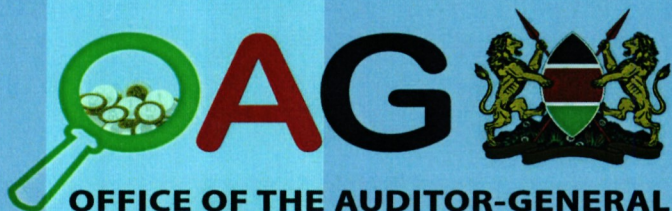


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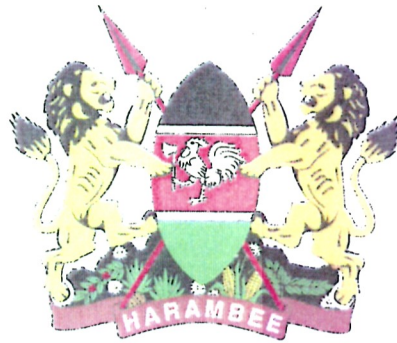
OF

THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR UNIVERSITY
EDUCATION**

**FOR THE YEAR ENDED
30 JUNE, 2020**



**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR UNIVERSITY EDUCATION**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2020**

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

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STATE DEPARTMENT FOR UNIVERSITY EDUCATION
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For the year ended 30 June, 2020

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I. KEY STATE ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The State Department for University Education was established in June 2018 through Executive Order No. 1 of June 2018 by splitting the Ministry of Education into four State Departments. At cabinet level, the State Department is represented by the Cabinet Secretary for the Ministry of Education, who is responsible for the general policy and strategic direction of the State Department.

The State Department is mandated to oversee the implementation of activities in University Education and in Science, Technology and Innovation institutions. The specific functions of the State Department include: University Education Policy; University Education Management; Science, Technology and Innovation and; Public Universities and Constituent Colleges. The main objectives of the State Department include:

- i. To enhance access, equity, quality and relevance of education and training at university level.
- ii. To promote and integrate research, science, technology and innovation at all levels.
- iii. To promote and coordinate the development of Science and Technology.
- iv. To provide relevant and adequate skills and competencies in strategic disciplines by 2020 for spurring industrial and economic development in line with the aspirations of Kenyans.

The **Vision** for the State Department is: *“a globally competitive education, training, research and innovation system for sustainable development”* while the **Mission** is: *“to provide, promote and coordinate the delivery of quality education, training and research and enhance integration of Science, Technology and Innovation into national production systems for sustainable development.”*

Organization of State Department for University Education

The State Department consists of the following directorates and departments:

a) Directorate of University Education (DUE)

The mandate and functions of Directorate of University Education are:

- a) Formulation and review of policies on University Education in collaboration with relevant bodies and agencies.
- b) Overseeing Governance and Management of Universities.
- c) Receiving and administration of university scholarships offered by foreign countries and agencies.
- d) Coordination of admission of students to public universities in liaison with Kenya Universities and Colleges Central Placement Service.
- e) Coordination of students exchange programmes.
- f) Implementing, monitoring and evaluation of various projects.

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- g) Coordination of Project implementation in University education.
- h) Clearance of students going for foreign training.

b) Directorate of Research, Science and Technology (DRST)

The broad mandate of the Directorate is to promote, facilitate and guide the national research system through policies that rationalize the integration of Research and Development (R&D) into overall national economic development. Its functions include:

- a) Formulation and implementation of policies, strategies and programmes for research management and development;
 - b) Management and development of the national innovation system;
 - c) Development, promotion and application of science and technology;
 - d) International collaborations, partnerships and global obligations in research, science and technology;
 - e) National science, technology and innovation statistics;
 - f) Linkages between government, research, academia, industry and the society;
- c) Administration and Planning Department:** The State department has other units, which offer support services to the technical directorates. These are: Administration, Central Planning and Project Monitoring Unit, Legal Unit, Accounts Unit, Finance Department, Human Resource Management and Development Unit, ICT Section, Supply Chain Management Services and Public Communications Unit.

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In order to effectively undertake its mandate, the State Department also comprises of Semi-

S/No	SAGA	Mandate
1	National Commission for Science, Technology and Innovation (NACOSTI)	To regulate and assure quality in science, technology and innovation sector and advice government in related matters.
2	Kenya National Innovation Agency (KENIA)	To scout for and nurture innovative ideas from individuals, training institutions, the private sector and similar institutions.
3	National Research Fund (NRF)	To Mobilize and channel resources for research, science, technology and innovation
4	Biosafety Appeals Board (BAB)	To make rules and regulation for appeal procedure, hear Appeals from persons aggrieved by decisions made by the National Biosafety Authority (NBA), and communicate decisions to the parties involved and public
5	Higher Education Loans Board (HELB)	To source for funds and finance Kenyan students enrolled in recognized institutions of higher learning. The Board also has the mandate of recovering all mature loans issued since 1974
6	Commission for University Education (CUE)	To accredit and quality assure university education in both public and private universities
7	Universities Funding Board (UFB)	To mobilize resources for financing university education
8	Kenya Universities and Colleges Central Placement Service Board (KUCCPS)	To coordinate placement of Government sponsored students into universities and colleges
9	Universities and Constituent Colleges	To provide university education
10	National Biosafety Authority (NBA),	To exercise general supervision and control over the transfer, handling and use of genetically modified organisms (GMOs).

Autonomous Government Agencies (SAGAs) which are charged with various responsibilities as indicated below:

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LIST OF ACCREDITED UNIVERSITIES

SNO	Name of University	Year of establishment	Year of award of Charter
Public Chartered Universities			
1	University of Nairobi (UoN)	1970	2013
2	Moi University (MU)	1984	2013
3	Kenyatta University (KU)	1985	2013
4	Egerton University (EU)	1987	2013
5	Jomo Kenyatta University of Agriculture and Technology	1994	2013
6	Maseno University (Maseno)	2001	2013
7	Chuka University	2007	2013
8	Dedan Kimathi University of Technology	2007	2012
9	Kisii University	2007	2013
10	Masinde Muliro University of Science and Technology	2007	2013
11	Pwani University	2007	2013
12	Technical University of Kenya	2007	2013
13	Technical University of Mombasa	2007	2013
14	Maasai Mara University	2008	2013
15	Meru university of Science and Technology	2008	2013
16	Multimedia University of Kenya	2008	2013
17	South Eastern Kenya University	2008	2013
18	Jaramogi Oginga Odinga University of Science and Technology	2009	2013
19	Laikipia University	2009	2013
20	University of Kabanga	2009	2013
21	Karatina University	2010	2013
22	University of Eldoret	2010	2013
23	University of Embu	2011	2016
24	Kibabii University	2011	2015
25	Kirinyaga University	2011	2016
26	Machakos University	2011	2016
27	Murang'a University of Technology	2011	2016
28	Rongo University	2011	2016
29	Taita Taveta University	2011	2016
30	The Co-operative University of Kenya	2011	2016
31	Garissa University	2011	2017
Public University Constituent Colleges			
32	Alupe University College (MU)	2015	
33	Kaimosi Friends University College (MMUST)	2015	
34	Tom Mboya University College (Maseno)	2016	
35	Turkana University College (MMUST)	2017	

(a) Key Management

The State Department's day –to-day management is under the following key organs:

- Directorate of University Education
- Directorate of Research Management
- Department of Administration and Planning

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(b) Fiduciary Management

The key management personnel who held office during the reporting period and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Cabinet Secretary, Ministry of Education	Prof. George A. O. Magoha, CBS
2.	Principal Secretary, State Department for University Education and Research	AMB. Simon Nabukwesi
3.	Ag. Director, Directorate of Research Management	Dr. Erick Mwangi
4.	Director, Directorate of University Education	Mr. Darius Ogutu Mogaka
5.	Secretary, Administration	Mr. Peter Were Okwanyo
6.	Head of Accounting Unit	CPA. Robert A. Samuel
7.	Chief Finance Officer	Mr. Samuel Mugambi

(c) Fiduciary Oversight Arrangements

Composition of the Committee Members

The various committee members within the State Department are drawn from various sectors of the economy and have a wide range of skills and experience and each contributes independently judgement and knowledge of the committee discussions.

