: none"> flour and by products 3. Signing of MOU are underway 4. The University has successfully assembled computers ready for the market 5. Linkages to the industry through alumni was achieved, and the launch of the endowment fund
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8. Corporate Governance Statement

Corporate governance comprises rules, procedures, regulations and processes through which the University is directed. The University is committed to the highest standards of corporate governance and ethics. Good corporate governance practices are therefore essential to the delivery of long term sustainability of the University.

Ownership

The University was established under the Moi University Act in 1984 as the second Public University in Kenya. The University is a body corporate established under the Moi University Charter 2013. It is headed by the Vice-Chancellor and Secretary to the University Council, who is responsible for implementation of the Council’s policy decisions and day-to-day operations of the University.

Constitution, Appointment and Retirement of Members of Council

The Council consists on nine persons appointed by the Cabinet Secretary in charge of Education. The membership of the Council is as follows:

- (i) The Chairperson
- (ii) The Principal Secretary in charge of University Education
- (iii) The Principal Secretary in charge of The National Treasury
- (iv) Five persons appointed by the Cabinet Secretary through an open and competitive process
- (v) The Vice-Chancellor, who is an ex-officio member of the Council

Newly appointed members of Council are facilitated to undergo an induction process covering the business of the University by availing relevant information and also taking them through structured induction training.

The members of Council retire at the expiry of their term of appointment or when appointed to other offices that could bring a conflict of interest.

The University Charter and the Universities Act No 42 of 2012, Moi University has established the following organs of governance: -

- The Council
- The Senate
- Moi University Management Board

The University has continued to implement effective corporate governance by ensuring timely and relevant disclosures as provided in the Public Finance Management (PFM) Act 2012, ensuring strong audit procedures and audit independence, having clearly defined Council and Management duties and responsibilities and ensuring compliance with relevant laws and ensuring the highest levels of integrity at all levels in the University

Council Charter

The Charter of the Council is crucial to the University's governance and defines the Council's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. The Charter provides guidance on the following:

- The separation of the roles, functions, responsibilities and powers of the Council and its individual members
- Nomination, appointment, induction, on-going training and performance evaluation of the Council and its committees
- Policies and practices of Council on corporate governance matters, Council members' declarations and conflict of interest, conduct of Council and Council committee meetings
- Powers delegated to Council committees as well as matters reserved for final decision making and approval by the Council

Council Size, Composition and Appointments

The constitution of Council is stipulated in the University Charter and the Universities Act No. 12 of 2012. The University Council is headed by the Chairman and is composed of Nine [9] members inclusive of the Vice-Chancellor who is the only executive member. The constitution of the Council takes into consideration requirements of the education sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the University.

Roles and Responsibilities of the Council

The roles and functions of the board are clearly defined and include giving the overall oversight of Management and giving the strategic direction of the University. The Council defines the University's strategies, objectives, values and ensures that procedures and practices are put in place to ensure effective control over strategic, financial, operational and compliance issues. The Council develops short and long term goals of the University, develops strategies to achieve those goals and monitors the performance of the University against the set goals. The Council also spearheads the preparation of financial statements and reports of the University, approves and reviews annual budgets and ensures that the University has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity.

While the Council sets the direction and general guidance on policy, the day to day running of the University has been delegated to the Vice Chancellor. However, the Council is responsible for the stewardship of the University and assumes responsibility for the effective control of the University.

The Council has unrestricted access to timely and relevant information as well as advice and services of the Corporation Secretary to discharge its duties effectively. They operate in compliance with the Mwongozo code of conduct that offers corporate governance framework for all state corporations and the members of Council have duly undergone training under this code.

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Council Meetings

The Council prepares an annual Almanac showing the schedule of their meetings planned for each year. During the year, the University Council held regular quarterly meetings, while special meetings were called when necessary.

Full and Special Council Meetings

Name	Position	No. of Meetings
Dr. Dr. Humphrey Njuguna	Chairman	4
Mr. Christopher Khaemba	Member	4
Mr. David Ronoh	Member	3
CPA Hilda Muchungu	Member	3
Dr. Guyo Dulacha	Member	3
Mr. Obiero Charles	Member	4
Prof. Clara Samiji	Member	4
Mr. Isaac Memusi	Member	1
Mr. Victor Momanyi	Member	1
Hon. Eusila Ngeny	Member	2
Ms. Susan Aletia	Member	2
Ms. Anne Chelangat	Member	2

Audit, Risk and Compliance Committee

Name	Position	No. of Meetings
Ms. Susan Aletia	Chair	1
Mr. Christopher Khaemba	Member	1
Mr. Obiero Charles	Member	1
Ms. Anne Chelangat	Member	1
CPA Hilda Muchungu	Former Chair	3
Dr. Guyo Dulacha	Former Member	3
Mr. Isaac Memusi	Former Member	3

Academic, Research, Extension and Student Affairs Committee

Name	Position	No. of Meetings
Mr. Christopher Khaemba	Chair	1
Mr. Obiero Charles	Member	1
Ms. Susan Aletia	Member	1
Ms. Anne Chelangat	Member	1
Prof. Clara Samiji	Former Chair	3
Mr. Isaac Memusi	Former Member	3

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Finance, Administration and Strategy Committee

Name	Position	No. of Meetings
Prof. Clara Samiji	Chair	4
Mr. Obiero Charles	Member	4
Hon. Eusila Ngeny	Member	4
Ms. Anne Chelangat	Member	4
Mr. Christopher Khaemba	Former Chair	3
Mr. David Ronoh	Former Member	3
Mr. Isaac Memusi	Former Member	2

Human Resource and Governance Committee

Name	Position	No. of Meetings
Hon. Eusila Ngeny	Chair	2
Mr. Obiero Charles	Member	2
Prof. Clara Samiji	Member	2
Ms. Anne Chelangat	Member	2
Dr. Guyo Dulacha	Former Chair	3
Mr. David Ronoh	Former Member	3
Mr. Isaac Memusi	Former Member	2

Council Committees

The Council Members are appointed to various Council Committees, and hence, bring their diverse experiences in deliberations during Council meetings. The Council Committees have well defined terms of reference that are intended to facilitate efficient decision making by the Council in discharging its duties and responsibilities. The Council Committees and their functions are as indicated below.

The University has an Audit, Risk and Compliance Committee as required by law. The Council in appointing the members of this committee has ensured that at least one member of the committee has relevant qualifications and expertise in audit, financial management, or accounting with experience in public service and knowledge in risk management and is a member of a professional body in good standing.

Audit, Risk and Compliance Committee	Academic, Research, Extension and Students' Affairs Committee
Functions	Functions
To assist the Vice Chancellor in enhancing internal controls in order to improve efficiency, transparency and accountability.	To provide guidelines on University wide research activities

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To review audit issues raised by both internal and external auditors.	To research set priorities and targets for research activities in the University
To resolve unsettled and unimplemented Public Investment Committee's (P.I.C) Recommendations	To receive, consider and recommend to Council award of honorary degrees
To enhance communication between management, internal and external audit and to foster an effective audit function	To provide guidelines on University wide training
Finance, Administration and Strategy Committee	Human Resource and Governance Committee
Functions	Functions
To explore ways of raising funds for the University both internally and externally	To recommend to Council the appointment of suitable candidate(s) after considering all the requirements for the post or in case of there being no suitable candidates to recommend re-advertisement of the position.
To develop appropriate and conducive policies to guide and promote resource mobilization and income generation activities in the University.	To recommend to Council improvements in the job grading classifications as the Committee may consider appropriate.
To monitor and evaluate income generation and resource mobilization activities in the University.	To review and make recommendations to Council on Terms and Conditions of Service as and when necessary or when directed to do so by Council from time to time.
To develop policies on utilization of resources (Income Generation) for the development of the core business of the University.	To examine and make recommendations to Council on salaries, terms and conditions of service for all University employees.

Council Boards

Council Appeals Board

The mandate of this board is to consider appeals from members of staff and make recommendations to Council.

Conflict of interest

Council Members are obligated to disclose to the Council any real or potential conflict of interest which comes to the Council Member's attention, whether direct or indirect. The Council has a conflict of interest register and at every meeting, members are required to declare any conflict of interest with regard to the matters under discussion.

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Ethics and code of conduct

The Council members and employees of the University are expected to act with honesty, integrity and fairness in all their dealings with one another and with all stakeholders and to respect the diverse cultures of all people. The University has a code of conduct that binds every council member and employee.

Procurement policies

The University has in place procurement policies in line with the Public Procurement and Asset Disposal Act, 2015 that promote fair and transparent procurement processes.

9. Management Discussion and Analysis

i). University academic and operational performance

University academic and operational performance

During the year, the University operations ran smoothly with all the Academic activities and other University operations going on as planned. Some of the activities that took place include;

- i. The second semester 2023/2024 academic year exams were done in the month of November 2023 and April, 2024 in most of the schools, following which most of the students went for teaching practice, Industrial attachments and COBES.
- ii. The College of Health Sciences students- SOM, SON and SOD did their Term 1 and term 111 exams for academic years 2023/2024 (1st years) and 2022/2023 (continuing years) respectively.
- iii. The University established a TVET Institute and admitted its 1st student's intake in the month of May, 2024
- iv. Teaching and learning activities were on going at College of Health Sciences and Nairobi Campus
- v. A number of curriculums mainly in the School of Education were reviewed during the quarter
- vi. Issuing of certificates and transcripts for those who graduated in December 2023 was on going during the year.
- vii. MU @ 40 Anniversary celebrations that were held on 7th and 8th June, 2024. Various activities were held in schools as building blocks to the main celebration. A community fun day was organized as part of the building blocks which aimed at bringing the Community and the University together and to publicize upcoming mega celebration of Moi University's 40th Anniversary. The event was successful and it achieved its objective of bringing together the community and the institution. Further, all Schools/Directorates and Centres of Excellence participated in exhibitions where they showcased their inventions/innovations, awards and did marketing of their programmes. A University wide Conference was held on 7th June, 2024 and had 100% attendance of the selected presenters where by 12 out of 13 schools participated and presented papers. The main celebration was held on 8th June, 2024, with a successful launch of the University's Strategic Plan for FY 2023/2024- 2027/2028; the Endowment fund and the Moi University Foundation. The University's publicity featured extensively during the celebrations.

The University continues to face financial challenges and is engaging on a number of strategies that include;

- i. Pursuing the Government for funding support in order to settle its Pending bills and other outstanding financial obligations.
- ii. Engaging other Agencies and Potential investors for optimal use of its resources and also exploring other resource mobilization avenues in order to generate more revenues.

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- iii. Maximizing the use of its vast land to generate more revenues through improved farming activities and leasing. In order to achieve this objective, the University recently engaged a Farm Manager and an Assistant farm Manager, who are currently working to ensure that the University utilizes its vast land optimally in order to realize sizable income from farming activities. During the quarter, the University increased its acreage under apple fruit bearing plants by twenty (20) acres and other crops by one hundred (100) acres. Intercropping of apple bearing trees with other crops mainly vegetables is currently on going, thus supplying the University’s catering units with vegetables. The University also leased out one thousand five hundred (1,500) acres that was not in use, thus realizing Kes. 24,750,000 in revenue during the quarter.
- iv. Ensuring adequate and skilled staffing for the Directorate of RMEDIA for proper management and monitoring of IGUs.

The University also continues to develop other strategies to optimally use the available resources in order to generate more revenues and is enhancing creation of linkages with partners that shall contribute to enhancing facilities of the institution as well as intensifying outreach, collaborations and research activities. Towards this effort, the University hosted a number of guests from various local and international Universities.

In an effort to cut on costs, the University engaged an HR consultant to look at its Human Resource profile and come up with a report and advice on the appropriate number of jobs and staff that the institution need to retain for smooth operations and sustainability.

The University shall continue engaging the National Treasury and Economic Planning through the Ministry of Education on its reform initiatives and financial support to be able to sustain its operations and ensure smooth delivery of its core mandate.

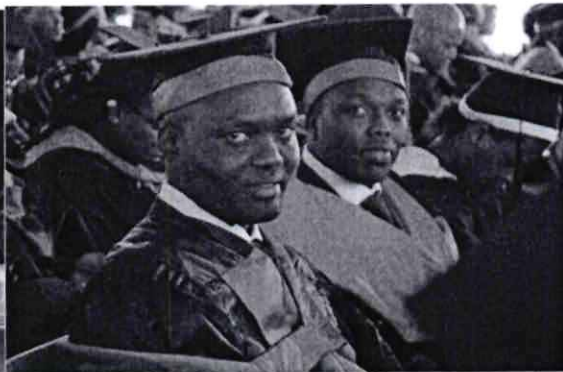
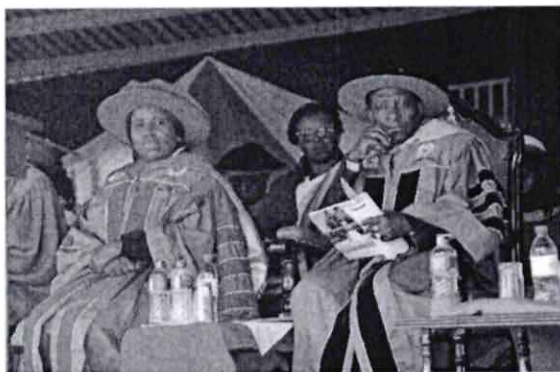
Academic matters

During the year, the University held its 45th graduation ceremony in the month of December 2023 where a total of 4,996 students graduated in the following Schools:

School	PhD	Clinical Fellowship	Masters	PGDs	Bachelors	Diploma	Total
Agriculture and Natural Resources	0	0	6	0	44	3	53
Arts and Social Sciences	19	0	17	2	540	46	624
Business & Economics	17	0	117	0	870	46	1050
Dentistry	0	0	0	0	15	0	15
Education	14	0	34	0	1753	28	1829
Engineering	7	0	18	0	222	0	247
Information Sciences	11	0	25	0	221	1	258

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Law	0	0	3	0	101	0	104
Medicine	0	7	37	0	100	0	144
Nursing & Midwifery	0	0	1	0	33	0	34
Public Health	0	0	19	0	21	0	40
Science and Aerospace Studies	7	0	4	0	247	0	258
Tourism, Hospitality & Events Management	4	0	3	0	145	10	162
Bomet University College	0	0	0	1	168	9	178
Total	79	7	284	3	4,480	143	4,996



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Financial Performance

The University recorded a slight drop in performance as compared to the same period in the last financial year. The Recurrent capitation received during the year under review dropped from Kes 3,438,281,000 to Kes 2,434,809,000 a 30% drop.

The amount received for Capital Development was Kes 48,250,000 from to Kes 31,541,434 a slight increase compared to last financial year

The University's total revenue target for the period ending 30th June, 2024 was Kes. 6,719,372,166 but the actual revenue that was collected was Kes.5,125,424,629 thus giving a negative variance of Kes. 1,593,947,537 (an adverse variance of 34%).

The target revenue from Internally generated funds (AIA) for the period up to 30th June, 2024 was Kes.4,284,563,210 but the actual revenue collected during the period was Kes 2,690,615,775. This fell below the target amount by 34% (Kes 1,593,947,455)

The negative drop in internally generated revenues was as a result of low enrolment of students during the year and the several cohorts of the continuing students who were out of campus on attachment, field practise and long holidays.

In addition, the research funds were also not received as expected and the activities or production from most of the Income Generating units was very low.

The University had a deficit of Kes. 1204,840,000 in the year ended 30 June, 2024 as compared to a deficit of Kes. 953,555,000 in the last financial year. The increase in deficit was as a result of an overall drop in revenue.

Consolidated Income and expenditure for the last five financial years is as below;

Financial Year	*Income (Kes'000)	Expenditure (Kes'000)
2023/2024	6,276,135	7,492,447
2022/2023	6,004,215	6,957,770
2021/2022	6,333,007	6,977,330
2020/2021	4,905,543	5,880,071
2019/2020	7,719,037	8,543,619

The breakdown of the incomes for the four years is shown below:

	FY 2023/24	FY 2022/23	FY 2021/20	FY 2020/19
Recurrent Capitation MU	2,434,809	3,438,281	3,442,733	3,238,832
Recurrent Capitation ACEII	262,596	24,054	140,701	149,355
Capitation Capital Funds-Rivatex	-	-		29,574

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Donor Funds USAID	736,364	-	-	-
CBA arrears	-	-	-	-
Total Recurrent Capitation	3,433,733	4,275,877	4,367,513	3,417,761
A-I-A-Moi	2,683,291	1,919,190	2,199,696	1,487,782
Rivatex Loss	-	-	-	-
Total Income	5,487,089	6,004,215	6,333,007	4,905,543

Implementation of Key Infrastructural Projects

The University is currently implementing the following key infrastructure projects that were approved in the Capital Development Budget for FY 2023/2024. The projects are expected to improve the learning atmosphere in the University, and therefore, improve the quality of teaching. The projects include:

- a) Construction of Auditorium and Amphitheatre
- b) Renovation of Hostel J
- c) Construction of ACEII PTRE Building.
- d) Construction of Digital Innovation Centre.
- e) Construction of Human Anatomy Laboratory
- f) Construction of PDN Building.

Major Risks of the University

The University's activities are exposed to a number of risks that include credit risk, liquidity risk and market risks.

