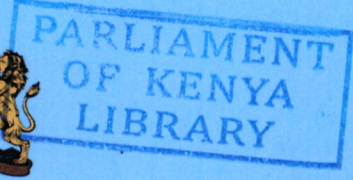
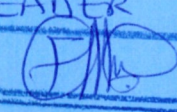


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 12 APR 2023	DAY: WEDNESDAY
TABLED BY: CLERK AT	DEPUTY MAJORITY LEADER 

THE AUDITOR-GENERAL

ON

**AFRICA CENTER OF EXCELLENCE IN
SUSTAINABLE USE OF INSECTS AS FOOD AND
FEEDS PROJECT (IDA CREDIT NO.5798-KE)**

**FOR THE YEAR ENDED
30 JUNE, 2022**

**JARAMOGI OGINGA ODINGA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**



**AFRICA CENTER OF EXCELLENCE
IN
SUSTAINABLE USE OF INSECTS AS FOOD AND FEEDS**

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE
AND TECHNOLOGY**

PROJECT GRANT/CREDIT NUMBER: IDA CREDIT 5798-KE

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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

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1.0 PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and Registered Office

Name: ACE II Project:

Africa Center of Excellence in Sustainable Use of Insects as Food and Feeds (INSEFOODS).

Objectives:

The specific project objectives are to: -

- i) Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed;
- ii) Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed;
- iii) Develop a biodiversity repository of insects for food and feed in the region; and
- iv) Develop insect technology incubation and skills transfer hub for teaching and research.

Address:

The Project offices are located at Jaramogi Oginga Odinga University of Science and Technology, main campus,

Bondo. Bondo - Usenge Road
P.O Box 210-40601 Bondo, Kenya
Telephone: (254) 057-2058000/ 2501804
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Center Director
Telephone: (254) 057-2058000/ 2501804
E-mail: drinsefoods@jooust.ac.ke
Website: www.insefoods.jooust.ac.ke

1.2 Project Information

Project Start Date:	The Financing Agreement was signed on 4th July 2016 and the Subsidiary Grant (Performance Agreement) signed on 27 th October 2016. Date of Credit Effectiveness 1st February 2017
Project End Date:	The project end date is 31 st December 2023
Project Manager :	The Center Director: Prof. Darius Otiato Andika
Project Sponsor:	International Development Association (IDA)-World Bank

1.3 Project Overview

Line Ministry / State Department of the project	Ministry of Education / State Department for University Education
Project Number:	P151847
Strategic goals of the Project	<p>Key Strategic Objectives.</p> <ul style="list-style-type: none"> i) Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed; ii) Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed; iii) Develop a biodiversity repository of insects for food and feed in the region; and iv) Develop insect technology incubation and skills transfer hub for teaching and research.
Achievement of strategic goals	<p>The project aims to achieve the goals through the following means:</p> <p>Component 1. Strengthening Education Capacity (Excellence) and Development impact</p> <p>Component 2. Strengthen Research Capacity Excellence</p> <p>Component 3. Attracting Regional Faculty and Students</p> <p>Component 4. Plan for National, Regional and International Academic Partnership and Collaborations</p> <p>Component 5. Plan for Management and Governance</p> <p>Component 6. Sustainability</p>
Other important background information of the project	<p>INSEFOODS is one of the 24 competitively selected centers at Universities in Eastern and Southern Africa under the World Bank's Eastern and Southern Africa Higher Education Centers of Excellence Project II (ACE II).</p> <p>The overall objective of INSEFOODS is to achieve long-term food and nutritional security by using insects as a cost effective, reliable and sustainable source of protein and other nutrients for food and feeds.</p> <p>To achieve this objective, INSEFOODS' strategy is to develop and offer high quality regional and internationally accredited masters, doctoral and short courses programs in food security and sustainable agriculture with insects for food and feeds as the entry point.</p> <p>The educational programs will involve teaching, research, product</p>

	<p>development and commercialization, and student and staff exchanges in different disciplines related to insects as food and feeds across Africa.</p> <p>INSEFOODS is funded by the World Bank to the tune of US\$ 6 million over a five-year period 2017-2023. The Bank has disbursed cumulative of US\$ 3.9 million. The funds were credited into the JOOUST Bank Account at the Equity Bank, Bondo Branch, for the ACE II Project. The total amount received cumulatively in Kenya shillings was 394,896,623 (Three Hundred and Ninety Four million, Eight Hundred and Ninety Six Thousand Six Hundred and Twenty Three).</p>
<p>Current situation that the project was formed to intervene</p>	<p>INSEFOODS was designed to:</p> <ul style="list-style-type: none"> a) Strengthen Education Capacity Excellence through the number of Ph.D. and Masters students trained, and the number of students who participate in short term trainings; b) Strengthen Education Capacity & Development Impact through the number of student and staff internships with private sector, the number of sub-regional and internationally accredited education programs, the number of students employed by industry and by universities as faculty members, and the number of students who create/start their own businesses; c) Strengthen Research Capacity Excellence through the number of internationally peer reviewed research publications in disciplines supported by the INSEFOODS Program; the number of new research collaboration in the region; the number of students employed by research organizations; and the number of patents, invention disclosures, trademarks and copyrights emanating from the project’s activities; and d) Strengthen Education and Research Capacity through increased financial sustainability and demonstration of value to students and partners through the amount of externally generated revenue by the INSEFOODS
<p>Project duration</p>	<p>The project started on 1st February 2017 and is expected to run until 31st Dec 2023</p>

1.4 Bankers
 Equity Bank;
 Bondo Branch
 P.O Box 598-40601

Bondo, Kenya

1.5 Auditors
 Auditor General
 Office of the Auditor General,
 Anniversary Towers, University way,
 P.O Box 30084-00100
Nairobi, Kenya

1.6 Roles and Responsibilities

Key person(s) working with the project.

Names	Title designation	Key qualification	Responsibilities
Prof. Stephen Agong'	Vice Chancellor	PhD in Horticulture and Food Security	Project Accounting Officer
Prof. Benson Estambale	Deputy Vice Chancellor, Research Innovation and Outreach	PhD, Medicine	Chair, Center Advisory Board for the Project
Prof. Joseph Bosire	Deputy Vice Chancellor, Academic Affairs	PhD Curriculum Studio	Member Center Advisory Board
Prof. Arnold Watako	Dean School of Agricultural and Food Sciences	PhD Horticulture	Member Center Advisory Board
Prof. Darius Andika	Center Director	PhD Horticulture	Center Administration
Prof. Monica Ayieko	Deputy Director and Principal Investigator	PhD Consumer Sciences and Food Security	Center Technical activities
CPA Nancy Muchai	Chief Finance Officer	MBA Finance, B.Sc. Statistic, CPA (K), CSIA	In charge of internal Project Finances
Mr. Joram Ooro	Project Manager	MA Project Planning and Management	Coordinate Centre activities
CPA Nelly Ako	Deputy Chief Internal Auditor	MBA Accounting, BBM Accounting, CPA (K), CISA	In charge of Internal Project Auditing
Dickson Seda	Procurement Officer	MBA Procurement, BSc Procurement, CIPS	In charge of internal project Procurement

1.7 Funding Summary

The project **duration** is 5 years (from 2017 to 2023) with an approved total budget of USD 6 Million equivalent of Kshs. approx. 600 Million as highlighted in the table below:

Table A: Source of Funds

Source of funds	Donor commitment		Amount received to date-(30.06.2022)		Undrawn amount to date	
	USD.	KShs.	USD.	KShs.	USD.	KShs.
Grant						
The World Bank	6,000,000	600,000,000	3,948,966	394,896,623	2,051,034	205,103,377
Sub Total	6,000,000	600,000,000	3,948,966	394,896,623	2,051,034	205,103,377
Others Grants						
DANIDA Fellowship Centre	16,096	1,609,594	16,096	1,609,594	-	-
Gottfried Wilhelm	6,258	625,818	6,258	625,818	-	-
Kobenhaven University	235,000	23,500,000	31,769	3,176,880	203,231	20,323,120
African Population and Health Research Center	22,299	2,229,942	22,299	2,229,942	-	-
University of Gothenburg	29,000	2,900,000	6,159	615,904	22,841	2,284,096
National Research Fund-SA	41,767	4,176,708	41,767	4,176,708	-	-
University of Southampton	287,218	28,721,801	39,233	3,923,272	247,985	24,798,529
World Health Organization	60,317	6,031,665	60,317	6,031,665	-	-
National Research Funds	369,951	36,995,113	369,951	36,995,113	-	-
Kobenhavens University	203,231	20,323,120	87,147	8,714,736	116,084	11,608,384
African Population and Health Research Center	86,689	8,668,941	83,122	8,312,169	3,568	356,772
University of Gothenburg	22,841	2,284,096	12,782	1,278,191	10,059	1,005,905
University of Southampton	247,985	24,798,529	39,803	3,980,266	208,183	20,818,263
The Michael Fox Foundation	185,840	18,584,015	31,342	3,134,227	154,498	15,449,788
University of Southampton	208,183	20,818,263	34,958	3,495,794	173,225	17,322,469
University of Gothenburg	10,059	1,005,905	8,289	828,858	1,770	177,047