On appointment each committee member is provided with a comprehensive and tailored induction processes covering the State Department's business and operations and provided with information relating to their legal and regulatory obligations.

All committee members are required to re-submit themselves for re-appointment after expiry of their term.

i. Audit and Finance Committee Activities

The committee was responsible and instrumental in:

- Improving the quality of financial reporting by ensuring the accounts are prepared in a timely and accurate manner to facilitate prompt submission of annual financial statements to the Auditor General with a copy to the National Treasury and the Controller of Budget not later than 30th September of each subsequent year as well as submission of quarterly financial statements accounts to the Cabinet Secretary with a copy to the National Treasury and the Controller of Budget not later than fifteen (15) after the end of each quarter.
- Reviewing and making recommendations on management programs established to monitor compliance with sound public financial management, internal controls, policies, laws, regulations, procedures and the code of ethics.

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- Strengthening the effectiveness of the internal audit function including regular review of its capacity, review and approval of the internal audit charter and internal audit annual work plan.

a) State Department for University Education Headquarters

P.O BOX 9583-00200
Nairobi, Kenya
Jogoo House B, Harambee Avenue
Tel: +254-020-3318581
Fax: +254-020-251991
Email: info@scienceandtechnology.go.ke

b) State Department for University Education Contacts

Tel: +254-020-3318581
Fax: +254-020-251991

c) State Department for University Education Bankers

Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

d) Independent Auditors

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

e) Principal Legal Adviser

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

FOREWORD BY THE CABINET SECRETARY

BUDGET PERFORMANCE

In the financial year 2019/20 the State Department for University Education and Research had a gross budget of Kshs. 123,555,085,531 which was made up of KShs. 116,932,880,103 and KShs.6,622,205,428 for recurrent and development votes respectively. The State Department was to expend the gross budget of KShs. 123,555,085,531 under the following 3 programmes: University Education; Research, Science, Technology and Innovation; and General Administration, Planning & support Services.

i. Programme 1: University Education

The objective of this programme is to enhance access, equity, quality and relevance of university education through training research and Innovation. This programme was allocated KShs.120,093,849,548.50 A total of KShs101,463,396,237 was spent under the following sub programmes: University Education, Quality Assurance and Standards and Higher Education Support Services

ii. Programme 2: Research, Science, Technology and Innovation

The objective of this programme is to develop, harness and integrate research, science, technology and innovation in national production system. This programme was allocated KShs.2,196,054,186 representing 1.78% of the budget. A total of KShs. 1,413,109,335 was spent under the following sub programme: Research Management and Development, Science & Technology Promotion Dissemination and Knowledge & Innovation Development & Commercialization.

iii. Programme 3: General Administration, Planning & Support Services

The objective of this programme is to improve tracking of implementation of development policies, strategies and programmes. This programme was allocated KShs. 265,181,677 representing 0.20% of the budget. A total of KShs.263,583,106.60 was spent under the General Administration, Planning & support service programme.

KEY ACHIEVEMENTS

Gross Enrolment of students: During 2019/20 financial year the sub-sector enrolled 542,005 in both public and private universities. This enrolment has been possible due the increase in the enrolment capacity of both public and private universities in the country. The number of universities stands at 74 comprising of thirty-one (31) public chartered universities, six (6) Public University Constituent Colleges, eighteen (18) private chartered universities, fourteen (14) universities operating with Letters of Interim Authority (LIA) and five (5) Private University Constituent colleges.

Placement of Government sponsored students in universities and colleges: in the financial year 2019/ 20 a total 125,000 candidates who sat KCSE in 2019 and scored C+ secured placement to degree courses in universities. The KUCCPS also placed 88,724 students in Technical and Vocational Education and Training (TVET) institutions in the same year.

Capitation to Universities: The sub-sector through the University Fund Board (UFB)

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continues to disburse capitation to Universities on the basis of the Differentiated Unit Cost (DUC). Under DUC, the Government allocates funds to Higher Education Institutions based on the cost of each degree program. During the 2019/20 FY; Kshs 59,910,995,289 was disbursed as capitation to support government sponsored students in public universities and Kshs 2.5 Billion disbursed to private universities as a grant for Government Sponsored Students.

Student Financing through loans, bursaries and Scholarships: During the period under review the sub-sector through Higher Education Loans Board (HELB) awarded Loans amounting to Kshs 10 billion to a total of 232,314 University students. Loans worth Kshs 1.7 Billion were awarded to 68,369 TVET students. Bursaries amounting to Kshs 135.8 Million were also granted to 19,652 students in the financial year 2019/20 and postgraduate scholarships to one hundred and eight (108) students.

Accreditation of University Programmes: During the period under review, the sub-sector through the Commission for University Education (CUE) trained one hundred and ten (110) quality assurance peer reviewers, evaluated one hundred and thirty-nine (139) programmes, accredited twenty-eight (28) programmes and conducted fifteen (15) institutional audits. Additionally, the sub-sector through the Engineer's Board of Kenya (EBK) accredited fifteen (15) programmes

Tracer Study: In the financial year 2019/20, the ministry commissioned a tracer study in engineering programmes in the universities in Kenya. However, delays in release of exchequer and the outbreak of COVID-19 pandemic resulting in closure of all learning institutions including universities adversely affected the implementation of the activity. The contract has been extended to end on 8th September, 2020.

Kenya Advanced Institute for Science and Technology (KAIST): KAIST is funded to the tune of Kshs 13.6 billion, It is a graduate only University of Science and Technology and is modelled on the Korea advanced institute of science and technology. During 2019/20 Financial Year, the sub-sector initiated the process of procurement of a contractor for the construction of the KAIST at the Konza technopolis. Curriculum and architectural designs have already been completed.

Research Funding: During the period under review, a total of Kshs. 831 million was disbursed by the subsector through the National Research Fund (NRF) to support 157 Multi-disciplinary research projects implementable in 3 years since the Financial Year 2017/ 18.

Promotion of Science Technology and Innovation: The sub-sector through the National Commission for Science and Technology: Issued 6,141 research licenses in 2019/20 financial year. The Commission issued the National Research Priorities in 2019/20 to guide on the focus of research activities in the Country and supported various conferences including the National Science Week and Nairobi Innovation Week to disseminate research findings in 2019/20.

Infrastructure to support science technology and Innovation: The sub-sector through the Directorate of Research, Science and Technology is implementing infrastructure programmes necessary for the development of Science, Technology and Innovation. These include development of the: National Science & Technology Parks at Dedan Kimathi University of Science and Technology and Konza Technopolis; National Physical Science Research Laboratory and Square Kilometre Array (SKA) Project whose objective is to build a large radio telescope with a node in Kenya.

KEY IMPLEMENTATION CHALLENGES.

- i. There is inadequate budgetary allocation to cater for operation of recurrent and development programmes. This has made it difficult to: increase the average loan granted per student by 10% annually in response to the rising costs of living and to implement the Government policy directive on funding students in foreign universities.
- ii. Delayed development of a formal, comprehensive and integrated national policy (Sessional Paper) on ST&I for the country;
- iii. Inadequate capacity for universities to cater for the growing demand for university education in emerging sectors such as oil, gas, earth minerals and the blue economy.
- iv. Mismatch between skills acquired by university graduates and the demands of the industry.
- v. Imbalance between the number of students studying science and arts based courses.
- vi. Poor state of infrastructure and equipment for research and higher education and training institutions, especially for physical sciences.
- vii. Weak/restrictive legal framework on intellectual property rights. This has led to loss of patents to co-funders. Restrictive legal framework has also made it difficult for HELB to implement some products such as sharia compliant financing products and get into meaningful fund management partnerships with higher education financiers like the Counties and Constituencies.

KEY LESSONS LEARNT

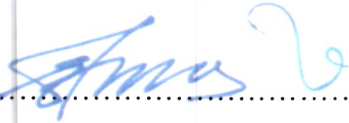
- i. Continuous monitoring and evaluation is necessary to update data and information and track implementation.
- ii. Expansion / upgrading of physical infrastructure in university education and research sub-sector will go a long way in improving quality of education, training and research
- iii. Multi-sectoral approach through strengthened PPPs to funding is critical for implementation of programmes and projects
- iv. The enrolment in Science, Technology, Engineering and Mathematics (STEM) is still low and currently stands at about 3.5% which is insufficient to attain the goals set by Vision 2030.
- v. A highly skilled human capital is necessary to facilitate carrying out of the planned policies, strategies and programmes within the sector.
- vi. Skills inventory is required for adequate planning of human resource development to address the issue of skills gap.
- vii. Governance and accountability plays a crucial role in programme success.
- viii. There need for harmonization in the development of institutional and legal framework in order to create a conducive environment for operations and avoid duplication and overlaps.
- ix. There is innovation potential of the Kenyan youth that ought to be exploited.