The credit risk emanating from trade receivables (students' fees) is managed by ensuring that students pay the requisite fees at the time of registration and signing of nominal rolls and also before sitting for their examinations. The University has set up systems and controls to ensure that we minimize risks.

Liquidity risk emanates from the University's challenges in meeting its obligations as and when they fall due. The University is managing this risk by continuously reviewing its cash flow forecasts and agreeing on acceptable payment plans with creditors in order to meet the shortfall. The University is seeking financial support from the government to mitigate cash flow challenges as this has led to increased litigations and threatened executions.

The University is facing a risk from the reduction in the number of Self Sponsored Students (SSSP) admitted to the University. The University is dealing with this risk through rigorous marketing of SSSP and through. The Directorate of Resource Mobilization, Enterprise Development and Institutional Advancement (RMEDIA), that continues to explore other avenues of increasing income

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generating activities and mobilizing resources from within and outside the University through vigorous marketing of SSSP. There is renewed focus on admission of post graduate students, whose numbers are not affected by the government policy on admission of new students.

In addition to the above risks, the University is also facing risks in its business continuity plan caused by changes in the operating environment and changes in policies affecting the higher education sector like the change of university funding Model that takes effect from September 2024. These could lead to supply chain interruptions at the initial stages of implementation.

Material Arrears in Statutory/ Financial Obligation

The University has arrears in Pension and Provident Fund contributions, SACCOs, Welfares and Bank loan deductions amounting to Kes.5,893,763,000 and the University has been in touch with the Ministry of Education and The National Treasury to support in clearing the pending bill.

The University's Financial Probity and Serious Governance Issues

There were no reported financial improbity issues by both internal and external parties. The University has put in place governance structures in place to ensure that any exposures are addressed promptly.

10. Environmental and Sustainability Reporting

The University continues to focus on programmes that are of material importance to our students and various stakeholders, including the Government and industry. The University is committed to building a more sustainable future, despite the challenges and resource constraints that are currently being experienced by public universities.

In this report we indicate the strategic efforts that the University is engaging in to achieve sustainability in its operations and business model.

i) Sustainability strategy and profile

The year under review has been fairly favourable to the University. The sustainability efforts of the University during the year were aimed at keeping the University afloat, despite the challenging operating environment. In this regard the University diversified its operations in order to raise and increase its revenue base by investing on apple farming which is anticipated to earn the University considerable income that shall support the University budget and reduce reliance from the Government and donors. In addition the University shall continue liaising with Government and other interested parties for contracts especially in the development and assembly of digital devices in the MU Assembly Plant in Eldoret. We are confident that these efforts will enable the University to continue delivering on its mandate.

The University has instituted measures to ensure effectiveness and efficiency in service delivery and cost management strategies by harmonizing and rationalising academic programmes, courses/units, departments, staff, facilities and other University operations. In the last two year, the University consolidated and merged common programmes, closed and disposed non-strategic centres, increased resource mobilization efforts with the aim at reducing operational costs and sealing waste streams. To mitigate teaching space requirements, the University is developing requisite infrastructure, including laboratories to improve on quality delivery of academic programmes. The next phase is rationalization of non-teaching staff to ensure optimization of their numbers, skills and competencies.

To increase the resource base of the University, the University has started mid-term Apple Farming project which now stands at 80 acres in the year under review. The project at its maturity is expected to provide the University with funds that will enable the University to discharge some of the liabilities that are currently choking the institution's operations. The University is also engaging in negotiations with potential partners to establish Avocado, coffee and tea farming to make use of its Idle land to generate more revenue.

In addition, the University has opened doors for other national and international donors and alumni to join hands together to improve on the quality of research and other academic exchanges that will see the University funded.

The University has secured a number of well-funded projects, including Africa Clusters Centres (ACC) in Phytochemicals, Textile and Energy - ACE-II, Africa Centre of Excellence in African Studies, Incubation Centre, Digital Literacy Programme (DLP) Phase I and II, HEPSSA Project,

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ASALI Project, among others. There are a raft of measures to improve the sustainability of Income Generating Units (IGUs) through the establishment of a Directorate of Resource Mobilization, Enterprise Development and Institutional Advancement (RMEDIA) to focus on IGUs and mobilization of resources for the University and establishment of an Advisory Committee to oversee their operations.

ii) Environmental performance

The University embraces environmental safety in its operations and has in place policies for handling e-waste, managing other waste generated in the University and ensuring that all our operations conform to best practices to reduce any negative impacts on the environment. Rivatex E. A. Ltd., in consultation with global design houses in the Export Processing Zone, is in the process of modernizing the factory's effluent treatment plant to meet the standards required under the African Growth and Opportunity Act for textile exports to the United States market.

The company has adopted greener production processes that protect the environment and minimizes damage to the environment. The University believes that this will immensely contribute to and sustain our future success.

iii) Employee welfare

The University provides equal opportunity irrespective of gender to all the applicants who are seeking for employment opportunity in the University. This Employment criterion is contained in the University Human Resource Manual which provides guidelines on hiring and exiting the employment, and this manual has been incorporated with the Central Government manual.

The University engages its employees through open and transparent process and the employees engaged are expected to comply with constitutional and mandatory requirements, including the principles of affirmative action, gender and person enabled differently and mainstreaming of

National values and principles of Governance as espoused in the constitution that guide the hiring process. The performance of the employee are measured using appraisal instruments that provides feedback, review progress, identifies and addresses potential for rewarding and advancement

The University continues to provide a conducive working environment and comfortable and secure facilities for our staff in compliance with security and safety standards including provisions of protective gears in hazardous situations. The University continues to promote harmonious working relationship with the surrounding communities to provide cohesive business environment, comfort and security to our employees.

In addition the University encourages and builds on its pool of staff to improve and enhance their career development through in service training, promotions and support training from other Government Institutions and collaborative institutes.

iv) Market place practices-

Rivatex East Africa Limited, through the Ministry of Industry, Trade and Co-operatives collaborates with other Government institutions like the Fibre Crops Directorate of the Agriculture and Food

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Authority (AFA), the Kenya Plant Health Inspectorate Service (KEPHIS), Kenya Agriculture and Livestock Research Organization (KALRO), farmers, ginners and spinners have signed tripartite agreements for the creation of public awareness (sensitization), sustainability and multi-sectorial rural industrialization. Through these linkages the farmers will be assured of a ready market for their produce and at competitive prices, leading to job/wealth creation and poverty alleviation.

v) Corporate Social Responsibility / Community Engagements

The University recognizes that for sustainable growth and profitability it must play its role in society as an ethical and compliant entity that respects communities, legal requirements and the environment. Moi University participated in a tree growing event held at Kaptagat Forest in Elgeyo Marakwet County. This event was part of the ongoing efforts to encourage environmental conservation and combat climate change in Kenya.

The event was graced by the presence of the Chief Guest, H.E. Dr. William Koech Ruto, CGH, who is also the President of the Republic of Kenya. The President urged all participants to take part in ensuring a sustainable future for generations to come through tree planting and other conservation efforts.

Moi University was among the participants, and the University was represented by a team of staff and students led by Prof. Kuremu. R Tenge, the Principal of the College of Health Sciences. The Moi University team worked alongside other participants to plant trees in different parts of the forest. This was an opportunity for the university community to contribute to the preservation of one of Kenya's most important natural

Moi University had the privilege of hosting a distinguished delegation from the University of Pittsburgh, USA. Led by Dr. Maureen Porter, the team of Staff and Students embarked on a mission to enhance cross-cultural understanding and promote environmental sustainability through tree planting. This visit not only strengthened the bond between the two institutions but also showcased their shared commitment to global collaboration. Expressing his delight at the partnership between the two universities, Prof. Kosgey emphasized the significance of such collaborations in driving global knowledge exchange and fostering cultural understanding among Students and Staff.

One of the main highlights of the visit was the joint tree-planting initiative. Recognizing the significance of environmental conservation and the role of trees in combating climate change, the University of Pittsburgh and Moi University worked together to plant a variety of indigenous tree species on the campus grounds. The act symbolized their dedication towards sustainable practices and their collective responsibility to protect the planet for future generations.

Beyond the official engagements, the visit also presented opportunities for cultural exchange between the students and staff of both institutions. Interactive sessions, campus tours, and social gatherings facilitated meaningful interactions, allowing participants to explore each other's cultures, traditions, and educational systems. Such experiences lay the foundation for lifelong connections and broader global perspectives.

The visit by the University of Pittsburgh team signifies a promising future of collaborations and partnerships between the two institutions. The shared commitment to environmental sustainability

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and academic excellence paves the way for joint research projects, student exchanges, and faculty development programs. These collaborative endeavors will enrich the educational experiences of students and contribute to the global body of knowledge.

The launch of the ABSA Bank Graduate Trainee Program at Moi University's School of Business and Economics. This exciting new initiative aims to provide valuable opportunities for our students to kick-start their careers in the banking and finance industry.

The program, which was officially launched at our Annex Campus, encompasses a comprehensive mentorship component that pairs students with experienced professionals from ABSA Bank. This mentorship not only offers guidance and support but also provides invaluable insights into the practical aspects of the banking sector.

As part of the launch event, ABSA Bank made a generous donation of 100 trees to the university. We believe in the importance of environmental sustainability, and through this donation, we aim to promote a greener future on our campus and contribute to the fight against climate change.

Alongside the tree planting ceremony, ABSA Bank representatives engaged with our students, sharing their knowledge and expertise in various aspects of banking and finance. The interaction between students and professionals was invaluable, providing a firsthand understanding of the challenges and opportunities in the industry.

The School of Engineering at Moi university through the Small Grants Scheme by Lloyd's Register Foundation (LRF) is implementing a project aimed at building a strategic network of stakeholders to co-develop solution approaches for safer and resilient energy infrastructure systems in Kenya. The outcomes of this project will include strengthened level of collaboration and partnership among stakeholders for better management of safety and disaster risks on the energy infrastructure system in Kenya, expanded knowledge of safety and resilience in the energy infrastructure sector, and improved stability of energy supply, which would ultimately contribute to energy security and socio-economic development.

Kenya remains vulnerable to climate-related risks like storms, floods and man-made threats such as violence and crime that compromise the safety and resilience of the energy infrastructure systems. The country experiences frequent incidents on the power and gas supply system, which often disrupt the functioning of critical economic and social services with far reaching consequences on the community, the economy and the environment. According to the energy sector committee report of December 2023 by Energy & Petroleum Regulatory Authority (EPRA), a total of 40 human fatalities and 28 injuries were recorded in the first quarter of 2024, associated with incidences in the power infrastructure systems. That statistic would even be much higher if the fatalities from 280 injuries of gas explosion that occurred in Nairobi on 1st February 2024 are included.

A webinar was organized on 27th March 2024 in Nairobi, Kenya, bringing together key stakeholders from the energy infrastructure sector, academia and the government departments for a candid live conversation. The objective of the webinar was to provide deeper insights on how to integrate safety and resilience agenda in planning, design, operation & maintenance of Kenya's energy infrastructure systems.

In envisioning a sustainable future, Moi University embraces the imperative of clean energy utilization and the enlightenment of its community on renewable technologies. This vision materializes in the proposal for a transformative initiative: the inception of a 30 MW renewable energy park within its expansive main campus by the target year of 2050. Additionally, the University

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endeavors to position itself as a leading premier hub for research in Green Hydrogen, Ammonia, eco-friendly Fertilizers, and green aviation fuels across the African continent. The suggested project offers a viable solution to open doors for sustainable manufacturing and spur industrialization for the growth of the nation and is in line with the Kenya's Green Hydrogen Strategy and Roadmap.

With foresight and determination, Moi University embarks upon a phased implementation strategy for this pioneering project. The inaugural phase marks the deployment of a 5 MW solar energy facility coupled with green hydrogen and green mineral fertilizers research infrastructure. This initial step signifies the commencement of a journey towards achieving energy autonomy and assuming a mantle of environmental stewardship by the designated milestone of 2030.

In the initial phase, the University will commence its decarbonization efforts by targeting specific buildings within the main campus. Surplus electricity generated will be efficiently stored through electrolysis, facilitating the conversion of excess power into hydrogen using a compact electrolyzer (power-to-hydrogen), thereby ensuring availability during nocturnal periods and colder seasons through reconversion (hydrogen-to-power).

Furthermore, dedicated photovoltaic (PV) arrays will be deployed specifically for powering the electrolyzer, thereby ensuring a continuous supply of green hydrogen. This surplus hydrogen will be commercialized, serving as a valuable industrial feedstock for entities reliant on hydrogen-based processes. Moreover, the oxygen byproduct of electrolysis will undergo purification and find purpose in essential medical applications, benefiting not only Moi Teaching and Referral Hospital in Eldoret but also other healthcare facilities across the country.

Moreover, the green hydrogen produced will undergo further processing into ammonia or ammonia-based fertilizers such as Urea and DAP. Subsequent conversion into methanol will enable the University to diversify its revenue streams by catering to industries reliant on methanol as a raw material.

The project shall promote e-learning in the university. During power outages, the park will enable uninterrupted studies and promote safety.

The Park will further demonstrate the diverse applications of renewable energy, from powering homes to entire communities, emphasizing its role in reducing greenhouse gas emissions and air pollution while enhancing energy supply diversity and reducing dependence on imported fuels.

Guided by sociological perspectives, the renewable energy park project will emphasize community engagement, social impact assessment, equitable benefits and long-term sustainability.

By incorporating sociological insights, the project will become a model for inclusive and sustainable renewable energy initiatives, benefiting both the environment and local communities.

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11. Report of The University Council

The University Council submit their report together with the audited financial statements for the year ended June 30th 2024, which show the state of the University's affairs.

i) Principal activities

The principal activities of the University continue to be the provision University education through teaching, research and outreach.

ii) Results

The results of the University for the year ended June 30th ,2024, are set out on page 1-55

iii) Council Members

iv) The members of the Council who served during the year are shown on page ix to xiv.

v) Auditors

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

By Order of the University Council


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Prof. Isaac S. Kosgey, Ph.D., MBS
Vice Chancellor/Secretary to the Council

12. Statement of Council Responsibilities

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

The Council Members are responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the University; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act, 2012. The Council Members are of the opinion that the University's financial statements give a true and fair view of the state of Moi University transactions during the financial year ended June 30, 2024, and of the University's financial position as at that date.

The Council Members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

The Council is aware of the liquidity challenges, as result of dwindling revenues and negative working capital, which may hinder the university operations for at least the next twelve months from the date of this statement if Government financial support is not enhanced.

Approval of the financial statements

The University's financial statements were approved by the University Council on 15/01/2025 2024 and signed on its behalf by:



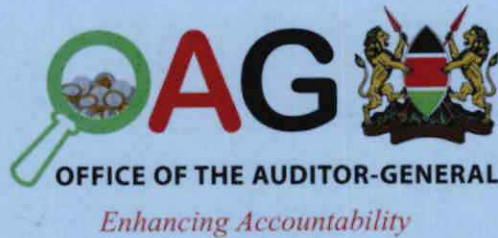
Dr. Dr. Humphrey Kimani Njuguna
Ph.D. Law, Ph.D. Enterp
Chairperson of Council



Prof. Isaac S. Kosgey, Ph.D., MBS
Vice Chancellor

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REPORT OF THE AUDITOR-GENERAL ON MOI UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

An Adverse Opinion is issued when the Auditor-General determines that, the financial statements are materially misstated and are not 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 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

Adverse Opinion

I have audited the accompanying financial statements of Moi University set out on pages 1 to 81, which comprise the statement of financial position as at 30 June, 2024 and the

Report of the Auditor-General on Moi University for the year ended 30 June, 2024

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, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of Moi University as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with Public Finance Management Act, 2012 and the Universities Act, 2012.

Basis for Adverse Opinion

1. Variances and Undisclosed Long Outstanding Trade Payables

The consolidated statement of financial position reflects trade and other payables balance of Kshs.7,764,154,000 while the respective Note 28 reflected a balance of Kshs.7,801,708,000 resulting to a variance of Kshs.37,554,000. In addition, included in other payables of Kshs.7,801,708,000 was trade payables amount of Kshs.1,289,141,000, employee payables of Kshs.5,893,763,000 and third party payments of Kshs.618,804,000 which had been outstanding for over one year.

Further, detailed individual creditors ageing analysis and the creditors policy were not provided. It was also noted that there was an increase of payables compared to previous year by an amount of Kshs.1,107,806,000. Management did not explain the actions taken to contain the increase.

In addition, the other liabilities as disclosed in Note 28 of the financial statements excludes unquantified amount of interest charged on unremitted pension contribution that attracts a penalty of 6.1% pa which has been outstanding since financial year 2012/2013. The accumulation of liabilities may negatively affect the operations of the University.

In the circumstances, the accuracy of trade and other payables balance of Kshs.7,801,708,000 could not be confirmed.

2. Unsupported Receivables - Provident Fund Contributions

The consolidated statement of financial position and Note 23 to the financial statements reflects receivables from non-exchange transactions balance of Kshs.1,538,590,000. The receivable relates to unfunded employers' pension and provident fund contributions by the Ministry of Education arising from Collective Bargaining Agreements (CBAs) between labour unions representing staff at the University and Inter-Public Universities Council Consultative Forum (IPUCCF) for the period 2010-2013 and 2013-2017 which have remained unfunded at the time of audit in January 2025. However, Management did not provide relevant documents such as CBA's and other correspondences in support of the balances.