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Chalmers Tekniska Hogskola	14,823	1,482,278	4,235	423,508	10,588	1,058,770
Miscellaneous Receipts	47,488	4,748,775	47,488	4,748,775	-	-
Sub Total	2,095,045	209,504,563	943,015	94,301,420	1,152,032	115,203,143
Total	8,095,045	809,504,563	4,891,981	489,198,043	3,203,066	320,306,520

Table B: Application of Funds

Application of Funds	Amount received to date		Cumulative Amount Paid to Date	Un-utilized Balance to	
	30.06.2022		30.06.2022	30.06.2022	
	USD.	KShs.	KShs.	USD.	KShs.
Grant					
The World Bank	3,948,966	394,896,623	363,426,342	314,703	31,470,281
Sub Total	3,948,966	394,896,623	363,426,342	314,703	31,470,281
Others Grants					
DANIDA Fellowship	16,096	1,609,594	1,609,594	-	-
Gottfried Wilhelm	6,258	625,818	625,818	-	-
Kobenhaven University	118,916	11,891,616	5,477,925	64,137	6,413,691
African Population & Health Research Center	105,421	10,542,111	3,997,717	65,444	6,544,394
University of Gothenburg	27,230	2,722,953	1,880,318	8,425	842,635
National Research Fund-SA	41,767	4,176,708	3,352,950	8,238	823,758
University of Southampton	113,994	11,399,332	1,639,478	97,598	9,759,854
World Health Organization	60,317	6,031,665	-	60,317	6,031,665
National Research Funds	369,951	36,995,113	14,811,856	221,833.00	22,183,257
The Michael Fox Foundation	31,342	3,134,227	3,111,353	229	22,874
Chalmers Tekniska	4,235	423,508	63,526	3,600	359,982
Miscellaneous Receipts	47,488	4,748,775	-	47,488	4,748,775
Sub Total	943,015	94,301,420	36,570,535	577,309	57,730,885
Total	4,891,981	489,198,043	399,996,877	892,012	89,201,166

1.8 Summary of Overall Project Performance

Budget performance

During the year the budget performance against actual amount stood at 59%. The absorption level was affected by the late receipt of funds in the fourth quarter of the financial year. The center plans to fully absorb the funds in FY 2022/2023.

Physical Progress-

The progress made towards achieving the result of the project as per the PDO indicator is as per the Result Framework table below.

Table C. Results Framework

PDO Indicators	End Target	Achieved	% Achieved	Remarks	
1. Regional students enrolled in ACEs: (i) Masters (No. of Female) (ii) PhD (No. of female)	Masters (Total No.)	51	300%		
	Masters (Female No.)	24	343%		
	PhD (Total No.)	13	130%		
	PhD (Female No.)	4	133%		
	Short-term courses (Total No.)	94	188%	Achieved and exceeded target.	
	Short-term courses(Female)	40	200%	Achieved and exceeded target.	
	Masters (Total No.)	60	238%		
	Masters (Female No.)	24	242%		
	PhD (Total No.)	20	41	205%	
	PhD (Female No.)	8	22	275%	
3. MOUs on partnerships for collaboration in applied research and training entered into by the ACEs	Short-term courses (Total No.)	182	165%		
	Short-term courses(Female)	83	377%		
		5	10	200%	

4. Accredited education programs offered by the Center	Total No.	12	9	75%	Other programs are being developed to meet the target
	National (No.)	10	9	90%	Other programs are being developed to meet the target
	Regional (No.)	0	0	0%	Dropped
5. Direct Project Beneficiaries (of which female)	International (No.)				Centre is engaging other internationally accredited institutions to help achieve the target
	Total No.	117	496	424%	
Component 1	Female	32	173	541%	
	Total No.	37	88	238%	Plans are underway for more exchanges for total withdrawal
1. Faculty and PhD students exchanges to promote research and	Female	11	47	427%	Plans are underway for more exchanges
	Total No.	420,000	1,042,525	248%	
2. Amount of externally generated revenue by the Center, USD	Total No.	75	119	159%	
	No. co-authored with regional collaborators	30	35	117%	Target achieved
3. Internationally recognized research publications in	Total No.				
	No. co-authored with regional collaborators				
4. No. of institutions hosting the Center participating in the PASET benchmarking exercise (No.)	Total No.	1	1	100%	Achieved
	No. co-authored with regional collaborators				
Component 2					

1. Events that foster partnerships between the Center and private sector/industry (No.)	5	5	100%	There are plans to continue expanding the network with both private sector and industry
				Participated in all IUCEA organized events

Component 3

1. Knowledge sharing events with the Center, partner institutions, academia and diaspora (No.)	10	10	100%	Participated in IUCEA organized events
2. Timely verification of Center achievement of DLIs	10	8	80%	
3. Biannual reporting on M&E of the Center	10	10	100%	

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Value for money achievements

The Project is result based and the Center DLR status is per the table able D below.

Table D: DLR status

DLR	DLR Description	Target Amount	Amount Achieved	Percentage Achieved (%)	Remarks
DLR 1.1	Completion of Effectiveness Conditions	600,000	600,000	100%	Achieved
DLR 1.2	Project Implementation Plan	500,000	500,000	100%	Achieved
DLR 2.2	Enrollments	1,300,000	1,241,400	95%	Achieved awaiting verification
DLR 2.3	Accreditation	600,000	300,000	50%	Strategy in place for international accreditation
DLR 2.4	Partnership and Collaboration	200,000	190,000	95%	Achieved and awaiting verification
DLR 2.5	Journals and Conf Presentations	500,000	500,000	100%	Achieved
DLR 2.6	Faculty/PhD Exchange	700,000	451,362	64%	Ongoing
DLR 2.7	Ext. Revenue Generation	900,000	813,000	90%	Achieved awaiting verification of submitted data
DLR 2.8	Paset benchmarking	100,000	100,000	100%	
DLR 3.1	Timely Withdrawal	75,000	60,000	80%	In progress
DLR 3.2	Functional Audit Committee	75,000	60,000	80%	In progress
DLR 3.3	Functional Internal Audit	75,000	60,000	80%	In progress
DLR 3.4	Transparency and Accountability	75,000	60,000	80%	In progress
DLR 4.1	Timely Procurement Audit	150,000	90,000	60%	In progress
DLR 4.2	Timely Procurement Progress	150,000	90,000	60%	In progress
TOTAL		6,000,000	4,366,762	89%	

Implementation Challenges

The Center faced some challenges towards achieving its objectives and took the following actions to solve them.

	Challenge faced	Action Taken
1	Delay in disbursement of achieved funds	<ul style="list-style-type: none">• Engagement with Ministry of Education to hasten the disbursement process
2	Obtaining International accreditation of two Post Graduate programs	<ul style="list-style-type: none">• The World Bank has redefined this indicator to include joint programs with institutions ranked in top 750. The center has forged collaborations that will contribute towards achieving this indicator.

1.9 Summary of Project Compliance

There were no issues of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

2.0. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of the project's agreement/ plan are to:

- i.** Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed;
- ii.** Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed;
- iii.** Develop a biodiversity repository of insects for food and feed in the region; and
- iv.** Develop insect technology incubation and skills transfer hub for teaching and research.

Achieved Metric

The project is result based and the performance of the project is per the implementation Matrix as indicated in the table below:

Table D: Implementation Matrix

Project	Objective	Outcome	Indicator	Performance
1.1 Develop new relevant multidisciplinary MSc and PhD food security curricula and regular reviews	Objective 1 Strengthen education capacity excellence and development impact	Build human resource and infrastructural capacity for research, training and technology development and transfer in insect science.	Number of new relevant multidisciplinary MSc and PhD curricular developed and regularly reviewed	10 programs developed
1.2 Benchmark and obtain accreditation for MSc and PhD food security curriculum			Number of MSc and PhD programs accredited	Benchmarking with top 750 ranked institutions ongoing towards accreditation 9 program accredited 2 programs to be accredited internationally