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5.0 Conclusion and Way Forward

Evidence-based decision making is key for the University Education and Research Sub-Sector hence the need to conduct Skills Inventory. The sector in conjunction with stakeholders will continue implementing programs aimed at enhancing access, quality, retention, completion and gender parity as well as ensuring adequate supply of human resources required for the support of competitive education, research and innovation.

Signature



Date



Prof. George A. O. Magoha, CBS

Cabinet Secretary

Ministry of Education

II. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Four Principal Secretaries from the Ministry of Education participated in the launch of the national tree planting exercise on 9th May, 2020 in Kajiado County, Kibiko area, Kajiado North Sub County. The PS's namely; Amb. Simon Nabukwesi of University Education and Research, Dr. Julius Jwan of Vocational and Technical Training, Dr. Belio Kipsang of Early learning and Basic Education and Mr. Alfred Cheruyoit of Post Training and Skills Development joined other Principal Secretaries from the Environment, Industrialization, Maritime and Livestock Ministries in the activity. The team had a target of planting three thousand trees this year in Kajiado North Sub county. The exercise was cascaded to all the counties, schools, colleges, technical training institutions and universities. Each institution was assigned target number of trees to be planted this year and feedback given to the national coordinating team. The PS's are expected to follow-up the trees planted as a matter of implementing adopt a tree policy to promote survival of trees planted every year.

Following the launch, the Ministry of Environment later allocated all Principal Secretaries Specific County's to continue with the exercise. Principal Secretary, State Department for University Education and Research Amb. Simon Nabukwesi led a team from the State Department in participating in a tree planting exercise in Bungoma County, at Kaberua forest station in Mt. Elgon on June 23rd 2020. During the exercise a total of 5000 tree seedlings were planted in Kibuk river area of the Mt Elgon forest as a way of conserving forests and increasing the forest cover. Speaking at the sidelines of the tree planting, Amb. Nabukwesi emphasized on the importance of the country partaking in tree planting, and nurturing trees. He acknowledged that forests play an important role in all sectors of the country's economy hence the need to conserve, manage, and protect the resources.

The event was carried out as part of marking the public service week. The national tree planting campaign 2020 themed "*Panda miti, boresha maisha*" in Bungoma county was officiated by Harry Kimutai, PS, State Department for Livestock, Ministry of Agriculture assisted by Amb. Simon Nabukwesi, PS, State Department for University Education and Research, Ministry of Education. Amb. Nabuwesi was joined by Kibabii University Vice Chancellor, Prof. Ipara Odeo, Acting Deputy Vice Chancellor (Planning, Research and Innovation (PRI), Prof. Charles Mutai from Masinde Muliro University of Science and Technology, representatives from Alupe University College, DCC Kapsokwony and members of Kaberua community who participated in the tree planting exercise. In his remarks, Amb. Nabukwesi urged the residents of Kaberua, and Mt. Elgon at large, to plant more trees and put concerted effort in conserving them. Conservation of the environment, he said, is important because it ensures that there is constant and enough food for sustainability. Mt. Elgon is a key water catchment tower in the region. Tree planting exercise was conducted with strict adherence to the guidelines issued by the Ministry of Health with regard to management of Coronavirus pandemic.

The State Department later in collaboration with Maseno and Masinde Muliro Universities distributed face masks to youths and enhanced awareness on social distancing and hygiene as part of implementation of measures to curb the spread of COVID-19. The masks were also distributed to the youths who had been recruited in the kazi mtaani program following the launch by PS Amb. Simon Nabukwesi at Amalemba grounds in Kakamega County. 4,181 youths from informal settlements and

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139 supervisors from Kakamega and Mumias Counties were engaged in the six and a half months long activity.

During the launch, the PS distributed face masks donated by Maseno and Masinde Muliro universities to the youth. He urged them to observe proper hygiene by washing hands, wearing face masks correctly and observing social distancing so as to avoid contracting the corona virus.

The national hygiene program – kazi mtaani which is ongoing in all the 47 counties aims at engaging the youth in activities that enable them earn some income and later begin individual or group income generating projects.

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III. STATEMENT OF PERFORMANCE AGAINST STATE DEPARTMENT OF UNIVERSITY EDUCATION PREDETERMINED 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 State Department for University Education in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government State Department of University Education's performance against predetermined objectives.

The key development objectives of the National Education Sector Strategic Plan (NESSP) 2018-2022 is to: enhance access and equity; to provide quality and competency based education, training and research; to strengthen management, governance and accountability; and enhance relevance and capacities for Science, Technology and Innovation (ST&I) in education, training, and research for labour markets.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Programmes	Objective	Output	Key Performance Indicators	Target (Baseline) 2019/20
University Education	To enhance access to quality university education	Access to university education increased	No. of students enrolled in universities	542,005
			No. of Government sponsored students placed to universities	125,000
			No. of Government sponsored students in Public Universities	238,876
			No. of Government sponsored students in Private Universities	28,686
		Students placement to technical courses in TVET institutions enhanced	No. of students placed to technical courses in TVET institutions	103,749
		Staff trained at Masters and PhD Levels	No of staff trained for Masters and PhD	395
		KAIST established	% completion of KAIST	20
Quality Assurance and Standards	Enhance quality of University Education	Students admitted to the African Centres of Excellence (ACE II)	No of students admitted in ACEII	150
		University programmes evaluated	No. of programmes evaluated	139
		University Programmes accredited	No. of Programmes accredited	28
		Peer reviewers training conducted	No. of peer reviewers trained	30
Higher Education Support Services	Enhance support to students in university education	Training in Internal quality assurance conducted	No. trained in Internal Quality Assurance (IQA) at the Universities	140
		Undergraduate students awarded loans	Number of undergraduate students awarded loans	233,444
		Undergraduate students awarded bursaries	Number of undergraduate students awarded bursaries	40,378
		Post graduate students awarded loans	Number of post graduate students awarded loans	2,847
		Post graduate students awarded scholarships	Number of post graduate students awarded scholarships	108
		TVET students awarded HELB loans	Number of new TVET students funded	68,369
Non-performing Student loans reduced	% portfolio at risk	28		

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Programmes	Objective	Output	Key Performance Indicators	Target (Baseline) 2019/20
SP 2.1: Research Management and Development sub programme	Enhance funding for research and development	Research licenses	No. of Licenses	6,141
		Research projects funded	No. of Research projects funded	
SP 2.2: Knowledge and Innovation Development and Commercialization	Enhance commercialization of research outputs	ST&I Infrastructure support projects funded	No. of ST&I Infrastructure support projects funded	20
		Square Kilometre Array Project developed	% Development of the Square Kilometre Array Project	-
SP 2.3: Science and Technology Development and Promotion	Enhance promotion and awareness of ST&I	National Physical Science Laboratories established	% completion of the Laboratories	5
		Science and Technology Parks completed	% completion of the Parks	-
		Innovation commercialization undertaken	No. of commercialized innovations	12
		Biosafety Appeals regulations awareness programmes	No. of Programmes implemented	1
S.P 3.1: General Administration, Planning and Support Services	Enhance efficiency in service delivery	Market surveillance to check presence of un-approved GMOs in the Kenyan market of conducted	No of Counties surveyed	15
		GMO testing laboratory established	% of completion	-
S.P 3.1: General Administration, Planning and Support Services	Enhance efficiency in service delivery	Human resource capacities improved	Number of staff trained	56
		Performance Contracting implemented	% of institutions on Performance Contract	100
		Projects and programmes in the Ministry Monitored and Evaluated	Number of quarterly Monitoring and Evaluation Reports	4
S.P 3.1: General Administration, Planning and Support Services	Enhance efficiency in service delivery	Policies for university education sub sector formulated	Number of policies formulated	1

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**IV. STATEMENT OF STATE DEPARTMENT FOR UNIVERSITY EDUCATION
MANAGEMENT RESPONSIBILITIES**

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.