In addition, the outstanding amounts continue attracting interest by Moi University Staff Pension Scheme and Provident Fund at the rate of 6.1% per annum. Further, the continued non-funding of Pension and Provident Fund Contributions exposes the University to industrial actions by the trade union and as a result the tax payers may be exposed to the burden of unnecessary payments from the ballooning annual interest rates subjected to the outstanding amounts.

In the circumstances, the accuracy and completeness of unfunded employer's contribution to the pension and provident fund balance of Kshs.1,538,590,000 could not be confirmed.

3. Inaccuracy in Intangible Assets

The consolidated statement of financial position reflects intangible assets of Kshs.19,944,000. However, Note. 27 to the financial statements reflects intangible assets of Kshs.19,944,000 for Moi University and Kshs.37,554,000 for Rivatex all totalling Kshs.57,498,000 resulting to unreconciled variance of Kshs.37,554,000.

In the circumstances, the accuracy and completeness of consolidated intangible asset of Kshs.19,944,000 could not be confirmed.

4. Variance in Prior Year Revenue Reserve

As reported in previous year, the consolidated statements of net changes in net assets reflects closing and opening balances of accumulated deficits of Kshs.4,510,074,000. However, the audited financial statements for previous year reflects accumulated deficit of Kshs.4,510,106,000 resulting to unexplained variance of Kshs.32,000.

In the circumstances, the accuracy and completeness of revenue reserve of Kshs.4,510,074,000 could not be confirmed.

5. Inaccuracy in Capital and Revenue Reserve

The consolidated statement of financial position reflects capital and revenue reserve of Kshs.14,599,936,000 and (Kshs.6,695,686,000) respectively. However, the statement of changes in net assets reflects capital and retained reserve of Kshs.14,328,997 and (Kshs.6,427,457,000) respectively resulting to unexplained variance of Kshs.270,945,000 both in capital and revenue reserve.

In the circumstances, the accuracy and completeness of capital and revenue reserve of Kshs.14,599,936,000 and (Kshs.6,695,686,000) respectively could not be confirmed.

6. Unsupported Impairment of Receivables from Exchange Transactions

The consolidated statement of financial position reflects total current assets of Kshs.4,148,174,000 which includes receivables from exchange transactions gross amount of Kshs.1,781,672,000 as disclosed in Note 22 to the financial statements. An impairment allowance of Kshs.307,048,000 was deducted resulting to a net receivable from exchange transactions balance of Kshs.1,474,624,000. However, the basis and

supporting accounting policy was not disclosed in the financial statements to justify the impairment.

In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.1,474,624,000 could not be confirmed.

7. Unreconciled Variances in Students' Fees Debtors

The consolidated statement of financial position reflects receivables from exchange transactions amount of Kshs.1,474,624,000 which includes students' fees debtors amount of Kshs.1,420,074,000 as disclosed in Note 22 to the financial statements. However, the balance varies with the amount generated from the system of Kshs.1,097,574,008 by Kshs.322,499,992 that had not been reconciled and explained.

In the circumstances, the students' fees debtors balance could not be confirmed.

8. Variance in Tuition Fee and Related Charges

The consolidated statement of financial performance reflects rendering of services balance of Kshs.1,884,170,000 which related to tuition and related charges as disclosed in Note 7 to the financial statements. However, the balance varied with amounts generated from the system that reflected Kshs.1,878,351,039 resulting to a variance of Kshs.5,818,961 that had not been reconciled.

In the circumstances, the tuition and related charges of Kshs.1,884,170,000 could not be confirmed.

9. Unsupported Council Expenses

The consolidated statement of financial performance and Note 13 to the financial statements reflects remuneration to council expenses of Kshs.34,061,000 in respect of payments of honoraria, council allowances, and other related expenditures. However, the council expenditure schedules provided did not indicate the details of the payee's name, the nature of the meeting, date and minutes of the meeting and locations where meetings were conducted. Further, allowances amounting to Kshs.568,000 were not supported with invitation letters and signed minutes of meetings held.

In addition, the University did not maintain a minute book for Council meetings but instead the minutes were stored in presentation folder files which increases the risk of loss, misplacement or tampering with official records due to the inadequacy of the current filing system.

In the circumstances, the accuracy of the council expenses of Kshs.34,061,000 could not be confirmed.

10. Unsupported Non-Agricultural Expenses

The statement of financial performance reflects an amount of Kshs.2,695,866,000 relating to use of goods and services. Included in this amount was Kshs.39,785,000 relating to non-agricultural expenses as disclosed in Note 11 to the financial statements. However,

review of sampled supportive schedules and payment vouchers revealed that payments vouchers totalling Kshs.3,232,161 were not supported.

In the circumstances, the accuracy and completeness of non-agricultural expenses amounting to Kshs.39,785,000 could not be confirmed.

11. Unsupported Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.11,268,418,000 whereas the re-casted balance was Kshs.11,391,650,000 which differed with the assets register balance of Kshs.6,729,506,640 resulting to unexplained variance of Kshs.4,662,143,360.

Further, and as disclosed in Note 26 to the financial statements, the property, plant and equipment balance of Kshs.11,268,418,000 included additions during the year of Kshs.315,149,000 which included Kshs.216,787,000 in respect of Work-in-Progress(WIP). However, the WIP additions was not supported by the Interim Payment Certificate as at 30 June, 2024.

It was also noted that textbooks of unknown value were not included as property, plant and equipment.

In the circumstances, the accuracy and completeness of the consolidated property, plant and equipment balance of Kshs.11,268,418,000 could not be confirmed.

12. Unsupported Balance on GoK Loan

As previously reported, the consolidated statement of financial position reflected Government of Kenya (GoK) loan balance of Kshs.231,250,000. The University received GoK loan of Kshs.250,000,000 on 11 June, 2008 to facilitate the acquisition of Karatina Campus; which is now a fully chartered University.

However, the following observations were made:

The contract between Moi University and Kenya Tea Development Agency (KTDA) for purchase of Kagochi Training Institute which became Karatina Campus indicated that Kshs.168,852,825 was agreed and the University paid Kshs.151,675,429 on 4 September, 2009. The purchase agreement indicated a contract price of Kshs.168,852,825 and other expenditure of Kshs.24,640,300 totalling Kshs.193,493,125. Information provided indicated that Kshs.168,852,825 was supposed to be paid to the vendor as deposit towards the purchase price on or before the execution of the sale agreement by the parties. However, there was no documentary evidence indicating that the payment was made to Kenya Tea Development Agency Ltd (KTDA).

However, there was no evidence indicating that The National Treasury had given consent of assigning the loan to Karatina University in accordance with legal notice establishing Karatina University College. It was also noted that the loan had not been serviced for the last twelve years and the University is in breach of GoK loan agreement terms. Further, no documentary evidence detailing the utilization of Kshs.56,506,875 was provided for audit.

In the circumstances, the accuracy, completeness and validity of the loan balance of Kshs.231,250,000 could not be confirmed.

13. Consolidation of Rivatex East Africa Limited

The consolidated statements of financial position and financial performance included the operating results and financial position of Rivatex EA Limited, an investment procured by the University for an amount of Kshs.480,834,000 as detailed in Note 25 to the financial statements. This represented acquisition of majority shareholding of 99% of the shares with nominal value shares of Kshs.1,000,000.

However, the Government through Executive order number 1 of 2023 issued in the month of January 2023 moved Rivatex East Africa Ltd to State Department of Industry leading to uncertainty on the control and ownership of the Company and hence the basis of consolidation of the financial statements.

Further, discussions and interviews with the management of the University revealed that the University did not have decision making powers and influence in management of Rivatex East Africa Ltd despite being majority shareholders of 99%. The Ministry of Investments, Trade and Industry made all key decisions on management and governance in Rivatex East Africa Ltd denying the University control over their investments.

In the circumstances, the accuracy of the financial statements for the year ended 30 June, 2024 could not be confirmed.

14. Biological Assets

The consolidated statement of financial position and Note 24b reflected biological assets balance of Kshs.75,087,000. Audit review of biological assets records noted that the University had two major biological assets which were 41,000 apple trees and seedlings and 67 cows. These biological assets were verified to be in existence. However, it was noted that the valuation of these assets was not supported by relevant valuation reports to ascertain the fair value.

In addition, the University owns extensive agricultural land which remains idle and was not put to use to generate revenue. The University had an operational dairy farm with 58 dairy cows whose operations can be maximized through modern dairy farming practices to increase milk production. The cows are grazed in open fields, the structures in the dairy farm are dilapidated, and require modernization for optimal productivity.

Audit verification of the orchard farms revealed that the farm had significant spinach vegetables which were overdue for harvesting and going to waste.

In the circumstances, the valuation of the biological assets could not be confirmed.

15. Material Uncertainty Related to Going Concern

The consolidated statement of financial position reflected total current liabilities balance of Kshs.7,782,304,000 which was more than the current assets balance of

Kshs.4,148,174,000 resulting to a negative working capital of Kshs.3,634,130,000. Further, the group incurred a deficit of Kshs.1,204,840,000 resulting to accumulated deficit of Kshs.6,695,686,000, that indicator that the University was unable to meet its financial obligations as and when they fall due.

The unfavorable performance and financial position cast significant doubt on the University's ability to meet its financial obligations as and when they fall due. The University may, therefore, have to largely depend on financial support from the National Government and the goodwill of creditors to sustain its services.

In the circumstances, the going concern assumption of the University could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on a comparable basis of Kshs.6,719,372,000 and Kshs.5,125,425,000 respectively resulting to an under-funding of Kshs.1,593,947,000 or 24% of the budget. Similarly, the University spent Kshs.5,553,815,000 against actual receipt of Kshs.5,125,425,000 resulting to an under-expenditure of Kshs.428,390,000 or 8% of the actual receipt.

Further, the statement of comparison of budget and actual amounts reflected actual revenue of Kshs.5,125,425,000 and actual expenditure of Kshs.5,553,815,000 which was at variance with the statement of financial performance amounts of Kshs.6,276,136,000 and Kshs.7,492,447,000 resulting to unexplained and unsupported variances of Kshs.1,150,711,000 and Kshs.1,938,632,000 respectively.

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

My opinion is not modified in respect of this matter.

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. These matters were addressed in the context of the audit of the financial statements as a whole and in forming my opinion thereon. I do not provide a separate opinion on these matters. Below, is a description of how the audit addressed the matter provided in that context.

During the audit review carried out in the month of October 2024, it was established that the University's academic programmes were suspended by the University Senate on 3 October, 2024 vide a special meeting due to academic staff industrial action, which was triggered by the non-payment of salaries and the non-remittance of statutory deductions. This situation caused significant disruption to the University's academic operations, resulting in the widespread unrest among students. The industrial action not only halted educational activities but also created serious financial and reputational risks for the University, including the potential for legal consequences related to the failure to meet financial obligations and statutory requirements. The audit focused on evaluating the University's financial management, including the reasons behind the delayed salary payments and the non-remittance of statutory deductions, which led to the strike. It also assessed the effectiveness of the University's internal controls in addressing these financial challenges and mitigating the risk of similar issues arising in the future. In addition, the audit considered the impact of the closure on the University's financial position, including the loss of revenue from suspended academic programmes and the potential costs associated with resolving the industrial dispute.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit section of the report, including in relation to these matters. Accordingly, the audit included the performance of procedures designed to respond to the assessment of the risks of material misstatement of the financial statements. The results of the audit procedures, including the procedures performed to address the matters above, provide the basis for my audit opinion on the accompanying financial statements.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved and disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided satisfactory explanation for the delay in resolving the issues.

Other Information

The Management is responsible for the other information set out on page ii to xlvi which comprise of Key Entity Information and Management, The University Council, Management Team, Chairman's Statement, Report of the Vice Chancellor, Corporate Governance Statement, Management Discussion and Analysis, Environmental And Sustainability Reporting, Report of the University Council, Statement of Council Responsibilities, Statement of Performance Against Predetermined Objectives. 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, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Non-Implementation of Enterprise Resource Planning (ERP) System

The statement of financial position reflected intangible assets balance of Kshs.19,944,000 as disclosed in Note 27 to the financial statements. Review of documents provided revealed that Kshs.19,944,000 was part of the money that was paid to a contractor who was awarded a contract to develop an ERP software at a contract sum of Kshs.26,591,959 with a one lifetime license fee payment of Kshs.11,500,000 procured in the financial year 2018-2019. However, the implementation of the system is yet to be completed with some modules and sub-modules not implemented. There was no evidence on the commissioning of the software, there was also no disclosure in the financial statements to indicate the systems useful life and the amortization rates.

In the circumstances, the value for money on the Kshs.19,944,000 paid for the intangible asset could not be confirmed.

2. Delayed Completion of Projects

Review of records provided for audit on project implementation status and physical verification exercise conducted in the month of January 2025 revealed that there were projects for the construction of the Amphitheatre and the Digital Innovation Centre which had a total contract value of Kshs.623,802,785 and cumulative payments of Kshs.198,045,463. However, the projects were behind the agreed completion dates of 9 October, 2024 and 28 November, 2024 respectively, while works were at 31% and at 10% complete respectively.

Further, no appropriate action had been taken by the University's Management to address obligations not met by the contractors.

In the circumstances, the University has not received value for money on the projects.

3. Employee Costs

3.1 Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of the University was two thousand three hundred and eighteen (2,318) out of which one thousand four hundred and ninety-one (1,491) or approximately 64% of the total number were members of the dominant ethnic community. This was contrary to Section 7(1) and (2) of the National

Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community".

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

3.2 Over-Employment

The statement of financial performance and as disclosed in Note 12 to the financial statements reflected employee costs of Kshs.4,513,509,000. The employee costs accounted for seventy-two percent (72%) of total revenue of Kshs.6,276,136,000 contrary to Regulation 26(a) of Public Finance Management (National Government) Regulations, 2015 on fiscal responsibility principles, which provides that, expenditure on the compensation to employees shall not exceed thirty-five (35%) percent of the total revenue. Further, the University may not be in a position to meet other essential services since employee cost exceeded the required thresholds as a greater percentage of its income is spent on staff costs.

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

4. Council Expenses

4.1 Council Meetings Beyond the Approved Limit

The consolidated statement of financial performance reflected remuneration to Council of Kshs.34,061,000 which included Council allowances and other related expenditure of Kshs.32,121,000 as disclosed in Note 13 to the financial statements. Review of Council ALMANAC, attendance register, and related records in support of the expenses revealed that the Council held a total of 35 full council and committee meetings against approved maximum number of twenty-two (22) meetings resulting to an excess of 13 meetings. Further, the University Council held sixteen (16) Council meetings, while the finance, administration and strategy committee held eight (8) meetings.

However, there were no authorizations by the Cabinet Secretary for the extra and special meetings conducted contrary to paragraph A2 of the Head of Public Service Circular of 11 March 2020 capping the maximum number of meetings to six (6) for each financial year including the respective committees of the board.

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

4.2 Unapproved Council Retreat

The consolidated statement of financial performance reflects remuneration to council amount of Kshs.34,061,000 as disclosed in Note 13 to the financial statements. Examination of expenditure records relating to council expenses revealed payments totaling to Kshs.3,013,893 incurred towards facilitations of council retreats. However, there was no approval from the Cabinet Secretary for the Council to hold a retreat outside its registered office. This was contrary to Section A (4) of Circular of 11 March 2020 which

requires that all board business (including committee meetings) shall be transacted at the principal or registered office of the corporation (not branch offices) and board retreats shall be approved by the respective Cabinet Secretary. In addition, the deliberations of the meeting and the resultant report from the retreat were not provided for audit review.

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

4.3 Payments of Allowances to Non-Council Members

The consolidated statement of financial performance reflected remuneration to council expenses of Kshs.34,061,000 as disclosed in Notes 13 to the financial statements. The expenditure included Kshs.9,834,763 paid to non-council members for attending council meetings held outside the University's head office. This is in contravention of Section 36(1) of the Universities Act, 2012 and the Mwongozo Code of Governance for State Corporations which states that the council of a public university or constituent college of such a university shall consist of nine persons appointed by the Cabinet Secretary.

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

4.4 Irregular Composition of the Council

Review of the council records and committee membership revealed that all the four committees of the council had more than one-third of the full board members. Further, two (2) council members served in four (4) committees contrary to paragraph B.4 of the Head of Public Service Circular of March 2020 which stipulates that members can only sit in a maximum of two committees.

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

4.5 Failure to Conduct Governance Audit and Council Evaluation

During the year under review, the University Council did not undertake a governance audit and board performance evaluation. This was contrary to the requirement of section 1.12 and 1.13 of the Mwongozo code of conduct for State Corporations on board evaluation and governance audit which provides 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 and that the governance audit should among other areas cover the governance practices of the organization.

Further, it requires the board to undertake an annual evaluation of the performance of all committees, individual members, the chief executive officer, and the corporation secretary. In the absence of a governance audit and the council's evaluation reports, it was not possible to confirm the existence of effective overall governance and performance evaluation measures at the University.