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1.3 Rehabilitate and upgrade teaching and learning facilities			Number of teaching and learning facilities upgraded	4 Lecture rooms were rehabilitated and furnished with modern learning materials. 1 post graduate library renovated and equipped
1.4 Rehabilitate and upgrade teaching and learning facilities			A grants management scheme established and functional	The Center supported the implementation of the ERP within the institution which has component of grants management system integrated
1.5 Strengthen ICT infrastructure for teaching and learning			ICT infrastructure for teaching and learning strengthened	The Center is facilitating the institution to enhance the ICT infrastructure; the center is in the process of acquisition of teleconference/video facility,
1.6 Advertise and admit students into MSc and PhD programmes			Number of MSc and PhD students admitted	41 PhD Students enrolled 143 MSc Enrolled
1.7 Offer required taught courses to MSc and PhD students			Number of courses offered to MSc and PhD students	2 courses being offered; PhD Food Security and Sustainable Agriculture and MSc Food Security and Sustainable Agriculture student are going on with their research work and projects.
1.8 Initiate and implement regional student exchanges to broaden learning experience			Number of students involved in regional student exchanges	This is a continuous exercise and student goes for exchange in different partner Universities
1.9 Develop and offer relevant short courses for special groups			Number of short courses developed and offered to special groups Number of beneficiaries trained in the short courses	237 beneficiaries trained across the region against a target of 110 people

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1.10 Develop content and convert for delivery by e-learning platform			Number of courses delivered by eLearning platform A functional e-learning platform	2 post graduate program delivered online (MSc Food Security and Sustainable Agriculture PhD Food Security and Sustainable Agriculture. 2 Short course training delivered online (Cricket rearing and value addition and BSF rearing and value addition.
1.11 Expand the existing library resources including e-resources relevant to the ACE			Number of new library resources including e-resources relevant to the ACE provided	The Center facilitated renovation and equipping of post graduate library. Subscription to relevant e resources
1.12 Broaden students' knowledge and skills through internship at advanced research institutions and industries			Number of students participated in internship at advanced institutions and industries	The Center has entered into MOU with 11 institutions where students goes for research and exchange program.
1.13 Provide appropriate tools for people with disabilities to access learning and research			Number of appropriate tools provided for people with disabilities to access learning and research	Through safe guard team, the Center has supported making the rooms more accessible and still have plans to work with the institution to enhance the environment. Procured
2.1 Scale up MSc and PhD research in key areas in insect science and food security	Objective 2 Strengthen research capacity excellence		Number of additional MSc and PhD programs developed and offered Number of MSc and PhD students trained	Post graduate students are conducting research in the different key areas
2.2 Expand regional and international collaborations and joint research programmes			Number of MoUs signed with regional partners	The Center has entered in Collaboration with Institution and Universities. The Center is still enhancing these collaboration for the purpose of sustainability.

<p>2.3 Equip and rehabilitate research laboratories for up scaling insect rearing, processing and analysis</p>			<p>Number of research laboratories rehabilitated Number of equipment procured</p>	<p>2 labs had been renovated and some equipment to be serviced and rehabilitation done based on the requirement of the public health recommendation.</p>
<p>2.4 Enhance faculty research capacity through staff development , exchange programmes and visits</p>			<p>Number of staff involved in staff exchange programmes</p>	<p>The Center has facilitated staff capacity building through supporting staff training as well as exchange program. The center if facilitating incoming and outgoing exchanges</p>
<p>2.5 Recruit qualified technical and support staff</p>			<p>Number of qualified technical and support staff recruited</p>	<p>The Center pays salaries of the center staff</p>
<p>2.6 Conduct training workshops and seminars to broaden students’ learning experience</p>			<p>Number of training workshops conducted Number of students trained in the training workshops</p>	<p>Continuous process as student continues with their studies.</p>
<p>2.7 Develop and sign MoUs with partner institutions</p>			<p>Number of MoUs signed with partner institutions</p>	<p>10 MOUs Signed and under implementation</p>
<p>2.8 Attract, retain and retool faculty in areas relevant to the ACE</p>			<p>Number of faculty recruited, retained and retooled</p>	<p>Retooling was conducted and the Center retooled the post graduate students supervisors to enhance their capacity.</p>

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2.9 Publish in peer reviewed journals			Number of publications in peer reviewed journals	128 peer reviewed papers published More students in the process of submitting their articles for publication
2.10 Support scientific conference presentations			Number of papers supported for conference presentations	This is a continuous process
2.11 Develop insect technology incubation and skills transfer hub				The Center has established insect repository. National Museum of Kenya have finalized the work. Training for the faculty was conducted on
3.1 Set up collaborative postgraduate programmes with other Institutions	Objective 3 Attract regional faculty and students		Number of collaborative postgraduate programmes with other institutions developed	The Center is working with other institution in establishing of the collaborative program as a way of attaining International accreditation.
3.2 Set up structures for student and staff support			Number of structures for student and staff support developed	Was finalized with policies in place on how students are supported. Policies on stipends, scholarship and research funds
3.3 Establish staff/student regional mentorship programme and regional working groups			A staff/student regional mentorship programme established Number of regional working groups established	Undertaken through collaboration with other institution and exchange program where the Center has supervisors from other institutions

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3.4 Develop partnerships with industry, research organization for staff and equipment sharing			Number of partnerships with industry & research organizations for staff and equipment sharing developed	The institution has engaged research institution where students goes for research and analysis of their specimen. These include KALRO, ICIPE. The Center is currently receiving support from Word Bank to enhance the partnership with private sectors. The Center has an MOU with SIGMA feeds
4.1 Inception meeting and workshops to form strategic working groups for collaborative teaching and research	Objective 4 Plan for national, regional and international academic partners and collaborations	Build sustainable local, regional and international partnerships and networks for research, development and training.	· Inception meeting & workshop held · Number of working groups for collaborative teaching & research formed	Partners meeting conducted and agreed on project implementation strategies
4.2 Institutionalize faculty exchange programmes			Number of faculty exchange programmes institutionalized	
4.3 Establish and publish a high impact peer reviewed journal in insects as food and feeds			A high impact peer reviewed journal in insects as food and feeds established	Faculty and student are continuously publishing in high impact peer review journals in insect as foods and feeds.
4.4 Set up collaborative postgraduate, postdoctoral studies and fellowship programmes			Number of collaborative postgraduate, postdoctoral studies and fellowship programmes established	Ongoing process
4.5 Schedule a launching and inception workshop with partners			A launching and inception workshop held	Partners meeting conducted and agreed on project implementation strategies
4.6 Participation in two (2) joint regional ACEII Meetings			Number of ACE staff participated in two regional ACE	Participated in all joint meetings organized by IUCEA

AFRICA CENTER OF EXCELLENCE IN SUSTAINABLE USE OF INSECTS AS FOOD & FEEDS.
Reports and Financial Statements For the year ended 30 June 2022

			II Meetings	
5.1 Develop a biodiversity repository of insects for food and feed in the region	Objective 5 Develop a biodiversity repository of insects for food and feed in the region	Enhance knowledge on the available insect in the region and their contribution	A regional biodiversity repository of insects for food and feeds developed	Repository established and equipped. Training on management and maintenance is underway as well as collection of more specimens
6.1 Carry out an implementation survey and impact assessments through participatory community outreach activities	Objective 6 Develop insect technology incubation and skills transfer hub	Community member embrace farming and consumption of insects	A report of a survey and impact assessment through participatory community outreach activities available	
6.2 Write proposal and acquire funds to develop insect technology incubation and skills transfer hub			An insect technology incubation and skills transfer hub established	The insect farms established and community outreach through short courses conducted

3.0 CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

INSEFOODS exists to transform lives. The overall objective of INSEFOODS is to achieve long-term food and nutritional security by using insects as a cost effective, reliable and sustainable source of protein and other nutrients for food and feeds.

To achieve this objective, INSEFOODS' strategy is to develop and offer high quality regional and internationally accredited masters, doctoral and short courses programs in food security and sustainable agriculture with insects for food and feeds as the entry point. Below is a brief highlight of our activities that drive towards sustainability.

1. Sustainability strategy and profile

The center has developed a sustainability strategy that relates to social, environmental, economic, and ethical issues that define its relationships with society and continued existence in executing its mandate as defined from inception.

The sustainability strategy has considered several key factors including.

- i)** Sustainability Assessment to identify current activities and potential gaps
- ii)** Benchmarking against peers to identify areas of strength, weakness, opportunity, and risk
- iii)** Stakeholder Engagement to hold a meaningful dialogue and receive feedback through workshops and interviews
- iv)** Impact measurement to assess performance in social, environmental, and economic areas
- v)** Reporting and Engagement to communicate and explain progress to stakeholders

The involvement of strategic stakeholders from the industry has been given priority to facilitate the marketing of developed research outputs and access to the consumers.

Therefore, the sustainability strategy focuses on;

- i)** Innovation for growth to provide an additional revenue stream through meeting environmental or social needs.
- ii)** Leadership in the market to future proof and build competitive advantage.
- iii)** Risk and resilience for minimizing vulnerabilities and anticipating upcoming issues, such as new regulations.
- iv)** Reputation and brand for stronger relationships with customers and an enhanced license to operate through better relationships with regulators, non-profits and other stakeholders.