The Accounting Officer in charge of the State Department for University Education is responsible for the preparation and presentation of the State Department for University Education's financial statements, which give a true and fair view of the state of affairs of the State Department of University Education for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the State Department for University Education; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the State Department for University Education; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the State Department for University Education accepts responsibility for the State Department'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 (IPSAS). The Accounting Officer is of the opinion that the State Department's financial statements give a true and fair view of the state of its transactions during the financial year ended June 30, 2020, and of the financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the State Department, which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer confirms that the State Department has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the State Department for University Education's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The State Department for University Education's financial statements were approved and signed by the Accounting Officer on 29/09/2020.


AMB. Simon Nabukwesi
Principal Secretary


Robert Asumani Samuel
Assistant Accountant General
ICPAK Member Number: 10100

REPUBLIC OF KENYA

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Enhancing Accountability

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR UNIVERSITY EDUCATION FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of State Department for University Education set out on pages 1 to 17, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and the summary statement of appropriation-recurrent and development combined 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 State Department for University Education as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Grants and Transfers to Other Government Entities

The statement of receipts and payments for the year ended 30 June, 2020 reflects an expenditure of Kshs.91,852,932,337 under transfers to other government units which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.5,790,399,475 in respect of capital grants to government agencies and other levels of government. However, a review of the records maintained by the State Department revealed the following unsatisfactory matters:

1.1 Capital Grants to Universities

As per the circular Ref: MST/FIN/11/4/Vol.XIX/66 dated 6 September, 2016 by the Principal Secretary, State Department for University Education, development budgets to all universities was dependent on specific project completion certificates submitted to the

Ministry for consideration and concurrence. However, examination of payment vouchers for the financial year 2019/2020 revealed that an amount of Kshs.5,580,848,844 was disbursed to Universities for various projects. No contract documents, valuation certificates or projects status reports were availed by the State Department in support of the disbursements. In addition, Multimedia University received an amount of Kshs.619,514 above the approved budget.

It was therefore, not possible to confirm the validity and propriety of capital disbursements totaling Kshs.5,580,848,844 for the year ended 30 June, 2020.

1.2 Capital Grants with no Specific Projects

A review of the development appropriation account for the financial year 2019/2020 revealed that Kshs.834,817,364 was disbursed to various Universities as analysed below:

University	Amount (Kshs.)
Koitalel Samoei University College	79,982,744
Gatundu University College	82,693,639
Bomet University College	275,000,000
Tom Mboya University College	105,870,989
Alupe University College	150,215,378
Kaimosi University College	141,054,614
Total	834,817,364

However, the disbursements were not linked to specific projects yet a review of the monitoring and evaluation report for the year ended December, 2019 indicated ongoing projects in the respective institutions. In the circumstances, the funds disbursed may be prone to misuse.

Consequently, it has not been possible to ascertain the propriety of the disbursements totalling Kshs.834,817,364 for the year ended 30 June, 2020.

1.3 Current Grants to Government Agencies and Other Levels of Government

The transfers to other government units balance of Kshs.91,852,932,337 also includes an amount of Kshs.83,562,532,863 in respect of current grants to Government agencies and other levels of Government. However, a review of the monthly capitation for the year in comparison to the prior year indicated that eleven (11) out of forty-one (41) Universities had their capitations amount increased by 20% and above while the capitation for Koitalel Samoei University College was reduced by 17% as analysed below:

Institution	2019/2020 Capitation (Kshs.)	2018/2019 Capitation (Kshs.)	Variance (Kshs.)	% Variance
Koitalel Samoei – UON	7,916,667	9,512,366	(1,595,699)	-17
Embu University	48,348,805	39,244,522	9,104,283	23
Egerton University	173,379,125	124,154,055	49,225,070	40
Cooperative University College	19,934,509	16,627,931	3,306,578	20
Tom Mboya University College	31,832,509	14,204,506	17,628,003	124
Bomet University College	25,586,129	6,341,577	19,244,552	303
Kaimosi University College	36,945,599	13,016,316	23,929,283	184
Turkana University College	15,285,505	9,512,366	5,773,139	61
South Eastern Kenya University	75,697,821	58,615,825	17,081,996	29
Dedan Kimathi University	72,982,944	54,263,876	18,719,068	34
Multi Media University	48,014,677	32,098,637	15,916,040	50
Total	555,924,290.00	377,591,977	178,332,313	

The basis of the significant increase of capitation to the respective institutions and the reduction of capitation to Koitalel Samoei University College was not explained.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the State Department for University Education 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.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation-recurrent and development combined reflects a final receipts budget and actual on comparable basis of Kshs.123,555,085,531 and Kshs.103,141,485,134 respectively resulting to an under-funding of Kshs.20,413,600,397 or 17% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.123,555,085,531 and Kshs.103,140,085,948 respectively resulting to an under-expenditure of Kshs.20,414,999,583 or 17% of the budget which occurred mainly under transfers to other government units. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Delay of Exchequer Releases

Review of records maintained by the State Department in relation to Exchequer releases revealed that the State Department received Kshs.15,456,203,902 Exchequer releases from The National Treasury in the month of June, 2020, as detailed below:

Date Funds Received in the Bank Account	Amount Received (Kshs.)
02 June, 2020	3,532,108,755
05 June, 2020	26,115,666
24 June, 2020	1,847,136,000
25 June, 2020	3,450,843,481
30 June, 2020	3,300,000,000
30 June, 2020	3,300,000,000
Total	15,456,203,902

The above delay in release of Exchequer may have negatively affected timely implementation of the programmes of the State Department and provision of services to the public.

3. Pending Bills

Annex 1 to the financial statements indicates that the State Department had pending bills of Kshs.1,390,300 which were not paid during the year under review but were instead carried forward to the 2020/2021 financial year. Failure to settle bills in the year to which they relate adversely affects the subsequent year's provisions, since the bills form the first charge to that year's budget provisions.

4. Unresolved Prior Year Matters

Various prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided reasons for the delay in resolving the prior year audit issues.

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, I confirm that, nothing 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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform 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 overall 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.

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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the ability of the State Department for University Education to continue to sustain 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 State Department 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 financial reporting process, reviewing the effectiveness of how the entity 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 review is planned and performed to express a conclusion with limited assurance as to 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 review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance process and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the State Department'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 State Department 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 State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

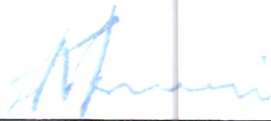
24 May, 2021


MINISTRY OF EDUCATION
STATE DEPARTMENT FOR UNIVERSITY EDUCATION
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For the year ended 30 June, 2020

VI. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2019-2020 Kshs	2018-2019 Kshs
RECEIPTS			
Transfers from National Treasury	1	68,809,365,234	60,823,831,650
Proceeds from Foreign Borrowings - Direct Payments	2	355,696,420	2,191,483,943
Proceeds from Sale of Assets - AIA	3	33,976,423,480	38,797,326,693
TOTAL REVENUES		103,141,485,134	101,812,642,286
PAYMENTS			
Compensation of Employees	4	217,595,888	193,191,653
Use of goods and services	5	482,720,504	545,330,148
Subsidies to Public Corporations	6	-	56,000,000
Transfers to Other Government Units	7	91,852,932,337	89,827,490,592
Other grants and transfers	8	190,926,166	250,258,161
Social Security Benefits	9	2,410,241	513,018
Acquisition of Assets	10	10,393,500,812	10,939,632,504
TOTAL PAYMENTS		103,140,085,948	101,812,416,076
SURPLUS/DEFICIT		1,399,186	226,210

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department of University Education financial statements were approved on 29/09/2020 and signed by:


 AMB. Simon Nabukwesi
 Principal Secretary


 Robert Asumani Samuel
 Assistant Accountant General
 ICPAK Member Number: 10100

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR UNIVERSITY EDUCATION
Reports and Financial Statements
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VII. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2020