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

4.6 Council Expenses Exceeding the Approved Budget

The statement of comparison of budget and actual amount reflected an expenditure of Kshs.34,061,000 under remuneration to council, against an approved budget of Kshs.28,802,991 resulting in an over-expenditure of Kshs.5,258,009. No evidence was provided to show that reallocation of funds was approved by the Council and The National Treasury contrary to Section 43(b) of the Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer shall ensure that public funds entrusted to their care are properly safeguarded and are applied for purposes for only which they were intended and appropriated.

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

5. Unsupported Expenditure on Consultancy Services

The statement of financial position and as disclosed in Note 26b to the financial statements reflected assets amount of Kshs.11,268,418,000 which included additions by the University of Kshs.229,219,000. Included in Kshs.229,219,000 is Kshs.50,649,336 being payment for consultancy services to various consultants and sub-consultants for design, review of tender documents and supervision of various projects.

However, the payments were not supported by reports prepared by the consultancy firms as an indication that the services were actually offered as per the agreed deliverables, sub-consultants' contract of agreements not provided, while payment made to date as supported by measured services and inspection and acceptance committee certificate to certify that the services were actually delivered and that value for money was obtained were not provided.

Further, it was observed that sub-consultants were being paid directly by the University contrary to clause 39.1 of the contract agreement which state that all payments under the contract shall be made to the accounts of the consultant specified in the special conditions to the contract.

In addition, the contracts signed between the consultancy firm and the University did not indicate the breakdown of contract price, terms of reference, expected milestones and timelines. The consultants were paid Kshs.11,446,944 for provision of consultancy services for the Amphitheatre which had stalled. Clause 24 of the contract agreements required the consultant and sub-consultant to take and maintain insurance at its cost however, no evidence was provided to confirm that the insurance cover was taken.

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

6. Irregular Variation

Review of records provided revealed that the University contracted contractors for various construction works. However, it was observed that the works certified differed from the tendered bills of quantities amounts resulting to irregular variations amounting to Kshs.47,731,755. The variations were not supported by revised bill of quantities, design and relevant approvals from the procurement unit as stipulated in contract agreements and Section 139 of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, the works may not have been performed in accordance with the specifications, relevant laws and necessary approvals.

7. Failure to Remit Staff Deductions

The consolidated statement of financial position reflected trade and other payables from exchange transactions balance of Kshs.7,764,154,000 which included employee payables not remitted to respective bodies of Kshs.5,893,593,763 as disclosed in Note 28 to the financial statements. This was contrary to Section 35 of Cooperatives Act, Cap 490 and Section 53A of Retirement Benefits Act, 1997 which states that where an employer, having with the agreement of an employee who is a member of a scheme, made a deduction from the employee's emoluments for remittance to the scheme, fails to remit the deduction within fifteen days of the deduction, the scheme may, after giving such employer not less than seven days' notice, institute proceedings for the recovery of the deduction. Further, the University may face legal challenges on outstanding deductions including payment of interest on unremitted staff deductions.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weak Information Technology Internal Control Environment

Review of the Information Technology internal controls revealed that Management had not developed an approved emergency procedure, IT continuity and disaster recovery plan which would be resorted to in case of disruption of service. These are important in performing the oversight function and formulation of policies to ensure that the IT investments and functions are directed towards achievement of the mandate of Moi University.

In the circumstances, the reliability and effectiveness of the University's Information Technology internal controls could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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 for 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 ISSAI's 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

17 January, 2025

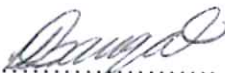
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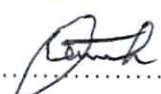
14. Consolidated Statement of Financial Performance for the year ended 30 June 2024

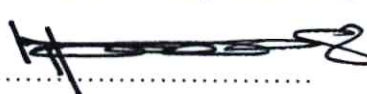
	Notes	Moi Univ 2023-2024 Kes'000	Rivatex E.A. Ltd 2023- 2024 Kes'000	Consolidated 2023/2024 Kes'000	Consolidated 2022/2023 Kes'000
Revenue from non-exchange transactions					
Transfers from Other Governments entities	6	3,433,769	96,890	3,530,659	4,378,099
Total Revenue from non-exchange transactions		3,433,769	96,890	3,530,659	4,378,099
Revenue from exchange transactions					
Rendering of Services	7	1,884,170	-	1,884,170	1,804,054
Sale of Goods	8	189,476	332,157	521,633	-187,192
Rental Revenue from Facilities and Equipment	9	34,133	-	34,133	9,253
Other Incomes	10	305,540	-	305,540	
Total Revenue from exchange transactions		2,413,319	332,157	2,745,476	1,626,116
Total revenue		5,847,089	429,047	6,276,136	6,004,215
Expenses					
Use of Goods and Services	11	1,982,530	713,336	2,695,866	1,885,009
Employees Costs	12	4,444,760	68,749	4,513,509	4,672,041
Remuneration to Council	13	29,227	4,834	34,061	28,711
Depreciation and Amortization	14	134,053	3,011	137,064	104,627
Repairs and Maintenance	15	7,105	1,878	8,983	196,004
Contracted Services	16	98,612	4,352	102,964	71,457
Total expenses		6,696,287	796,160	7,492,447	6,957,849
Gain on assets disposal	17	11,423	-	11,423	-
Foreign exchange gain	18	-	49	49	-
Deficit for the year		(837,775)	(367,064)	(1,204,840)	(953,634)

The notes set out on pages 11 to 87 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 10 were signed on behalf of the University Council by:


 Vice Chancellor
 Prof. Isaac S. Kosgey, Ph.D., MBS


 Ag Chief Finance Officer
 CPA Egla C. Samoei


 Chairman of Council
 Dr. Dr. Humphrey K. Njuguna
 Ph.D. Law, Ph.D. Enterp

Date: 15/01/2025

ICPAK M/No: 5141
 Date: 15-01-2025


Date: 15-01-2025

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15. Consolidated Statement of Financial Position as at 30 June 2024

	Notes	2023-2024 Moi Univ Kes '000	2023-2024 Rivatex E.A Ltd Kes '000	2023-2024 Consolidated Kes'000	2022-2023 Consolidated Kes'000
Assets					
Current assets	Notes				
Cash and cash equivalents	21	553,733	8,928	562,661	585,483
Receivables from exchange transactions	22	1,374,854	99,770	1,474,624	1,615,524
Receivables from non-exchange transactions	23	1,538,590	0	1,538,590	1,347,233
Inventories	24a	54,802	517,497	572,299	536,023
Biological assets	23	-	0	-	247
		3,522,029	626,195	4,148,174	4,084,510
Non-current assets					
Property, plant and equipment	26	5,281,785	5,986,633	11,268,418	11,420,187
Investment	25	480,834	0	479,834	-
Intangible assets	27	19,944	37,554	19,944	19,944
Biological assets	24 b	75,087	0	75,087	63,012
		5,857,650	6,024,187	11,843,283	11,503,143
Total assets		9,379,679	6,650,382	15,991,457	15,587,652
Liabilities					
Current liabilities					
Trade and other payables from exchange transactions	28	7,654,360	147,348	7,764,154	6,782,416
Other liabilities and provisions		18,150	0	18,150	14,420
		7,672,510	147,348	7,782,304	6,796,836
Non-current liabilities					
GoK loan	32	231,250	-	231,250	231,250
		231,250	-	231,250	231,250
Total liabilities		7,903,760	147,348	8,013,554	7,028,086
Net assets		1,475,869	6,503,034	7,977,903	8,559,566
Capital Reserves		4,763,019	9,836,917	14,599,936	14,294,070
Share Capital		-	1,000	-	-
Revaluation Reserve		-	73,653	73,653	73,653
Revenue Reserve		(3,287,150)	(3,408,536)	(6,695,686)	(5,808,157)
Total net assets and liabilities		1,475,869	6,503,034	7,977,903	8,559,566

The financial statements set out on pages 1 to 10 were signed on behalf of the University Council by:


.....

Prof. Isaac K. Sanga Ph.D., MBS
Vice Chancellor

Date 15/01/2025


.....

EPGA Eglia C. Samoei
Ag. Chief Finance Officer
ICPAK M/No:5141

Date 15-01-2025


.....

Dr. Dr. Humprey K. Njuguna
Ph.D. Law, Ph.D. Enterp
Chairman of Council

Date 15-01-2025

16. Consolidated Statement of Changes in Net Assets for the year ended 30 June 2024

Description	Capital/ Development Grants/Fund	Retained earnings	Revaluation Reserve	Total
	Kshs	Kshs		Kshs
As at July 1, 2022	13,976,995	(4,510,074)	73,653	9,540,574
Surplus/ deficit for the year	-	(953,634)		(953,634)
Capital/development grants received during the year-Moi	31,544			31,544
Capital/development grants received during the year-Rivatex	244,139			244,139
Transfer of depreciation/amortisation from capital fund to retained earnings	(104,027)	104,027		0
As at June 30, 2023	14,148,651	(5,359,689)	73,653	8,862,623
As at 1st July , 2023	14,148,651	(5,359,689)	73,653	8,862,623
Surplus/ (deficit) for the year	-	(1,204,840)		(1,204,840)
Capital/development grants received during the year	48,250	-		48,250
Capital/development grants received during the year-Rivatex	269,160			269,160
Transfer of depreciation/amortisation from capital fund to retained earnings	(137,064)	137,064		-
As At 30 June,2024	14,328,997	(6,427,457)	73,653	7,977,903

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17. Consolidated Statement of Cash Flows for the year ended 30 June 2024

		2023- 2024	2023- 2024	2023-2024	2022-2023
		Moi Univ	Rivatex	Consolidated	Consolidated
		Kes'000	Kes'000	Kes'000	Kes'000
Cash flows from operating activities					
Transfers from other governments entities		3,433,769	96,890	3,530,659	4,378,099
Rendering of services	7	1,884,170	-	1,884,170	1,804,054
Sale of goods		189,476	332,157	521,633	(187,192)
Rental revenue from facilities and equipment	9	34,133	-	34,133	9,253
Other Incomes	10	305,540	-	305,540	
Finance income		11,423	49	11,472	-
Total Receipts		5,858,511	429,096	6,287,607	6,004,215
Payments					
Use of Goods and Services	11	1,978,800	713,336	2,692,136	1,884,009
Employees Costs	12	4,444,760	68,749	4,513,509	4,672,041
Remuneration of the Council	13	29,227	4,834	34,161	28,711
Depreciation and Amortization Expenses	14	134,053	3,011	137,064	104,627
Repairs and Maintenance	15	7,105	1,878	8,983	196,004
Contracted Services	16	102,342	4,352	106,694	71,457
Total Payments		6,696,287	796,160	7,492,447	6,957,849
Net cash flows from/(used in) operating activities		(837,775)	(367,064)	(1,204,840)	(953,634)
Adjustments for:-					
Depreciation	26	134,053	174,689	308,742	104,027
Provision for audit fees		3,730.00	290	4,020	3,730
(Decrease)/increase in provision for d. debts		-	542	542	84,274
Operating deficit before working capital changes		(711,415)	(191,543)	(902,958)	(760,923)
Changes in working capital					
Decrease in inventories	24a	(166)	(36,109)	(36,275)	96,859
(Increase)/decrease in biological assets	24b	(11,828)	-	(11,828)	74,288
Increase in trade and other payables	28	778,698	6,424	785,122	574,338
Provision for audit fees	30	(3,730)	-	(3,730)	(3,730)
Increase in Receivable from Non-Exchange		202,901	-	202,901	-
Increase in doubtful debts provision	22 c	153,122	(542)	152,580	(9,986)
Increase in trade and other receivables	22	(252,787)	11,586	(241,201)	(329,604)
Total Changes in Working Capital		173,678	(210,184)	(36,506)	(358,837)
Cash flows from investing activities					
Purchase of property, plant, equipment and intangible assets	26	(229,220)	(85,929)	(315,149)	(245,105)
Proceeds on disposal of assets		11,423	-	11,423	-
Net cash flows from investing activities		(217,797)	(85,929)	(303,726)	(245,105)
Net cash flows from financing activities					

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Capital development grants from GoK	6 b	48,250	269,160	317,410	264,139
Repayment of Overdraft		-			(16786)
Restatement of Rivatex capital grants					-
Net cash flows from financing activities		48,250	269,160	317,410	247,353
Net (decrease)/increase in cash and cash equivalents		4,131	(26,953)	(22,822)	(356,590)
Cash and cash equivalents as at 1 July, 23	18	549,602	35,881	585,483	942,073
Cash and cash equivalents as at 30 June,24	18	553,733	8,928	562,661	585,483

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18. Statement of Comparison of Budget And Actual Amounts for the year ended 30 June 2024

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	2023-2024	2023-2024	2023-2024	2023-2024	2023-2024	
	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	
Revenue						
Exchequer grants	2,434,809	-	2,434,809	2,434,809	(102)	100%
Tuition and related charges	1,598,359	1,488,136	3,086,495	1,663,412	(1,423,083)	54%
Alumni Income	40,000	(16,222)	23,778	100	(23,678)	0%
Students accommodation and catering fees	74,744	13,383	88,127	60,275	(27,852)	68%
Students field trips/courses	104,500	32,068	136,568	123,202	(13,366)	90%
Students' activities	49,162	22,000	71,163	62,820	(8,343)	88%
Research Funds	233,317	231,739	465,056	648,660	183,604	139%
Farm income	15,000	-	15,000	4,488	(10,512)	30%
Rental income	8,292	10,400	18,693	40,014	21,321	214%
MU Technologies income	151,700	-	151,700	45,821	(105,879)	30%
Elimu Millers income	20,000	20,000	40,000	348	(39,652)	1%
Apple Farming Project	20,000	-	20,000	176	(19,824)	1%
MU CHS Dental Clinic Services	16,000	4,000	20,000	1,832	(18,168)	9%
Centre For Strategic Leadership Devt	30,060	(20,140)	9,920	17,093	7,173	172%
Disposal of Property	1,030	6,970	8,000	11,423	3,423	143%
Other income	118,234	11,830	130,064	10,955	(119,110)	8%
Total income	4,915,209	1,804,163	6,719,372	5,125,425	(1,593,948)	76%
Expenses						
Personal emoluments						
Basic salaries	1,557,191	760,434	2,317,625	2,311,467	6,159	100%
Internal CBA Implementation	35,000	(24,941)	10,059	-	10,059	0%
Staff Redundancy and Severance Cost	120,000	(120,000)	-	-	0	-
Gratuity,NSSF and pensions contributions,NITA	264,723	186,584	451,307	44,162	407,145	10%

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House allowance	615,911	306,728	922,640	920,899	1,740	100%
Other personal allowances	286,148	45,583	331,731	357,640	(25,910)	108%
Commuting allowance	206,187	96,654	302,841	303,830	(989)	100%
Passage and Leave	21,211	(19,211)	2,000	-	2,000	0%
Adjunct Lecturers Salaries	8,442	-	8,442	7,101	1,341	84%
Casual Wages	72,000	72,000	144,000	143,095	905	99%
Sub-total	3,186,813	1,303,832	4,490,646	4,088,194	402,452	91%
Operations and maintenance expenses						
Medical expenses	280,000	-	280,000	284,296	(4,296)	102%
Transport operating expenses	6,875	4,484	11,359	6,010	5,348	53%
Travelling and accommodation expenses	9,733	3,070	12,803	11,244	1,559	88%
External travel and accommodation expenses	4,210	620	4,830	1,880	2,949	39%
External examiners expenses	11,147	10,053	21,200	12,938	8,262	61%
Students Supervision & Thesis Examination	7,000	3,000	10,000	4,124	5,876	41%
Postal expenses	282	77	359	373	(14)	104%
Telephone expenses	54	27	81	12	69	15%
Internet expenses	30,756	13,585	44,341	49,521	(5,180)	112%
Official entertainment expenses	540	-	540	313	227	58%
Deans committee and senate expenses	1,473	1,735	3,208	1,659	1,549	52%
Conferences and seminars expenses	4,003	570	4,573	5,669	(1,549)	124%
Council expenses	28,803	-	28,803	28,183	620	98%
Staff welfare support and funeral expenses	1,056,	1,130	2,186	600	1,585	27%
Graduation expenses	8,344	9,166	17,509	10,691	6,818	61%
Open and cultural day expenses	133	1,022	1,155	291	864	25%
Electricity, water and conservancy expenses	63,556	31,731	95,287	87,191	8,096	92%
Teaching materials	50,498	15,211	65,709	5,633	60,076	9%
Publishing and printing expenses	923	461	1,384	686	698	50%
Purchase of uniforms and clothing	1,699	2,651	4,350	362	3,988	8%
Library expenses	20,167	-	20,167	7,749	12,418	38%
Purchase of stationery	9,866	4,926	14,792	18,539	(3,747)	125%