The Center Developed the following sustainability plan as the project is heading toward the end of Phase one;

1.1 Up scaling of products and commercialization

- The Center has developed business plan to enhance scaling of products development and commercialization. The Center has already registered JUSTER FOOD as the brand for the product and obtained KEBs certification.
- The Center is planning to install cold room t facilitate mass production of cricket.
- JOOUSTES has partnered with the center to facilitate the commercialization of the products

The Center in collaboration with JOOUSTES are working on the commercialization of the products and the following were undertaken within the financial year;

- **Registration of Trademarks**
The Center facilitated registration of the traded mark “JUSTER FOODS” within the quarter.
- **KEBS nutritional Value Analysis**
The Center facilitated KEBS nutritional value analysis of cricket biscuits which is a requirement in the commercialization of the products.
- **Establishment of Insect repository**
The Center in collaboration with the National Museum of Kenya finalized the establishment of the Insect Repository at JOOUST. The team from NMK completed the works from 7th to 12th February 2022.
The Center in collaboration with the National Museum of Kenya finalized the establishment of the Insect Repository at JOOUST. The team from NMK delivered the insects which had been collected and preserved at NMK and further trained JOOUST team on how to manage the repository.
- **KEBS Renewal**
The Center facilitated KEBS renewal of JUSTER FOODS cricket-based biscuits and standards mark permit for 2 years from 2022 to 2023.
- **Approval of Bar Codes**
The Center received approval of bar codes for the JUSTER FOODS cricket-based biscuits. This now sets the ground for rolling out of products into the market.
- **KEBS nutritional Value Analysis**
The Center facilitated nutritional value analysis of cricket biscuits which is a requirement in commercializing the products.

1.2 Proposal writing

- The Center in Collaboration with ACE II Centres in Kenya has done proposals to seek Phase II funding awaiting finalization.
- The Center supports proposal writing to raise more resources and this is a continuous process.

1.3. Fee payment

- The Center continues to advertise its programs to attract fee-paying students

1.4. Academia industry collaboration

- The Center is in the process of seeking sustainable collaboration with industries.
- World Bank has engaged a consultant to help the Center’s in collaboration with private sectors.

1.5. Community engagement

- The Center is rolling out the skills and technology transfer to the community members through short course training and outreaches for community adoption.

1.6. Online short Course training

- The Center plans to host the short Course on Black Soldier Flies and Cricket farming and value addition online at a fee.

1.7. Establishment of Center of Excellence office block

- The Center is in the process of establishing the ACE II office block where it will operate from.

1.8. Institutionalization of the Center in the University Status

- The Center is institutionalized within the University Statutes to facilitate its sustainability.

2. Environmental performance

The Center has an approved Environmental and Social Monitoring Plan that clearly outlines the management of environmental related issues. The summary of the plan is indicated below for the year under review.

Activity	Environmental Impact to be monitored (As in ESMP)	Monitoring / Performance Indicators (as in ESMP)	Status or Implementation Update.	Corrective Action Required.
Renovation of Laboratory at ACE-WM/Ethiopia	Air Quality deterioration	Air Quality: <ul style="list-style-type: none"> Presence of debris-chutes. Availability of dust management plan (manage all issues of dust generation). Availability of incinerators (no open air burning). 	The site has hoarding that encompasses the whole to mitigate against dust circulation to nearby facilities and Environmental, Health and safety plan to guide in facets of that nature	None
	Noise and vibration	Noise: <ul style="list-style-type: none"> Presence of construction schedules. Availability of noise management plan 	Activities limited to working hours between, 8am and 5pm with machinery properly greased and oiled to reduce friction and possible noise emission.	None
	Soil and water contamination	Water Quality: <ul style="list-style-type: none"> Presence of hay bales and/or silt fences. Availability of a Water resource protection plan. 	Use of existing wastewater treatment plant to manage its liquid waste	None
	Health and safety hazards.	Waste Management: <ul style="list-style-type: none"> Presence of records of waste disposal. Availability of a Waste Management Plan (WMP). 	The contractor uses solid management system in disposal of waste	None
Disposal of medical.	Health and safety hazards.	Infrastructure for medical waste management: <ul style="list-style-type: none"> Presence of incinerators. Availability special facilities for segregated waste. Availability of appropriate storage facilities for medical waste. 	Health Unit has tins for temporary storage and once they are full, they are transported to Usigu Sub-county hospital for incineration	None

Activity	Environmental Impact to be monitored (As in ESMP)	Monitoring / Performance Indicators (as in ESMP)	Status or Implementation Update.	Corrective Action Required.
Toxic Materials.	Health and safety hazards.	Asbestos Management: <ul style="list-style-type: none"> ▪ Presence of sealed asbestos containers. ▪ Availability of the Asbestos Management Plan. 	We do not have asbestos in our facility	None
	Health and safety hazards.	Toxic/hazardous waste management: <ul style="list-style-type: none"> ▪ Presence of labelled safe containers of hazardous waste. ▪ Availability of license/licensed handlers of waste 	Labelling done on tins concerning the nature of waste to be placed inside them. -No licenced handlers/collectors.	None

3.3.1 Employee Welfare

The Center is institutionalized within JOOUST status. It therefore cater for staff and family welfares based on the University policy frameworks. Some of the policies in places includes; Staff performance review, recruitment policy, overtime policy, payroll management policy, compensation and benefit policy, ethics and integrity policy, communication policy, codes of ethics policy and HIV &Aid workplace policy.

3.4 Community Engagements

JOOUST ACE II INSEFOODS priority is to contribute to food security and improve household nutritional quality in the targeted focus areas at both national and regional level. Priority is given to small scale farmers who suffer greatly the consequences of food insecurity. The project has therefore developed strategic mechanisms to achieve its goals of improving food security.

3.4.1 Short Course Training

Two short courses on black soldier fly rearing and value addition and Cricket rearing and value addition have been developed. Three trainings were conducted within the financial year to reach the community members as follows;

The Center facilitated short course training on cricket rearing and value addition where a total of 62 farmers were trained within the quarter during JOOUST community extension service from 19th to 21st February 2022, Maseno Farmers training from 7th to 11th March 2022 and in Bungoma from 25th to 29th May 2022.

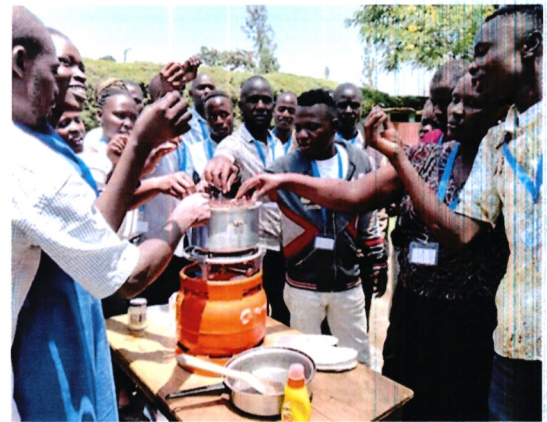


Figure 1 Short course Training on Cricket rearing and value addition Figure 2 Trainees testing fried crickets

3.4.2 Faculty and Student Exchange

The University has established a staff and students exchange program that promote reskilling and sharing of ideas as well as equipment sharing. The exchange program has also provided platform for collaborative research proposal development for suitability.



Figure 1 Dr. Mary conducting seminar during exchange visit at GLUK Figure 2 MSc student conducting lab test

3.4.3 MOUs with Partner Institutions

JOOUST finalized MOU & Partnership Agreement with Egerton University to enhance partnership and collaboration on 12th July, 2021.
JOOUST finalized the process of developing and signing of MOU with the University Of Development Studies Of Ghana.
INSEFOODS hosted the team from CESAAM and their partners including Florida A&M University and the University of Maryland Eastern Shore on 10th June 2022 in order to establish possible area of collaboration and network.

3.4.4 Private Sector Collaboration Assessment

The Center participated in the virtual interview conducted by the World Bank Private Sector collaboration Consultant which was conducted on 13th October 2021. This was intended to strengthen the university's private sector engagement to promote commercialization of products.

3.4.5 INSEFOODS Key Partners stakeholder review meeting

From 23rd to 24th November 2021, the Center organized key stakeholders meetings to review the progress of the partnership. Different working groups were formed to work on the identified areas of collaboration as per the developed strategies.

Partners from the following institutions were present;

- a. National Museums of Kenya
- b. Makerere University
- c. Chinhoh University of Technology CUT
- d. Masinde Muliro University of Science and Technology
- e. ICIPE
- f. JKUAT

3.4.6 INSEFOODS Key Partners stakeholder review meeting

The Center facilitated Forty two (42) faculty/students for exchange with other institutions. A total of 14 students undertook exchanges in different partner research institutions.

The exchanges majorly focused on laboratory analyses and equipment's sharing. Similarly the Center has identified supervisors from most of those partners' institutions who are part of the supervisory team for the students in the Center.