	Note	2019/2020 Kshs	2018/2019 Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11A	140,832,124	441,076
Cash Balances	11B	61,440	88,600
Total Cash and Cash Equivalents		140,893,564	529,676
Accounts Receivables – Salary Advances	12	17,500	-
TOTAL FINANCIAL ASSETS		140,911,064	529,676
LESS: FINANCIAL LIABILITIES			
Accounts Payables - Deposits	13	139,423,278	-
NET FINANCIAL ASSETS		1,487,786	529,676
REPRESENTED BY			
Fund balance b/fwd	14	529,676	723,713
Prior year adjustments	15	(441,076)	(420,247)
Surplus/Deficit for the year		1,399,186	226,210
NET FINANCIAL POSITION		1,487,786	529,676

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department of University Education financial statements were approved on 29/09/ 2020 and signed by:



AMB. Simon Nabukwesi
Principal Secretary



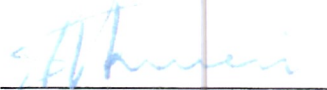
Robert Asumani Samuel
Assistant Accountant General
ICPAK Member Number: 10100

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR UNIVERSITY EDUCATION
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VIII. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

		Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts for operating income			
Transfers from National Treasury	1	68,809,365,234	60,823,831,650
		68,809,365,234	60,823,831,650
Payments for operating expenses			
Compensation of Employees	4	- 217,595,888	- 193,191,653
Use of goods and services	5	- 482,720,504	- 545,330,148
Subsidies	6	-	- 56,000,000
Transfers to Other Government Units	7	- 91,852,932,337	- 89,827,490,592
Other grants and transfers	8	- 190,926,166	- 250,258,161
Social Security Benefits	9	- 2,410,241	- 513,018
		- 92,746,585,136	- 90,872,783,572
Adjusted for:			
Changes in receivables		(17,500)	-
Changes in payables		139,423,278	-
Adjustments during the year	15	(441,076)	(420,247)
Net cashflow from operating activities		(23,798,255,200)	(30,049,372,169)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	3	33,976,423,480	38,797,326,693
Acquisition of Assets	10	(10,393,500,812)	(10,939,632,504)
Net cash flows from Investing Activities		23,582,922,668	27,857,694,189
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Domestic and Foreign Grants	2	-	-
Proceeds from Foreign Borrowings	2	355,696,420	2,191,483,943
Net cash flow from financing activities		355,696,420	2,191,483,943
NET INCREASE IN CASH AND CASH EQUIVALENT		140,363,888	(194,037)
Cash and cash equivalent at BEGINNING of the year		529,676	723,713
Cash and cash equivalent at END of the year	11	140,893,564	529,676

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The State Department of University Education financial statements were approved on 29/09/2020 and signed by:



 AMB. Simon Nabukwesi
 Principal Secretary



 Robert Asumani Samuel
 Assistant Accountant General
 ICPAK Member Number: 10100

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR UNIVERSITY EDUCATION
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IX. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2020

Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=d-c	f=d/c %
RECEIPTS						
Exchequer releases	66,599,300,390	6,126,860,700	72,726,161,090	68,809,365,234	3,916,795,856	95%
Grants from International Organisations	2,000,000	12,040,000	14,040,000	-	14,040,000	0%
Proceeds from Foreign Borrowings - Direct	700,000,000	-300,000,000	400,000,000	355,696,420	44,303,580	89%
Proceeds from Sale of Assets	25,378,969,432	25,035,915,010	50,414,884,441	33,976,423,480	16,438,460,961	67%
Total Receipts	92,680,269,822	30,874,815,710	123,555,085,531	103,141,485,134	20,413,600,397	83%
PAYMENTS						
Compensation of Employees	99,000,000	119,000,000	218,000,000	217,595,888	404,112	100%
Use of goods and services	528,355,766	26,397,231	554,752,997	482,720,504	72,032,493	87%
Transfers to Other Government Units	54,109,698,630	51,649,375,912	105,759,074,541	91,852,932,337	13,906,142,204	87%
Other grants and transfers	126,000,000	126,000,000	252,000,000	190,926,166	61,073,834	76%
Social Security Benefits	1,250,000	1,250,000	2,500,000	2,410,241	89,759	96%
Acquisition of Assets	8,784,665,231	7,984,092,762	16,768,757,993	10,393,500,812	6,375,257,181	62%
Grand Total	63,648,969,627	59,906,115,905	123,555,085,531	103,140,085,948	20,414,999,583	83%

i. Notes:

- ii. The under collection of Proceeds from Sale of Assets by 33% is due to under collection of AIA which was caused by closure of Universities due to COVID19 pandemic.
- iii. Non-utilization of AIA is due to the supplier failing to pay the required 20% Withholding VAT.
- iv. The underutilization of Other Grants and Transfers by 24% is due to exchequer underfunding.
- v. The underutilization of Acquisition of Assets by 38% is due to under collection of AIA and exchequer underfunding.
- vi. Changes between the original and final budget are as a result of budget revisions on the supplementary budget.
- vii. The State Department of University Education financial statements were approved on 29/09/2020 and signed by:


A.M.B. Simon Nabukwesi
Principal Secretary


Robert Asumani Samuel

Assistant Accountant General

ICPAK Member Number: 10100

STATE DEPARTMENT FOR UNIVERSITY EDUCATION

Reports and Financial Statements

For the year ended 30 June, 2020


X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2020


Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
	a	b	c=a+b	d	e=c-d	f=d/c %
Exchequer releases	58,062,600,390	8,455,395,272	66,517,995,662	62,873,697,025	3,644,298,637	95%
Proceeds from Sale of Assets -AIA	25,378,969,432	25,035,915,010	50,414,884,441	33,976,423,480	16,438,460,961	67%
Total Receipts	83,441,569,822	33,491,310,282	116,932,880,103	96,850,120,505	20,082,759,598	83%
PAYMENTS						
Compensation of Employees	99,000,000	119,000,000	218,000,000	217,595,888	404,112	100%
Use of goods and services	148,355,766	37,187,507	185,543,273	190,163,059	4,619,786	102%
Transfers to Other Government Units	45,750,998,630	53,955,080,208	99,706,078,837	86,062,532,862	13,643,545,975	86%
Other grants and transfers	126,000,000	126,000,000	252,000,000	190,926,166	61,073,834	76%
Social Security Benefits	1,250,000	1,250,000	2,500,000	2,410,241	89,759	96%
Acquisition of Assets	8,284,665,231	8,284,092,762	16,568,757,993	10,182,324,914	6,386,433,079	61%
Grand Total	54,410,269,627	62,522,610,477	116,932,880,103	96,845,953,131	20,086,926,972	83%

Notes:

- The under collection of Proceeds from Sale of Assets by 33% is due to under collection of AIA which was caused by closure of Universities due to COVID19 pandemic.
- The underutilization of Other Grants and Transfers by 24% is due to exchequer underfunding.
- The underutilization of Acquisition of Assets by 39% is due to under collection of AIA and exchequer underfunding.
- Changes between the original and final budget are as a result of budget revisions on the supplementary budget.

The State Department of University Education financial statements were approved on 29/09/2020 and signed by:


AMB. Simon Nabukwesi
Principal Secretary


Robert Asumani Samuel
Assistant Accountant General
ICPAK Member Number: 10100

MINISTRY OF EDUCATION
STATE DEPARTMENT FOR UNIVERSITY EDUCATION
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XI. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2020


Revenue/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Exchequer releases	8,536,700,000	- 2,328,534,572	6,208,165,428	5,935,668,209	272,497,219	96%
Proceeds from Domestic and Foreign Grants	2,000,000	12,040,000	14,040,000	-	14,040,000	0%
Proceeds from Foreign Borrowings - Direct Payments	700,000,000	- 300,000,000	400,000,000	355,696,420	44,303,580	89%
Total Receipts	9,238,700,000	- 2,616,494,572	6,622,205,428	6,291,364,629	272,497,219	95%
Payments						
Use of goods and services	380,000,000	- 10,790,276	369,209,724	292,557,445	76,652,279	79%
Transfers to Other Government Units	8,358,700,000	- 2,305,704,296	6,052,995,704	5,790,399,475	262,596,229	96%
Acquisition of Assets	500,000,000	- 300,000,000	200,000,000	211,175,898	- 11,175,898	106%
Grand Total	9,238,700,000	- 2,616,494,572	6,622,205,428	6,294,132,818	328,072,610	95%

Notes:

- i. Non-utilization of AIA is due to the supplier failing to pay the required 20% Withholding VAT.
- ii. The underutilization of use of goods by 21% is due to exchequer underfunding.
- iii. Changes between the original and final budget are as a result of budget revisions on the supplementary budget.