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Examination materials and Expenses	12,000	8,100	20,100	9,678	10,423	48%
Advertising and publicity	7,315	-	7,315	8,517	(1,202)	116%
Audit fees and expenses	9,789	(2,889)	6,900	6,116	783	89%
Payment of rent and rates	30,043	23,957	54,000	57,828	(3,828)	107%
Computer expenses	4,117	-	4,117	533	3,584	13%
Insurance expenses	46,103	14,017	60,119	61,114	(995)	102%
Legal expenses	26,854	-	26,854	17,432	9,422	65%
Cleaning materials and detergents	10,294	-	10,294	2,827	7,467	27%
Farm expenses	10,099	5,000	15,099	1,447	13,652	10%
Training expenses	3,090	1,543	4,633	1,694	2,938	37%
Post graduate programme	3,770	-	3,770	20	3,750	1%
University research programme expenses	2,351	1,174	3,525	-	3,525	0%
Purchase of motor vehicles	20,000	5,000	25,000	14,430	10,570	58%
Purchase of plant and equipment	40,000	6,467	46,467	-	46,467	0%
Repairs and Maintenance of Plant & Equip	972	486	1,458	539	919	37%
Maintenance of buildings	20,367	7,000	27,367	1,285	26,081	5%
Maintenance of computers	806	1,000	1,806	-	1,806	0%
Maintenance of catering and hostels facilities	26,166	9,080	35,246	11,600	23,646	33%
Maintenance of water supplies	3,276	2,896	6,172	390	5,782	6%
Maintenance of playgrounds	2,735	366	3,102	2,185	917	70%
ICT infrastructure	15,000	-	15,000	1,220	13,780	8%
Online Teaching Infrastructure	5,000	-	5,000	-	5,000	0%
ERP expenses	4,469	-	4,469	2,400	2,069	54%
IODL expenses	9,426	-	9,426	-	9,426	0%
Infrastructure development	68,000	(47,000)	21,000	987	20,013	5%
Payment of outstanding debts	110,983	89,205	200,188	6,183	194,004	3%
Remedial Plan-Pension and Provident	22,234	(12,000)	10,234	-	10,234	0%
Staff right-sizing costs	11,833	-	11,833	-	11,833	0%
MU 40 years Celebration	-	24,000	24,000	5,204	18,796	22%
Out sourcing of non-core services	35,000	(27,000)	8,000	-	8,000	0%

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Programme accreditation costs	15,240	-	15,240	3,425	11,815	22%
Curriculum Development and Review	12,000	-	12,000	2,298	9,702	19%
Contract services and subscriptions	13,500	-	13,500	7,956	5,544	59%
Research funds disbursements	216,985	215,517	432,502	473,984	(41,482)	110%
Students field trips/courses	83,600	32,483	116,083	103,661	12,421	89%
MU Technologies expenses	106,206	(16)	106,190	69,886	36,304	66%
Covid-19 intervention and mitigation costs	5,000	(4,000)	1,000	-	1,000	0%
Students activities	39,330	9,833	49,163	30,105	19,058	61%
Alumni Activities	7,000	-	7,000	1,342	5,658	19%
Apple Farming Project	40,000	-	40,000	3,408	36,592	9%
Contingent expenses	2,771	-	2,771	1,268	1,503	46%
Satellite campuses expenses	1,986	1,800	3,786	2,983	804	79%
ISO and ISO related expenses	3,950	-	3,950	3,187	763	81%
Strategic plan implementation & monitoring	2,702	2,708	5,410	2,612	2,798	48%
Performance contracting expenses	3,490	2,490	5,980	3,860	2,120	65%
Revaluation of fixed assets	1,015	-	1,015	64	951	6%
GoK loan repayment	4,138	-	4,138	-	4,138	0%
Solar Project	40,000	(40,000)	-	-	0	-
Elimu Millers expenses	8,145	21,855	30,000	1,608	28,392	5%
MU CHS Dental Clinical Services	5,600	9,400	15,000	1,193	13,807	8%
Centre For Strategic Leadership Development	4,500	(1,500)	3,000	-	3,000	0%
KUCCPS placement costs	4,868	2,682	7,550	6,663	887	88%
Directorate of communication expenses	1,156	1,156	2,313	-	2,313	0%
IPO Collaborations and linkages expenses	2,005	2,005	4,010	397	3,613	10%
Avocado Farming Project	-	20,000	20,000	-	20,000	0%
TVETA Institute Expenses	-	10,000	10,000	308	9,692	3%
Sub-total	1,728,396	500,331	2,228,727	1,465,621	763,106	66%
Total expenditure	4,915,209	1,804,163	6,719,372	5,553,815	1,165,557	83%
Surplus/(deficit) for the period				(428,390)	(428,390)	
Capital Development Budget						

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Income						
Gok development Grants	193,000	-	193,000	48,250	(144,750)	25%
Donor Grants-ACEII PTRE	40,000	-	40,000	65,000	24,337	160%
A.I.A Development Income	323,000	-	323,000	59,430	(263,570)	18%
Total Capital Development Income	556,000		556,000	172,017	(239,233)	
Expenses						
GoK Capital Projects Expenses	193,000	-	193,000	131,814	61,186	68%
Donor Capital Development	40,000	-	40,000	64,337	(24,337)	160%
A.I.A Capital projects	323,000	-	323,000	10,666	312,334	3%
Total Capital Dev Projects Expenses	556,000	-	556,000	206,817	349,183	37%

Reconciliation of financial performance deficit and actual on comparable basis

	Kes'000	Kes'000
Deficit as per actual on comparable basis		(428,390)
Less: Payment of outstanding debts	6,183	
Accruals	265,419	
Provisions	3,730	275,332
		(703,722)
Less:		
Depreciation	(134,053)	(134,053)
Deficit as per statement of financial performance		(837,775)

1. The changes between the original and final budget was due to virement of funds from unutilised budget lines to core mandate budget lines.

2. Budget variances:

- i) The number of students who were enrolled during the year were less than those projected.
- ii) The research funds were enhanced because of increase of activities funded by research funds such as the building of the ACE II administration block.
- iii) The exceptional increase in the rental income was due to leasing of University land at Sh. 12,375,000.
- iv) Elimu Millers was not operational for most of the year.

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- v) There was an anticipation of harvesting of Apples which was never realized.
- vi) There was disposal of university property especially motor vehicles.
- vii) During the year under review the new Strategic plan 2023/2024 to 2027/2028, was being worked on, necessitating many meetings and engagements with the stakeholders.
- viii) The University celebrated its forty years since inception therefore there was a lot of advertising and publicity.

19. Notes to the Financial Statements

1. General Information

Moi University is established by and derives its authority and accountability from the Universities Act, 2012 and the Moi University Charter, 2013. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is the provision of university education through teaching, research and outreach

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, the Universities Act 2012, and 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.*
IPSASB deferred the application date of standards from 1st January 2024 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2024.
- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

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Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2024:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an University’s future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset’s cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an University’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2024</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting University provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the University. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the University’s financial performance, financial position and cash flows.
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2024:</p> <ol style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.

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Standard	Effective date and impact:
	<p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p><i>Applicable 1st January 2024</i></p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • IPSAS 39: Employee Benefits <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2024.</p>
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>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 cashflows of the University.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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Standard	Effective date and impact:
	<p>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:</p> <p>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.</p>

iii. Early adoption of standards

The University did not early – adopt any new or amended standards in year 2022/2024.

4. **Summary of Significant Accounting Policies**

a) **Revenue recognition**

i) **Revenue from non-exchange transactions**

Fees, taxes and fines

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

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the University and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised 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 when the event occurs and the asset recognition criteria are met.. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

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

Sale of goods

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

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.

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Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Dividends

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

Rental income

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

b) Budget information

The original budget for FY 2023-2024 was approved by the National Assembly in July, 2023. Revision of the Budget during the supplementary 1 budget estimates saw our Capital Development budget revised down wards from Kes. 80,000,000 to Kes. 31, 544,431

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.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the University operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable University and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30 year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

The annual depreciation rates in use are as follows

Land –	Amortized for the remaining lease period
Building-	2.5%
Furniture, Plant and Equipment-	12.5%
Computers-	30%
Motor vehicles-	25%

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

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Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the University will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the University. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

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

h) 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:

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

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

i) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and

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receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The University determines the classification of its financial assets at initial recognition.

Loans and receivables

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

Held-to-maturity.

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

Impairment of financial assets

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

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

b) Financial liabilities

Initial recognition and measurement

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) Inventories

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

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

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

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

k) Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Contingent liabilities

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

m) Contingent assets

The University does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events

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not wholly within the control of the University in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

n) Nature and purpose of reserves

The University creates and maintains reserves in terms of specific requirements. The University's reserves and their purpose in indicated in the statement of changes in net assets.

Changes in accounting policies and estimates

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

o) Employee benefits

Retirement benefit plans

The University provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an University pays fixed contributions into a separate University (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. 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.

p) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date.

Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

q) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

r) Related parties

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

Service concession arrangements

The University analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the University recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

s) Cash and cash equivalents

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

t) Comparative figures

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

u) 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, 2024.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Estimates and assumptions

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

Useful lives and residual value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40.

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

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6. Transfers from Other Government entities

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi KShs'000'	Rivatex KShs'000'	Consolidated KShs'000'	KShs
Unconditional grants				
Operational (Capitation) Grants	2,434,809	96,890	2,531,699	3,438,281
Other grants (ACEII)	262,596	-	262,596	24,055
Other grants USAID	736,364	-	736,364	813,541
Total Unconditional Grants	3,433,769	96,890	3,530,659	4,275,877

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

Name of the University sending the grant	Amount recognized to Statement of Financial performance Kes'000	Amount deferred under deferred income Kes'000	Amount recognised in capital fund. Kes'000	Total transfers 2023/24 Kes'000	Prior year 2022/2023 Kes'000
State Department for University Education and Research	2,434,809	-	48,250	2,483,059	4,295,877
Ministry of Industrialization and Enterprise Development	96,890	0	269,160	366,050	346,361
Total	2,531,699		317,410	2,849,109	4,642,238

7. Rendering of Services

Description	2023-2024	2022-2023
	Kes'000	Kes'000
Tuition and Related Charges	1,884,170	1,246,192
Hire of Facilities	-	6,356
Research Funds	-	3,044
Total Rendering of Services	1,884,170	1,804,054

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8. Sale of Goods

Description	2023-2024	2022-2023
	Kes'000	Kes'000
Accommodation and catering services	25,415	57,453
Elimu Millers	348	-
Farming activities	2,780	2,090
MU Technologies income*	44,823	45,631
Apple Sale	175	709
Other Income	115,934	-
	189,476	105,883
Sales Rivatex	332,157	(293,075)
Total Sale of Goods	521,633	(187,192)

i). Elimu Milling

Description	2023-2024	2022-2023
	Kes'000	Kes'000
Sales	348	0
Opening stocks	-	-
Operating expenses	4,459	-
Closing stocks	1,327	-
Cost of sales	3,132	-
Surplus/(Deficit)/ for the year	(2,784)	-

ii). Farm Revenue Account

	2023-2024	2022-2023
	Kes'000	Kes'000
Sales	2,780	1,836
Opening stocks	262	5,315
Operating expenses	1,294	2,235
Personnel costs	238	1,686
Closing stocks	(2,428)	(262)
Cost of sales	(634)	(8,974)
Surplus/(Deficit)/ for the year	2,146	(7,138)

iii). MU Technologies

Description	2023-2024	2022-2023
	Kes'000	Kes'000
Sales	44,823	45,631
Cost of sales		
Opening stocks	32,718	853
Operating expenses	37,445	5,388
Closing stocks	(27,536)	(32,718)
	42,627	(26,477)
Surplus/(Deficit)/ for the year	2,196	19,154

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iv). Rivatex Trading Account

Description	2023-2024	2022-2023
	Kes'000	Kes'000
Sales		
Product sales	332,223	331,095
Less Return Inwards	(66)	(1,435)
Total Sales	332,157	329,660
Cost of sales		
Direct costs		
Opening stocks	28,265	28,001
Purchases	154,785	100,248
Closing stocks	(59,256)	(28,264)
Cost of raw materials	123,794	99,984
Direct labour	115,955	98,686
Factory electricity	56,624	30,512
Factory water	7,181	7,816
	179,760	137,014
Indirect costs		
Firewood expenses	19,702	18,216
Salaries and wages	47,444	48,136
Packaging materials	2,338	954
Lubricants and oils	11,544	4,846
Staff uniforms and consumables	1,587	469
Repairs & maintenance	20,897	16,054
Spares and consumables	11,882	9,748
Tailoring consumables	17,016	13,201
Depreciation	171,969	170,105
	304,379	281,729
		518,728
Add: Opening Work in progress	122,883	217,557
Less: Closing Work in progress	(107,956)	(122,883)
Cost of good manufactured	622,859	613,404
Add: Opening Finished goods	140,824	150,155
Less: Closing Finished goods	152,950	(140,824)
Cost of Sales	610,733	622,735
Gross profit	(278,576)	(293,075)

9. Rental Revenue from Facilities and Equipment

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated
	Kes'000	Kes'000	Kes'000	Kes'000
Rental income	28,260	-	28,260	4,323
Hire of Facilities	5,873	-	5,873	-
Total sundry income	34,133	-	34,133	4,323

10. Other Incomes

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated

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	Kes'000	Kes'000	Kes'000	Kes'000
Research Funds	305,540	-	305,540	-
Total sundry income	305,540	-	305,540	-

11. Use of Goods and Services

Description	Period ended	2023-2024	2023-2024	2022-2023
	Moi	Rivatex	Consolidated	Consolidated
	Kshs	Kes'000	Kes'000	Kes'000
Marketing & Publicity Cost	7,185	11,819	19,004	4,579
Academic Expenses	212,675	0	212,675	165,815
Utilities, Electricity, Water, Internet, Rent	188,743	6,260	195,003	186,728
Travel & Subsistence	13,121	22,940	36,061	28,908
Staff Recruitment & Development	1,695	0	1,695	2,506
Research Expenses	1,177,802	17,308	1,195,110	1,142,774
Catering Services	9,453	0	9,454	101,775
Agricultural Expenses	5,990	0	5,990	7,274
Non-Agricultural Expenses	39,785	0	39,785	5,388
Other Administrative expenses	37,667	34,428	72,095	84,501
Staff Welfare Services	285,581	8,144	293,725	252,911
Other exp	0	542	542	22,062
Student Activity Expenses	2,172	0	2,172	23,501
Finance Cost	660	1,062	1,722	2,292
Cost of Sales	0	610,733	610,733	
Total expenses	1,982,529	713,236	2,695,765	2,031,016

Notes to the Financial Statements (Continued)

12. Employee Costs

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated
	Kes'000	Kes'000	Kes'000	Kes'000
Basic salary	2,433,954	47,415	2,481,369	2,600,557
House allowance	920,899	0	920,899	955,888
Gratuity and retirement benefits	362,662	21,334	383,996	405,631
Car and commuting allowances	303,830	0	303,830	318,496
Responsibility allowance	396,750	0	396,750	354,096
Leave allowance	13,605	0	13,605	13,930
NITA	1,282	0	1,282	863
Part timers	11,778	0	11,778	22,580
Total Employee Costs	4,444,760	68,749	4,513,509	4,672,041

13. Remuneration to Council

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Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ Kes'000	Rivatex Kes'000	Consolidated Kes'000	Consolidated Kes'000
Honoraria to chairman	1,044	896	1,940	1,940
Council expenses	28,183	3,938	32,121	27,711
Total Remuneration to Council	29,227	4,834	34,061	28,711

14. Depreciation and Amortization

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ Kes'000	Rivatex Kes'000	Consolidated Kes'000	Consolidated Kes'000
Property, plant and equipment	133,613	3,011	136,624	104,627
Amortization	440	-	440	1,191
Total Depreciation and Amortization	134,053	3,011	137,064	105,378

15. Repairs and Maintenance

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ Kes'000	Rivatex Kes'000	Consolidated Kes'000	Consolidated Kes'000
Vehicle running expenses	559	1,878	2,437	13,076
Maintenance of buildings	6,006	0	6,006	27,730
Maintenance of plant and equipment	540		540	9,088
Total Repairs and Maintenance	7,105	1,878	8,983	49,997

16. Contracted Services

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ Kes'000	Rivatex Kes'000	Consolidated Kes'000	Consolidated Kes'000
Insurance expenses	61,114	1,507	62,621	53,676
Legal expenses	13,702	2,845	16,547	17,781
Other Contracted Services	23,796	0	23,796	
Total Contracted Services	98,612	4,352	102,964	71,457

17. Gain on Sale of Assets

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ Kes'000	Rivatex Kes'000	Consolidated Kes'000	Consolidated Kes'000

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Property , plant and Equipment	11,423		11,423	709
Intangible assets				
Other assets not capitalised				
Total gain on sale of assets	11,423		11,423	709

18. Gain on Foreign Exchange

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ Kes'000	Rivatex Kes'000	Consolidated Kes'000	Consolidated Kes'000
Foreign Exchange Gain	-	49	49	-
Total	-	49	49	-

19. Impairment Loss

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ Kes'000	Rivatex Kes'000	Consolidated Kes'000	Consolidated Kes'000
Property , plant and Equipment				
Intangible assets				
Other assets not capitalised				
Total Impairment Loss				

20. Taxation

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ Kes'000	Rivatex Kes'000	Consolidated Kes'000	Consolidated Kes'000
Current income tax charge	-			
Tax charged on rental income				
Tax charged on intrest income				
Deffered tax	-			
Original and reversal of temporary differences				
Income tax expenses reported in the statement of financial performance				