Among the outputs from the exchange, activities are:-

- Taught part of the graduate seminar units
- Presentation on possible areas of joint research and student supervision
- Identified joint externally funded research opportunities and proposals
- Participated in learning, teaching, and research activities including community engagement
- Drafting research article and collaborative publication with JOOUST researchers

3.4.7 Exhibition

The Center Participated in the 1st KENIA innovation week exhibitions from 6th to 9th December 2021 held at the Kenya School of Government Nairobi. The Center showcased differend and engaged with different stakeholders.

The Kenya National Innovation Agency KeNIA visited JOOUST from 17th to 18th March 2022 to help institution in development of innovation strategy. The KeNIA team interviewed INSEFOODS team and later visited the insect farm, fingerlings farm and foodlab.

The Center participated in the 7th Agrictec exhibition and conference held from 15th to 17th June 2022 at KICC. The Center exhibited a number of products enriched with cricket flour. The exhibition created the opportunity for collaboration, networking, and marketing of the products.



Figure 3 Visit to INSEFOODS stand during exhibition Figure 6 Visit to BSF farm

4.0 STATEMENT OF PROJECT MANAGAMENT RESPONSIBILITES

The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** are responsible for the preparation and presentation of the project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial period ended on June 30, 2022.

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 Project; (iii) designing, implementing and maintaining internal controls relevant to the preparations and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies and (vi) making accounting estimates that are reasonable in the circumstances.

The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** accepts responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** are of the opinion that the Project Financial statements give a true fair view of the state of Project's transactions during the financial period ended June 30, 2022, and of the Project's financial position as at that date. The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial controls.

The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements.

The Project financial statements were approved by The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** on **2022** and signed by them.

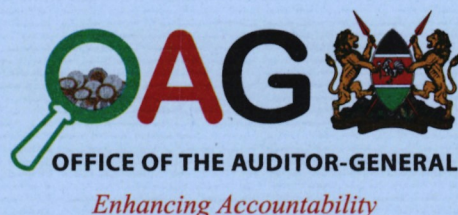
Prof. Stephen G. Agong'
Vice Chancellor

Prof. Darius O. Andika
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REPORT OF THE AUDITOR-GENERAL ON AFRICA CENTER OF EXCELLENCE IN SUSTAINABLE USE OF INSECTS AS FOOD AND FEEDS PROJECT (IDA CREDIT NO.5798-KE) FOR THE YEAR ENDED 30 JUNE, 2022 - JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Africa Center of Excellence in Sustainable Use of Insects as Food and Feeds Project set out on pages 30 to 44, which comprise of the statement of financial assets as at 30 June, 2022, and the statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Africa Center of Excellence in Sustainable Use of Insects as Food and Feeds Project as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement Credit No. IDA-5798-KE dated 4 July, 2016 between the International Development Association (IDA) and the Subsidiary Grant Agreement between Jaramogi Oginga Odinga University of Science and Technology and the Government of the Republic of Kenya dated 27 October, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Adjustments in the Financial Statements

The statement of receipts and payments reflects an amount of Kshs.110,825,981 under purchase of goods and services which, as disclosed in Note 11.5 to the financial statements includes an amount of Kshs.28,628,210 relating to domestic travel and allowances. However, the ledger relating to domestic travel and allowances reflects an amount of Kshs.29,167,834, resulting to a variance of Kshs.539,624, which was explained as a reversal of amounts paid but expenditure recognized fully. Management has not explained why the revised amount was not updated in the ledger.

In the circumstances, the completeness and accuracy of the amount of Kshs.28,628,210 under purchase of goods and services could not be confirmed.

2. Ineligible Expenditure

The statement of receipts and payments reflects an amount of Kshs.110,825,981 under purchase of goods and services and which, as disclosed in Note 11.5 to the financial statements includes amounts of Kshs.28,628,210, Kshs.12,173,652 and Kshs.29,269,897 in respect of domestic travel and subsistence, training expenses and research expenses, respectively. However, examination of records revealed that amounts of Kshs.10,565,694, Kshs.6,832,510 and Kshs.9,783,762 in respect of domestic

travel and subsistence, training expenses and research expenses, respectively which did not directly relate to the Project. The relevance of the expenditure to the Project were not demonstrated and no evidence was provided to indicate that the expenditures were in the annual work plan and had been budgeted for.

In the circumstances, the regularity of the expenditure amounting to Kshs.27,553,123 under research expenditure could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Africa Center of Excellence in Sustainable Use of Insects as Food and Feeds Project 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.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non Compliance with the Public Finance Management Regulations, 2015 - Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.144,731,861 and Kshs.225,609,176, respectively resulting to an over-funding of Kshs.80,877,315 or 56% of the budget. The Management attributed the increased actual receipts to receipt of Kshs.87,051,520 towards the tail end of the financial year which could not be absorbed and receipt of more foreign grants as a result of MOU'S that had been signed in the previous year but funds remitted in the current year under review.

Similarly, the Fund expended Kshs.136,408,010 against an approved budget of Kshs.231,783,381 resulting to an under-expenditure of Kshs.95,375,371 or 41 % of the

budget. The Project therefore had a deficit budget of Kshs.6,174,205. Management has not indicated how it intended to finance the deficit. This is Contrary to Regulation 33(c) of the Public Finance Management Regulations, 2015 which stipulates that the budget must be balanced.

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

2. Delays in Project Implementation

The Project was to run for 83 months from 1 February, 2017 to 31 December, 2023. As at 30 June, 2022, the project had been in existence for 65 months or 78.3% of the set timelines. The Project total commitment amounted to Kshs.809,504,563. However, Table B on application of funds reflects total utilization balance of Kshs.399,996,877 implying that the Project had only utilized 49.42% of the committed funds, an indication that it had achieved less than 50% of its intended purpose.

Management indicated that financing is based on target given in form of Deliverable Linked Results (DLR) segregated into DLR1.1 to DLR 4.2, and the Center has received 65.8% withdrawal of the financier's funds and has utilized 92% of the withdrawn amount. Although the Project has achieved some of its deliverables, the Project remains behind schedule. No efforts appear to have been made to ensure that the Project timelines and set objectives are fast tracked.

In the circumstances, the Project is behind schedule and value for money may not be realised.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were

operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Financing Agreement with International Development Association (IDA), I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

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 (Cash 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 overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Project'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 December, 2022


6.0 STATEMENT OF RECEIPTS AND PAYMENTS FOR YEAR ENDED 30 JUNE 2022

RECEIPTS	Note	2021-2022			2020-2021			Cumulative to-date (From inception) Kshs.
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Transfer from Government entities	11.1	87,051,520	-	87,051,520	89,654,925	-	89,654,925	394,896,622
Proceeds from domestic and foreign grants	11.2	30,167,750	-	30,167,750	23,593,484	-	23,593,484	89,552,646
Miscellaneous receipts	11.3	435,761	-	435,761	1,047,622	-	1,047,622	4,748,775
TOTAL RECEIPTS		117,655,031	-	117,655,031	114,296,032	-	114,296,032	489,198,043
PAYMENTS								
Compensation of employees	11.4	11,478,425	-	11,478,425	12,294,537	-	12,294,537	56,000,924
Purchase of goods and services	11.5	110,825,981	-	110,825,981	63,831,742	-	63,831,742	279,980,385
Acquisition of non-financial assets	11.6	14,103,604	-	14,103,604	21,226,064	-	21,226,064	64,015,568
TOTAL PAYMENTS		136,408,010	-	136,408,010	97,352,343	-	97,352,343	399,996,877
(DEFICIT)/SURPLUS		(18,752,979)	-	(18,752,979)	16,943,688	-	16,943,688	89,201,166

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


Prof. Stephen G. Agong
Vice Chancellor


Prof. Darius O. Andika
Project Coordinator


ICPA Nancy Muchai
Chief Finance Officer
ICPAKNo.7974

7.0. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2022

	Note	2021-2022	2020-2021
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and cash Equivalents			
Bank Balances	11.7	89,201,166	107,954,145
Total Cash and Cash Equivalents		89,201,166	107,954,145
TOTAL FINANCIAL ASSETS		89,201,166	107,954,145
REPRESENTED BY			
Fund balance b/fwd.	11.8	107,954,145	91,010,457
(Deficit)/ Surplus for the year		(18,752,979)	16,943,688
NET FINANCIAL POSITION		89,201,166	107,954,145

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



Prof. Stephen G. Agong'
Vice Chancellor



Prof. Darius O. Andika
Project Coordinator



CPA Nancy Muchai
Chief Finance Officer
ICPAK No. 7974

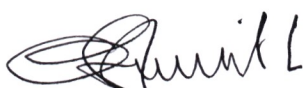
8.0. STATEMENT OF CASHFLOW FOR THE PERIOD 30 JUNE 2022.

		2021-2022	2020-2021
	Note	KShs	KShs
Receipt for operation activities			
Transfer from Government entities	11.1	87,051,520	89,654,925
Proceeds from domestic and foreign grants	11.2	30,167,750	23,593,484
Miscellaneous receipts	11.3	435,761	1,047,622
		117,655,031	114,296,031
Payments for operating activities			
Compensation of employees	11.4	11,478,425	12,294,536
Purchase of goods and services	11.5	110,825,981	63,831,743
Change in students' debtors		-	-
		122,304,406	76,126,279
Net cash flow from operating activities		(4,649,375)	38,169,752
CASHFLOWS FROM INVESTING ACTIVITIES			
Acquisition of Assets	11.6	14,103,604	21,226,064
Net Cash flows from Investing Activities		14,103,604	21,226,064
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalent at BEGINNING of the year		107,954,145	91,010,457
Cash and cash equivalent at END of the year	11.7	89,201,166	107,954,145

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



Prof. Stephen G. Agong
Vice Chancellor



Prof. Darius O. Andika
Project Coordinator



mCPA Nancy Muchai
Chief Finance Officer
ICPAKNo.7974

9.0. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payment Items	Original Budget	Adjustments	Final Budget	Actual	Budget Utilization	% of Utilization	Explanation
	a	b	c=a+b	d	e=c-d	f=d/c%	
Incomes	Kshs.	KShs.	Kshs.	Kshs.	Kshs.	Kshs.	
Transfer from Government Entities	14,748,855	107,954,145	122,703,000	195,005,665 ¹	72,302,665	159%	Note 1
Other Foreign Grants	-	20,528,861	20,528,861	30,167,750	9,638,889	147%	Note 2
Miscellaneous receipts	1,500,000	-	1,500,000	435,761	(1,064,239)	29%	
Total Receipts	16,248,855	128,483,006	144,731,861	225,609,176	80,877,315	156%	
Payments							
Compensation of employees	11,978,000	-	11,978,000	11,478,425	499,575	96%	
Purchase of goods and services	92,225,000	107,580,381	199,805,381	110,825,981	88,979,400	55%	Note 3
Acquisition of non-financial assets	20,000,000	-	20,000,000	14,103,604	5,896,396	71%	Note 4
Total Payments	124,203,000	107,580,381	231,783,381	136,408,010	95,375,371	59%	Note 5



Prof. Stephen G. Agong'
Vice Chancellor



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¹ The actual amount is composed of Kshs 107,954,145 brought forward that was received in FY 2020/2021 and Kshs 87,051,520 that was received in FY 2021/2022.

Notes to Statement of Budget vs Actual

1. The final budget figure on transfers from Government entities of Kshs. 122,703,000 is made up of Kshs. 107,954,145 brought forward, which the center had received in the previous financial year and Kshs 14,748,855, that had been projected to be received during the financial year. However, the Center received Kshs. 87,051,520 in the fourth quarter of the financial year, hence the utilization rate of 159%. The total funds could not be absorbed given the short period in the last quarter and thus have been budgeted for in the financial year 2022/2023. The absorption percentage has also been computed to include both the funds received this year and the amount brought forward from FY 2020/2021.
2. The Center received more foreign grants as a result of MOUs that had been signed in the previous year but whose funds were remitted in the current financial year. Other funded grants receive the funds in tranches and amounts reflected is the tranches received in the year.
3. The under-absorption was mainly caused by the late receipt of Kshs 87,051,520 towards the end of the financial year, hence the Center could not absorb the amount within the year. These funds had been anticipated to be received in FY 2022/2023. Consequently, the Center has incorporated the funds in the budget for the financial year 2022/2023 in order to absorb them as required.
4. The Center had planned to purchase equipment's for the physically challenged. Most of these equipment needed to be imported and delivery of the same delayed.
5. The under absorption was caused by the late receipt of Kshs 87,051,520 in the fourth quarter of the financial year. The funds have been budgeted for absorption in FY 2022/2023.
6. The adjustments on transfers from Government entities of Kshs 107,954,145 is the balance brought forward from the previous financial year 2020/2021 that has been incorporated in the budget to facilitate its utilization.

10.0. SIGNIFICANT ACCOUNTING POLICIES.

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

10.1. Basis of Preparation

These financial statements have been prepared in accordance with the Cash Basis of Accounting method under the International Public Sector Accounting Standards (IPSAS)

10.2. Statement of compliance and basis of preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted will be consistently applied to all the years presented.

10.3. Reporting entity

The financial statements are for the Africa Center of Excellence in Sustainable use of Insects as Food and Feeds under the State Department for University Education under the Ministry of Higher Education, National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

10.3.1. Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

The Project recognizes all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

i. Transfers from the Exchequer

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

ii. External Assistance

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

iii. Other Receipts

Other receipts from the various miscellaneous sources are recognized and recorded in accordance with the provisions of the PFM Act and enabling legislations. These include other incomes and relate to receipts such as proceeds from application for admission fees, tuition fees paid by students under the project, grants as a result of proposal writing e.tc that are

admissible under the project. These are recognized in the financial statements the time associated cash is received.

b) Donations and grants

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

c) Undrawn external assistance

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

d) Recognition of payments

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

i. Compensation of employees

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

ii. Use of goods and services

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

iii. Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation where needed.

e) In-kind donations

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

f) 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 Bank account balances, short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year where applicable.

Restriction on cash

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

g) Accounts receivable

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

h) Contingent Liabilities

As at 30 June 2022, there were no events or transactions, real or probable, that was in the knowledge of the project that could result into a future contingent liability.

i) Contingent Assets

As at 30 June 2022, there were no events or transactions, real or probable that was in the knowledge of the project that could result into a future contingent Asset.

j) Budget

The budget is developed on a comparable accounting basis (cash basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year.

k) Third party payments

Included in the receipts and payments, are payments made on its behalf by third parties (Jaramogi Oginga Odinga University (JOOUST)). These payments are reimbursed on a quarterly basis.

l) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, **Kenya Shillings**. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end

exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

m) Comparative figures

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

n) Subsequent events

There has not been any subsequent event during the financial year/period that led to significantly impact on the financial statements for the year ended June 30, 2022.

o) Errors

There were no material prior period errors that necessitated restatement of the opening balances or prior period reports.

11.0. NOTES TO THE FINANCIAL STATEMENTS.

11.1. Transfer from Government Entities

These represent finances transferred from the Government of Kenya

	2021-2022 Kshs.	2020-2021 Kshs.	Cumulative to-date (From Inception) Kshs.
Counterpart funding through MOEST	-	-	111,595,000
State Department University	-	-	48,333,215
State Department University	-	-	19,631,968
State Department University	-	-	38,629,994
State Department University	-	89,654,925	89,654,925.35
State Department University	75,000,000	-	75,000,000.00
State Department University	12,051,520	-	12,051,520.25
Total	87,051,520	89,654,925	394,896,623

11.2 Proceeds from Domestic and Foreign Grants

During the 12 months to 30 June 2022, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency USD	Grants received in cash Kshs	Grants received as direct payment Kshs	Grants received in kind Kshs	2021-2022		2020-2021		Total cumulative amount in KShs
						Kshs	Kshs	Kshs	Kshs	
DANIDA Fellowship Center	29.01.2018									1,609,594.00
Gottfried Wilhelm	29.11.2018									543,338.00
Gottfried Wilhelm	11.02.2019									82,480.00
Joost	03.12.2019									33,556,000.00
Kobenhaven University	15.07.2020	-		-				3,176,880		3,176,880
African Center Technology	28.06.2021	-		-				2,229,942		2,229,942
Goteborg University	28.06.2021	-		-				615,904		615,904
NRF-SA	28.06.2021	-		-				4,176,708		4,176,708
University of Southampton	30.06.2021	-		-				3,923,272		3,923,272
WHO	30.06.2021	-		-				3,307,815		3,307,815
WHO Organization	30.06.2021	-		-				2,723,850		2,723,850
Joost Research (University Research)	30.06.2021	-		-				3,439,113		3,439,113
Kobenhavens University	06/08/2021	87,147	8,714,736	-	-			-	-	8,714,736
African Population and	27/10/2021	83,122	8,312,169	-	-			-	-	8,312,169

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Reports and Financial Statements For the year ended 30 June 2022*

University of Gothenburg	27/10/2021	12,782	1,278,191	-	-	1,278,191	-	1,278,191
University of Southampton	01/12/2021	39,803	3,980,266	-	-	3,980,266	-	3,980,266
The Michael Fox Foundation	23/02/2022	31,342	3,134,227	-	-	3,134,227	-	3,134,227
University of Southampton	23/03/2022	34,958	3,495,794	-	-	3,495,794	-	3,495,794
University of Gothenburg	12/04/2022	8,289	828,858	-	-	828,858	-	828,858
Chalmers Tekniska Hogskola	25/04/2022	4,235	423,508	-	-	423,508	-	423,508
Total		301,678	30,167,750	-	-	30,167,749	23,593,484	89,552,645

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.3 Miscellaneous Receipts

	2021-2022			2020-2021	Cumulative to- date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Total Receipts	
	Kshs	Kshs	Kshs	Kshs	
Sale of goods and services	28,800	-	28,800	9,600	74,750
Receipts from Administrative Fees and Charges	-	-	-	-	2,154,603
Other Receipts Not Classified Elsewhere	54,361	-	54,361	575,461	989,477
Other Tuition Fees Charges	339,600	-	339,600	353,910	985,705
Application fees	13,000	-	13,000	108,651	544,240
Total	435,761	-	435,761	1,047,622	4,748,775

11.4 Compensation of Employees Cost

	2021-2022			2020-2021	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KSh	KShs	
Basic salaries of permanent employees	11,060,959	-	11,060,959	11,815,962	53,485,207
Basic wages of temporary employees	403,466	-	403,466	436,575	2,396,917
Compulsory national social security schemes	14,000	-	14,000	42,000	118,800
Total	11,478,425	-	11,478,425	12,294,537	56,000,924

11.5 Purchase of Goods and Services

	2021-2022			2020-2021	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Utilities, supplies and services	2,094,699	-	2,094,699	483,465	3,081,668
Domestic travel and	28,628,210	-	28,628,210	11,352,384	62,743,276
Foreign travel and subsistence	4,225,357	-	4,225,357	5,860,549	25,048,288

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Reports and Financial Statements For the year ended 30 June 2022

Printing, advertising and	-	-	-	1,009,844	2,363,804
Training expenses	12,173,652	-	12,173,652	2,730,462	23,820,850
Exhibition Expenses	763,448	-	763,448	190,142	2,727,148
Finance Cost	69,223	-	69,223	49,243	218,885
Specialized materials and services	4,496,628	-	4,496,628	4,467,239	15,195,322
Field Trips	619,850	-	619,850	416,200	2,841,860
Other operating expenses	773,999	-	773,999	588,708	4,885,996
Research Expenses	29,269,897	-	29,269,897	3,462,438	33,275,635
Student Stipend	10,902,405	-	10,902,405	11,152,500	36,119,905
Routine maintenance	-	-	-	1,772,427	7,052,853
Tuition fees	9,911,000	-	9,911,000	14,837,000	45,304,600
Students Research Funds	4,537,013	-	4,537,013	4,259,141	8,840,854
Internet Expenses	1,500,000	-	1,500,000	1,200,000	5,598,840
Subscription Expenses	771,924	-	771,924	-	771,924
Graduation Expenses	25,000	-	25,000	-	25,000
Students Publications	63,677	-	63,677	-	63,677
Total	110,825,981	-	110,825,981	63,831,742	279,980,385

11.6 Acquisition of Non-Financial Assets

	2021-2022			2020-2021	Cumulative to-date
	Payments made by the Entity in	Payments made by third	Total Payments	Total Payments	
	KShs	KShs	KShs	KS	KShs
Purchase of Motor Vehicles	-	-	-	-	4,995,000
Purchase of Computers	12,168,000	-	12,168,000	98,000	17,469,905
Purchase of Equipment	-	-	-	17,467,564	26,956,012
Purchase of Furniture	-	-	-	330,000	5,061,220
Inventories	-	-	-	330,500	3,340,926
Purchase of Textbooks	-	-	-	-	1,256,901
Purchase of Software	1,935,604	-	1,935,604	3,000,000	4,935,604
Total	14,103,604	-	14,103,604	21,226,064	64,015,568

11.7 Cash and Cash Equivalents

Project Bank Accounts	2021-2022	2020-2021
<u>Local Currency Account</u>	Kshs	Kshs
Equity Bank Account No. 0750271748376	89,201,166	107,954,145
Total bank account balances	89,201,166	107,954,145

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.8 Funds Balance brought forward

	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts	89,201,166	107,954,145
Total	89,201,166	107,954,145

12.0. OTHER IMPORTANT DISCLOSURES.

12.1. Pending Bills

The project did not have any pending bills as at 30 June 2022

12.2 External Assistance

	2021-2022	2020-2021
Description	Kshs	Kshs
Kobenhaven University		3,176,880
Goteborg University		615,904
National Research Foundation-South Africa		4,176,708
University of Southampton		3,923,272
World Health Organization		3,307,815
World Health Organization		2,723,850
National Research Funds		3,439,113
Africa Center Technology Studies		2,229,942
Kobenhaven University	8,714,736	-
African Population and Health Research	8,312,169	-
University of Gothenburg	1,278,191	-
University of Southampton	3,980,266	-
The Michael Fox Foundation	3,134,227	-
University of Southampton	3,495,794	-
University of Gothenburg	828,858	-
Chalmers Tekniska Hogskola	423,508	-
Total	30,167,750	23,593,484

12.3. Government Counterpart funding.

According to financing agreement, the Counterpart contribution of up to 5% of the credit amount. The amount is used by the National Steering Committee (NSC) for oversight purposes of the project. This amount is reported on the Ministry financial statements as it involves all the three ACE's in the country.

12.4. Eligible Expenditure Programme (EEP).

In 2020-2021 financial year, the University spent Kshs. 1,091,888,917 on employee costs.

13.0. PROGRESS ON FOLLOW UP OF PRIOR YEAR'S AUDITOR'S RECOMMENDATION.

This is the third year of the operations of the project. The Project did not have any issues for auditor's attention from the previous audit.



Prof. Stephen G. Agong'
Vice Chancellor



Prof. Darius O. Andika
Project Coordinator

14.0 ANNEXTURE: YEARLY DETAILS OF OPERATION FIGURES:

14.1 Transfer from Government Entities

Date	2021-2022		2020-2021		2019-2020		2018-2019		2017-2018		Cumulative to-	
	Kshs.		Kshs.		Kshs.		Kshs.		Kshs.		Kshs.	
State Department University	04.04.2019				-	8,853,990	39,220,058	111,595,000	259,167	111,595,000	111,595,000	
State Department University	15.04.2019			-	18,316,327	1,315,641				48,333,215	19,631,968	
State Department University					38,629,994					38,629,994	38,629,994	
State Department University	18.02.2021			89,654,925							89,654,925	
State Department University	24.03.2022		75,000,000								75,000,000	
State Department University	21.04.2022		12,051,520								12,051,520	
Total			87,051,520	89,654,925	65,800,311	40,535,699	111,854,167				394,896,623	

14.2 Proceeds from Domestic and Foreign Grants

Name of Donor	Date received	2021-2022		2020-2021		2019-2020		2018-2019		2017-2018		Cumulative	
		Kshs.		Kshs.		Kshs.		Kshs.		Kshs.		Kshs.	
DANIDA Fellowship Centre	29.11.2018					-				1,609,594		1,609,594	
Gottfried Wilhelm	29.11.2018					-		543,338				543,338	
Gottfried Wilhelm	11.02.2019					-		82,480				82,480	
Jooost	03.12.2019					-	33,556,000					33,556,000	
Kobenhaven University	15.07.2020					3,176,880						3,176,880	
Jooost	19.03.2021					3,439,113						3,439,113	
Jooost	28.06.2021					14,253,641						14,253,641	
Jooost Research	30.06.2021					2,723,850						2,723,850	
Kobenhavens University	06/08/2021		8,714,736									8,714,736	
African Population and Health Research	27/10/2021		8,312,169									8,312,169	
University of Gothenburg	27/10/2021		1,278,191									1,278,191	
University of Southampton	01/12/2021		3,980,266									3,980,266	

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Reports and Financial Statements For the year ended 30 June 2022*

14.5 .Purchase of Goods and Services

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	Cumulative to- date
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	2,094,699	483,465	391,452	112,052	-	3,081,668
Domestic travel and subsistence	28,628,210	11,352,384	6,441,941	8,304,907	8,015,834	62,743,276
Foreign travel and subsistence	4,225,357	5,860,549	2,848,517	5,925,084	6,188,781	25,048,288
Printing, advertising and information supplies & services	-	1,009,844	1,093,634	87,848	172,478	2,363,804
Training expenses	12,173,652	2,730,462	3,465,354	4,550,720	900,662	23,820,850
Exhibition Expenses	763,448	190,142	253,400	1,520,158	-	2,727,148
Finance Cost	69,223	49,243	37,728	42,934	19,757	218,885
Specialized materials and services	4,496,628	4,467,239	2,091,837	2,349,060	1,790,558	15,195,322
Field Trips	619,850	416,200	836,400	969,410	-	2,841,860
Other operating expenses	773,999	588,708	1,857,681	1,127,858	537,750	4,885,996
Research Expenses	29,269,897	3,462,438	-	543,300	-	33,275,635
Student Stipend	10,902,405	11,152,500	10,059,000	4,006,000	-	36,119,905
Routine maintenance – other assets	-	1,772,427	2,013,216	2,369,470	897,740	7,052,853
Tuition fees	9,911,000	14,837,000	10,751,600	9,805,000	-	45,304,600
Students Research Funds Expenses	4,537,013	4,259,141	44,700	-	-	8,840,854
Internet Expenses	1,500,000	1,200,000	2,898,840	-	-	5,598,840
Subscription Expenses	771,924	-	-	-	-	771,924
Graduation Expenses	25,000	-	-	-	-	25,000
Students Publications	63,677	-	-	-	-	63,677
Total	110,825,981	63,831,742	45,085,300	41,713,801	18,523,560	279,980,385

14.6 .Acquisition of Non-Financial Assets

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	Cumulative to-date
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of Motor Vehicles	-	-	-	-	4,995,000	4,995,000
Purchase of Computers & other accessories	12,168,000	98,000	860,000	3,818,905	525,000	17,469,905
Purchase of Equipments	-	17,467,564	1,090,000	6,055,248	2,343,200	26,956,012
Purchase of Furnitures	-	330,000	2,993,200	1,350,970	387,050	5,061,220
Inventories	-	330,500	1,207,030	1,803,396	-	3,340,926
Purchase of Textbooks	-	-	1,256,901	-	-	1,256,901
Purchase of Software	1,935,604	3,000,000	-	-	-	4,935,604
Total	14,103,604	21,226,064	7,407,131	13,028,519	8,250,250	64,015,568

14.7 .Bank Account

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
	Kshs	Kshs	Kshs	Kshs	Kshs
Local Currency Account					
Equity Bank Account No. 0750271748376	89,201,166	107,954,145	91,010,457	56,115,596	80,315,084
Total bank account balances	89,201,166	107,954,145	91,010,457	56,115,596	80,315,084

14.8. Funds Balance brought forward

	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
	Kshs	Kshs	Kshs	Kshs	Kshs
Bank accounts	89,201,166	107,954,145	91,010,457	56,115,596	80,315,084
Total	89,201,166	107,954,145	91,010,457	56,115,596	80,315,084

14.9. Details of Other Donor Funds

Name of Donor	Date received	Foreign Currency Unit	Exchange Rate	Conversion in Foreign Currency	Equivalent in Dollars	2019-2022					Cumulative to-date Kshs.	
						2019-2020 Kshs.	2020-2021 Kshs.	2021-2022 Kshs.	2019-2020 Kshs.	2020-2021 Kshs.		2021-2022 Kshs.
DANIDA Fellowship Center	29/11/18	DKK-Danish Krone	17	94,682	16,096	-	-	-	-	-	1,609,594	1,609,594
Gottfried Wilhelm	29/11/18	Euro	12	4,528	5,433	-	-	-	-	-	543,338	543,338
Gottfried Wilhelm	11/2/19	Euro	120	687	825	-	-	-	-	-	82,480	82,480
Kobenhaven University	15/7/20	DKK-Danish Krone	17	186,875	31,769	-	-	-	-	-	3,176,880	3,176,880
Goteborg University	28/6/21	SEK-Sweden Krone	12	51,325	6,159	-	-	-	-	-	615,904	615,904
National Research Foundation-South Africa	28/6/21	South African Rands	8	522,089	41,767	-	-	-	-	-	4,176,708	4,176,708
University of Southampton	28/6/21	Sterling Pound	150	26,155	39,233	-	-	-	-	-	3,923,272	3,923,272
World Health Organization	30/6/21	USD	100	33,078	33,078	-	-	-	-	-	3,307,815	3,307,815
World Health Organization	30/6/21	USD	100	27,239	27,239	-	-	-	-	-	2,723,850	2,723,850
National Research Funds	13/12/19	Ksh	-	-	335,560	-	-	-	-	-	33,556,000	33,556,000
National Research Funds	19/3/21	Ksh	-	-	34,391	-	-	-	-	-	3,439,113	3,439,113

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Africa Center Technology Studies	28/6/21	Ksh	-		22,299	-	2,229,942	-	-	-	2,229,942
Kobenhavens University	06/08/21	DKK-Danish Krone	16	544,671	87,147.36	8,714,736	-	-	-	-	8,714,736
African Population and Health Research Center	27/10/21	USD	110	75,565	83,121.69	8,312,169	-	-	-	-	8,312,169
University of Gothenburg	27/10/21	SEK-Sweden Krone	11.53	110,858	12,781.91	1,278,191	-	-	-	-	1,278,191
University of Southampton	01/12/21	Sterling Pound	149.48	26,627	39,802.66	3,980,266	-	-	-	-	3,980,266
The Michael Fox Foundation	23/2/22	USD	110	28,493	31,342.27	3,134,227	-	-	-	-	3,134,227
University of Southampton	23/03/22	Sterling Pound	149	23,461.71	34,957.94	3,495,794	-	-	-	-	3,495,794
University of Gothenburg	12/04/22	SEK-Sweden Krone	11.53	71,887	8,288.58	828,858	-	-	-	-	828,858
Chalmers Tekniska Hogskola	25/04/22	SEK-Sweden Krone	11.53	36,731	4,235.08	423,508	-	-	-	-	423,508
Total			1,088	1,864,952	895,527	30,167,750	23,593,484	33,556,000	625,818	1,609,594	89,552,646

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14.10. AFRICA CENTER OF EXCELLENCE DISBURSEMENT LINKED RESULTS

DLR	DLR Description	Total Amount	Amount Withdrawn	Withdrawal Verified Awaiting disbursement	Achieved yet to be verified	TOTAL	Balance	Percentage Achieved (%)
DLR 1.1	Completion of Effectiveness Conditions	600,000	600,000	-	-	600,000		100%
DLR 1.2	Project Implementation Plan	500,000	500,000	-	-	500,000		100%
DLR 2.1	Timely Implementation	-	-	-	-	-		0%
DLR 2.2	Enrollments	1,300,000	1,094,200	205,800		1,300,000		100%
DLR 2.3	Accreditation	600,000	150,000	150,000	-	300,000	300,000	50%
DLR 2.4	Partnership and Collaboration	200,000	190,000	-	10,000	200,000		100%
DLR 2.5	Journals and Conf Presentations	500,000	500,000	-	-	500,000		100%
DLR 2.6	Faculty/PhD Exchange	700,000	233,362	218,000	65,000	526,362	183,638	75%
DLR 2.7	Ext. Revenue Generation	900,000	64,000	781,269	54,731	900,000		100%
DLR 2.8	Paset benchmarking	100,000	100,000	-	-	100,000		100%
DLR 3.1	Timely Withdrawal	75,000	60,000	-	-	60,000	15,000	80%
DLR 3.2	Functional Audit Committee	75,000	60,000	-	-	60,000	15,000	80%
DLR 3.3	Functional Internal Audit	75,000	60,000	-	-	60,000	15,000	80%
DLR 3.4	Transparency and Accountability	75,000	60,000	-	-	60,000	15,000	80%
DLR 4.1	Timely Procurement Audit	150,000	90,000	-	-	90,000	60,000	60%
DLR 4.2	Timely Procurement Progress	150,000	90,000	-	-	90,000	60,000	60%
	TOTAL	6,000,000	3,851,562	1,355,069	129,731	5,346,362	663,638	89%

Explanations

The center achieved a total of USD 129,731 for DLR 2.4, 2.6 and 2.7. These DLR are yet to be verified by Technopolis with USD 1,355,069 were verified awaiting disbursement from the World Bank.

14.11. AFRICA CENTER OF EXCELLENCE EXPENDITURES

Expenditure Lines	2021-2022
	Kshs
Utilities, supplies and services	2,094,699
Domestic travel and subsistence	28,628,210
Foreign travel and subsistence	4,225,357
Printing, advertising and information supplies & services	-
Training expenses	12,173,652
Exhibition Expenses	763,448
Finance Cost	69,223
Specialized materials and services	4,496,628
Field Trips	619,850
Other operating expenses	773,999
Student Stipend	10,902,405
Routine maintenance – other assets	-
Tuition fees	9,911,000
Students Research Funds Expenses	4,537,013
Internet Expenses	1,500,000
Subscription Expenses	771,924
Graduation Expenses	25,000
Students Publications	63,677
Employee Cost	11,478,425
Acquisition of Assets	14,103,604
Total	107,138,114

14.12. OTHER GRANTS EXPENDITURES

Expenditure Lines	2021-2022
	Kshs
Utilities, supplies and services	388,000
Domestic travel and subsistence	12,517,021
Foreign travel and subsistence	877,100
Administrative Cost	5,835,930
Specialized materials and services	7,161,871
Tuition fees	922,000
Employee Cost	1,567,974
Total	29,269,896

APPENDICES

- i. Bank Reconciliations statement as at 30th June 2022
- ii. Special Deposit Account(s) reconciliation statement(s)
- iii. Trial Balance