Changes between the original and final budget are as a result of budget revisions on the supplementary budget.
The State Department of University Education financial statements were approved on 29/09/2020 and signed by:


AMB. Simon Nabukwesi
Principal Secretary


Robert Asumani Samuel
Assistant Accountant General
ICPAK Member Number: 10100

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XII. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Final Budget 30th June, 2020	Actual on comparable basis 30th June, 2020	Budget utilization difference
	Kshs	Kshs	Kshs
University Education	120,093,849,549	101,463,396,206	18,630,453,343
University Education	102,263,791,294	90,194,641,024	12,069,150,270
Quality Assurance and Standards	379,170,487	303,517,318	75,653,169
Higher Education Support Services	17,450,887,768	10,965,237,864	6,485,649,904
Research, Science, Technology and Innovation	2,196,054,186	1,413,109,335	782,944,851
Research Management and Development	1,905,496,419	1,128,389,607	777,106,812
Knowledge and Innovation Development and Commercialization	35,175,963	35,207,463	(31,500)
Science and Technology Development and Promotion	255,381,804	249,512,265	5,869,539
General Administration, Planning and Support Services	265,181,677	263,580,407	1,601,270
Headquarters Administrative Services	265,181,677	263,580,407	1,601,270
TOTAL	122,555,085,412	103,140,085,948	23,433,354,757

XIII. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2020

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (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 have been consistently applied to all the years presented.

2. Reporting State Department for University Education

The financial statements are for the State Department for University Education. The financial statements encompass the reporting Entity as specified under Section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the State Department of University Education:

- a) Support to Enhancement of Quality and Relevance in Higher Education (HEST)
- b) Construction of Kaist at Konza Technopolis
- c) Construction of Centres of Excellence (ACE II)

3. Reporting Currency

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

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the State Department of University Education for all the years presented.

a) Recognition of Receipts

The State Department for University Education recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the State Department for University Education.

• Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

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SIGNIFICANT ACCOUNTING POLICIES

• **Transfers from the Exchequer**

Transfers from the exchequer are 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.

• **External Assistance**

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

Grants and loans 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 State Department for University Education or by the beneficiary.

In case of grant/loan 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. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30 June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

• **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognised in the financial statements the time associated cash is received.

b) Recognition of payments

The State Department for University Education recognises all payments when the event occurs, and the related cash has been paid out by the Entity.

• **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

• **Use of Goods and Services**

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

• **Interest on Borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

• **Repayment of Borrowing (Principal Amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

• **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. This summary is disclosed as an annexure to the financial statements.

5. In-kind Contributions

In-kind contributions are donations that are made to the State Department for University Education 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 State Department for University Education 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.

6. Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

7. 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.

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 stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits.

There were no other restrictions on cash during the year.

8. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are 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.

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9. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

10. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the State Department for University Education at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1 July 2019 to 30 June 2020 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-State Department for University Education transfers.

12. Comparative Figures

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

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30 June 2020.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 15 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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STATE DEPARTMENT FOR UNIVERSITY EDUCATION
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XIV. NOTES TO THE FINANCIAL STATEMENTS

1 TRANSFERS FROM NATIONAL TREASURY

Description	2019-2020 Kshs	2018-2019 Kshs
Total Exchequer Releases for quarter 1	13,972,549,399	8,113,492,870
Total Exchequer Releases for quarter 2	18,057,089,891	16,279,156,465
Total Exchequer Releases for quarter 3	13,679,505,518	16,386,346,665
Total Exchequer Releases for quarter 4	23,100,220,426	20,044,835,650
Total	68,809,365,234	60,823,831,650

2 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Description	2019-2020 Kshs	2018-2019 Kshs
Foreign Borrowing - Direct Payments	355,696,420	2,191,483,943
Total	355,696,420	2,191,483,943

3. PROCEEDS FROM SALE OF ASSETS

Description	2019-2020 Kshs	2018-2019 Kshs
Receipts from the Sale of Inventories, Stocks and Commodities (AIA FROM Universities)	32,078,443,943	36,877,703,350
Repayments from Domestic Loans to Individuals and Households (AIA from HELB)	1,897,979,537	1,919,623,343
Total	33,976,423,480	38,797,326,693

4. COMPENSATION OF EMPLOYEES

Description	2019-2020 Kshs	2018-2019 Kshs
Basic salaries of permanent employees	121,357,914	116,333,105
Personal allowances paid as part of salary	96,237,974	76,858,548
TOTAL	217,595,888	193,191,653

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STATE DEPARTMENT FOR UNIVERSITY EDUCATION**

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NOTES TO THE FINANCIAL STATEMENTS Cont...

5. USE OF GOODS AND SERVICES

Description	2019-2020 Kshs	2018-2019 Kshs
Utilities, supplies and services	13,096,042	11,671,509
Communication, supplies and services	11,055,820	21,613,239
Domestic travel and subsistence	18,317,902	28,044,288
Foreign travel and subsistence	10,908,100	11,780,297
Printing, advertising and information supplies & services	3,935,390	9,124,455
Rentals of produced assets	56,952,026	70,832,081
Training expenses	299,770,062	134,365,962
Hospitality supplies and services	23,945,458	19,563,509
Specialized materials and services	5,431,698	162,642,805
Office and general supplies and services	9,403,174	21,148,280
Other operating expenses	8,202,837	15,209,324
Routine maintenance – vehicles and other transport equipment	5,107,166	6,053,935
Routine maintenance – other assets	9,352,360	18,067,181
Exchange Rate Losses	7,242,469	15,213,283
TOTAL	482,720,504	545,330,148

6. SUBSIDIES

Description	2019-2020 Kshs	2018-2019 Kshs
Subsidies to Public Corporations	-	56,000,000
TOTAL	-	56,000,000

7. GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES

GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES		
Description	2019-2020 Kshs	2018-2019 Kshs
Current Grants to Government Agencies and other Levels of Government	83,562,532,863	79,934,771,624
Capital Grants to Government Agencies and other Levels of Government	5,790,399,475	7,917,417,868
Other Current Transfers, Grants and Subsidies	2,499,999,999	1,976,016,602
TOTAL	91,852,932,337	89,828,206,094

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NOTES TO THE FINANCIAL STATEMENTS Cont...

8. OTHER GRANTS AND TRANSFERS

Description	2019-2020 Kshs	2018-2019 Kshs
Membership dues and subscriptions to international organizations	-	13,258,161
Scholarships and other educational benefits	190,926,166	237,000,000
Total	190,926,166	250,258,161

9. SOCIAL SECURITY BENEFITS

Description	2019-2020 Kshs	2018-2019 Kshs
Government pension and retirement benefits	2,410,241	513,018
TOTAL	2,410,241	513,018

10. ACQUISITION OF ASSETS

	2019-2020 Kshs	2018-2019 Kshs
Purchase of Buildings	-	1,973,911,199
Construction of Buildings	211,175,897	-
Purchase of Office Furniture and General Equipment	107,532	447,500
Sub-total	211,283,429	1,974,358,699
Financial Assets		
Domestic Public Non-Financial Enterprises	10,182,217,383	8,965,273,805
Total	10,393,500,812	10,939,632,504

11A: BANK ACCOUNTS

Bank Accounts Name of Bank, Account No.	Bank account currency		2019-2020 Kshs	2018-2019 Kshs
Central Bank of Kenya, 1000302698	Ksh	Reccurent	1,390,846	243,369
Central Bank of Kenya, 1000302712	Ksh	Development	18,000	197,707
Central Bank of Kenya, 1000302747	Ksh	Deposit	139,423,278	-
Total			140,832,124	441,076

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NOTES TO THE FINANCIAL STATEMENTS Cont...