21. Cash and Cash Equivalents

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated

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			Kes'000	Kes'000
Current accounts	545,601	8,792	554,392	585,425
Mpesa/Cash in Hand	8,132	136	8,268	58
Cash and cash equivalents	553,733	8,928	562,661	585,483
Total Cash and cash equivalents	553,733	8,928	562,661	585,483

Detailed analysis of cash and cash equivalents

	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated
Financial institution	Kes'000	Kes'000	Kes'000	Kes'000
Current Account				
Absa Bank of Kenya	14,446	-	14,446	27,650
Co-operative Bank of Kenya	107	7,944	8,051	13,646
Equity Bank	1,077	456	1,533	6,663
Kenya Commercial Bank	332,075	392	332,467	495,397
National Bank of Kenya	84,124	-	84,124	120,407
Standard Chartered Bank	106	-	106	309
Access Bank	113,664	-	113,664	11,444
Sub- total	545,601	8,792	554,393	585,425
Mpesa/Cash at hand				
E Citizen	8,132	136	8,268	58
Cash at hand	-	-	-	-
Sub- total	8,132	136	8,268	58
Grand total	553,733	8,928	562,661	585,483

22. Receivables from exchange transactions

(a) Receivables from Exchange Transactions (Current)

	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated
	Kes'000	Kes'000	Kes'000	Kes'000
Students' fees debtors	1,420,074	-	1,420,074	1,726,707
Bookshop/imprest/other debtors	26,885	-	26,885	42,680
Trade and other receivables	121,161	380	121,541	75,444
Other PSSP debtors	-	-	-	22,306
Other trade receivables	108,531	104,641	213,172	103,548
	1,676,651	105,021	1,781,672	2,043,357
Less: impairment allowance	(301,797)	(5,251)	(307,048)	(397,350)
Total	1,374,854	99,770	1,474,624	1,615,524

*Debtors are impaired at the rate of 18%

*During the year the University transacted with Rivatex East Africa Limited which the University is a major shareholder. The reported amounts thus net off upon consolidation;

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(b) Ageing analysis for Receivables from exchange transactions

Description	2023/2024		2022/2023	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	469,463	28%	460,044	30%
Between 1- 2 years	570,061	34%	450,791	32%
Between 2-3 years	201,198	12%	17,053	10%
Over 3 years	435,929	26%	1,007,550	28%
Total (a+b)	1,676,651	100%	1,929,438	100%

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

Impairment Allowance/ Provision	2023-2024	2022-2023
	Kes'000	Kes'000
At the beginning of the year	392,641	345,511
Additional provisions during the year	85,593	47,130
At the end of the year	307,048	392,641

(d) Rivatex receivables

Description	2023-2024	2022-2023
	Kes'000	Kes'000
Current receivables		
Trade receivables	80,532	94,178
Prepayments	-	0
Utilities deposits	380	380
Other Receivables Rivatex	24,109	21,506
Total Rivatex receivables	105,021	116,064

23. Receivables from Non-Exchange Transactions

Description	2023/2024	2022/2023
	Kshs	Kshs
Property tax debtors	-	-

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Levies, fines, and penalties		-		-
Licences, fees and permits		-		-
Other debtors (non-exchange transactions)		1,538,590		1,335,689
Less: impairment allowance		-		-
Total receivables from non- exchange transactions		1,538,590		1,335,689
Ageing Analysis- Receivables from non-exchange transactions	2023/2024	% of the total	Comparative FY	% of the total
Less than 1 year	202,901	%	-	%
Between 1-2 years	-	%	-	%
Over 3 years	1,335,689	100%	1,335,689	100%
Total	1,538,590	100%	1,335,689	100%

Description	2023/2024	2022/2023
	Kshs	Kshs
At the beginning of the year	1,335,689	1,335,689
Additional provisions during the year	202,901	-
Recovered during the year	-	-
Written off during the year	-	-
At the end of the year	1,538,590	1,335,689

The employers' Pension and Provident Fund contributions relating to Collective Bargaining Agreements relating to the periods 2010-2013 and 2013-2017 Kes 1,335 billion have not been funded. The amounts above relate to the amounts due to be received as a result of the CBAs and interest charged by the Pension and Provident Fund. The Kes 202,901 is recurrent capitation not received at the end the year 2023/2024.

24. Inventories

(a)

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated
	Kes'000	Kes'000	Kes'000	Kes'000
Main	21,758		21,578	20,030
Catering	1,803	-	1,803	1,626
Rivatex inventories	-	517,497	517,497	481,388
Farm	2,428		2,428	261
Elimu Millers	1,328		1,328	-
MU Technologies	27,535		27,535	32,718
Less: allowance for impairment	-	-	-	-
Total inventories at the lower of cost and net realizable value	54,852	517,497	572,349	536,023

(b)

Description	2022-2024	2022-2024	2022-2024	2021-2022
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	Moi Univ	Rivatex	Consolidated	Consolidated
	Kes'000	Kes'000	Kes'000	Kes'000
Biological Assets current	-			247
Biological assets (Bearer)	75,087	-	75,087	63,012

*Inventories are valued at lower of cost and replacement cost.

25. Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding		2023/2024	2022/2023
	%	%	%	Kshs'000	Kshs'000	Kshs'000
Rivatex EA Ltd	99	-	99	1,000	500,000	500,000
	99	-	99	1,000	500,000	500,000

24.b) Investments

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated
	Kes'000	Kes'000	Kes'000	Kes'000
Related Company Balances	480,881	-	480,881	480,881
Biological assets(Bearer)	480,881	-	480,881	480,881

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26. Property, Plant and Equipment

a) Moi University

Cost	Land	Buildings	W.LP	Furniture plant and Equipment	Computers	Motor vehicles & Aero planes	Total
	Kes	Kes	Kes	Kes	Kes	Kes	Kes
At 1st July 2022	547,715	3,902,752	1,467,141	574,674	427,786	413,820	7,333,889
Additions	-	-	154,919	12,496	4,332	-	171,746
Disposals				-			-
At 30 June 2023	547,715	3,902,752	1,622,060	587,170	432,118	413,820	7,505,635
At 1st July 2023	547,715	3,902,752	1,622,060	587,170	432,118	413,820	7,505,635
Additions for the year	-	-	306,817	4,857	3,115	14,430	199,345
Disposals						(34,213)	
At 30 th June 2024	547,715	3,902,752	1,828,877	592,027	435,233	394,037	7,700,641,
Depreciation and Impairment							
At 1st July 2022	12,387	1,183,698	-	387,102	385,942	246,058	2,215,187
Depreciation	-	56,473	-	19,114	13,588	13,774	102,949
Amortization	440	-	-	-	-	-	440
At 30 June 2023	12,827	1,240,171	-	406,216	399,530	259,832	2,318,576
At 1st July 2023	12,827	1,240,171	-	406,216	399,530	259,832	2,318,576
Depreciation for year	-	66,565	0	23,226	10,711	33,551	134,053
Amortization	440	0	0	0	0	0	440
Disposals						(34,213)	(34,213)
At 30 th June 2024	13,267	1,306,735	0	429,442	410,241	259,170	2,418,856
Net book values							
At 30 th June 2024	534,448	2,596,017	1,828,877	162,585	24,991,768	134,866,683	5,281,785,238
At 30 June 2023	534,888,005	2,662,581,612	1,622,059,799	180,954,090	32,587,184	153,987,910	5,187,058,600

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b) Consolidated Financial Statements (Moi and Rivatex)

	Land	Buildings	Capital W.I.P	Furniture, plant and equipment	Computers, printers and copiers	Motor vehicles and aeroplanes	Total
Cost	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000	Kes'000
As at 1 st July 2022	598,037	5,166,512	4,573,013	3,343,272	449,728	488,251	14,618,813
Additions – MU	-	-	154,954	13,454	5,016	-	173,424
Additions – Rivatex	-	16,212	49,331	62	1280	4797	71,682
Transfers			(4,333)	4,333			
Disposals	-	-	-	-	-	(1600)	(1,600)
As at 30th June 2023	598,037	5,182,724	4,772,965	3,361,121	456,024	491,448	14,862,319
Additions – MU	-	-	206,817	4,857	3,115	14430	229,219
Additions – Rivatex	-	74,467	9,970	59	1,433	0	85,929
Disposals					0	(34,213)	(34,213)
As at 30th June 2024	598,037	5,257,191	4,989,752	3,366,037	460,572	471,665	15,143,254
Depreciation and impairment							
At 1st July 2022	(43,479)	(1,228,736)	0	(1,177,772)	(406,778)	(309,039)	(3,165,804)
Depreciation - MU	(440)	(56,473)	-	(18,333)	(10,288)	(13,774)	(99,308)
Disposals						(1,600)	-1,600
Depreciation - Rivatex	(751)	(17,461)	-	(153,504)	(435)	(3,271)	(175,422)
As at 30 June 2023	(44,670)	(1,302,670)	0	(1,349,609)	(417,501)	(327,684)	(3,442,134)
Depreciation - MU	(440)	(66,564)	-	(23,226)	(10,711)	(33,551)	(134,492)
Depreciation - Rivatex	(751)	(19,323)	-	(153,308)	(928)	(668)	(174,978)
Disposals						(34,213)	(34,213)
As at 30th June 2024	(45,861)	(1,388,557)	0	(1,526,143)	(429,140)	(361,903)	(3,785,817)
Net book values							
As at 30th June 2024	552,176	3,868,634	4,989,752	1,839,894	31,432	109,762	11,268,418
As at 30th June 2023	553,367	3,880,054	4,772,965	2,011,512	38,523	163,764	11,420,185

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Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 2021.

25 (b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

	Cost	Accumulated Depreciation	NBV
	Kshs'000	Kshs'000	Kshs'000
Land	547,715	13,267	534,448
Buildings	3,902,752	1,306,735	2,596,017
Furniture, Plant And Machinery	592,027	429,442	162,585
Motor Vehicles, Including Motorcycles	394,037	259,170	134,867
Computers And Related Equipment	435,233	410,241	24,992
Total	5,871,764	2,418,855	3,452,909

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

	Cost or valuation-Moi Ksh'000	Normal annual depreciation charge
Plant and Machinery	562,426	12.5%
Motor Vehicles, including Motorcycles ,Aeroplanes	379,606	25%
Computers and Related Equipment	413,471	30%
Office Equipment, Furniture And Fittings		12.5%
Total	1,355,503	

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27. Intangible Assets

Description	2023-2024	2023-2024	2023-2024	2022-2023
	Moi Univ	Rivatex	Consolidated	Consolidated
	Kes'000	Kes'000	Kes'000	Kes'000
Cost	19,944	50,322	19,943	19,944
At beginning of the year	19,944	38,305	19,943	19,944
Additions	-	-	-	-
At end of the year	19,944	37,554	19,943	19,943

*Rivatex Intangible Asset is included in Consolidated PPE

28. Trade and Other Payables

Description	2023/2024	2023/2024	2023/2024	2022/2023	
	Moi Unive Kshs'000	Rivatex	Consolida ted	Kshs'000	
Trade payables	1,141,793	147,348	1,289,141	1,158,163	
Employee payables	5,893,763	-	5,893,763	5,208,208	
Third-party payments	618,804	-	618,804	196,553	
Other payables		-	-	149,473	
Total trade and other payables	7,654,360	147,348	7,801,708	6,712,397	
Ageing analysis: (Trade and other payables)	2023/2024	% of the Total		2022/2023	% of the Total
Under one year	996,558	13%		832,921	13%
1-2 years	613,267	8%		481,922	7%
2-3 years	919,900	12%		278,388	4%
Over 3 years	5,124,635	67%		5,119,166	76%
Total (tie to above total)	7,654,360	100%		6,712,397	100%

The major increase in accounts payable are on payroll related items such as pension, provident and employee bank loan deductions, staff welfare, Union deductions among other payroll deductions.

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29. Current Provisions

Description	2023-2024		Consolidated	
	Moi	Rivatex	2022-2024	2022-2023
	Kshs'000	Kshs'000	Kes'000	Kshs'000
Audit Fees	18,150	-	18,150	14,420

30.

Description	2023-2024		Consolidated	
	Moi	Rivatex	2022-2024	2022-2023
	Kshs'000	Kshs'000	Kes'000	Kshs'000
Audit Fees Payable	3,730	290	4,020	4,020

Notes to the Financial Statements (Continued)

30. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2023-2024	2022-2023
	Kshs' 000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
Current Benefit Obligation	5,893,763	-	-	5,893,763	5,208,208
Non-Current Benefit Obligation	-	-	-	-	-
Total Employee Benefits Obligation	5,893,763	-	-	5,893,763	5,208,208

31. Borrowings

Description	2023/2024	2022/2023
	Kshs	Kshs
a) External borrowings		
Balance at beginning of the year	-	-
External borrowings during the year	-	-
Repayments of during the year	-	-
Balance at end of the year	-	-

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b) Domestic borrowings		
Balance at beginning of the year	231,250	231,250
Domestic borrowings during the year	-	-
Repayments during the year	-	-
Balance at end of the year	231,250	231,250
Balance at end of the period- domestic and External borrowings c = a+b	231,250	231,250

The analyses of both external and domestic borrowings are as follows:

	2023/2024	2022/2023
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings		
The National Treasury	231,250	231,250
Total Balance at End Of The Year	-	-
	-	-
	231,250	231,250

Description	2023/2024	2023/2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	231,250	231,250
Total	231,250	231,250

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Description	2023-2024	2022-2023
	Kshs'000	Kshs'000
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	231,250	231,250
Total	231,250	231,250

32. Cash Generated from Operations

	2023-2024	2022-2023
	Kshs'000	Kshs'000
Surplus for the year before tax	(1,204,840)	(951,829)
Adjusted for:		
Depreciation	308,742	104,627
Non-cash grants received		
Contributed assets		
Impairment		
Gains and losses on disposal of assets		
Contribution to provisions	4,020	3,730
Contribution to impairment allowance		84,274
Working capital adjustments	(891,535)	(759,876)
Increase in inventory	(66,126)	96,859
Increase In Biological Assets	(11,828)	74,288
Increase in receivables	(32,506)	(360,088)
Increase in Receivable from Non Exchange	202,901	
Increase in Provision for doubtful debts	542	9,986
Increase in payables	766,950	602,598
Provision for audit fees	(3,730)	(3,730)
Net cash flow from operating activities	(36,506)	(220,998)

33. Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management

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programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an 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 University's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

:

	Total amount	Fully performing	Past due	Impaired
	Kshs'000	Kshs'000	Kshs'000	Kshs'000
As at 30 June 2024				
Receivables from exchange transactions	1,781,672	1,474,624	-	307,048
Receivables from non-exchange transactions	1,335,689	1,335,689	1,335,689	-
Bank balances	562,661	562,661	-	-
Total	3,680,022	3,372,974	7,052,996	307,048
As at 30 June 2023				
Receivables from exchange transactions	1,929,438	1,536,797	-	392,641
Receivables from non-exchange transactions	1,335,689	1,335,689	1,335,689	-

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Bank balances	585,483	585,483	-	-
Total	3,626,512	3,279,499	1,335,689	347,043

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the University has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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.

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Notes to the Financial Statements (Continued)
Summary of Significant Accounting Policies (Continued)

Financial Risk Management

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University's 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 forecasts and actual cash flows.

The table below represents cash flows payable by the University under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs'000	Kshs'000	Kshs'0000	Kshs'000
As at 30 June 2024				
Trade payables	22,836	91,343	1,657,891	1,772,070
Current portion of borrowings	0	0	231,250	231,250
Provisions	0	0	18,150	18,150
Deferred income	0	0	0	0
Employee benefit obligation	117,875	471,501	5,304,386	5,893,762
Total	140,711	562,844	7,211,677	7,915,232

(iii) Market risk

The University has put in place an internal audit function to assist it in assessing the risk faced by the University on an on-going basis, evaluate and test the design and 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 University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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Financial Risk Management

The University's Risk Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

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 of payment is done using the prevailing exchange rate. The university manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

The carrying amount of the University foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

FY 2024

	In Kshs	Other currencies	Total
	Kshs'000	Kshs'000	Kshs'000
As At 30 June 2024			
Financial Assets	-	-	-
Investments	1000	-	1000
Cash	562,661	-	562,661
Debtors	1,474,624	-	1,474,624
Total Financial Assets	2,038,285		2,038,285
Financial Liabilities			
Trade And Other Payables	7,665,833	0	7,665,833
Borrowings	231,500	0	231,500
Total Financial Liabilities	7,897,333	0	7,897,333
Net Foreign Currency Asset/(Liability)	(5,859,048)	0	(5,859,048)

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Financial Risk Management

Foreign currency sensitivity analysis

FY 2024

	In Kshs	Other currencies	Total
	Kshs'000	Kshs'000	Kshs'000
As At 30 June 2024			
Financial Assets			
Investments	-	-	-
Cash			
Debtors			
Total Financial Assets			
Financial Liabilities			
Trade And Other Payables			
Borrowings			
Total Financial Liabilities			
Net Foreign Currency Asset/(Liability)			

The following table demonstrates the effect on the University's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs'000	Kshs'000	Kshs'000
2024			
Euro	10%	-	
USD	10%	-	
2023			
Euro	10%	-	(5,337)
USD	10%	-	(14,159)

b) Interest rate risk

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

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The University 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 variables, in particular foreign exchange rates, remain constant.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *University* market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The University considers relevant and observable market prices in its valuations where possible.