11B: CASH IN HAND

Cash in hand	2019-2020	2018-2019
	Kshs	Kshs
Cash in Hand – Held in domestic currency	61,440	88,600
TOTAL	61,440	88,600

Cash in hand should also be analysed as follows:

Description	2019-2020	2018-2019
	Kshs	Kshs
Headquarters, JOGOO HOUSE B, Cash Office	61,440	88,600
Total	61,440	88,600

12: ACCOUNTS RECEIVABLE – SALARY ADVANCE

Description	2019-2020	2018-2019
	Kshs	Kshs
Government Imprests	-	-
Salary Advances	17,500	-
TOTAL	17,500	-

13. ACCOUNTS PAYABLE

Description	2019-2020	2018-2019
	Kshs	Kshs
Deposits	139,423,278	-
TOTAL	139,423,278	-

14. FUND BALANCE BROUGHT FORWARD

Description	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	441,076	420,247
Cash in hand	88,600	303,467
TOTAL	529,676	723,714

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NOTES TO THE FINANCIAL STATEMENTS Cont...

15. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	529,676	(441,076)	88,600
	529,676	(441,076)	88,600

The adjustment to bank account balances is with reference to last financial year unspent funds returned to the consolidated fund

16. CHANGES IN RECEIVABLE

Description	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Receivables as at 1 st July 2019 (A)	-	-
Advances outstanding during the year (B)	17,500	-
Receivables surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	17,500	-

17. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS

Description	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit held during the year (B)	139,423,278	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account payables D= A+B-C	139,423,278	-

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18. FOLLOW UP ON AUDITORS RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.0	Unconfirmed receipts of grants	Awaiting PAC sitting	Accounts	Unresolved	2021
2.0	Grants and Transfers from other Government Units	Awaiting PAC sitting	Accounts	Unresolved	2021
3.0	Unapproved expenditure on repair of motor vehicle	Awaiting PAC sitting	Accounts	Unresolved	2021

ANNEXES

1. Pending payables as at 30 June 2020
2. Fixed Asset Schedule
3. Summary of Appropriations in Aid
4. Other Current Transfers (Private Universities)
5. Analysis of Capitation, Doctor's Allowances and Development Grants
6. Analysis of Deposits held in Deposit Bank Account as at 30 June 2020
7. List of projects implemented by the Entity
8. Certificate of Balances as at 30 June 2020
9. Board of Survey Reports

NB: Separate schedules for annexes 8 and 9 are attached.

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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Outstanding Balance 2020	Outstanding Balance 2019	Comments
Supply of goods					
Dechtech Solutions	247,500.00	15/06/2020	247,500.00	-	Outstanding
Specicom Technologies Limited	254,000.00	06/01/2020	254,000.00	-	Outstanding
Safepoint Limited	284,500.00	15-06-2020	284,500.00	-	Outstanding
Kenmat Ventures Limited	337,500.00	19-06-2020	337,500.00	-	Outstanding
Eurocom Systems Limited	47,800.00	26/06/2020	47,800.00	-	Outstanding
Sub-Total	1,171,300.00		1,171,300.00	-	
Supply of services					
Machakos University	195,000.00	31/01/2020	195,000.00	-	Outstanding
Kenya Institute of Curriculum Dev.	24,000.00	02/10/2020	24,000.00	-	Outstanding
Sub-Total	219,000.00		219,000.00	-	
Grand Total	1,390,300.00	-	1,390,300.00	-	

ANNEX 2 – FIXED ASSETS SCHEDULE

Asset class	Historical Cost b/f (Kshs)	Additions during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs)
Buildings and Structures	4,629,881,165.00	211,175,897.00		4,841,057,062.00
Transport Equipment	3,797,600.00			2,778,600.00
Office Equipment, Furniture and Fittings	1,063,900.00	107,531.00		1,171,431.00
Machinery and Equipment	7,269,390.00			7,269,390.00
Total	4,642,012,055.00	211,283,428.00	-	4,852,276,483.00

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ANNEX 3. SUMMARY OF AIA - RECURRENT

No.	ENTITY	Budgeted (Ksh)	Amount Captured in IFMIS	Deficit
1	Technical University of Kenya	932,800,000	559,872,685	372,927,315
2	Technical University of Mombasa	969,360,420	729,443,193	239,917,227
3	University of Nairobi	11,017,633,032	7,590,824,506	3,426,808,526
4	Koitalel Samoei University College	2,700,000	2,700,000	-
5	Embu University	372,750,000	336,815,923	35,934,077
6	Kenya University	5,590,298,051	4,496,546,328	1,093,751,723
7	Machakos University	538,896,928	424,968,667	113,928,241
8	Egerton University	1,500,606,000	1,343,175,866	157,430,134
9	Jomo Kenyatta University of Agriculture & Technology	5,866,510,377	2,777,101,878	3,089,408,499
10	Kirinyaga University	154,148,475	154,148,475	-
11	Murang'a University	158,000,000	158,000,000	-
12	Taita Taveta University	170,662,728	139,576,613	31,086,115
13	Co-operative University of Kenya	620,800,000	452,008,450	168,791,550
14	Maseno University	1,724,181,000	1,042,953,184	681,227,816
15	Tom Mboya University College	80,200,000	80,200,000	-
16	Moi University	3,998,346,227	2,968,343,998	1,030,002,229
17	Bomet University College	53,542,000	27,480,000	26,062,000
18	Garissa University	178,234,971	114,839,000	63,395,971
19	Rongo University	393,892,251	393,892,251	-
20	Alupe University College	23,857,940	23,051,240	806,700
21	Masinde Muliro University	1,212,670,500	1,212,670,500	-
22	Kibabii University	405,111,790	405,111,790	-

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23	Kaimosi Friends University College	132,896,000	98,418,075	34,477,925
24	Turkana University College	98,666,507	39,233,053	59,433,454
25	South Eastern Kenya University	403,800,000	239,748,654	164,051,346
26	Pwani University	435,175,000	392,671,000	42,504,000
27	Chuka University	873,479,142	770,931,450	102,547,692
28	Kisii University	1,683,720,000	1,058,094,000	625,626,000
29	Laikipia University of Technology	504,818,288	251,187,979	253,630,309
30	Dedan Kimathi University	622,563,029	558,141,004	64,422,025
31	Meru University of Technology	454,042,741	248,585,899	205,456,842
32	Multimedia University	705,000,000	399,288,755	305,711,245
33	Maasai Mara University	300,000,000	300,000,000	-
34	University of Kabanga	420,387,820	333,369,673	87,018,167
35	University of Eldoret	643,156,986	641,045,630	2,111,356
36	Karatina University	336,556,000	312,664,500	23,891,500
37	Jaramogi Oginga Odinga University of Science and Technology	698,920,238	469,362,401	229,557,837
38	Higher Education Loans Board	5,523,000,000	1,897,979,537	3,625,020,463
39	Commission for University Education	198,000,000	122,346,862	75,653,138
40	Kenya Universities and Colleges Central Placement Service	385,500,000	385,500,000	-
41	National Commission for Science Technology and Innovation	30,000,000	24,130,461	5,869,539
	TOTAL	50,414,884,441	33,976,423,480	16,438,460,961

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ANNEX 4 – OTHER CURRENT TRANSFERS (PRIVATE UNIVERSITIES)

	ENTITY	AMOUNT DISBURSED
1	Africa International University	26,908,163
2	Africa Nazarene University	107,665,818
3	Catholic University Of East Africa	189,198,333
4	Daystar University	48,413,501
5	Great Lakes University Of Kisumu	53,343,669
6	Gretsa University	54,299,115
7	International Leadership University	279,170
8	Kabarak University	324,453,194
9	Kenya Assemblies Of God East Africa	5,554,847
10	Kca University	245,895,734
11	Kenya Methodist University	245,808,205
12	Kenya Highlands Evangelical University	35,562,446
13	Kiriri Women University Of Science And Technology	8,597,160
14	Lukenya University	40,059,579
15	Marist International University College	9,005,321

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16	Mount Kenya University	517,651,127
17	Management University Of Africa	13,540,228
18	Pan Africa Christian University	18,129,496
19	Pioneer International University	43,368,163
20	Presbyterian University Of East Africa	56,747,153
21	Raf International University	99,506
22	Riara University	18,892,376
23	Scott Christian University	25,942,583
24	St. Pauls University	61,107,925
25	The East African University	38,005,879
26	Tangaza University College	12,802,224
27	Umma University	12,736,806
28	University Of Eastern Africa Baraton	152,567,115
29	United States International University	8,090,416
30	Uzima University College	46,867,468
31	Zetech University	78,407,279
	Total	2,499,999,999