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Notes to the Financial Statements (Continued)

Financial Risk Management

iv). Capital Risk Management

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

	2023-2024 Moi	2023-2024 Consolidated	2022-2023
	Kes'000	Kes'000	Kes'000
Revaluation reserve	73,653	73,653	73,653
Retained earnings	(3,298,573)	(6,707,109)	(5,775,015)
Capital reserve	4,763,019	14,599,936	14,211,590
Total funds	1,538,099	7,966,480	8,512,006
Total payables	7,665,833	7,775,627	6,853,532
Less: cash and bank balances	(553,733)	(562,661)	(585,483)
Net debt	7,112,100	7,212,966	6,268,049
Gearing	462%	90%	72%

34. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the University, holding 100% of the University's equity interest.

Other related parties include:

- i) The Parent Ministry
- ii) University Council Members
- iii) University Senior Management
- iv) Rivatex East Africa Limited

Relates Party Disclosures

- i) Key management;
- ii) Board of directors

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Notes to the Financial Statements (Continued)

	2023-2024 Moi	2023-2024 Rivatex	2023-2024 Consolidated	2022-2023
	Kes'000	Kes'000		Kes'000
Transactions with related parties				
a) Grants from National Government				
Grants from National Government	2,434,809			4,378,099
Total	2,434,809			
b) Transfers to related party				
Transfer of capital development grants to Moi University	48,250			20,000
Transfer of capital development grants to Rivatex E.A Ltd				244,139
c) Key management compensation				
Council members expenses	29,227			
Compensation to key management				
Total	2,512,286			4,642,238

35. Events after the Reporting Period

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

36. Ultimate And Holding University

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

37. Currency

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

38. Going Concern

IPSAS 1.38 requires that the entity should disclose material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern some of which include negative liquidity, persistent operational deficits and decreased government support.

In view of the above , the four years analysis of the going concern variables indicates that the university is in serious financial distress as shown below

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	2020/2021	2021/2022	2022/2023	2023/2024
Current Assets KES '000'	3,619,110	3,616,727	3,488,515	3,797,433
Current Liabilities KES '000'	5,409,749	5,718,353	6,726,818	7,509,247
Net Working Capital KES '000'	(1,790,639)	(2,101,626)	(3,238,303)	(3,711,814)
Operational Deficits KES '000'	(219,180)	(306,789)	(604,775)	(900,856)
Capitation KES '000'	3,289,116	3,442,733	3,438,280	2,434,809

39. Contingent Liabilities

In accordance with IPSAS 19, disclosure of contingent liabilities is required in cases where the matters in court have significant probability of financial implications to the university.

The University have pending legal cases with an estimated Ksh 1.3 billion as analysed below;

Case Details	Est. Contingent Liability (KES)
Claim related to construction of Science Complex	1,149,348,155.80
Claim related to construction of Science Complex arbitration	76,761,479.32
Claimant was an employee challenging his dismissal	104,386,475.30
Claim for teaching services rendered as part-timer lecturer at Mombasa campus.	3,738,600.00
	1,334,234,710.42

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19. APPENDIX

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1. Inaccuracy in rendering of Service Balance	<p>The consolidated statement of financial performance reflects rendering of services amount of Kshs.1,804,054,000 and as disclosed in Note 7 to the financial statements. However, the supporting schedules provided reflected an amount of Kshs.557,862,000 resulting to an unexplained variance of Kshs.1,246,192,000.</p> <p>In the circumstances, the accuracy of rendering of services amounts of Kshs.1,804,054,000 could not be confirmed</p>		Resolved waiting PIC approval	
2. Unsupported receivables from Exchange transactions	<p>The consolidated statement of financial position reflects receivables from exchange transactions balance of Kshs.1,536,798,000 for Moi University which, as disclosed in Note 21 (a) includes receivables balance of Kshs.1,929,438,000</p>	<p>The error on other PSSP Debtors as indicated on Note 21 to the Financial Statements has been noted and corrected accordingly in the revised Consolidated Financial Statements. The supporting schedules for the Trade debtors of Kes.75, 063,794 and Other trade Receivables of Kes. 84,987,241 is hereby</p>	Resolved waiting PIC approval	

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	<p>and an impairment allowance of Kshs.392,641,000. However, the schedules provided to support the balance of Kshs.1,929,438,000 only supported student fees debtors amounts of Kshs.1,726,707,000 and imprest debtors amounts of Kshs.42,680,000 leaving a balance of Kshs.160,051,000 unsupported.</p> <p>In the circumstances, the accuracy and completeness of receivables from exchange transactions balance of Kshs.1,536,798,000 could not be confirmed</p>	<p>provided for audit review. (Doc. 2)</p>		
<p>3. Unsupported Property, Plant & Equipment</p>	<p>The consolidated statement of financial position reflects property, plant and equipment balance of Kshs.11,420,187,000. However, Note 25 to the financial statements reflects a balance of Kshs.5,345,225,000 for Moi University and Kshs.6,074,932 for Rivatex E.A Limited totalling Kshs.11,420,157,000</p>	<p>i. The variance of Kes. 539,000 on the cost price of assets as at 30th June 2023 has been noted and corrected in the Consolidated financial statements.</p> <p>ii. The variance of Kes. 57,000 and Kes. 45,000 on the additions of Work In Progress and furniture, plant and</p>	<p>Resolved waiting PIC approval</p>	

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	<p>resulting to an unexplained variance of Kshs.30,000.</p> <p>Further, review of the financial statements revealed that there was disposal of assets totalling Kshs.709,000 as disclosed in Note 8 to the financial statements. However, this balance was not analyzed and supported. In addition, the University has not revalued its assets as required by Section 49 of IPSAS 17 which requires that revaluations should be carried out regularly, so that the carrying amount of assets does not differ materially from its fair value at the balance sheet date.</p> <p>In the circumstances, the accuracy and completeness of the consolidated property, plant and equipment balance of Kshs.11,420,187,000 could not be confirmed.</p>	<p>equipment respectively during the year has been noted and corrected in the Consolidated financial statements.</p> <p>iii. The disposal of the two Motor Vehicles and other assets has now been disclosed in the Assets movement schedule.</p> <p>iv. (a) The variance of Kes. 2000 in the opening balance of depreciation has been re-casted. (b) The variance of Kes. 538,000 in the total cumulative depreciation has been noted and corrected in the Consolidated financial Statements.</p> <p>v. The variance of Kes. 1,077,000 in the net book value has been noted and corrected in the Consolidated financial Statements.</p> <p>vi. The variance of Kes. 46,000 in the PPE as captured in the assets register has been noted and</p>		

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		<p>corrected in the consolidated financial statements. We have also provided the updated Asset Register which shows no variance between the Asset Register and the Financial Statements.</p> <p>vii. The University has not carried out the revaluation of its Assets owing to budgetary constraints but is sourcing for funds in the next budget cycle to undertake the revaluation of its Assets.</p>		
4. Inaccuracy in Intangible Assets	<p>The consolidated statement of financial position reflects intangible assets balance of Kshs.19,944,000. However, Note 26 to the financial statements reflects intangible assets balances of Kshs.19,944,000 and Kshs.39,056,000 for Moi University and Rivatex E.A Limited all totalling Kshs.58,249,000</p>	<p>Note 26 in the financial disclosed the breakdown of the Intangible Asset excluding the Rivatex East Africa Ltd which is included in the PPE and disclosed in the note 26</p>	Resolved waiting PIC approval	

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	<p>resulting to an unexplained variance of Kshs.38,305,000.</p> <p>In the circumstances, accuracy and completeness of the consolidated intangible assets balance of Kshs.19,944,000 could not be confirmed.</p>			
<p>5. Unsupported balance on GOK Loan</p>	<p>As previously reported, the consolidated statement of financial position reflects Government of Kenya (GoK) loan balance of Kshs.231,250,000. Moi University received GoK loan of Kshs.250,000,000 on 11 June, 2008 to facilitate the acquisition of Karatina Campus; which is now a fully chartered University.</p> <p>However, the following observations were made:</p> <p>(i) The purchase agreement or contract between Moi University and Kenya Tea Development Agency (KTDA) for purchase of Kagochi Training</p>	<p>i. The University paid Kenya Tea Development Authority (KTDA) the full purchase price upon execution of the sale agreement. The sale agreement has been submitted for audit review. The fact that KTDA transferred the title of the property to Moi University is evidence that the full purchase price was paid by the University because this was a condition prior to transfer of the title.</p> <p>ii. The documentary evidence for the payment of Kes.151,675,429 to KTDA is hereby provided for audit review (Doc 3)</p>	<p>Resolved waiting PIC approval</p>	

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	<p>Institute which became Karatina Campus indicated that Kshs.168,852,825 was agreed and Moi University paid Kshs.151,675,429 on 4 September, 2009. Information provided indicates that Kshs.168,852,825 was supposed to be paid to the vender as deposit towards the purchase price on or before the execution of the sale agreement by the parties. However, there was no documentary evidence indicating that the payment was made to Kenya Tea Development Agency Ltd (KTDA).</p> <p>(ii) The purchase agreement indicated contract price of Kshs.168,852,825 and other expenditure of Kshs.24,640,300 totalling Kshs.193,493,125 as indicated in the analysis below;</p>	<p>A report on the utilization of Kes. 250,000,000 Loan for the purchase of Karatina University has also been submitted for audit review The National Treasury has approved the assignment of the loan between Moi University and Karatina University. Moi University has already signed the Supplementary Loan Agreement showing the balance of the loan that has been assigned to the Moi University, and is still waiting for Karatina University to sign, in order to implement re-payment of the Loan by the University.</p> <p>We have provided a copy of the Subsidiary Loan Agreement signed by the University on 31/3/2022 as evidence of the assignment of the loan.</p> <p>The University has also written to the Ministry as a follow up on this matter.</p>		

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	<p>However, there was no evidence indicating that The National Treasury had given consent of assigning the loan to Karatina University in accordance with legal notice establishing Karatina University College. It was also noted that the loan had not been serviced for the last twelve years and the University is in breach of GoK loan agreement terms. Further, no documentary evidence detailing the utilization of Kshs.56,506,875 was provided for audit.</p> <p>In the circumstances, the accuracy, completeness and validity of the Government of Kenya (GoK) loan balance of Kshs.231,250,000 could not be confirmed.</p>			
6. Variance in the Prior Year Revenue Reserves	<p>The consolidated statement of changes in net assets reflects closing and opening balance of accumulated deficit of Kshs.4,510,074,000. However, the previous year audited financial</p>	The observation is noted and corrected	Resolved waiting PIC approval	

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	<p>statement reflected accumulated deficit of Kshs.4,510,106,000 resulting to an unexplained variance of Kshs.32,000.</p> <p>In the circumstances, the accuracy of the accumulated deficit balance of Kshs.4,501,074,000 could not be confirmed</p>			
7. Inaccuracy in Capital and Revenue Reserves	<p>The consolidated statement of financial position reflects capital and revenue reserves balances of Kshs.14,282,526,000 and (Kshs.5,796,613,000) respectively. However, the statement of changes in net assets reflects capital and retained earnings balances of Kshs.13,845,594,000 and (Kshs.5,359,681,000) respectively as at 30 June, 2023, resulting to unexplained and unreconciled variances of Kshs.436,932,000 both in the capital and revenue reserves.</p> <p>In the circumstances, the accuracy of the capital and revenue</p>	<p>The variance of Kes.32,000 on the revenue reserves has been noted and corrected in the consolidated financial statements</p>	Resolved waiting PIC approval	

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	reserves balances of Kshs.14,282,526,000 and (Kshs.5,796,613,000) respectively could not be confirmed			
8. Unsupported Deffered Tax on Excess Depreciation	<p>The consolidated statement of changes in net assets reflects deferred tax on excess depreciation balance of (Kshs.303,057,000). However, this balance was not supported with any documentary evidence.</p> <p>In the circumstances, the accuracy and completeness of deferred tax balance of (Kshs.303,057,000) could not be confirmed.</p>		Resolved waiting PIC approval	
9. Inaccuracies in Other liabilities and Provisions	<p>The consolidated statement of financial position reflects other liabilities and provisions balance of Kshs.14,420,000 in respect of outstanding audit fees provisions out of which Moi University owed Kshs.14,420,000 and Rivatex East Africa Limited owed Kshs.1,790,000 all totalling Kshs.16,210,000 resulting to an</p>		Resolved waiting PIC approval	

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	<p>unexplained variance of Kshs.1,790,000. In addition, the balance of Kshs.14,420,000 differs audit fee payable amounts of Kshs.4,020,000 disclosed in Note 28 to the financial statements resulting to an unexplained and unreconciled variance of Kshs.12,190,000.</p> <p>In the circumstances, the accuracy and completeness of other liabilities and provisions balance of Kshs.14,420,000 could not be confirmed.</p>			
<p>10. Inaccuracies in the Statement of Comparison of Budget and Actual Amounts</p>	<p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.6,915,280,000 and Kshs.4,835,974,000 which differed with the recomputed amounts of Kshs.6,915,276,000 and Kshs.4,835,969,000 for final receipts budget and actual on comparable basis respectively resulting to an unexplained</p>		<p>Resolved waiting PIC approval</p>	

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	<p>variance of Kshs.4,000 and Kshs.5,000 respectively. Further, the statement reflects final expenditure budget and actual on a comparable basis of Kshs.6,915,281 and Kshs.5,787,878,000 respectively which differed with the recomputed amount of Kshs.20,206,585,000 and Kshs.14,957,392,000 for final expenditure budget and actual on comparable basis respectively resulting to an unexplained variance of Kshs.13,291,304,000 and Kshs.9,169,514,000 respectively.</p> <p>In the circumstances, the accuracy and fair presentation of the above mentioned balances could not be confirmed.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Moi University</p>			

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	<p>Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion</p>			
<p>Emphasis of Matter 1. Budgetary Control Performance</p>	<p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.6,915,280,000 and Kshs.4,835,974,000 respectively resulting to an under-funding of Kshs.2,079,306,000 or 30% of the budget. Similarly, the University expended Kshs.5,787,878,000 against an approved budget of Kshs.6,915,281,000 resulting to an under-expenditure of</p>	<p>For the FY 2022/2023, the University's approved budget was Kes.6,915,280,000 and not Kes.7,602,132,000 as per the Audit review. Hence there was no variance.</p> <p>The University had made adequate budgetary provisions in the budget to meet all its expenses. But due to unforeseen circumstances, a few activities that touch on the core mandate of the University slightly overstretched in the last quarter of the Financial</p>		

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	<p>Kshs.1,127,403,000 or 16% of the budget. Further, it was noted that the total amounts in the statement of comparison and actual amounts for both receipts and payments were inaccurate.</p> <p>The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.</p>	<p>year resulting to a budget over-run. This happened after Council had met to approve the last virement of funds during the financial year and it was not possible to present a new request for virement as Authority to Incur expenditure had lapsed. .</p> <p>It is noted however, that there was no overdrawing of budget on the Research funds as per the research funds movement schedule that was provided for audit review.</p> <p>This is because adequate research funds had been received in the previous financial years, to adequately take care of planned Research activities in the subsequent years as per signed Research grants agreements)</p> <p>Going forward, the University will put the necessary measure to has enhanced the budgetary allocation to ensure that there is no such occurrence in future.</p>		

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<p>Uncertainty on Sustainability of Services</p>	<p>The consolidated statement of financial position reflects current liabilities totalling Kshs.6,796,836,000 and current assets totalling Kshs.4,084,510,000 resulting in a negative working capital of Kshs.2,712,236,000. Further, the group incurred an operating deficit of Kshs.953,633,000 in the year under review which increased its accumulative deficits balance to Kshs.5,359,681,000 as at 30 June, 2023.</p> <p>The unfavorable performance and financial position cast significant doubt on the University's ability to meet its financial obligations as and when they fall due. The University may, therefore, have to largely depend on financial support from the National Government and the goodwill of creditors to sustain its services.</p>	<p>Due to the current challenges facing the University as a result of change in government policies and the funding Models that is currently used to determine funding to Universities, this has negatively affected the University's financial performance due to declining revenues. The University is however, undertaking various measures aimed at turning around and restructuring University operations in order to cut on costs and improve on its Internally generated revenues, to be able to meet its obligations going forward and to ensure settlement of the pending bills. Further, the University has been engaging the government for funding support by the Exchequer to pay its outstanding debts.</p>	<p>Not resolved</p>	<p>June 2025</p>

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Unresolved Prior year Matters	In the audit report of the previous year, several paragraphs were raised. However, Management has not resolved and disclosed the status of all the prior year matters as prescribed in the reporting requirements set by the Public Sector Accounting Standards Board. Management has not provided satisfactory explanation for the delay in resolving the issues.	The University was still waiting for PIC to resolve audit issues as raised by the auditor	Resolved waiting PIC approval	
Retention of Employees Beyond Retirement Age	The consolidated statement of financial performance reflects employees costs amount of Kshs.4,672,041,000 which includes an amount of Kshs.4,604,605,000 for Moi University as disclosed in Note 11 to the financial statements. Analysis of the Master Payroll for the months of June revealed that seventy-four (74) non-teaching staffs who attained the mandatory retirement age of sixty (60) years were still in the payroll and were paid total	In compliance with the Law, the university amended its statutesXXXXI,2013 in 2021 to ensure it was in line with the Constitution of Kenya 2012, amended employment laws and regulations, including relevant Government circulars. The 2013 statutes had provided for the retirement age for members of staff to be as follows:	Resolved waiting PIC approval	

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	<p>gross consolidated salary amount of Kshs.9,146,253. This is contrary to Section 9(vii) of Moi University statutes, 2013 which states that staff of the University in grade 1 to 15 shall retire from employment when the staff attains sixty (60) years or any other age as maybe determined by the government from time to time.</p> <p>In the circumstances, Management was in breach of the law.</p>			
Irregular Appointment of Staff	<p>Review of expenditure documents revealed that the University made payment of basic salaries totalling to Kshs.31,211,160 to twenty-three (23) staff members who were recruited during the year under review. However, the audit revealed the following anomalies:</p> <p>i. Annual recruitment plan – authorizing the appointments was not provided for audit. This is contrary to Section B2(2) of Human</p>	<p>The university maintains interview attendance register for the applicants as per attached evidence (Doc.4)</p> <p>The university has provided the invitation letters for the applicants, interview attendance registers for the Interviewing Panel and Minutes of the Appointments and Promotions Committee/Board. Effective January, 2023, the University has been maintaining an interview</p>	Resolved waiting PIC approval	

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	<p>Resource Policies and Procedures Manual for the Public Service May, 2016 which requires that on the basis of Human Resource Plans, Ministries/State Departments shall be required to develop annual recruitment plans which will be forwarded to the Public Service Commission at the beginning of each financial year to enable it plan to fill the vacancies.</p> <p>ii. The key recruitments documents which include; summary/long list of the applicants, interview programme, staff establishment of the respective section/department reflecting the vacancies were not provided for audit.</p> <p>iii. Record of panel interview guideline was not provided as</p>	<p>attendance register for candidates, and this was presented to the Auditors for audit review.</p>		

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	<p>required by Section 2.4.6 of Moi University Human Resource Policy Manual, March 2010 which clarifies that the Interview Panel shall design interview guidelines that will be used in all type of interviews and such guidelines shall be specific to the job to be filled and the competencies required.</p> <p>iv. Signed Minutes of the Interview were not provided for audit review.</p> <p>v. Perusal of personal files for all the candidates appointed revealed that none of the candidates had documents of chapter six (6) attached to the respective personal files. This is contrary to Section 2.4.12(m) of Moi University Human Resource Policy Manual, March 2010 which</p>			

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	<p>states that an employee on first appointment to provide certificate of compliance with chapter six of the constitution.</p> <p>vi. All the newly recruited staffs were not inducted within the first three months of their employment contrary to Section 2.4.17 of Moi University Human Resource Policy Manual, March 2010 that stipulates the head of department for training and development in conjunction with the head of department from where the employee has been deployed shall coordinate induction and orientation process as soon as possible but not later than three months after reporting.</p> <p>In the circumstances, the regularity and validity of the recruitment process could not be confirmed.</p>			

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Unpaid Casual Wages	<p>Review of the payroll revealed that the basic salaries included wages totalling Kshs.144,788,057 paid to casual workers. However, the Management failed to pay and accrue monthly wages to casual workers totalling to Kshs.69,160,491 being six (6) months' pay. This is contrary to Section 18(2)(c) of Employment Act, 2007 which requires that subject to sub-section (1) wages or salaries shall be deemed to be due in case of an employee employed for a period exceeding one month, at the end of each month or part thereof.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>During the year under review, the University had not settled the contract staff salary arrears due during the year, due to cash flow challenges. The University however, had settled arrears for ten months some relating to previous periods and in total it had paid Kes. 115,706,644.66 during the financial year. The University however, beginning in the FY 2023/2024 has put measures to ensure that the contract staff salaries are all remitted on time together with the salaries for other staff in the University, to avoid further accumulation of outstanding contact staff salaries. It has also sought for the government's support to clear the outstanding arrears among other Pending bills, besides exploring other options to settle the arrears progressively.</p>	Not Resolved	Dec 2024
Non-Compliance with Law on Ethnic Composition	<p>Review of the payroll revealed that the basic salaries included wages totalling Kshs.144,788,057 paid to casual workers. However, the Management failed to pay and accrue monthly wages to</p>	<p>The University has not performed as expected with regard to ethnic balance in employment due to geographic and demographic factors:</p> <p>i. Geographically, the University's Main Campus is situated in</p>	Not Resolved	June 2030

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	<p>casual workers totalling to Kshs.69,160,491 being six (6) months' pay. This is contrary to Section 18(2)(c) of Employment Act, 2007 which requires that subject to sub-section (1) wages or salaries shall be deemed to be due in case of an employee employed for a period exceeding one month, at the end of each month or part thereof.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>a remote rural setting that attracts applicants from the local community in terms of employment opportunities in the middle and junior cadres.</p> <p>ii. Demographically, the largest ethnic community employed in the University is the third largest community in Kenya according to 2019 Kenya Population and Housing Census Results. It therefore follows that any vacancies declared by the University has been attracting more applicants from the community compared to other ethnic groups. Most of the staff were employed during inception of the University and are mainly low cadre staff.</p> <p>The University is striving to ensure that the ethnic composition of its staff conform to the National Cohesion and Integration Act, 2008 as well as the</p>		

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		Constitution of Kenya. The University has put in place the following measures in its recruitment process:		
Cash & Cash Equivalent	<p>The consolidated statement of financial position reflects consolidated cash and cash equivalents balance of Kshs.585,483,000 which includes cash and cash equivalents balance of Kshs.549,602,000 for Moi University. The schedule provided for audit in support of the cash book balances indicated that the University operates seventy-seven (77) bank and Mpesa accounts out of which seventeen (17) were found to be dormant with no transactions during the year under review. The University Management did not explain why dormant bank accounts are being maintained out of which seven (7) attracted account maintenance charges.</p> <p>In the circumstances, the University</p>	<p>The process for closure of the dormant bank accounts has already been initiated by The Moi University Management and was approved by the University Council in its meeting held on 25th January, 2024, as per the attached evidence (Doc 13). With the Council approval, the University is the process of writing to the National Treasury and Economic Planning on the closure of the bank accounts</p>	Resolved waiting PIC approval	

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	continues to incur nugatory expenses on dormant accounts and value for money from such expenses could not be confirmed.			
Failure to Remit Staff Deductions	The consolidated statement of financial position reflects trade and other payables from exchange transactions balance of Kshs.6,782,416,000 which includes staff deductions not remitted to respective bodies of Kshs.5,208,208,000 as disclosed in Note 27 to the financial statements. This is contrary to Section 35 of Cooperatives Act Cap 490 and Section 53A of Retirement Benefits Act, 1997 which states that where an employer, having with the agreement of an employee who is a member of a scheme, made a deduction from the employee's emoluments for remittance to the scheme, fails to remit the deduction within fifteen days of the deduction, the scheme may, after giving such employer not less than seven days' notice,	The University has not been able to pay Employee Union Deductions to Trade Unions Kes 65,678,761/= on time because of cashflow challenges. The University has however, instituted a number of measures to cut on costs and raise more funds from A-I-A to ensure sustainability of operations going forward, and is pursuing the government's funding support through the Ministry of Education-State Department for Higher Education and Research in order to settle the outstanding amount.	Not Resolved	June 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>institute proceedings for the recovery of the deduction. Further, the University may face legal challenges on outstanding deductions including payment of interest on unremitted staff deductions.</p> <p>In the circumstances, Management was in breach of the law.</p>			
General Suppliers Payables	<p>The consolidated statement of financial position reflects trade and other payable from exchange transactions of Kshs.6,782,416,000 which includes a balance of Kshs.6,712,398,000 for Moi University which further includes an amount of Kshs.1,158,163,080 for general suppliers as disclosed in Note 27 to the financial statements. The balance of Kshs.1,158,163,080 is made up of Kshs.1,069,431,054 for payables which dates from 2015/2016 financial year to 2021/2022 and Kshs.88,732,026 are payables for the year</p>	<p>The University was not able to pay General suppliers Kes.1, 158,163, 080/= on time because of cash flow challenges that is currently facing the University. It has however instituted measures aimed at raising more funds from A-I-A in order to ensure sustainability of university operations and timely settlement of obligations to creditors. Further, the University is pursuing government's funding support through the Ministry of Education, for settlement of the outstanding bills</p>	Not Resolved	June 2025

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>under review. However, the Management could not explain why the balance of Kshs.1,158,163,080 had not been settled. This is contrary to Paragraph 3.1 of the Moi University Creditors Policy document 2016 which states that the Deputy Vice Chancellor finance shall ensure that all contracts awarded by the University stipulate payment terms that are favorable to the University. As far as possible, payment should fall due not sooner than 90 days from the invoice date, unless (a) there are financial incentives for the University to effect earlier payment; or in the case of small, micro and medium enterprises, this policy may cause financial hardship to the supplier in which case payment may be effected at the end of the month during which the service is rendered, goods supplied or works executed.</p>			

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	In the circumstances, Management was in breach of the law.			
National Government Constituencies Development Fund (NGCDF) and other Sponsors	<p>The consolidated statement of financial position reflects trade and other payable from exchange transactions of Kshs.6,782,416,000. Included in this balance is Moi University amount of Kshs.6,712,398,000 which further includes Kshs.85,372,508 from NGCDF and Other Sponsors (OS).</p> <p>Scrutiny of the records for National Government Constituencies Development Fund and Other Sponsors payable provided for audit revealed that a total of Kshs.62,988,741 was received by the University in the year under review whereas Kshs.22,383,767 related to the previous years. However, the total amount of Kshs.85,372,508 was neither credited to the sponsored students accounts nor refunded to the sponsors.</p>	<p>The University receives bursaries and scholarships from CDF and other Institutions. The funds are disbursed to the University bank accounts or Cheques are drawn in favour of Moi University and delivered to the Institution accompanied with the Schedules showing the Name of the student, Admission no. and amount allocated to each beneficiary for the purposes of posting to the individual student account. At the close of the financial year, the Kes. 22,383,767 had not been posted because;</p> <p>The CDF usually releases funds in most cases just before the closure of the financial year, and in most cases without the accompanying schedules. Hence it is not possible to post the funds to the students' accounts without the supporting schedules.</p>	Resolved waiting PIC approval	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>In the circumstances, the intended beneficiaries' risks discontinuing their education due to unpaid fees.</p>	<p>Hence this is the reason why there was an outstanding amount of Kes.22, 383,767 at the close of the financial year that had not been posted to the Students' accounts. The amount was later posted after receiving the supporting schedule.</p>		
Intangible Assets	<p>Review of contract documents revealed that a contractor was awarded a contract to supply and install an Enterprise Resource Planning (ERP) software at a contract sum of Kshs.26,595,959 which included a one lifetime license fee of Kshs.11,500,000. However, the useful life of the intangible asset, whether the intangible asset useful life is indefinite or finite and, if finite, the useful life or the amortization rates used were not disclosed in the financial statements.</p> <p>Further, although the Management provided status report indicating completion of the</p>	<p>The figure reflected in the draft financial statements of Kes. 19,944,000 is the total amount invoiced and paid to the ERP vendor. Due to delay in the implementation of all the Modules as per the signed contract, the total amount is yet to be paid once the modules are fully implemented.</p> <p>(i) The Intangible Asset once fully implemented, will be amortized as guided by IPSAS 31 (117). The accounting for an Intangible Asset is to record the</p>	Resolved waiting PIC approval	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>project, no evidence was provided indicating commissioning of the software and it was therefore not possible to confirm whether the project is fully completed or not.</p> <p>In the circumstances, value for money on Kshs.19,944,000 paid for the intangible asset could be confirmed.</p>	<p>Asset as a long-term Asset and amortize the asset over its useful life, along with regular impairment reviews. The assets will therefore be determined whether finite or indefinite upon completion of modules.</p> <p>(ii) The Enterprise Resource Planning (ERP) will be commissioned once fully implemented. The ERP system was tendered in the year 2017/18, but acquired and rolled out in the year 2019/2020. Its implementation was delayed by due to the Covid -19 pandemic,</p>		

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe: <i>(Put a date when you expect the issue to be resolved)</i>
		<p>which adversely affected University operations in the financial years 2019/20 - 2021/22. But with full resumption of University operations in the current financial year the remaining modules will be fully implemented within the stipulated time</p>		
Missing Note	<p>The statement of cash flows reflects provision for audit fees negative balance of Kshs.3,730,000 which should be supported by Note 29 to the financial statements. However, Note 29 was missing instead the balance was supported by Note 28 to the financial statements.</p> <p>In the circumstances, the financial statements were not presented in</p>	Auditors observation noted and corrected	Resolved waiting PIC approval	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	accordance with the prescribed standards.			
Missing Signature	Review of the financial statements revealed that the signature for the Vice Chancellor was missing under the report on implementation status of Auditor-General's recommendations. In the circumstances, the contents of the report could not be confirmed to be correct	Auditors' observation noted and corrected	Resolved waiting PIC approval	

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Vice Chancellor

Date... 15/01/2025

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Appendix II: Projects implemented during the period

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

Project title	Project Number	Donor	Period/ duration	Government commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Construction of Library - Annex		GoK	June 2021	-	-	Yes
Construction of PDN-Phase II		GoK	Nov. 2024	30,000	-	Yes
Construction of 2250 Hostels- Wing C		GoK	Nov. 2024	-	-	Yes
Construction of Sewer Line		GoK	June 2024	-	-	Yes
Renovation of Hostel J		GoK	June 2024	-	-	Yes
Construction of School of Science		GoK	Dec. 2028	-	-	Yes

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Status of Projects completion

No	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Construction of Library - Annex	300,000	300,000	100%	0	0	GoK
2	Construction of PDN-Phase II	600,000	96,406	60%			GoK
3	Construction of 2250 Hostels- Wing C	150,000	60,307	80%			GoK
4	Construction of Sewer Line	255,000	101,287	98%			GoK
5	Renovation of Hostel J	150,000	30,178	30%			GoK
6	Construction of School of Science	4,200,000	1,058	5%			GoK
7	500No. Lecture Hall	11,395	11,373	100%			A.I.A
8	Amphitheatre	600,000	161,520	33%			GoK
9	Digital Information Centre	350,000	20,254	28%			AIA
10	ACE II PTRE	88,000	65,833	90%			World Bank
11	New gate	26,000	28,631	100%			AIA

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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 – Kes'000	Statement of Financial Performance Kes'000	Where Recorded/recognized				Total Transfers during the Year Kes'000
					Capital Fund Kes'000	Deferred Income Kes'000	Receivables Kes'000	Others - must be specific	
Ministry of Education		Recurrent	2,434,809	2,434,809					2,434,809
		Development	48,250	-	48,250				48,250
USAID		Donor Fund	736,364	736,364	-				736,364
		ACEII	262,596	262,596	-				262,596
Ministry of Industrialization		Recurrent	96,890	96,890	-				96,890
		Development	269,160	-	269,160				269,160
Total			3,848,069	3,530,659	317,410				3,848,069

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Appendix V- Inter-University Confirmation Letter

Confirmation of amounts received by Moi University as at 30 th June 2024							
Reference Number	Date Disbursed	Amounts Disbursed by [SC/SAGA/Fund] (KShs) as at 30th June 2024				Amount Received by (KShs) as at 30 th June 2024 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
FT241833B4SN	01/07/2024	202,900,747	-	-	202,900,747	202,900,747	-
FT24164FXHHD	12/06/2024	202,900,747	-	-	202,900,747	202,900,747	-
FT241386GL	17/05/2024	202,900,747	-	-	202,900,747	202,900,747	-
FT24103Z86	12/04/2024	202,900,746	-	-	202,900,746	202,900,746	-
FT24073223	13/03/2024	202,900,746	-	-	202,900,746	202,900,746	-
FT2406HV2	29/02/2024	-	17,500,000	-	17,500,000	17,500,000	-
FT2406QQH	29/02/2024	-	23,250,000	-	23,250,000	23,250,000	-
FT24060FT2	29/02/2024	-	3,750,000	-	3,750,000	3,750,000	-
FT24060RQD	29/02/2024	-	3,750,000	-	3,750,000	3,750,000	-
FT240434Y254	12/02/2024	202,900,746	-	-	202,900,746	202,900,746	-

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FT24008VBPIK	08/01/2024	202,900,746	-	-	202,900,746	202,900,746	-
FT233478RH64	13/12/2023	202,900,746	-	-	202,900,746	202,900,746	-
FT23305FWXOH	01/11/2023	202,900,746	-	-	202,900,746	202,900,746	-
FT23255NNG6J	12/09/2323	202,900,746	-	-	202,900,746	202,900,746	-
FT23242XQCHW	30/08/2023	202,900,746	-	-	202,900,746	202,900,746	-
FT23222WT0MW	10/08/2023	202,900,746	-	-	202,900,746	202,900,746	-
Total		2,434,808,955	48,250,000	-	2,483,058,955	2,483,058,955	-

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

Ag: Chief Finance Officer

Name Egla C. Samoei Sign  Date 15-01-2025

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Appendix VI: Reporting of Climate Relevant Expenditures

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

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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