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5. ANALYSIS OF CAPITATION AND DEVELOPMENT GRANTS TO SAGAS

No.	UNIVERSITY/ UNIVERSITY COLLEGE	Amount Transferred (Recurrent Grants)	Amount Transferred (CBA 2017/2021 Arrears)	Amount Transferred (Doctors/Lecturers Additional Allowances)	Appropriation in Aid	Total Current Grants	Amount Transferred Development Grants	Inter Entity Transfers Reconciliation done(Yes/No)
1	Technical University of Kenya	1,858,525,826	320,590,360			2,179,116,186	58,222,610	Yes
2	Technical University of Mombasa	906,899,795	118,049,299			1,024,949,094	220,000,000	Yes
3	University of Nairobi	5,091,470,928	1,201,675,206	931,749,600		7,224,895,734	-	Yes
4	Koitalel Sameoi - UON	95,000,000	5,209,227			100,209,227	79,982,744	Yes
5	Embu University	580,185,658	88,635,076			668,820,734	168,389,933	Yes
6	Kenya University	3,059,906,839	677,988,882	255,100,800		3,992,996,521	82,693,639	Yes
7	Machakos University	957,026,140	96,306,002			1,053,332,142	70,390,829	Yes
8	Egerton University	2,080,549,506	396,991,653	102,840,000		2,580,381,159	137,465,934	Yes
9	Jomo Kenyatta University of Science & Technology	2,814,542,455	547,808,861	131,632,800		3,493,984,116	81,484,446	Yes
10	Open University	-	-			-	-	Yes
11	Pan African University	70,515,215	-			70,515,215	-	Yes
12	Kirinyaga University College	326,820,003	41,501,034			368,321,037	150,361,570	Yes
13	Muranga University College	471,064,051	51,367,178			522,431,229	93,620,000	Yes

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14	Taita Taveta University College	391,027,812	42,063,036				433,090,848	128,996,193	Yes
15	Cooperative University College	239,214,108	55,539,707				294,753,815	100,000,000	Yes
16	Maseno University	1,600,312,962	256,363,067	90,379,200			1,947,055,229	211,023,487	Yes
17	Tom Mboya University College	381,990,108	15,767,805				397,757,913	105,870,989	Yes
18	Moi University	3,224,704,568	610,852,402	306,194,400			4,141,751,370	181,214,811	Yes
19	Gatundu University College	135,501,503	-				135,501,503	-	Yes
20	Bomet University College	307,033,544	11,874,248				318,907,792	275,000,000	Yes
21	Garissa University College	506,965,646	30,494,550				537,460,196	-	Yes
22	Rongo University College	540,629,869	83,360,248				623,990,117	319,220,073	Yes
23	Alupe University College	149,660,400	16,057,541				165,717,941	150,215,378	Yes
24	Masinde Muliro University	1,679,290,278	206,954,301				1,886,244,579	33,198,000	Yes
25	Kibabii University College	610,356,330	77,409,357				687,765,687	130,424,759	Yes
26	Kaimosi University College	443,347,194	34,545,699				477,892,893	141,054,614	Yes
27	Turkana University College	183,426,058	16,928,197				200,354,255	-	Yes
28	South Eastern Kenya University	908,373,852	88,347,122				996,720,974	396,785,397	Yes
29	Pwani University	724,248,198	107,527,873				831,776,071	117,700,063	Yes
30	Chuka University	1,281,146,160	110,826,558				1,391,972,718	332,700,000	Yes
31	Kisii University	1,088,476,357	212,292,314	29,239,200			1,330,007,871	280,160,384	Yes

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32	Laikipia University of Technology	863,236,998	89,480,534			952,717,532	89,378,876	Yes
33	Dedan Kimathi University	875,795,325	102,591,991			978,387,316	213,753,709	Yes
34	Meru University of Technology	690,155,084	75,642,386			765,797,470	201,000,000	Yes
35	Multi Media University	576,176,130	85,664,437			661,840,567	250,000,000	Yes
36	Maasai Mara University	1,012,848,348	125,848,872			1,138,697,220	43,502,135	Yes
37	University of Kabianga	756,515,942	100,547,100			857,063,042	150,000,000	Yes
38	University of Eldoret	1,890,125,109	253,432,139			2,143,557,248	98,300,338	Yes
39	Karatina University	721,662,960	84,216,479			805,879,439	112,676,474	Yes
40	Jaramogi Oginga Odinga	984,144,967	143,737,573			1,127,882,540	376,061,459	Yes
41	Tharaka University College	276,947,985	15,511,686			292,459,671	-	Yes
42	Commission for University Education	181,170,488				181,170,488		Yes
43	Kenya Universities & Colleges (KUCCPS)	24,348,112				24,348,112		Yes
44	National Council for Science & Technology (NACOSTI)	225,381,804				225,381,804		Yes
45	HELB - Operations Grant	113,698,560				113,698,560		Yes
46	Kenya National Innovation Agency (KENIA)	35,226,363				35,226,363		Yes
47	University Funding Board	26,525,819				26,525,819		Yes
48	National Research Fund	831,324,908				831,324,908		Yes

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49	African Institute for Capacity & Development	56,000,000					56,000,000		Yes
50	National Biosafety Authority	161,000,000					161,000,000		Yes
51	Biosafety Appeals Board	26,456,655					26,456,655		Not Self Reporting
52	Construction of Centers of Excellence						-	187,058,131	Not Self Reporting
53	Science and Technology Programme						-	17,556,664	Not Self Reporting
54	HEST Project						-	1,047,240	Not Self Reporting
55	KAIST Project						-	3,888,596	Not Self Reporting
	TOTAL	43,036,952,920	6,600,000,000	1,847,136,000	32,078,443,943	83,562,532,863	5,790,399,475		

ANNEX 6 – ANALYSIS OF DEPOSITS HELD IN DEPOSIT BANK ACCOUNT AS AT 30 JUNE 2020

NO.	NAME OF SUPPLIER	AMOUNT
1	Sony Commercial Agencies	3,500,000
2	Sony Commercial Agencies	3,800,000
3	Eva Top Agencies	3,800,000
4	Rocky Africa Limited	4,268,038
5	Aerospace Aviation	4,800,000
6	Madujej Global Services	7,000,000
7	Beta Trading Company Limited	7,700,000
8	Beta Trading Company	8,300,000
9	Beta Trading Company	95,400,000
	Sub Total	138,568,038
10	Net Proceeds from disposal of idle assets	855,240
	Total	139,423,278

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Balances totalling to Kshs. 138,568,038 in annex 6 relates to funds deposited in the Deposit Account pertaining to recall performance bond and advance guarantees for suppliers who failed to supply, test and install equipment as per the specifications in the contracts under HEST Project funded through ADB loan. The balance of Kshs. 855,240 relates to net proceeds on idle assets.

ANNEX 7 – LIST OF PROJECTS IMPLEMENTED BY THE ENTITY

Ref	Project Name	Principal activity of the project	Accounting Officer	Project consolidated in these financial statements(yes/no)
1	Support To Enhancement Of Quality And Relevance In Higher Education	(i) To Finance the purchase of identified equipment for existing laboratories/workshops in target faculties of engineering and applied sciences in eight universities: sciences at Master's and Doctorate levels learning and experiential centre at WMI.	AMB. Simon Nabukwesi	YES
2	Construction of Centres of Excellence (ACE II)	(i) Build institutional capacity to provide quality post graduate education with relevance to the labour market. (ii) Develop and enhance partnerships with other academic institutions (national, regional and international) to pursue academic excellence. Develop and enhance partnerships with industry and private sector to generate greater impact.	AMB. Simon Nabukwesi	YES
3	Construction of KAIST at Konza Technopolis	To promote relevant Research and Development through promotion of industrial- academic collaboration for stimulating of technological and industrial transformation. This aims at making Kenya industrially competitive in the globe by transforming it into an industrializing middle-income country as envisioned in the Kenya vision 2030.	AMB. Simon Nabukwesi	YES

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ANNEX 7 - REPORTS GENERATED FROM IFMIS

The following reports have been generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes