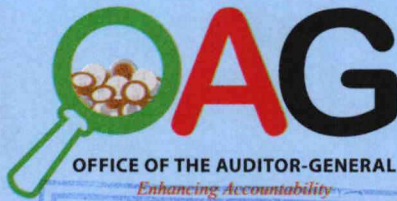


REPUBLIC OF KENYA



REPORT

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ON

**STATE DEPARTMENT FOR HIGHER
EDUCATION AND RESEARCH**

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

Revised 30th June 2025



**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR HIGHER EDUCATION AND RESEARCH**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025**

Transitional International Public Sector Accounting Standards (IPSAS) Financial Statements

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1. Acronyms and Definition of Key Terms

A: Acronyms and Abbreviations

<i>AIE</i>	<i>Authority to Incur Expenditure</i>
<i>CBK</i>	<i>Central Bank of Kenya</i>
<i>CFO</i>	<i>Chief Finance Officer</i>
<i>CS</i>	<i>Cabinet Secretary</i>
<i>DHE</i>	<i>Directorate of Higher Education</i>
<i>DRST</i>	<i>Directorate of Research, Science & Technology</i>
<i>HAU</i>	<i>Head of Accounting Unit</i>
<i>HELB</i>	<i>Higher Education Loans Board</i>
<i>ICPAK</i>	<i>Institute of Certified Public Accountants of Kenya</i>
<i>IPSAS</i>	<i>International Public Sector Accounting Standards</i>
<i>MDAs</i>	<i>Ministries, Departments and Agencies</i>
<i>NACOSTI</i>	<i>National Commission for Science, Technology & Innovation</i>
<i>NRF</i>	<i>National Research Fund</i>
<i>OAG</i>	<i>Office of the Auditor General</i>
<i>OCOB</i>	<i>Office of the Controller of Budget</i>
<i>OSHA</i>	<i>Occupational Safety and Health Act of 2007</i>
<i>PFM</i>	<i>Public Finance Management</i>
<i>PPE</i>	<i>Property Plant & Equipment</i>
<i>PS</i>	<i>Principal Secretary</i>
<i>PSASB</i>	<i>Public Sector Accounting Standards Board</i>
<i>SAGAs</i>	<i>Semi-Autonomous Government Agencies</i>
<i>SC</i>	<i>State Corporations</i>
<i>TNT</i>	<i>The National Treasury</i>
<i>WB</i>	<i>World Bank</i>

B: Definition of Key Terms

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

2. Key State Department for Higher Education and Research Information and Management

(a) Background information

The State Department for Higher Education and Research was established through executive order No. 1 of 2023. 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.

(b) Mandate

The State Department is mandated to develop University Education Policy and Standards, University Education Management; Management of Continuing Education (excluding TVETS); Public Universities Management, Co-ordinate and oversee the implementation of the new Higher Education Funding Model, Education Research and Policies; Policy and Standard on Science and Technology; and, Steer the implementation of the recommendations of the Presidential Working Party on Education Reform relating to higher education.

The main goals of the State Department include:

1. Expand access to quality education and training opportunities for all
2. Enhance equity and inclusivity
3. Elevate educational excellence for impactful learning and training
4. Strengthen governance and accountability
5. Mainstream crosscutting, pertinent, and contemporary issues

The Vision is: *“An inclusive and equitable quality education, training and research”*

The Mission is: *“To provide, promote and coordinate competency based inclusive and equitable quality education, training and research for sustainable development.”*

Core Values

- i. Equity and Inclusivity
- ii. Transparency and Integrity
- iii. Respect for human rights
- iv. Teamwork
- v. Innovation and creativity
- vi. Professionalism

(c) Key Management

Organization of State Department for University Education

The State Department consists of the following directorates and departments:

i) Directorate of Higher Education (DHE)

The functions of Directorate of Higher 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 student's exchange programmes.
- f) Implementing, monitoring and evaluation of various projects.
- g) Coordination of project implementation in university education.
- h) Clearance of students going for foreign training.

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

The function 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;

iii) 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 Department, Legal Unit, Accounts Unit, Finance Department, Human Resource Management and Development Unit, ICT Section, Supply Chain Management Services and Public Communications Unit.

In order to effectively undertake its mandate, the State Department also comprises of Semi-Autonomous Government Agencies (SAGAs) and universities which are charged with various responsibilities as indicated below:

S/No	SAGA	Mandate
1	National Commission for Science, Technology and Innovation (NACOSTI)	To regulate and assure quality in the science, technology and innovation sector and advise the government in related matters.
2	National Research Fund (NRF)	To mobilize and channel resources for research, science, technology and innovation
3	Higher Education Loans Board (HELB)	To source for fund 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
4	Commission for University Education (CUE)	To accredit and quality assure university education in both public and private universities
5	Universities Fund Board (UFB)	To mobilize resources for financing university education
6	Kenya Universities and Colleges Central Placement Service (KUCCPS)	To coordinate placement of Government sponsored students into universities and colleges
7	Universities and Constituent Colleges	To provide university education
8	African Institute for Capacity Development (AICAD)	Poverty reduction through capacity development.

LIST OF ACCREDITED UNIVERSITIES

S/NO	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
32	Alupe University	2015	2022
33	Kaimosi Friends University	2015	2022
34	Tom Mboya University	2016	2022
35	Tharaka University	2017	2022
36	Open University of Kenya	2023	2023
37	Pan Africa University	2012	
Public University Constituent Colleges			
38	Mama Ngina- University College- Gatundu	2021	
39	Turkana University College	2017	
40	Bomet University College	2017	
41	Koitalel Samoei University College	2018	
Commercial State Corporations			
42	University of Nairobi Enterprises and Services Limited.		
43	University of Nairobi Press		

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

44	Jomo Kenyatta University of Agriculture And Technology Enterprises.		
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(d) Fiduciary Management

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

No	Designation	Name
1	Cabinet Secretary, Ministry of Education	Julius Migos Ogamba, EBS
2	Principal Secretary, State Department for Higher Education and Research	Dr. Beatrice Muganda Inyangala, CBS, CBS
3	Secretary Higher Education and Research	Dr. Carol Hunja
4	Secretary Administration	Mr. Fredrick Ndambuki
5	Director, Directorate of Higher Education	Mr. Darius Ogutu Mogaka
6	Director, Directorate of Research	Dr. Roselida Awour
7	Head of Accounting Unit	CPA Margaret W. Kariuki
8	Head of Finance Unit	CPA Jim Chira Maina
9	Head of Supply Chain Management	Mr. George Marete
10	Head of Planning	Dr. John Nyangena

(e) 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 independent 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.

i. Audit Committee Activities

The committee was responsible and instrumental in:

- Review significant accounting and reporting matters to understand their impact on the financial reporting requirements. This includes complex or unusual transactions, highly judgemental areas, as well as recent professional and regulatory pronouncement.
- Review quarterly and annual financial reports and disclosures before release and consider the accuracy and completeness of the information and in accordance with financial reporting standards and applicable rules and regulations.
- Review in consultation with the internal auditors or the Office of the Auditor General, significant accounting and reporting issues and understand their impact on the financial reporting.
- Apply appropriate level of scepticism, ask probing questions, and engage in frank discussions with management on the results of the audit, including any difficulties encountered.
- Undertake any other duty assigned by the Cabinet Secretary.

ii. Budget Implementation Committee

The committee was responsible and instrumental in:

- **Budget Implementation Status:** The committee conducted a thorough review of the current budget implementation status, with a particular emphasis on absorption rates. The discussions highlighted the critical need for ongoing and attentive monitoring of budget execution to promote efficient financial management and optimize resource utilization.
- **Review of Donor Fund Utilization:** The committee received detailed updates on the State Department's project execution funded by donor contributions. Insights were provided on the conditions for final disbursements, emphasizing that such payments should only be made upon the satisfactory completion of agreed project milestones.
- **Reallocation of Expenditures:** In response to financial discrepancies, the committee recommended strategies for reallocating savings from specific budget line items. This was aimed at addressing negative balances identified in FY 2023/24 Supplementary Estimates No. I, as well as settling outstanding financial obligations to ensure ongoing fiscal compliance and operational effectiveness.
- **Challenges Encountered in Budget Implementation:** The committee held in-depth discussions on various obstacles encountered during the budget implementation process. Through collaborative dialogue, members proposed actionable recommendations to overcome these challenges, thereby fostering improved processes and outcomes in future budget cycles.

iii. Public Finance Management Standing Committee

The Standing Committee was responsible for the following:

- Ensuring that there is prioritization on resources allocated to the state department for the smooth implementation of the entities mission, strategy, goals, risk policy plans and objectives;
- Regularly reviewing, monitoring budget implementation and advice on the entities accounts, major capital expenditures and reviewing performance and strategies at least on a quarterly basis;
- Identifying risks and implementation of appropriate measures to manage such risks or anticipated changes impacting on the entity;
- Reviewing on a regular basis the adequacy and integrity of the entity's internal control, acquisition and divestitures and management information systems including compliance with applicable laws, regulations, rules and guidelines;
- Monitoring timely resolution of audit issues

(f) State Department for Higher Education and Research 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

(g) State Department for Higher Education and Research Contacts

Tel: +254-020-3318581

Fax: +254-020-251991

(h) State Department for Higher Education and Research Bankers

Central Bank of Kenya

Haile Selassie Avenue

P.O. Box 60000

City Square 00200

Nairobi, Kenya

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

(i) Independent Auditors

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

(j) Principal Legal Adviser

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

3. Profile of Cabinet Secretary

The State Department for Higher Education is domiciled in the Ministry of Education, together with the State Department for Basic Education and the State Department for Technical, Vocational Education and Training. The senior leadership in the education sector are described in the sections that follow.



Julius Migos Ogamba, EBS was appointed Cabinet Secretary for Education on August 8, 2024. He has a Bachelor of Laws degree from the University of Nairobi, a Diploma in Law from the Institute of Advanced Legal Studies from the University of London, and a Post Graduate Diploma in Law from the Kenya School of Law. He is a Commissioner for Oaths and Notary Public, as well as a member of the Law Society of Kenya. Mr. Ogamba is an Advocate of the High Court of Kenya with over 30 years standing.

4. Profile of the Accounting Officer

Principal Secretary



Dr. Beatrice Muganda Inyangala is the Principal Secretary, the State Department for Higher Education and Research, Ministry of Education. She holds a B.Ed and M. Phil in Planning and Economics of Education, Moi University, Kenya; PhD from the University of Athens, and has received further training at the International Institute of Educational Planning in Paris, France.

She has extensive knowledge of actors, issues, challenges and opportunities in African higher education and has trained over 3,000 teaching staff in 91 universities in 11 African countries in innovative pedagogies. She has contributed immensely to the formulation of education policy and participated in education policy debates within the region and globally: Association of African Universities; EU-Africa policy dialogues; London School of Economics Africa Summit, among others.

The PS is a passionate educator and leader who is committed to transforming higher education and its impact on the continent and globally. Prior to her appointment, she worked for the Partnership for African Social and Governance Research (PASGR); a Pan-African not-for-profit organization for 11 years and exited as the Deputy Executive Director. Her accomplishments through the Pedagogical Leadership in Africa (PedaL) project are internationally acclaimed.

6. Statement by the Accounting Officer

6.1 Budget Performance

In the financial year 2024/25 the State Department for University Education and Research had a gross budget of Kshs. **139,647.76** million. The funds were to be expended under three programmes: University Education; Research, Science, Technology and Innovation; and General Administration, Planning & support Services.

Analysis by category of Expenditure: Programmes (Ksh. Million)

Programme / Sub-programme	Budget (Ksh. million)	Actuals (Ksh. million)
University Education	138,490.81	134,898.97
University Education	80,091.82	78,011.13
Quality Assurance and Standards	494.44	494.44
Higher Education Support Services	57,904.56	56,393.40
Research, Science, Technology and Innovation	793.49	723.43
Research Management and Development	455.33	385.27
Knowledge and Innovation Development and Commercialization	-	-
Science and Technology Development and Promotion	338.16	338.16
General Administration, Planning and Support Services	363.46	357.24
Headquarters Administrative Services	363.46	357.24
Grand Total	139,647.76	135,979.64

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. The programme was allocated Kshs. **138,490.81** million representing **99%** of the total budget. A total of Ksh. **134,898.97** million was spent under the following sub programmes: University Education, Quality Assurance and Standards and Higher Education Support Services showing an absorption of **97%**.

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. The programme was allocated **Kshs. 793.49 million** representing **0.6%** of the total budget. A total of **Kshs. 723.43 million** was spent in three sub programmes: Research Management and Development; Knowledge and Innovation Development

and Commercialization, and Science and Technology Promotion and Dissemination with a absorption of **91%**.

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 **Ksh. 363.46 million** representing **0.3%** of the budget. A total of **Ksh. 357.24 million** was spent under the General Administration, Planning & support service programme this translates to absorption rate of **98%**.

6.2 Key Achievements

- i. Sessional Paper on Education reform
- ii. Tertiary Education Placement and Funding Bill, 2025
- iii. The Universities Bill, 2025
- iv. The Science Technology and Innovation (Amendment) Bill, 2025
- v. The Education Appeals Tribunal Bill, 2025
- vi. Admission of 3,370 learners to various programs in Open University of Kenya, with 1,400 students currently enrolled in the University's Learning Management System (LMS).
- vii. Strategic Memorandum of understanding (MoUs) in Science, Technology and Innovation in the key national priority areas have been initiated and signed and are in different stages of implementation.
- viii. Draft Science Technology and Innovation Policy has been finalized.
- ix. National Education Sector Strategic Plan was finalised and launched.

6.3 Key Implementation Challenges

i. Inadequate funding

In 2023, the sector adopted the Variable Scholarships and Loans Funding [VSLF] commonly referred as the New Funding Model (NFM) to address systemic challenges in higher education financing. Implementation of the Model faced challenges as no adequate funds were allocated to match the number of students. Thus, universities were not able to receive the required funds to fully meet their operational requirements.

ii. Historical pending Bills

Over the years, universities were funded below the 80% Differentiated Unit Cost. This meant that universities were not in a position to remit statutory deductions a situation that resulted in accumulation of huge pending bills. This continued to exert financial constraint on the universities and affected their operations during the year.

iii. Industrial action

The year experienced industrial action by university unions which interrupted learning.

iv. Litigation on the New Funding Model

The model was first implemented for KCSE 2022 student cohort. The Kenya Human Rights Commission and Others petitioned the Court against implementing the Model and order of prohibition were issued. This affected financing of 1st and 2nd year students.

v. Low funding of Research and Innovation

Allocations for research, science, technology, and innovation have declined, resulting in a low national research and development (R&D) expenditure of 0.8% of GDP, falling short of the target of 2%. As such many public research institutions and universities lack adequate research and innovation infrastructure.

6.4 Recommendation

Arising from the challenges the following recommendations are made:

- i. **Increase HELB Funding:** To meet the growing demand for student loans, the government should allocate more funds to the Higher Education Loans Board (HELB). Early Disbursement of Funds: HELB should receive funding from the exchequer in the first quarter of the financial year to ensure timely disbursement of student loans, aligning with the opening dates of institutions.
- ii. **Centralized Data Management:** Implement a robust centralized data management system to inform policy and decision-making in the university sector.
- iii. **Long-Term Funding for Accreditation:** Allocate lump sum budgetary provisions for successive medium term periods to support university accreditation and quality assurance.
- iv. **Targeted Funding for Young Universities:** Provide lump sum support to young universities and research projects to promote equity and infrastructure development.
- v. **Complete Funding for Research Programs:** Fully fund subsector research and development programs to address a budget deficit.
- vi. **Curriculum Alignment:** Public universities should accelerate the alignment of their curricula with the Competency-Based Education (CBE), with the support of the Commission for University Education (CUE).
- vii. **Asset Utilization:** Develop a framework for utilizing idle assets and resources through public-private partnerships to generate income and services.
- viii. **Human Resource Optimization:** Conduct HR audits in public universities and implement a phased rationalization process.

6.5 Conclusion and Way Forward

The Higher Education and Research Sub-Sector will continue implementing a comprehensive set of programs and projects designed to improve various facets of higher education. These initiatives focus on enhancing access to quality education, improving retention rates, increasing completion rates, and promoting gender parity within the higher education landscape.

To enhance access, the sub-sector will work on reducing barriers to enrollment, particularly for marginalized groups. This may involve the reviewing of scholarship programs, outreach initiatives

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

in underserved communities, and the development of flexible learning options such as open/online courses and evening classes tailored to working students.

Improving the quality of education will involve continuous development and updating of curricula to align with industry standards and emerging trends. Faculty training and professional development will also be prioritized to ensure educators are equipped with the latest pedagogical skills and knowledge. Regular assessments and feedback mechanisms will be implemented to gauge educational effectiveness and make necessary adjustments.

Retention and completion rates will be bolstered through the implementation of supportive services such as academic advising, mentorship programs, and mental health services. Institutions will focus on creating a supportive and inclusive campus environment that promotes student engagement and well-being, thus reducing dropout rates and encouraging students to complete their degrees.

In terms of gender parity, specific measures will be taken to empower female students through targeted mentorship programs, leadership training, and initiatives aimed at fostering an inclusive atmosphere that encourages women to pursue fields traditionally dominated by men, such as Science, Technology, Engineering, and Mathematics(STEM)

Ensuring an adequate supply of human capital to the economy requires a strategic alignment of educational outcomes with labor market needs. The sub-sector will enhance creativity among students by incorporating innovative teaching methods, project-based learning, and interdisciplinary approaches that encourage critical thinking and problem-solving. Furthermore, research and innovation will be prioritized, with increased funding for research initiatives, collaboration with industry partners, and the establishment of innovation hubs. These efforts aim to bridge the gap between academia and industry, facilitating knowledge transfer and creating pathways for students to engage in real-world projects, internships, and employment opportunities.

Overall, the Higher Education and Research sub-sector is dedicated to fostering a vibrant educational ecosystem that not only addresses current challenges but also equips students with the skills and knowledge necessary to thrive in a dynamic and ever-evolving economy. By focusing on these interconnected areas, the sub-sector aims to create a sustainable and inclusive higher education framework that meets the needs of both students and the broader society.

Signature 

Date..... *18/11/2025*

Dr. Beatrice M. Inyangala
Principal Secretary/Accounting Officer
State Department for Higher Education

7. Statement of Performance Against Predetermined Objectives for FY2024/25

7.0 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 of 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) 2023-2027 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:

Name of the State Department for Higher Education and Research: State Department for Higher Education and Research								
Programme and Sub-Programme Performance Report - non-financial for the FY 2024/25 (As of 30th June 2025)								
Name of Programme	SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual as of 30 th June 2025	Variance	Remarks
University Education: To promote access and equity; quality and relevance through advancement	University Education	Universities	University education services	No. of students graduated	50,000	60,000	10,000	Target exceeded due to high transition to university
	Quality Assurance and Standards	Commission for Universities Education	University programmes accreditation services	No. of Campus/ODEL Centers evaluated for accreditation	30	31	1	Target Surpassed

Name of the State Department for Higher Education and Research: State Department for Higher Education and Research								
Programme and Sub-Programme Performance Report - non-financial for the FY 2024/25 (As of 30th June 2025)								
Name of Programme	SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual as of 30 th June 2025	Variance	Remarks
of knowledge in university education.				No. of academic programmes audited	10	0	0	Performance affected by delays in release of Exchequer
				No. of academic programmes aligned to CBE	200	137	(63)	Priority given to Teacher Education Programmes
				No. of academic staff trained on CBE	2000	3140	1140	The training was spearheaded by CUE
	Higher Education Support Services	The Kenya Universities and Colleges Central Placement Services	Students placement services	No. of students placed in universities	144,000	295,955	151,955	The Main placement was concluded with 4,019 late applicants placed together with 2024 cohort.
				No. of students placed in TVET Institutions	249,971	318,068	68,097	Placed to TVETS, TTC and KMTC was continuous throughout the year.
				No. of secondary schools guided on career choices	6,822	7,018	196	KUCCPS carried out career guidance activities to form four leavers in

Name of the State Department for Higher Education and Research: State Department for Higher Education and Research								
Programme and Sub-Programme Performance Report - non-financial for the FY 2024/25 (As of 30th June 2025)								
Name of Programme	SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual as of 30 th June 2025	Variance	Remarks
								preparation for Placement application for placement cycle 2025/2026.
		Directorate of Higher Education	Higher Education Support Services	No. of bilateral /MOUs on higher education	8	5	(3)	
				No. of students nominated for scholarships in foreign universities	PhD-69	PhD-69	0	Nomination based on the number of scholarships given by the friendly countries.
					Masters-182	Masters-182		
					OTM-20	OTM-20		
					Undergraduate- 186	Undergraduate- 186		
			No. of workshops on capacity building of university councils and senior management		2	5	3	Target Met
		Higher Education Loans Board (HELB)	Tertiary education financing services	No. of university and TVET students on loans	895,807	620,003	(275,804)	Allocated funds for the financial year did not matching the number of applicants
				No. students receiving heroes bursaries		1		

Name of the State Department for Higher Education and Research: State Department for Higher Education and Research								
Programme and Sub-Programme Performance Report - non-financial for the FY 2024/25 (As of 30th June 2025)								
Name of Programme	SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual as of 30 th June 2025	Variance	Remarks
		University Fund	Universities students sponsored	No. of students in public universities sponsored	535,450	478,660	(56,790)	Low budget allocation amid growing demand
				Students in private universities sponsored	67,600	59,514	(8,086)	Low budget allocation compared with growing demand
Research, Science, Technology and Innovation: To formulate, review and implement Programmes for the development and harnessing of research, science, technology and innovation.	Research Management and Development	National Research Fund	Research funding services	No. of projects funded	35	40	5	Target met

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

Name of the State Department for Higher Education and Research: State Department for Higher Education and Research								
Programme and Sub-Programme Performance Report - non-financial for the FY 2024/25 (As of 30th June 2025)								
Name of Programme	SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual as of 30 th June 2025	Variance	Remarks
				No. of up-scaled research projects commercialized	6	1	5	The target was to have 6 research projects up-scaled to commercialization . The process of upscaling five (5) projects is ongoing. One (1) project has been up-scaled to commercialization .
		Department of Research Development	Research services	% Completion of Science and Technology Parks Initiatives	-	-	-	No budgetary allocation was provided for the project.
				% completion of Physical Science Lab Phase I	-	-	-	No budgetary allocation was provided for the project.
				% completion of Infrast Dev. For National Sci. Techn & Innovation Indicators Observatory	-	-	-	No budgetary allocation was provided for the project.

State Department for Higher Education and Research
Annual Report and Financial Statements for the year ended June 30, 2025.

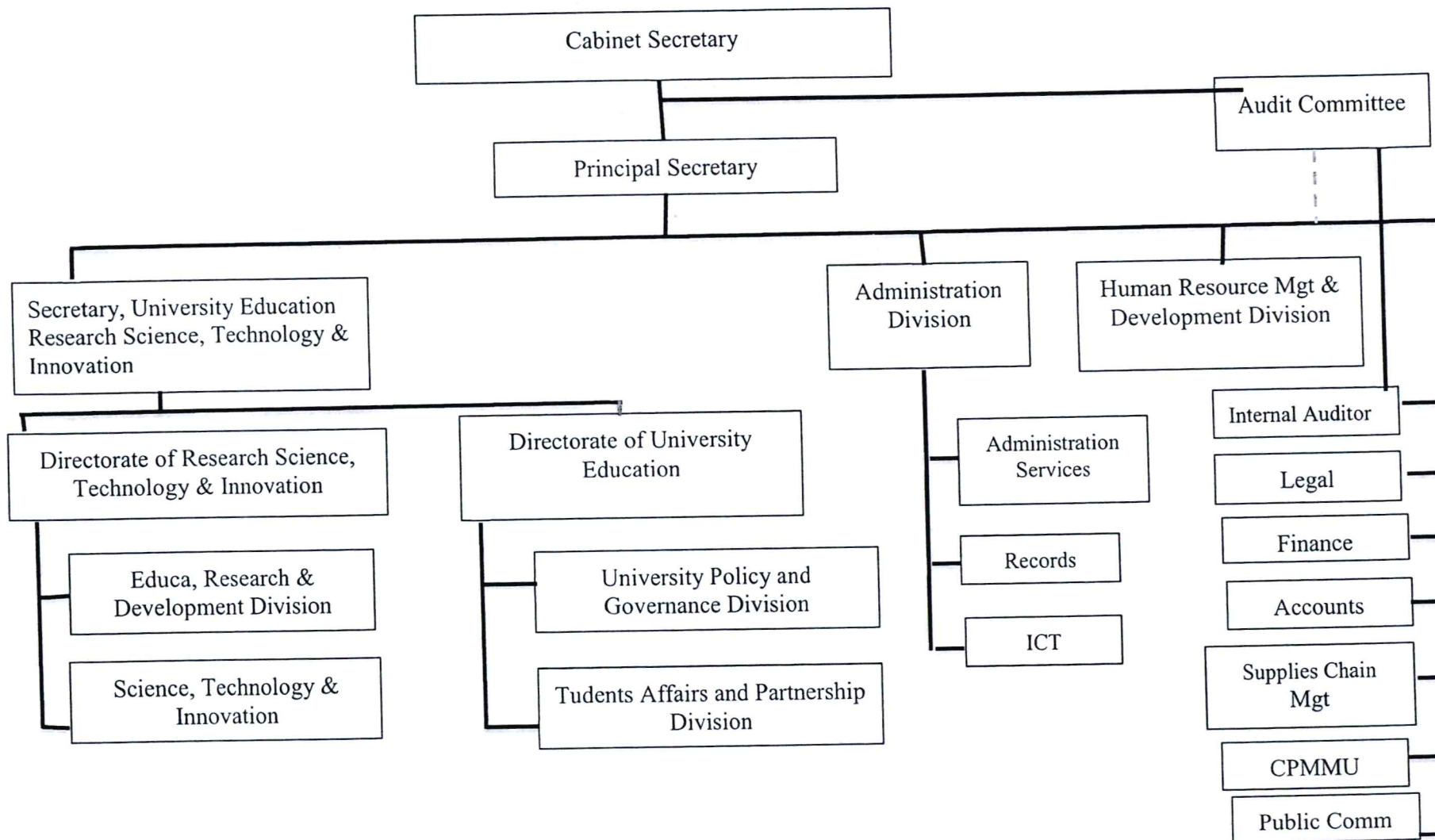
Name of the State Department for Higher Education and Research: State Department for Higher Education and Research								
Programme and Sub-Programme Performance Report - non-financial for the FY 2024/25 (As of 30th June 2025)								
Name of Programme	SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual as of 30 th June 2025	Variance	Remarks
		National	Science Technology and	No. of Research Institutes	3 new research institutes Registered	6 new research institutes registered	3	
		Commission for Science	Innovation Promotion Services	registered/Accredited and				
		Technology and Innovation		inspected				
					4 research institutes Inspected	0	(-4)	Process of registering new research institutes is ongoing
					4 ISERC accredited	6 SERCs, inspected	2	
				No. of State Department for Higher Education and Research mainstreaming on STI	339	339	0	Mainstreaming of STI done through PC
General Administration, Planning and Support Services: To provide effective and efficient support services to the State	Headquarters Administrative Services	Central Planning	Planning Monitoring and	No. of downstream performance	48	48	0	All PCs were successfully negotiated
		and Project Monitoring Unit	Evaluation Services	contracts				

State Department for Higher Education and Research
 Annual Report and Financial Statements for the year ended June 30, 2025.

Name of the State Department for Higher Education and Research: State Department for Higher Education and Research								
Programme and Sub-Programme Performance Report - non-financial for the FY 2024/25 (As of 30th June 2025)								
Name of Programme	SUB-PROGRAMME	Delivery Unit	Key Output	Key Performance Indicator	Annual Target(s)	Actual as of 30 th June 2025	Variance	Remarks
Department for Higher Education and Research								
				No. of project monitoring reports prepared	4	2	(2)	M&E funds received at the end of 3 rd quarter
		Human Resource Management	Human Resource Management Services	No. of staff trained	70	40	(30)	Inadequate funds allocated for training for training

8. Governance Statement

APPROVED ORGANIZATION STRUCTURE FOR THE STATE DEPARTMENT FOR UNIVERSITY EDUCATION



Key Management Committees Established and Their Roles

The Audit Committee

Audit Committee in the State Department is established as per the PFMA 2012 Sec73 (5) and 155(5) and Regulation 174(1) which gives authority for the accounting officers and the governing bodies to appoint audit committee.

The Committee is in place and vibrantly performing its roles and holds regular meetings which give an outline of the financial status of the State Department. The Internal Auditor is the secretary to the committee.

Human Resource Management Advisory Committee (HRMAC)

This the committee that is charged with undertaking various human resource matters in the State Department. It deals with all staff issues including promotions discipline and promotion of values and Principles of Public Service.

Report on recent training and development in governance for those in key leadership

The Ministry sponsors senior staff in courses in various matters of governance such as strategic Development, senior management and executive development. However, resource constraint is a huge challenge in this activity.

3.3.4 Public participation activities

The State Department organized stakeholders' public participation on the New University Education Funding Model (NCRNUEFM) through a gazette in the special issue of the Kenya Gazette Vol. CXXVI- No. 142 on 16th September, 2024, to address the following issues: review and refinement of the New Funding Model for Universities, appeals arising from categorization of students into various eligibility bands for allocation of scholarships and loans, structure of students' loans, and review of the cost of university academic programmes. The consultation led to the rationalization of university fees and the issuance of a directive to reduce the fees for students per semester to a range from a minimum contribution of Kshs 5,814 to a maximum of Kshs 75,000.

3.3.5 Compliance with laws and regulations among others

Regular Audits, filing of reports to Statutory bodies is done as the public service procedures as a means of enhancing accountability in the State Department.

State Department for Higher Education and Research
Annual Report and Financial Statements for the year ended June 30, 2025.

9. Management Discussion and Analysis

Table 2.4 Analysis by category of Expenditure: Programmes (Kshs. Million)						
Programme Details	Approved Budget			Actual Expenditure		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
P1 University Education						
1.1 University Education	89,568.22	100,118.53	80,091.82	81,406.9	87,508.93	78,011.13
1.2 Quality Assurance and Standards	378.05	583.05	494.44	282.490	495.50	494.44
1.3 Higher Education Support Services	17,104.77	57,859.09	57,904.56	17,001.426	50,268.37	56,393.40
Sub Total P1	107,051.04	158,560.67	138,490.81	98,690.915	138,272.80	134,898.97
P2 Research, Science, Technology and Innovation						
2.1 Research Management and Development	664.67	500.68	455.33	654.797	426.74	385.27
2.2 Knowledge and Innovation Development and Commercialization	132.87	0	0.00	97.875	0	0.00
2.3 Science and Technology Development and Promotion	269.84	260.42	338.16	269.841	260.41	338.16
Sub Total P2	1,067.38	761.1	793.49	1,022.515	687.15	723.43
P3 General Administration, Planning & Support Services						
3.1 Headquarters Administrative Services	331.87	365.55	363.46	290.183	343.01	357.24
Sub Total P3	331.87	365.55	363.46	290.183	343.01	357.24
TOTAL VOTE 1065	108,450.29	159,687.32	139,647.76	100,003.61	139,302.96	135,979.64

University Education programme was allocated Kshs. 107,051.04 million in FY 2022/23 and Kshs. 158,560.67 million in FY 2023/24 and Kshs. 138,490.81 million in FY 2024/25 against an actual expenditure of Kshs. 98,690.915 million in FY 2022/23, Kshs. 138,272.80 million in FY 2023/24 and Kshs. 134,898.97 million in FY 2024/25, respectively. The University Education Programme was allocated the largest component of the total approved budget at 99%, 99% and 99% in FY 2022/23, 2023/24 and FY 2024/25 respectively. This was done to facilitate expenditure needs for both recurrent and capital for efficient service delivery in the universities and SAGAs that directly support universities.

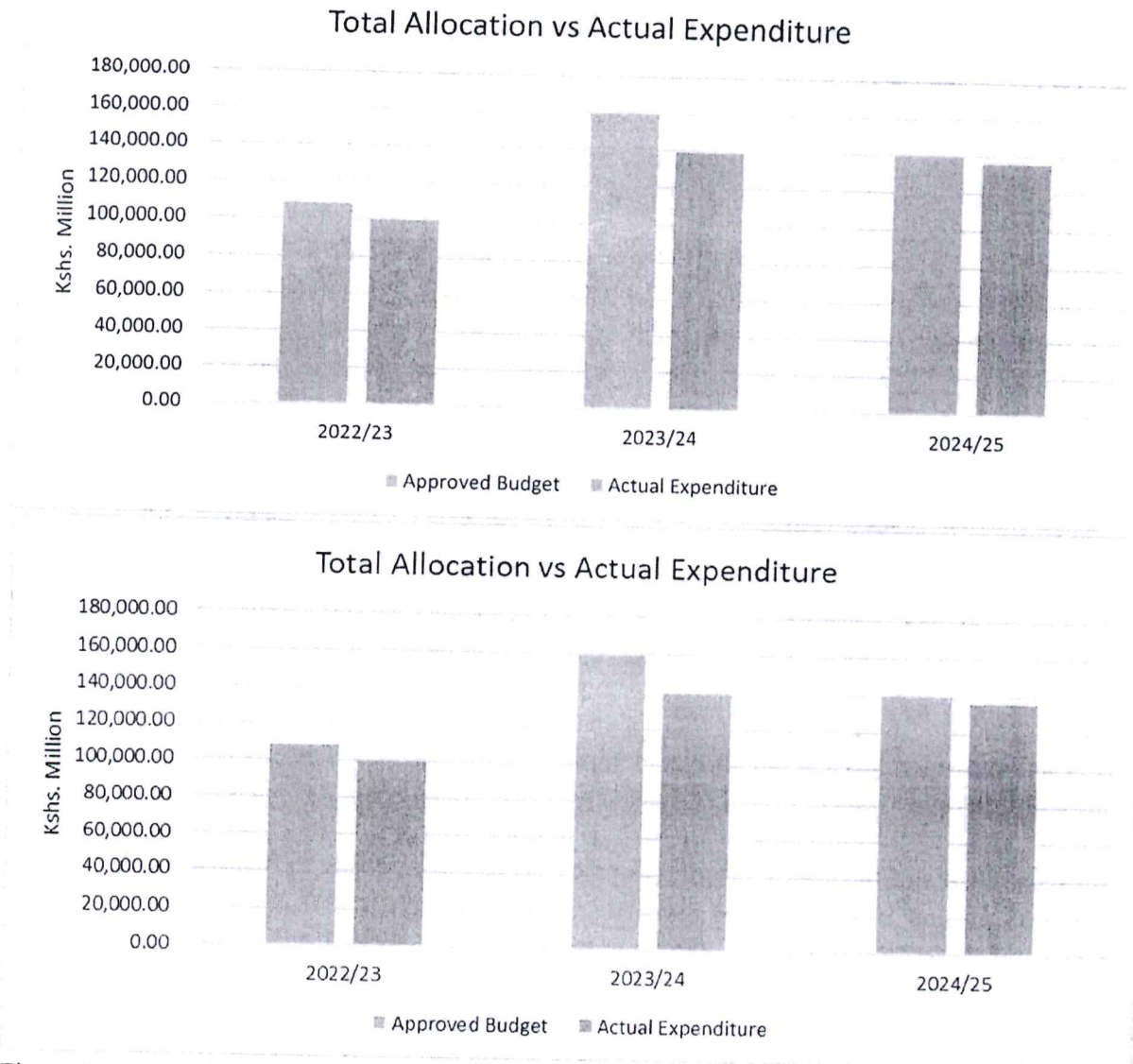


Figure 1: Comparison between approved budget versus Actual Expenditure for the state department

University Education sub-programme was allocated Kshs. 89,568 million in FY 2022/23 and Kshs. 100,118.53 million in FY 2023/24 and Kshs. 80,091.82 million in FY 2024/25, against an actual expenditure of Kshs. 81,406.9 million, Kshs. 87,508.93 million and Kshs. 78,011.13 million for FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

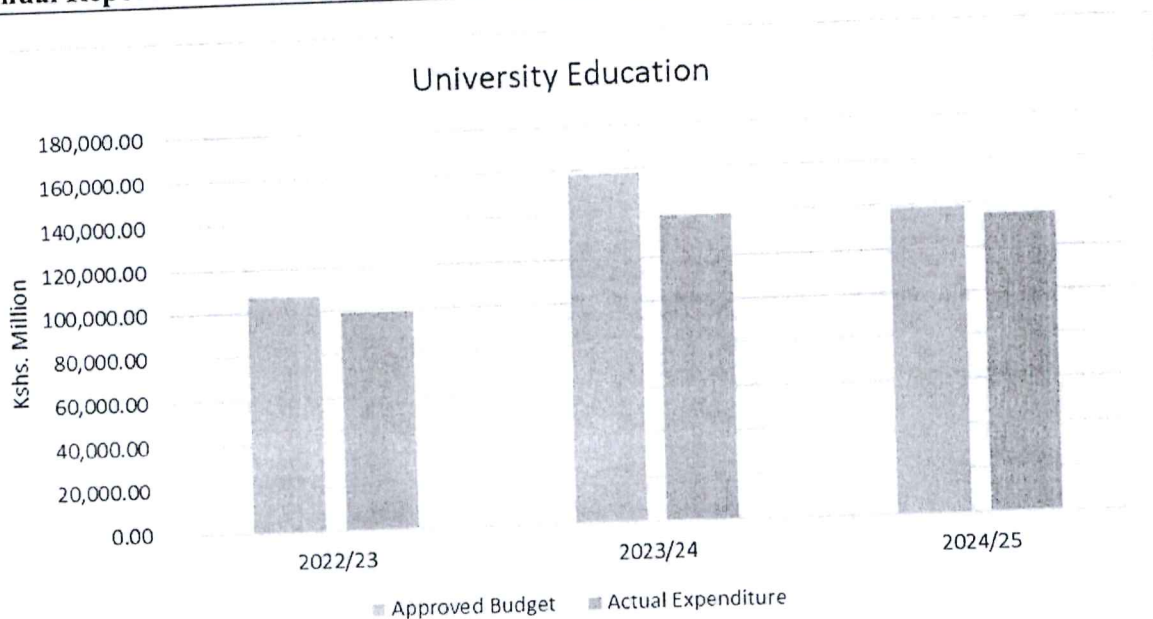


Figure 2: Comparison between approved budget versus Actual Expenditure for the University Education Programme

Quality Assurance and Standards sub-programme was allocated Kshs. 378 million in FY 2022/23, Kshs. 583.05 million in FY 2023/24 and Kshs. 494.44 million in FY 2024/25 against an actual expenditure of Kshs. 284.49 million, 495.50 million and Kshs. 494.44 million for FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

Higher Education Support Services sub-programme was allocated Kshs. 17,104 million in FY 2022/23, Kshs. 57,859.09 million in FY2023/24 and Kshs. 57,904.56 million in FY 2024/25 against an actual expenditure of Kshs. 17,001.43 million, Kshs. 50,268.37 million and Kshs. 56,393.40 million for FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

The allocation to Research, Science, Technology and Innovation decreased from Kshs. 1,067.38 million in FY 2022/23 to Kshs. 761.1 million in FY 2023/24 and Kshs. 793.49 million in FY 2024/25 due to transfer of Knowledge and Innovation Development and Commercialization sub-programme. The expenditure for the same period was Kshs. 1,022.52 million, Kshs. 687.15 million and Kshs. 723.43 million for FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

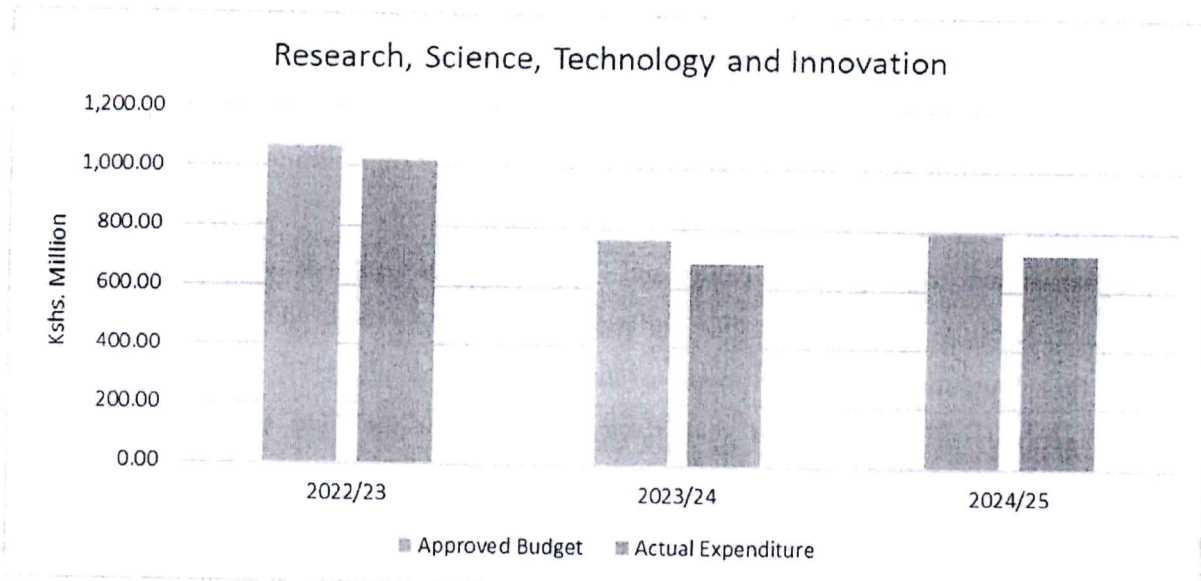


Figure 3: Comparison between approved budget versus Actual Expenditure for Research, Science, Technology and Innovation Programme

In the General Administration, Planning & Support Services programme the budget was Kshs. 331 million in FY 2022/23, Kshs. 365.55 million in FY 2023/24 and Kshs. 363.46 million in FY 2024/25. The actual expenditure for this programme is Kshs. 290.18 million, Kshs. 343.01 million and Kshs. 357.24 million for FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

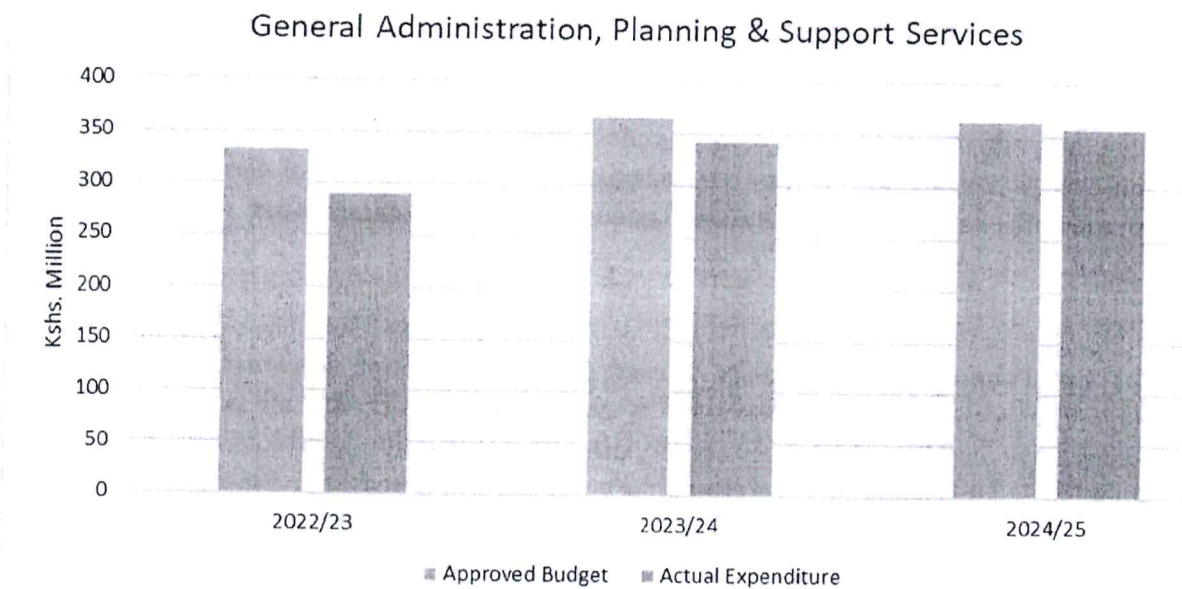


Figure 4: Comparison between approved budget versus Actual Expenditure for General Administration, Planning and Support Services

10. Environmental and Sustainability Reporting for the State Department for Higher

Education

The State Department for Higher Education and Research holds a pivotal mandate to enhance the quality and accessibility of higher education and promote innovative research throughout the country. Central to this mandate is a commitment to sustainability the ability to maintain and deliver educational services to citizens in a sustainable manner over the long term. Our strategy on sustainability targets five core areas: environmental performance, employee welfare, operational practices, market place practices, and community engagement. By embedding sustainability into our operational framework and research initiatives, we endeavour not only to fulfill our educational mandate but also to ensure a positive, meaningful impact on the environment and society as a whole.

a) Sustainability strategy and profile

The drive for sustainability in the State Department is led by top management, particularly the accounting officer, who emphasizes sustainable efforts aligned with broad political and macroeconomic trends influencing our sustainability priorities. Our strategy draws from international best practices, ensuring that we remain at the forefront of sustainability efforts in higher education and research. Key achievements, such as implementing energy-efficient practices in educational institutions and promoting green research initiatives, highlight our commitment, though we acknowledge certain shortcomings like the need for more robust data on energy consumption across our campuses. Moving forward, we aim to enhance policy frameworks based on these learnings, fostering a culture of sustainability within the education sector.

b) Environmental performance /climate change/ mitigation of natural disasters

Our environmental policy serves as a guiding framework for all activities within the department, emphasizing energy conservation, waste reduction, and biodiversity preservation. Evidence of this commitment includes the establishment of recycling programs in universities and investment in renewable energy sources for our facilities. Our successes include significant reductions in carbon emissions and successful partnerships with environmental organizations to promote biodiversity. However, challenges remain, particularly in waste management, where we must implement stricter protocols to minimize waste generated by research activities. Efforts to mitigate the risks of natural disasters include developing resilience plans for educational institutions to ensure continuity of service during such events.

c) Employee welfare

Our hiring processes are guided by policies that promote diversity and inclusion, ensuring an equitable gender ratio across all levels of employment. Regular stakeholder engagement

informs continuous improvements to these processes. Professional development is prioritized through skills improvement programs, mentorship opportunities, and career management initiatives, complemented by fair appraisal and reward systems tied to performance metrics that uphold ethical standards. Additionally, our policy complies with the Occupational Safety and Health Act of 2007 (OSHA), implementing safety protocols to safeguard employee well-being and foster a culture of safety.

d) Operational practices

Maintaining ethical business practices is foundational to the operations of the State Department. We ensure that our suppliers and contractors are treated responsibly by honoring contracts and adhering to transparent payment practices. These practices foster strong relationships with our suppliers and contribute to a fair marketplace environment. Our procurement policies require suppliers to comply with environmental and social standards, further reinforcing our commitment to corporate responsibility.

e) Community Engagements-

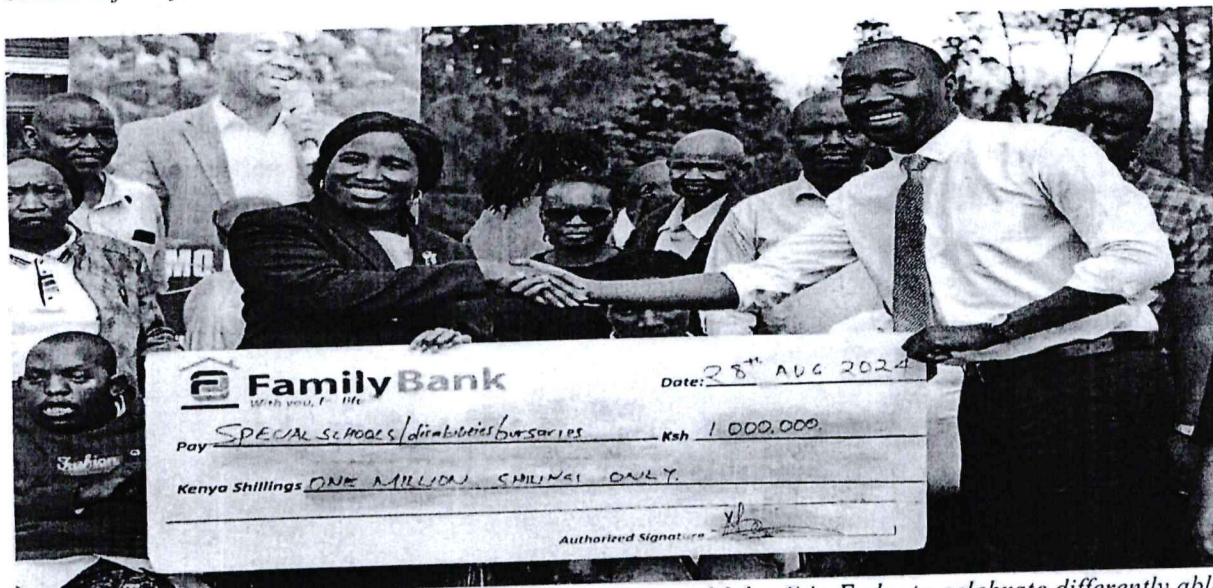
The State Department actively engages in various Corporate Social Responsibility (CSR) initiatives aimed at enhancing community welfare. Recent efforts include scholarships for underprivileged students, partnerships with local organizations to promote science education in underserved areas, and support for community research projects that address local environmental issues. The impact of these engagements is evident in improved access to education and resources for marginalized communities and heightened awareness of sustainable practices among students and educators. The department recognizes the importance of measuring the outcomes of these initiatives to continuously refine and improve our community engagement strategies.

By consciously integrating sustainability into all facets of our operations, from environmental policy to community outreach, the State Department for Higher Education and Research lays the groundwork for a sustainable future for both the education sector and the broader community.



PS.

Dr. Beatrice Inyangala takes a photo after Gifting student in Driving Green Growth & Climate Finance Solutions for Africa and the World conference



PS. Dr. Beatrice Inyangala takes a photo with Hon Gitonga Mukunji in Embu to celebrate differently abled people and sensitizing students and parents on the New Funding Model for university education



PS. Dr. Beatrice Inyangala takes a photo planting a tree at Bishop Sulumet Girls High School, Kakamega



PS. Dr. Beatrice Inyangala takes a photo planting a tree at Masinde Muliro University of Science and Technology

11. Statement of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government State Department shall prepare financial statements in respect of that State Department. 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 State Department for Higher Education and Research is responsible for the preparation and presentation of the State Department for Higher Education and Research's financial statements, which give a true and fair view of the state of affairs of the State Department for Higher Education and Research for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the State Department for Higher Education and Research, (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 Higher Education and Research; (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 Higher Education and Research accepts responsibility for the State Department for Higher Education and Research's financial statements, which have been prepared on the transitional IPSAS using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department for Higher Education and Research's financial statements give a true and fair view of the state of State Department for Higher Education and Research's transactions during the financial year ended June 30, 2025, and of the State Department financial position as at that date. The Accounting Officer further confirms the completeness of the accounting records maintained for the State Department for Higher Education and Research, which have been relied upon in the preparation of the State Department for Higher Education and Research's financial statements as well as the adequacy of the system of internal controls.

State Department for Higher Education and Research
Annual Report and Financial Statements for the year ended June 30, 2025.

The Accounting Officer in charge of the State Department for Higher Education and Research confirms that the State Department for Higher Education and Research has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the State Department for Higher Education and Research's 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 Higher Education and Research'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 Higher Education and Research's financial statements were approved on
18/11/2025 and signed by:


.....

Dr. Beatrice M. Inyangala

Accounting Officer

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR HIGHER EDUCATION AND RESEARCH FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of State Department for Higher Education and Research set out on pages 1 to 50, which

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of the State Department for Higher Education and Research as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Qualified Opinion

Misstated Appropriation-in-Aid

The statement of financial performance reflects rendering of services (AIA collection) amount of Kshs.48,709,095,717 as disclosed in Note 9 to the financial statements. However, the amount varies with total collection of Kshs.69,750,415,846 disclosed in appendix V to the financial statements, resulting to an understatement of Kshs.21,041,320,129. Management attributed the understatement to the Integrated Financial Management Information System platform which is configured to restrict the processing of journals that exceed the approved budgetary provisions.

In the circumstances, the accuracy and completeness of the rendering of services (AIA collection) amount of Kshs.48,709,095,717 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.139,647,759,781 and Kshs.135,981,893,348 respectively resulting into underfunding of Kshs.3,665,866,433 or 2.6% of the budget. However, underfunding below the 10% threshold was note on

the following budgeted items; transfers from other government entities and proceeds from domestic and foreign grants of 26% and 22% of the budget respectively.

In the circumstances, the underfunding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of the Foundation in 2024/2025 revealed that the following eight (8) issues remained unresolved as of 30 June, 2025.

1. Misstated appropriation-in-aid,
2. Misstated grants and transfers to other government entities,
3. Unconfirmed deposits and retentions,
4. Budgetary control and performance,
5. Staff over and under establishment,
6. Unsupported expenditure commitments, and
7. Stalled project on science & technology parks.

Other Information

The Management is responsible for the Other Information set out on pages iii to xxxvii which comprise of Key Entity Information and Management, Statement of Governance, Statement by the Cabinet Secretary, Statement by the Principal Secretary, Statement of Performance Against Predetermined Objectives for the FY 2023/24, Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Long Outstanding Retention Monies

The statement of financial position reflects a balance of Kshs.105,537,364 in respect of refundable deposits as disclosed in Note 17 to the financial statements. Included in the balance is Kshs.16,695,559, being retention monies held for a contractor. However, this retention has been outstanding for more than two (2) years. Management did not explain why the retention monies have not been released to the contractor.

In the circumstances, there is risk of incurring penalties and interest with the continued undue holding to the retention monies

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of a Risk Management Framework/Policy

Management did not have risk management framework in place, contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 that requires the Accounting Officer to develop risk management strategies which include fraud prevention mechanism and a system of risk management and internal control.

In the circumstances, the State Department risk management processes may not be effective.

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL


Nairobi

27 November, 2025

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

	Notes	
Revenue from non-exchange transactions		
Transfers from Exchequer	6	82,030,747,817
Transfers from Domestic and Foreign Partners	7	24,330,217
Loan recoveries from HELB	8	5,217,719,597
Total		87,272,797,631
Revenue from exchange transactions		
Rendering of services(AIA collection)	9	48,709,095,717
Total revenue		135,981,893,348
Expenses		
Employee costs	10	249,920,753
Use of goods and services	11	236,109,691
Transfers to other Government Entities	12	82,165,723,777
Other Grants and Subsidies	13	53,325,594,877
Total expenses		135,977,349,098
Surplus/Deficit for the year		(4,544,250)
Net Surplus/Deficit		(4,544,250)

The Financial Statements set out on pages 1 to 11 were signed by:



Dr. Beatrice M. Inyangala
Accounting Officer



CPA Margaret W. Kariuki
Head of Accounting Unit
ICPAK M/No 4291.


(Paragraph 79 of IPSAS 33 allows for the election by an MDA to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position, and an opening statement of financial position at the time of adoption of the accrual basis of accounting. In preparing this financial reporting template, this election has been made; therefore, there are no comparatives in the first year of transition.)

State Department for Higher Education and Research
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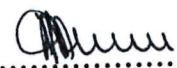
14 Statement of Financial Position as at 30 June 2025

		2024/25	2023/24
		KShs	KShs
Assets			
Current Assets			
Cash and Cash equivalents	14	107,820,509	36,993,347
Receivables from Exchange Transactions	15(a)	3,000,526	40,121
Total Current Assets		110,821,035	37,033,468
Non-Current Assets		-	-
Total Assets (a)		110,821,035	37,033,468
Liabilities			
Current Liabilities			
Trade and Other Payables	16	699,300	-
Refundable Deposits	17	105,537,364	22,758,352
Total Current Liabilities		106,236,664	22,758,352
Non-Current Liabilities		-	-
Total Liabilities (b)		106,236,664	22,758,352
Net Assets (a-b)		(4,584,371)	14,275,116
Represented by:			
Reserves		-	-
Accumulated Surplus		-	-
Capital Fund		-	-
Net Assets		(4,584,371)	14,275,116

The financial statements set out on pages 1 to 11 were signed by:



Dr. Beatrice M. Inyangala
 Accounting Officer



CPA Margaret W. Kariuki
 Head of Accounting Unit
 ICPAK M/No 4291.

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

	Accumulated Surplus	Reserves	Capital Fund	Total
Fund balance as at 30th June 2024	14,275,116	-	-	14,275,116
Adjustments	-			-
Recognition of Assets				
Recognition of Liabilities	(-)			(-)
As at July 1, 2024	14,275,116	-	-	14,275,116
Return to Exchequer	(14,234,995)			(14,234,995)
Surplus/ deficit for the year	4,544,250			4,544,250
Capital funds received in the year			-	
As at June 30, 2025	(4,584,371)	-	-	(4,584,371)

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

	Notes	Kshs
Cash flows from operating activities		
Receipts		
Transfers from exchequers	6	82,030,747,817
Transfers from domestic and foreign partners	7	24,330,217
Levies, fines, penalties and forfeitures	8	5,217,719,597
Rendering of services – (AIA)	9	48,709,095,717
Change in deposits		82,779,012
Total receipts		136,064,672,360
Payments		
Employee costs	10(a)	249,895,352
Use of goods and services	11(a)	238,396,196
Transfers to other Government Entities	12	82,165,723,777
Other Grants and Subsidies	13	53,325,594,877
Total payments		135,979,610,202
Net cash flows from/(used in) operating activities	18	85,062,158
Cash flows from investing activities		
Net cash flows from/(used in) investing activities		-
Cash flows from financing activities		
Return to Exchequer		-14,234,996
Net cash flows from financing Activities		-14,234,996
Net increase/(decrease) in cash & Cash equivalents		70,827,162
Cash and cash equivalents at 1 July	14	36,993,347
Cash and cash equivalents at 30 June 2025	14	107,820,509

(PSASB has prescribed the use of direct method for cashflow preparation)

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

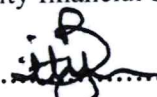
Recurrent and Development Combined

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparative Basis	Budget Variance	% of Allocation
	1	2	3	4	5	6
Receipts						
Exchequer releases	80,191,194,444.00	1,958,334,546.00	82,149,528,990.00	82,030,747,816.65	118,781,173.35	99.86%
Transfers from other government entities	40,000,000.00	(7,000,000.00)	33,000,000.00	24,330,217.50	8,669,782.50	73.73%
Proceeds from domestic and foreign grants	4,726,000,000.00	2,000,000,000.00	6,726,000,000.00	5,217,719,597.00	1,508,280,403.00	77.58%
Proceeds from sale of assets	38,429,000,000.00	12,310,230,791.00	50,739,230,791.00	48,709,095,716.50	2,030,135,074.50	96.00%
Total Receipts	123,386,194,444.00	16,261,565,337.00	139,647,759,781.00	135,981,893,347.65	3,665,866,433.35	97.37%
Payments						
Compensation of employees	259,000,000.00	-3,700,000.00	255,300,000.00	249,895,352.80	5,404,647.20	97.88%
Use of goods and services	200,127,788.00	47,745,605.00	247,873,393.00	238,421,595.90	9,451,797.10	96.19%
Transfers to other government entities	71,812,044,685.00	12,497,949,732.00	84,309,994,417.00	82,165,723,776.80	2,144,270,640.20	97.46%
Other grants and transfers	53,115,021,971.00	1,719,570,000.00	54,834,591,971.00	53,325,594,877.00	1,508,997,094.00	97.25%
Total Payments	125,386,194,444.00	14,261,565,337.00	139,647,759,781.00	135,979,635,602.50	3,668,124,178.50	97.37%
Surplus		-	-	2,257,745.15	-	

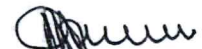
(a) **Variance analysis:** [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

Transfers from other government entities (73.73%) these funds relate to Donor funded FAPA project received as direct payments by the implementing entity (Cooperative University) the variance relates to under absorption of the budget to under absorption of the budget
 Proceeds from domestic and foreign grants (77.58%)-the variance was as a result of low recoveries of HELB loans of low recoveries of HELB loans

The entity financial statements were approved on 18/11 2025 and signed by:



Dr. Beatrice M. Inyangala
 Accounting Officer



CPA Margaret W. Kariuki
 Head of Accounting Unit
 ICPAK M/No 4291.

Budget Reconciliation to the Statement of Cash Flows

Description of Particulars		Amount in K Shs
	Actual Surplus Amounts as per the statement of Budget	2,257,745.15
1	Basis difference	
2	Timing differences	105,486,963.85
3	Entity differences	
4	Classification differences	75,800
	Closing Cash and Cash Equivalent as per the statement of Cash flows	107,820,509

Note: Timing difference see Appendix VII: Analysis of Deposit

<i>Classification differences</i>	<i>Kshs</i>
<i>Temporary Imprest</i>	<i>25,400</i>
<i>Imprest cash recovery</i>	<i>50,400</i>
<i>total</i>	<i>75,800</i>

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Budget Execution by Programmes and Sub-Programmes for FY2025

Programmes and Sub-Programmes	Programme Code	Original Budget	Adjustments	Total Budget	Actual on Budget till date	Budget utilization till date
		Ks/RS	Ks/RS	Ks/RS	Ks/RS	%
University Education	504000000	119,595,951,225.00	18,894,860,614.00	138,490,811,839.00	134,898,972,110.85	3,591,839,728.15
University Education	504010000	64,090,256,533.00	16,001,560,614.00	80,091,817,147.00	78,011,131,177.80	2,080,685,969.20
Quality Assurance and Standards	504020000	444,438,964.00	50,000,000.00	494,438,964.00	494,438,963.75	0.25
Higher Education Support Services	504030000	55,061,255,728.00	2,843,300,000.00	57,904,555,728.00	56,393,401,969.30	1,511,153,758.70
Research, Science, Technology and Innovation	506000000	635,046,490.00	158,441,750.00	793,488,240.00	723,426,313.85	70,061,926.15
Research Management and Development	506010000	316,887,378.00	138,441,750.00	455,329,128.00	385,267,201.85	70,061,926.15
Science and Technology Development and Promotion	506030000	318,159,112.00	20,000,000.00	338,159,112.00	338,159,112.00	0.00
General Administration, Planning and Support Services	508000000	231,901,452.00	131,558,250.00	363,459,702.00	357,237,177.80	6,222,524.20
Headquarters Administrative Services	508010000	231,901,452.00	131,558,250.00	363,459,702.00	357,237,177.80	6,222,524.20
Total		120,462,899,167.00	19,184,860,614.00	139,647,759,781.00	135,979,635,602.50	3,668,124,178.50

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

18. Notes to the Financial Statements

1. Establishment

The State Department for Higher Education and Research is established by and derives its authority and accountability from Executive Order No. 1 of 2023. The State Department for Higher Education and Research is wholly owned by the Government of Kenya and is domiciled in Kenya. The State Department for Higher Education and Research's principal activity is to develop University Education Policy and Standards, University Education Management; Management of Continuing Education (excluding TVETS); Public Universities Management, Co-ordinate and oversee the implementation of the new Higher Education Funding Model; and, Steer the implementation of the recommendations of the Presidential Working Party on Education Reform relating to higher education.

2. Statement of Compliance and Basis of Reporting
Statement of compliance

These financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and the State Department has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st year financial statements are transitional financial statements and the following elements –

- (i) Non-financial Assets
- (ii) Inventory,

of the financial statements have not been recognised as the state department has taken advantage of the transition provisions outlined IPSAS 33. The state department has used the PSABS roadmap below as a guide into the transition period to take care of the financial elements not recognised in the financial statements.

Year	Financial Year	Financial Statements
0	FY 2023/2024 1 st July 2024	Audited IPSAS cash-based financial statements Opening Statement of Financial Position
1	FY 2024/2025- 30 th June 2025	The first transitional IPSAS accrual financial statements include financial assets and financial liabilities. Financial assets include cash and cash equivalents, receivables, and investments. Financial liabilities, on the other hand, comprise payables (commonly referred to as pending bills) and debt. This is mandatory for the FY 2024/2025 financial statements. Entities that will have identified some or all other assets and liabilities may include them in the first transitional IPSAS accrual Statement of Financial Position and disclose the same
2	FY 2025/2026- 30 th June 2026	The second transitional IPSAS accrual financial statements will include all financial assets and financial liabilities, as well as all inventories, as a minimum requirement. Entities that have identified all or some of the non-financial assets and other liabilities can include them in the balance sheet and make relevant disclosures.
3	FY 2026/2027- 30 th June 2027	Fully compliant IPSAS Accrual financial statements that include all

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For the purpose of these financial statements, the state department has been categorized as a Schedule 1 national government State Department for Higher Education and Research in line with Section 4 of the Public Finance Management Act, 2012 read together with Regulation 211 (2) of the Public Finance Management (National Government) Regulations, 2015. Schedule 1 national government entities include Ministries, Departments, Agencies, constitutional institutions and independent offices. MDAs are reporting entities whose primary objective is to provide policy and coordination of government services.

The use of public resources by the State Department for Higher Education and Research is primarily governed by Chapter 12 of the Constitution, the relevant Appropriation Act, the Public Finance Management Act, of 2012, and the Public Procurement and Disposal Act, of 2015.

These financial statements were authorized for issue by the Accounting Officer on 18/11/2025

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

Reporting period

The reporting period for these financial statements is for the period ended June 2025

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings to the nearest shilling. The accounting policies adopted have been consistently applied to all the years presented.

Critical accounting judgements

IPSAS requires accounting judgements to be made in determining accounting policies that impact the presentation of these financial statements. The most critical of these judgements, and their impact, are:

Recognition of revenue

A revenue is an increase in the net financial position, other than increases arising from ownership contributions. Revenue is required to be measured when the event occurs and when recognition criteria (probable inflow of resources and ability to reliably measure their value) are met. Judgment is required to determine if these criteria are met, particularly where limited evidence is available at the time the revenue is earned.

Recognition of non-exchange expenses and liabilities

A liability is a present obligation of State Department for Higher Education and Research for an outflow of resources that results from a past event. Expenses (and other liabilities) are recognized when there is a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation and a reliable estimate of the obligation can be made. Judgment is required in assessing each of these conditions, and therefore reporting if an expense and a present obligation should be reported.

The State Department for Higher Education and Research pursues a number of policy targets and outcomes. However, the commitment to these targets and outcomes, generally, do not of themselves constitute a present obligation unless the State Department for Higher Education and Research is clear on the cost it intends to incur, when payment will be made, and to whom

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

and as a consequence has raised a valid expectation. As a consequence, liabilities are not reported for costs associated with the State Department for Higher Education and Research policy objectives and targets. Where a policy choice gives rise to an obligation that exists independently of the State Department for Higher Education and Research future actions, expenses (and other related liabilities) are recognized for that policy.

Purpose and nature of financial instruments

Judgment is required in determining whether financial assets (including investment in securities and advances) and financial liabilities are held for trading or to provide a return through interest and principal transactions. Depending on that judgment, financial instruments will be reported at fair value or on an amortized cost basis.

Climate change obligations

Kenya's current National Determined Contribution (NDC) to deliver on the goals of the Paris Agreement sets a headline target of a 32 per cent emission reduction by 2030 relative to the business-as-usual scenario of 143 MtCO₂eq. State Department for Higher Education and Research commitment to climate change action does not constitute a present obligation on the balance sheet but are disclosed separately.

Physical assets

An asset is a resource presently controlled by the State Department for Higher Education and Research as a result of a past event. The primary reason for holding property, plant and equipment and other assets is for their service potential rather than their ability to generate cash flows. Because of the types of services provided, a significant proportion of assets used by public sector entities including roads, national parks, heritage buildings etc are specialized in nature. There may be a limited market for such assets and so judgement is required on measurement. Judgment is also required whether assets are held for commercial purposes or public benefit purposes.

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

i) New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

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

ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

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

State Department for Higher Education and Research
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Standard	Effective date and impact:
	e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that the State Department for Higher Education and Research shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>

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Effective Date and Impact	
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. iv.

iii) Early adoption of standards

The State Department for Higher Education and Research did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The State Department for Higher Education and Research recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

asset will flow to the State Department for Higher Education and Research and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the State Department for Higher Education and Research and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development grants are recognized in the statement of financial performance after meeting the revenue recognition criteria. Conditional grants are recognized as revenue upon fulfilment of the set conditions.

ii) Revenue from exchange transactions

Rendering of services

The State Department for Higher Education and Research recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Interest income

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

Summary of Significant Accounting Policies (Continued)

Rental income

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

b) Budget information

The original budget for FY 2024/25 was approved by the National Assembly on 13th June 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the State Department upon receiving the

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

respective approvals in order to conclude the final budget. Accordingly, the State Department for Higher Education and Research recorded additional appropriations of 5,838,045,546 on the 2024/25 budget following the governing body's approval. The State Department for Higher Education and Research's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under section three of these financial statements.

c) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over an *xx*-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced

State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)

at intervals, the State Department for Higher Education and Research recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

e) Right of use asset

The right-of-use assets comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the State Department for Higher Education and Research incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IPSAS 21 or IPSAS 26. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the State Department for Higher Education and Research expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

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Notes to the Financial Statements (Continued)

f) Tangible Natural Resources

The State Department for Higher Education and Research recognises a tangible natural resource recognized if, and only if: It is probable that service potential associated with the natural resource will flow to the State Department for Higher Education and Research; the State Department for Higher Education and Research controls the tangible natural resource as a result of past events; and The tangible natural resource can be measured reliably. Where this criteria is not met, the State Department for Higher Education and Research discloses the tangible natural resource in the notes to the financial statements. Where a tangible natural resource is recognized as an asset as the result of an event that is not a transaction in an orderly market, including non-exchange transactions, the asset shall be measured initially at its deemed cost. The State Department for Higher Education and Research shall apply IPSAS 46, Measurement, when measuring the deemed cost of such a recognized tangible natural resource. A recognized tangible natural resource acquired through an exchange transaction shall be measured at its cost. Historical cost model is applied after initial recognition less any depreciation and impairment losses.

g) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the State Department for Higher Education and Research. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The State Department for Higher Education and Research also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the State Department will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)

h) Intangible assets

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

i) Research and development costs

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

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

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

j) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The State Department does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one MDA and a financial liability or equity instrument of another MDA. At initial recognition, the State Department measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Summary of Significant Accounting Policies (Continued)

a) Financial assets

Classification of financial assets

The State Department for Higher Education and Research classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the State Department for Higher Education and Research's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless the State Department has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the State Department for Higher Education and Research classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the State Department for Higher Education and Research manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The State Department for Higher Education and Research assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The State Department for Higher Education and Research recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Notes*.

b) Financial liabilities

Classification

The State Department for Higher Education and Research classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

k) Inventories

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

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

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

l) Provisions

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

m) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The State Department recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the State Department will incur in fulfilling the present obligations represented by the liability.

State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.

Notes to the Financial Statements (Continued)

n) Contingent liabilities

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

o) Contingent assets

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

p) Nature and purpose of reserves

The State Department creates and maintains reserves in terms of specific requirements.

q) Changes in accounting policies and estimates

The State Department for Higher Education and Research recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

r) Employee benefits

Retirement benefit plans

The State Department for Higher Education and Research provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an MDA pays fixed contributions into a separate MDA (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

Summary of Significant Accounting Policies (Continued)

s) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

t) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

u) Related parties

The State Department for Higher Education and Research regards a related party as a person or an MDA with the ability to exert control individually or jointly, or to exercise significant influence over the State Department for Higher Education and Research, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

**State Department for Higher Education and Research
Annual Reports and Financial Statements for the year ended June 30, 2025.**

Summary of Significant Accounting Policies (Continued)

v) Service concession arrangements

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

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

w) 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.

x) Comparative figures

In preparing these financial statements, the State Department for Higher Education and Research has elected to apply paragraph 79 of IPSAS 33, which allows for the election by the State Department for Higher Education and Research to present one statement of financial performance, one statement of cash flow, one statement of net assets and the statement of financial position and an opening statement of financial position as at the time of first-time adoption of the accrual basis of accounting.

y) Subsequent events

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

Notes to the Financial Statements (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions

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

IPSAS 1.140

Useful lives and residual value

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

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

Provisions

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

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

State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)

6. Transfers from Exchequer

Name of Transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended June 2025
	Kshs	Kshs	Kshs
Recurrent	81,681,284,556.45	-	81,681,284,556.45
Development	349,463,260.20	-	349,463,260.20
Total	82,030,747,816.65	-	82,030,747,816.65

7. Transfers from Domestic and Foreign Partners

Description	Kshs
Grants in Kind from Multilateral donors	-
Direct Payments	24,330,217.50
Other Public Donations (Specify)	-
Total	24,330,217.50

Details on Transfers from domestic and foreign partners

Name of the State Department for Higher Education and Research Sending the Grant Transfer	Amount recognized to Statement of Financial performance	Amount deferred under deferred income	Total transfers Period ended June 2025
	Kshs	Kshs	Kshs
FAPA Kenya rural transformation centres digital platform	24,330,217.50	-	24,330,217.50
Total	24,330,217.50	-	24,330,217.50

8. Levies, fines, penalties and forfeitures (loans recoveries by HELB)

Description	Kshs
Loans from the Higher Education Loans Board	5,217,719,597.00
Other Levies (Specify)	-
Total	5,217,719,597.00

Loan recoveries from students.

**State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)

9. Rendering of Services (AIA Collection- public universities and SAGA's)

Description	
Receipts from the Sale of Other Inventories, Stocks, and Commodities	76,415,330.45
Receipts from the Sale of Inventories, Stocks and Commodities	48,632,680,386.05
Other fees	-
Total	48,709,095,716.50

This includes AIA collection from public universities and SAGA's

10. Employee Costs

Description	
Basic salaries of permanent employees	164,065,629.85
Personal allowances – part of salary	81,601,860.60
Employer contributions to compulsory national social security schemes	4,253,262.35
Employee costs	249,920,752.80

10(a) Employee cost adjustment

Description	Period ended September 30, 2024/June*
Employee Costs	249,920,752.80
Imprest recovery 2023-24	- 25,400.00
Total employees cost paid	249,895,352.80

State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)
 11. Use of Goods and Services

Description	2025
Utilities, supplies and services	12,931,183.20
Communication, supplies and services	4,538,488.10
Domestic travel and subsistence	13,115,120.00
Printing, advertising, and information supplies & services	1,606,472.45
Rentals of produced assets	42,606,764.80
Training expenses	7,599,503.90
Hospitality supplies and services	7,864,620.00
Specialized materials and services	2,362,847.00
Office and general supplies and services	4,071,084.00
Fuel Oil and Lubricants	5,191,639.55
Other Operating Expenses	130,389,238.40
Routine Maintenance - Vehicles	2,339,323.00
Routine Maintenance - Other Assets	1,493,406.80
Exchange rate loss	-
Totals	236,109,691.20

11(a) Use of Goods and Services

Description	Period ended June 2025
Total Use of Goods and Services as performance	236,109,691.20
Amount accrued during the year	(699,300.00)
Imprest receivable	2,985,804.70
Total Use of Goods and Services paid as per cash flows	238,396,195.90

12. Transfers to Other Government Entities

Current Grants to Government Agencies and other Levels of Government	81,791,930,299.10
Capital Grants to Government Agencies and other Levels of Government	373,793,477.70
Others (specify)	-
Total	82,165,723,776.80

State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)

13. Other Grants and Subsidies

Description	2024/2025
Scholarships and other educational benefits	16,922,875,280.00
Domestic Lending and On-lending - HELB	36,402,719,597.00
Total Grants and Subsidies	53,325,594,877.00

14. Cash and Cash Equivalents

Description	2024/2025	Opening balance on 01/07/2024
	Kshs	Kshs
Recurrent Account	2,333,545.15	32,156.85
Development Account	-	14,202,838.50
Deposits Account	105,486,963.60	22,758,351.60
Others(Specify)	-	-
Total	107,820,508.75	36,993,346.95

14 (a) Detailed Analysis of the Cash and Cash Equivalents

Description	Account number	2024/2025	Opening balance on 01/07/2024
		Kshs	Kshs
Recurrent Account		2,333,545.15	32,156.85
CBK001	1000302698		
Development Accounts		-	14,202,838.50
CBK002	1000302712		
Deposits Accounts		105,486,963.60	22,758,351.60
CBK003	1000302747		
Others (Specify)		-	-
Cash on Hand		-	-
Mobile Money Accounts		-	-
Sub- Total		-	-
Grand Total		107,820,508.75	36,993,346.95

State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)

15. Receivables from Exchange Transactions

Description	2024-2025	
	Kshs	Kshs
Salary advance	14,721.00	14,721.00
Temporary imprest	2,985,804.70	25,400.00
Less: impairment allowance	-	-
Total Receivables	3,000,525.70	40,121.00
a) Current receivables	3,000,525.70	40,121.00
b) Non-current receivables	-	-
Total receivables (a+b)	3,000,525.70	40,121.00

15 (c) Ageing analysis for Receivables

Description	2024-2025		2023-2024	
	Current FY	% of the total	1 st July	% of the total
Less than 1 year	2,985,804.70	%	25,400	63.30%
Between 1- 2 years	-	%	14,721	36.70%
Between 2-3 years	14,721	100%	-	%
Over 3 years	-	%	-	%
Total (a+b)	3,000,525.70	100%	40,121	100%

**State Department for Higher Education and Research
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Notes to the Financial Statements (Continued)

16. Trade and Other Payables

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Trade payables	699,300.00		-	
Other payables	-		-	
Total trade and other payables	699,300.00		-	
Ageing analysis: (Trade and other payables)	Current FY	% of the Total	1st July	% of the Total
Under one year	699,300.00	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	699,300.00	100%	-	%

16.(a) Trade payables disclosure

As at 30th June 2025, the entity reported trade payables of kshs 699,300. However, other pending bills not included as trade payables are analysed in the table below:

FINANCIAL YEAR	Amount	Reason
2024/25	12,810,210.52	These pending bills are not fully supported by adequate documentation.
2023/24	335,000.00	These pending bills are not fully supported by adequate documentation.
Historical Pending Bills 2022/23 and beyond	44,057,220.66	These are historical pending bills which are yet to be verified by the national treasury pending steering committee

(See Appendix III)

State Department for Higher Education and Research
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17. Refundable Deposits and Prepayments

Description	2024/2025		Opening Statement 1 st July 2024	
	Kshs		Kshs	
Customer deposits	50,400.00		-	
Prepayments	-		-	
Bank deposits	105,486,963.60		22,758,351.60	
Total deposits	105,537,363.60		22,758,351.60	
Ageing analysis: (Refundable deposits)	Current FY	% of the Total	1st July	% of the Total
Under one year	82,779,012.00	78.43%	4,284,020.70	18.82%
1-2 years	4,284,020.70	4.07%	18,474,330.90	81.18%
2-3 years	18,474,330.90	17.50%	-	%
Over 3 years	-	%	-	%
Total	105,537,363.60	100%	22,758,351.60	100%

Notes to the Financial Statements (Continued)

18. Cash Generated from Operations

Surplus for the year before tax	(4,544,249.85)
Adjusted for:	
Depreciation	-
Working capital adjustments	
Increase in receivables	(2,960,404.70)
Increase in payables	699,300.00
Increase in payments received in advance	82,779,012.00
Net cash flow from operating activities	85,062,157.15

19. Financial Risk Management

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

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

i) Credit risk

The MDA has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the MDA's management based on prior experience and their assessment of the current economic environment.

State Department for Higher Education and Research
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The carrying amount of financial assets recorded in the financial statements representing the MDA's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	KShs	KShs	KShs	KShs
As at at July 20xx				
Receivables from exchange transactions	xxx	xxx	xxx	xxx
Receivables from non-exchange transactions	xxx	xxx	xxx	xxx
Bank balances	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

(NB: The totals column should tie to the individual elements of credit risk disclosed in the MDA's statement of financial position)

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the MDA has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The MDA has significant concentration of credit risk on amounts due from xxxx. The board of directors sets the MDA's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the MDA's directors, who have built an appropriate liquidity risk management framework for the management of the MDA's short, medium and long-term funding and liquidity management requirements. The MDA manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the MDA under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

**State Department for Higher Education and Research
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	Loss (Gain) from operations	Gain (Loss) from dispositions	Gain (Loss) from other activities	Net Change in Equity
As at 30 June 20xx				
Trade payables	xxx	xxx	xxx	xxx
Current portion of borrowings	xxx	xxx	xxx	xxx
Provisions	xxx	xxx	xxx	xxx
Deferred income	xxx	xxx	xxx	xxx
Employee benefit obligation	xxx	xxx	xxx	xxx
Total	xxx	xxx	xxx	xxx

iii) Market risk

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the MDA's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The MDA's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the MDAs exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The MDA has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The MDA manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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

State Department for Higher Education and Research
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FY 20XX

	In KShs	Other Currencies	Total
	KShs	KShs	KShs
As At 30 June 20xx			
Financial Assets	xxx	xxx	xxx
Investments	xxx	xxx	xxx
Cash	xxx	xxx	xxx
Debtors	xxx	xxx	xxx
Total Financial Assets	xxx	xxx	xxx
Financial Liabilities			
Trade And Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Total Financial Liabilities	xxx	xxx	xxx
Net Foreign Currency Asset/(Liability)	xxx	xxx	xxx

Foreign currency sensitivity analysis

FY 20xx

	In KShs	Other Currencies	Total
	KShs	KShs	KShs
As At 30 June 20xx			
Financial Assets	xxx	xxx	xxx
Investments	xxx	xxx	xxx
Cash	xxx	xxx	xxx
Debtors	xxx	xxx	xxx
Total Financial Assets	xxx	xxx	xxx
Financial Liabilities			
Trade And Other Payables	xxx	xxx	xxx
Borrowings	xxx	xxx	xxx
Total Financial Liabilities	xxx	xxx	xxx
Net Foreign Currency Asset/(Liability)	xxx	xxx	xxx

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

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	Change in interest rate	Impact on Profit before tax	Impact on Equity
	KShs	KShs	KShs
20xx			
Euro	10%	xxx	xxx
USD	10%	xxx	xxx

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

The MDA analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of KShs xxx (20XX: KShs xxx). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of KShs xxx (20XX – KShs xxx)

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Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

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

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

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	
As At 30 June 20xx				
Financial Assets				
Quoted Equity Investments	xxx	xxx	xxx	xxx
Non- Financial Assets				
Investment Property	xxx	xxx	xxx	xxx
Land And Buildings	xxx	xxx	xxx	xxx
	xxx	xxx	xxx	xxx

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

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Notes to the Financial Statements (Continued)

iv) Capital Risk Management

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

Revaluation Reserve	xxx
Retained Earnings	xxx
Capital Reserve	xxx
Total Funds	xxx
Total Borrowings	xxx
Less: Cash And Bank Balances	(xxx)
Net Debt/(Excess Cash And Cash Equivalents)	xxx
Gearing	xx%

20. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the State Department for Higher Education and Research, holding 100% of the State Department for Higher Education and Research's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the State Department for Higher Education and Research, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) Other SCs and SAGAs
- iii) Key management.

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Notes to the Financial Statements (Continued)

	xxxx
Transactions with related parties	
a) Sales to related parties	
Sales of electricity to govt agencies	xxx
Rent income from govt. Agencies	xxx
Water sales to govt. Agencies	xxx
Others (specify) e.g. interest and bank charges	xxx
Total	xxx
B) purchases from related parties	
Purchases of electricity from KPLC	xxx
Purchase of water from govt service providers	xxx
Rent expenses paid to govt agencies	xxx
Training and conference fees paid to govt. Agencies	xxx
Others (specify)	xxx
Total	xxx
b) Grants /transfers from the government	
Grants from national govt	xxx
Grants from county government	xxx
Donations in kind	xxx
Total	xxx
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for xxx employees	xxx
Payments for goods and services for xxx	xxx
Total	
d) Key management compensation	
Directors' emoluments	xxx
Compensation to key management	xxx
Total	xxx

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Notes to the Financial Statements (Continued)

21. Events after the Reporting Period

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

22. Ultimate and Holding State Department for Higher Education and Research

The State Department for Higher Education and Research ultimate parent is the Government of Kenya.

23. Currency

The financial statements are presented in Kenya Shillings (Kshs) and is rounded off to the nearest shilling.

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19. Appendix

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

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

Reference No. of the External Auditor's Report	Issue/Description	Management Comments	Status	Timeline when you expect the issue to be resolved
2023/2024				
449	Misstated Proceeds from Sale of Assets	Only proceeds provided for in the approved budget are recognized in the financial statements. The excess collections, being unbudgeted, were not reported	Pending PAC	
450	Misstated Grants and Transfers to Other Government Entities	The variance has since been reconciled	Pending PAC	
451	Unconfirmed Deposits and Retentions	The State Department has initiated measures to reconcile and validate the balances.	Pending PAC	
2022/2023				
379	Irregularities in Transfers to Other Government Units	There was an error of transposition in the figures, which has been rectified in compliance with accounting standards and regulations	Pending PAC Resolution	
379.1	Unconfirmed Transfers to Other Government Units	The reported figures have been reconciled accordingly	Pending PAC Resolution	
379.2	Discrepancies between Expected and Actual Capitation Funding	The necessary approval documents have been provided	Pending PAC Resolution	
380	Unconfirmed Fuel Expenditure	The state department has implemented a system for individual vehicle fuel tracking according to the auditors' recommendations	Pending PAC Resolution	
381	Irregularities in Grants Transfers to Private Universities	Transferred payments match universities' confirmations accurately.	Pending PAC Resolution	
382	Irregularities in Compensation of Employee Costs	Responsibility Allowance payments were regular per the circulars attached.	Pending PAC Resolution	
383	Budgetary Control and Performance	Underfunding and under-expenditure resulted from delayed exchequer releases	Pending PAC Resolution	

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384	Unresolved Prior Year Audit Matters	Outstanding issues pending PAC diary schedule.	Pending PAC Resolution	
385	Unbalanced Budget	Therefore, there was no over-expenditure	Pending PAC Resolution	
386	Use of Personal Email Addresses in Official Communication	Official emails provided to officers	Pending PAC Resolution	
387	Staff Over-Establishment	Appeal on establishment reduction pending response from Public Service Commission.	Pending PAC Resolution	
388	Failure to Prepare and Submit Separate Board Financial Statements for Audit	The Biosafety Appeals Board operated under the State Department pending autonomy and functionality.	Pending PAC Resolution	
389	Non-Submission of Financial Statements for Audit – Open University of Kenya	Open University operated under the State Department before being chartered	Pending PAC Resolution	
390	Non-Compliance with Section 53 of the Universities Act, 2012	The State Department transferred funds on behalf of the fund at initiation, the fund is now directly funded.	Pending PAC Resolution	
391	Lack of an ICT Steering Committee	Digitalization Committee established	Pending PAC Resolution	
DONOR FUNDED PROJECTS				
392	Inaccuracies in the Financial Statements	Matter resolved	Pending PAC Resolution	
393	Defects and Delays in Delivery of Equipment to Various Universities	Matter resolved	Pending PAC Resolution	
394	Excess Payments on Bank Guarantee	There was no excess payment on the performance guarantees	Pending PAC Resolution	
395	Irregular Payment for Consultancy Services	Payment is valid as payment was made within the extended tender validity period	Pending PAC Resolution	
396	Unsupported Repair of Wangari Mathai Institute of Peace and Environment Studies	Payment vouchers for repairs provided for audit. Procurement of services handled by the University of Nairobi and reporting done by them	Pending PAC Resolution	
397	Unsupported Tracer Study on Destination of Engineering Graduates	No liquidated damages for delayed performance, contract extension granted.	Pending PAC Resolution	
400	Unreconciled and Unsupported Expenditure on Fuel and Lubricants	Documentation was provided for auditors' verification.	Pending PAC Resolution	
401	Unresolved Prior Year's Audit Issues	Previous audit issues are unresolved pending Parliament deliberation.	Pending PAC Resolution	

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402	Misuse of Project Motor Vehicles	Project activities are managed by the State Department with shared expenses.	Pending PAC Resolution	
403	Delayed Construction Works	Sequential implementation of project phases guided based on contract payments.	Pending PAC Resolution	
404	Failure to Provide Project Schedule of Works	The contractor had not submitted the schedule of work; the project was transferred to the Ministry of ICT.	Pending PAC Resolution	
405	Lack of Internal Audit Functions	Evidence of internal audit function provided for review.	Pending PAC Resolution	
407	Unsupported Domestic Travel Subsistence	Comprehensive response provided on expenditure inquiry, including NSC meetings and additional attendees.	Pending PAC Resolution	
408	Variances in the Notes to the Financial Statements for Cumulative Balance	Toner acquisition cost pertains to fiscal year 2020/2021.	Pending PAC Resolution	
409	Budgetary Control and Performance	Significant receipt shortfall linked to delay in verifier report issuance.	Pending PAC Resolution	
410	Weaknesses in Management of Imprests	All ACE II imprests were surrendered; no outstanding amounts.	Pending PAC Resolution	
411	Local Purchase Order Issued after Procurement	Delay in generating purchase order due to system deactivation.	Pending PAC Resolution	
OTHER DONOR-FUNDED PROJECTS IMPLEMENTED BY AGENCIES UNDER THE STATE DEPARTMENT FOR HIGHER EDUCATION AND RESEARCH				
415	Works Achieved and Not Verified	DLRs verified and funds released; EIA completed; bus procurement delayed by regulation changes.	Pending PAC Resolution	
416	Irregular Payment of Daily Subsistence Allowance	The university addressed the overpayment issue by recovering funds from the officer's terminal dues; compliance was affirmed.	Pending PAC Resolution	
417	Irregularities in Procurement of Air Tickets	Air ticket procurement adhered to competitive, transparent principles despite market fluctuations.	Pending PAC Resolution	
418	Undisclosed Assets	The Centre met external funding requirements and duly accounted for in financial statements.	Pending PAC Resolution	
422	Budgetary Control and Performance	Under absorption due to ongoing construction, planned activity increase next FY.	Pending PAC Resolution	
423	Pending Bills	Retention payment scheduled post-completion per contract.	Pending PAC Resolution	

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424	Unresolved Prior Year Matters	University addressing prior issues, resolution projected within a year for audit review.	Pending PAC Resolution	
429	Budgetary Control and Performance	Project launch and consultant hiring delayed, budgeting error corrected and disclosed.	Pending PAC Resolution	
430	Delay in Project Completion	Kenya Rural Transformation Centre's project on track; grant non-repayable. Updated timelines and budget performance detailed	Pending PAC Resolution	
432.1	Inaccuracies in the Statement of Receipts and Payments	Project's initial separate financial statements without prior year comparisons.	Pending PAC Resolution	
432.2	Inaccuracies in the Statement of Financial Assets	Corrected financial statements submitted; awaiting Auditor General's review	Pending PAC Resolution	
432.3	Unsupported Statement of Cash Flows	The final financials submitted reflect accurate cash flows, and discrepancies addressed.	Pending PAC Resolution	
433	Unsupported Compensation of Employees	The project scaled down, staff was reduced due to de-scoping, and engagement records were provided.	Pending PAC Resolution	
434	Unsupported Purchase of Goods and Services	Funds disbursed to partners for program implementation, reported as contractual expenses.	Pending PAC Resolution	
435	Acquisition of Non-Financial Assets	Complied according to donor asset guidelines; will maintain dual register going forward.	Pending PAC Resolution	
436	Unsupported Imprest and Advances	The project's imprest register details were maintained and provided for audit.	Pending PAC Resolution	
437	Project Funding	Total budget set; obligated funds increase as spending reaches 75%. No deficit risk.	Pending PAC Resolution	
438	Non-Compliance with the Law on Ethnic Composition	The project hires competitively; plans affirmative actions for diversity compliance.	Pending PAC Resolution	
439	Non-compliance with Terms of Insurance Covers	Project updated procurement committees, reviewing staff insurance benefits for compliance.	Pending PAC Resolution	
440	Delay in Recoveries of VAT	The project complies with tax exemption; delays occasioned by delayed VAT recovery from KRA.	Pending PAC Resolution	
441	Non-Achievement of Agreed Milestones	Milestone delayed to ensure all costs captured; final voucher now completed and paid.	Pending PAC Resolution	
2021/2022				

**State Department for Higher Education and Research
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322	Unsupported other Grants and Transfers	The supporting documentation has been availed to the Auditors.	Resolved	
323	Failure to Prepare Bank Reconciliation	Bank reconciliations have been prepared and availed to the Auditor.	Resolved	
324	Undisclosed Foreign Travel	Documentation to support the foreign travel and the revised estimates have been availed to the Auditor.	Resolved	
325	Other Operating Expenses		Resolved	
325	Expenditure not Disclosed as a pending bill	The pending bill originated later from basic education as a shared garbage collection cost and has since been settled.	Resolved	
325	Expenditure wrongly Classified	The error has since been rectified through a journal entry in the IFMIS system	Resolved	
326	Compensation of Employees	A Journal was posted to correct this anomaly.	Resolved	
Transfers to Other Government Agencies				
327	Current Grants to Government Agencies and Other Levels of Government.	The supporting documentation on these transfers has been availed to the Auditors and the two affected Universities (Gatundu & Tharaka) have reconciled their records and sent confirmation letters of receipt availed to the Auditors.	Resolved	
327	Unsupported Capital Grants to Government Agencies	Reconciliation has been done on the figures and the necessary documentation availed to the Auditor.	Resolved	
327	Unsupported Transfers to Private Universities	The relevant explanations and documentation have been provided to the Auditor	Resolved	
328	Lack of Audit Committee	The Audit Committee has been appointed and the appointment letter availed to the Auditors.	Resolved	
329	Non-Compliance with One-Third Pay Rule	This was due to the changes in the tax structure during the COVID period	Resolved	
330	Lack of Fixed Asset Register	A fixed Asset register has been Availed to the Auditors.	Resolved	
331	Non-Conformity to the Staff Establishment	This was as a result of Postings of staff by different scheme administrator over whom the state department has no control.	Resolved	
332	Employees in Biodata but not in Payroll	The biodata and payroll have been reconciled	Resolved	
DONOR FUNDED PROJECTS				

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333	Inaccuracies in the Financial Statements	These inaccuracies have since been reconciled and availed to the Auditor.	Resolved	
334	Defects and Delays in Delivery of Equipment to Various Universities	These defects and delays have been explained and supporting documentation has been availed to the Auditor.	Resolved	
335	Uncorrected Prior Periods Error on Recall of Performance Securities.	These errors have since been corrected, reflected and disclosed in the State Department's financial statements.	Resolved	
336	Undisclosed Pending Accounts Payables	These pending accounts' payables have now been analysed and the analysis has been provided to the Auditor.	Resolved	
337	Late Submission of Financial Statements	The necessary explanations have now been submitted to the Auditor.	Resolved	
338	Irregular Signing of Contract	The explanations and supporting documentation have been availed to the Auditor.	Resolved	
339	Failure to Open and Maintain a separate Project Bank Account	The project design allowed for direct payment by the Donor as per the financing agreement through journals to the National treasury.	Resolved	
342	Unsupported and Unaccounted for Expenditure on Fuel and Lubricants for Motor Vehicles	The Auditor verified supporting documentation for the expenditure on fuel and lubricants.	Resolved	
343	Payment for Undelivered Goods and Irregular Charge of Unrelated Expenditure	The supporting documentation for the purchase of the project vehicle and other transport equipment has been availed to the Auditor. The project staff were all from the state department and therefore used these vehicles.	Resolved	
344	Lack of Fixed Asset Register and Ownership Documents	A fixed Asset register has been provided by management and availed to the Auditor.	Resolved	
345	Delayed Construction Works	Explanation for the delayed construction works have availed to the Auditor by the management.	Resolved	
346	Lack of Internal Audit on the Project	The management has availed the explanations to the Auditor on the overlap.	Resolved	
349	Budgetary Control and Performance	The necessary explanations have been availed to the Auditor.	Resolved	

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350	Failure to Open and Maintain a separate Project Bank Account	The necessary explanations have been provided by management as per the financing agreement.	Resolved	
353	Unsupported Adjustments in the Financial Statements	The adjustments have since been supported by management	Resolved	
354	Ineligible Expenditure	The necessary explanations and support have been availed to the Auditor.	Resolved	
355	Non -Compliance with Public Finance Management Regulations, 2015- Budgetary Control and Performance	The management comments on the non-compliance have been availed to the Auditor.	Resolved	
356	Delays in Project Implementation	The necessary explanations have been availed to the Auditors.	Resolved	
360	Budgetary Control and Performance	Management comments have been provided to the Auditor.	Resolved	
361	Acquisition of Non-Financial Assets - Renewable Energy Equipment	The management explanations have been availed to the Auditor.	Resolved	
362	Imprests and Advances	The management comments and explanations were provided to the Audit	Resolved	



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Dr. Beatrice M. Inyangala

Accounting Officer

Date

State Department for Higher Education and Research
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Appendix II: Fixed Asset Register

Asset Class	Historical cost by 2024-25	Additions during the year 2024-25	Disposals during the year	Transfer during the year	Historical cost C/f
Building and structures	7,683,142,919.80	-	-	-	7,683,142,919.80
Transport equipment	19,171,600.00	-	-	-	19,171,600.00
Machinery and equipment	16,082,918.20	320,000.00	-	-	16,402,918.20
Heritage and cultural assets	7,269,390.00	-	-	-	7,269,390.00
Intangible assets	-	-	-	-	-
Domestic lending and on-lending	-	-	-	-	-
Total	7,725,666,828.00	320,000.00-	-	-	7,725,986,828.00

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Appendix III. Trade Payables

PENDING BILLS 2024-2025

S/No	Supplier/ Contractor	Invoice No.	Nature of Goods/Services	Amount (Kes)	Amt Paid (Kes)	Outstanding Amt (Kes)
1	ACK Diocese of Machakos	1471	Conference Services	361,000	Nil	361,000
2	KICD	190000 03529	Conference Services	129,500	Nil	129,500
4	KISM	BK/25/ 24902	Conference Services	208,800	Nil	208,800
	TOTAL					699,300
	UNVERIFIED PENDING BILLS 2024/2025					
1	Government Advertising Agency	3652	Advertisement	98,793.25	Nil	98,793.25
2	KICD	190000 03609	Conference Services	198,000	Nil	198,000
3	Machakos University	INV474 2	Conference Services	147,000	Nil	147,000
4	CEMASTEА	27	Conference Services	462,000	Nil	462,000
5	CEMASTEА	9	Conference Services	2,321,640	Nil	2,321,640
6	CEMASTEА	18	Conference Services	735,000	Nil	735,000
7	CEMASTEА	8	Conference Services	2,231,480	Nil	2,231,480
8	CEMASTEА	7	Conference Services	1,461,840	Nil	1,461,840
9	KICC	-	Conference Services	1,552,007.27	Nil	1,552,007.27
10	College of Insurance	IN1547 88	Conference Services	3,602,450	Nil	3,602,450
	TOTAL					12,810,210.52

UNPAID PENDING BILLS 2023-2024

1	Kenya Institute of Curriculum Development (KICD)	190000 002955	Conference Services	140,000	Nil	140,000.00
2	Machakos University	-	Conference services	195,000	Nil	195,000.00
	TOTAL					335,000.00

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ANALYSIS OF HISTORICAL PENDING BILLS

S/N	Supplier/Contractor	Invoice No	Description of Goods/Services	Amount (Kshs)	Amount Paid	Outstanding Amount (Kshs)
1.	Start General Contractors	126	Painting of Government Building	2,000,000.00	Nil	2,000,000.00
2.	Ongata works Limited	001	Renovations and completion of 1st and 2nd floors of Emperor plaza	22,512,298.66	Nil	22,512,298.66
3.	Safaricom Limited	B1-10079337862	fibre Optic	69,588.00	Nil	69,588.00
4.	Tanklin Investments	4101	Electrical fittings	141,050.00	Nil	141,050.00
5.	Amsun products and services	2	supply of car batteries	72,757.00	Nil	72,757.00
6.	Vilech Enterprises	0209 & 0409	operating system software and Ms office	433,500.00	Nil	433,500.00
7.	Realedge Africa Ventures Ltd	5864/2022	Air ticket	336,845.00	Nil	336,845.00
8.	Realedge Africa Ventures Ltd	6179/2022	Air ticket	39,635.00	Nil	39,635.00
9.	Akarim Agencies Company Ltd	97848	Air ticket	467,460.00	Nil	467,460.00
10.	Daima Production	301	Video recording	196,000.00	Nil	196,000.00
11.	Pewin Motors	INV5680	Motor vehicle repair	332,232.00	Nil	332,232.00
12.	Pewin Motors	INV5684	Motor vehicle repair	78,823.55	Nil	78,823.55
13.	Trawell company Ltd	245	Air ticket	249,105.00	Nil	249,105.00
14.	Worldbay agencies Ltd	72	Air ticket	182,460.00	Nil	182,460.00
15.	Kaylan tours & Travel Ltd	6981	Air ticket	33,809.00	Nil	33,809.00
16.	Kaylan tours & Travel Ltd	7040	Air ticket	80,165.00	Nil	80,165.00
17.	Government Advertising Agency	3867	Advertisement	88,725.75	Nil	88,725.75
18.	Government Advertising Agency	4060	Advertisement	98,793.25	Nil	98,793.25
19.	Government Advertising Agency	3451	Advertisement	366,558.00	Nil	366,558.00
20.	Machakos University	INV3195	Conference services	358,000.00	Nil	358,000.00
21.	Realedge Africa Ventures Ltd	5268/2021	Air ticket	273,815.00	Nil	273,815.00

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22.	Realege Africa Ventures Ltd	5956/2022	Air ticket	181,610.00	Nil	181,610.00
23.	Realege Africa Ventures Ltd	5388/2021	Air ticket	37,530.00	Nil	37,530.00
24.	Realege Africa Ventures Ltd	6147/2022	Air ticket	126,090.00	Nil	126,090.00
25.	Realege Africa Ventures Ltd	6053/2022	Air ticket	444,280.00	Nil	444,280.00
26.	Realege Africa Ventures Ltd	5269/2021	Air ticket	35,745.00	Nil	35,745.00
27.	Realege Africa Ventures Ltd	5741/2022	Air ticket	503,160.00	Nil	503,160.00
28.	Realege Africa Ventures Ltd	5967/2022	Air ticket	296,150.00	Nil	296,150.00
29.	Realege Africa Ventures Ltd	5182/2022	Air ticket	5,565.00	Nil	5,565.00
30.	Realege Africa Ventures Ltd	5090/2021	Air ticket	93,765.00	Nil	93,765.00
31.	Realege Africa Ventures Ltd	4919/2021	Air ticket	6,755.00	Nil	6,755.00
32.	Realege Africa Ventures Ltd	4918/2021	Air ticket	12,130.00	Nil	12,130.00
33.	Realege Africa Ventures Ltd	5270/2021	Air ticket	32,100.00	Nil	32,100.00
34.	Realege Africa Ventures Ltd	5859/2022	Air ticket	17,400.00	Nil	17,400.00
35.	Realege Africa Ventures Ltd	5558/2022	Air ticket	16,280.00	Nil	16,280.00
36.	Realege Africa Ventures Ltd	6374/2022	Air ticket	2,329,940.00	Nil	2,329,940.00
37.	Realege Africa Ventures Ltd	6380/2022	Air ticket	206,930.00	Nil	206,930.00
38.	Realege Africa Ventures Ltd	6466/2022	Air ticket	39,285.00	Nil	39,285.00
39.	Realege Africa Ventures Ltd	6470/2022	Air ticket	20,910.00	Nil	20,910.00
40.	Realege Africa Ventures Ltd	6476/2022	Air ticket	568,500.00	Nil	568,500.00
41.	Realege Africa Ventures Ltd	6475/2022	Air ticket	420,840.00	Nil	420,840.00
42.	Realege Africa Ventures Ltd	6509/2022	Air ticket	141,210.00	Nil	141,210.00
43.	Realege Africa Ventures Ltd	6518/2022	Air ticket	123,340.00	Nil	123,340.00
44.	Realege Africa Ventures Ltd	6564/2022	Air ticket	816,190.00	Nil	816,190.00
45.	Realege Africa Ventures Ltd	6598/2022	Air ticket	33,500.00	Nil	33,500.00
46.	Realege Africa Ventures Ltd	6602/2022	Air ticket	229,860.00	Nil	229,860.00
47.	Realege Africa Ventures Ltd	6622/2022	Air ticket	75,240.00	Nil	75,240.00
48.	Realege Africa Ventures Ltd	6623/2022	Air ticket	39,445.00	Nil	39,445.00

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49.	Realedge Africa Ventures Ltd	6668/2022	Air ticket	1,398,810.00	Nil	1,398,810.00
50.	Realedge Africa Ventures Ltd	6746/2022	Air ticket	101,900.00	Nil	101,900.00
51.	Realedge Africa Ventures Ltd	6747/2022	Air ticket	45,850.00	Nil	45,850.00
52.	Realedge Africa Ventures Ltd	6748/2022	Air ticket	415,950.00	Nil	415,950.00
53.	Realedge Africa Ventures Ltd	6785/2022	Air ticket	6,125.00	Nil	6,125.00
54.	Realedge Africa Ventures Ltd	6801/2022	Air ticket	184,450.00	Nil	184,450.00
55.	Realedge Africa Ventures Ltd	6829/2022	Air ticket	242,400.00	Nil	242,400.00
56.	Realedge Africa Ventures Ltd	6841/2022	Air ticket	61,460.00	Nil	61,460.00
57.	Realedge Africa Ventures Ltd	7114/2022	Air ticket	32,200.00	Nil	32,200.00
58.	Realedge Africa Ventures Ltd	6864/2022	Air ticket	17,400.00	Nil	17,400.00
59.	Realedge Africa Ventures Ltd	5519/2021	Air ticket	94,960.00	Nil	94,960.00
60.	Realedge Africa Ventures Ltd	5496/2021	Air ticket	39,320.00	Nil	39,320.00
61.	Realedge Africa Ventures Ltd	4962/2021	Air ticket	89,815.00	Nil	89,815.00
62.	Realedge Africa Ventures Ltd	5995/2022	Air ticket	79,650.00	Nil	79,650.00
63.	Realedge Africa Ventures Ltd	5302/2021	Air ticket	17,180.00	Nil	17,180.00
64.	Realedge Africa Ventures Ltd	5392/2021	Air ticket	89,565.00	Nil	89,565.00
65.	Realedge Africa Ventures Ltd	5213/2021	Air ticket	623,260.00	Nil	623,260.00
66.	Realedge Africa Ventures Ltd	5320/2021	Air ticket	32,100.00	Nil	32,100.00
67.	Realedge Africa Ventures Ltd	5482/2021	Air ticket	93,075.00	Nil	93,075.00
68.	Realedge Africa Ventures Ltd	5282/2021	Air ticket	17,180.00	Nil	17,180.00
69.	ComChoice Africa Limited	1069	Air ticket	202,700.00	Nil	202,700.00
70.	ComChoice Africa Limited	1067	Air ticket	84,530.00	Nil	84,530.00
71.	ComChoice Africa Ltd	1040	Air ticket	82,310.00	Nil	82,310.00
72.	ComChoice Africa Limited	1065	Air ticket	39,710.00	Nil	39,710.00
73.	ComChoice Africa Limited	1039	Air ticket	23,865.00	Nil	23,865.00
74.	ComChoice Africa Limited	1063	Air ticket	165,815.00	Nil	165,815.00
75.	ComChoice Africa Limited	1068	Air ticket	154,525.00	Nil	154,525.00

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76.	Gofit Travel and Logistics Ltd	G179	Air ticket	175,260.00	Nil	175,260.00
77.	Gofit Travel and Logistics Ltd	G211	Air ticket	39,875.00	Nil	39,875.00
78.	Gofit Travel and Logistics Ltd	G197	Air ticket	95,365.00	Nil	95,365.00
79.	Gofit Travel and Logistics Ltd	G235	Air ticket	173,340.00	Nil	173,340.00
80.	Gofit Travel and Logistics Ltd	G201	Air ticket	165,855.00	Nil	165,855.00
81.	Gofit Travel and Logistics Ltd	G229	Air ticket	43,860.00	Nil	43,860.00
82.	Gofit Travel and Logistics Ltd	G141	Air ticket	50,110.00	Nil	50,110.00
83.	Gofit Travel and Logistics Ltd	G231	Air ticket	39,155.00	Nil	39,155.00
84.	Gofit Travel and Logistics Ltd	G163	Air ticket	153,890.00	Nil	153,890.00
85.	Gofit Travel and Logistics Ltd	G189	Air ticket	275,010.00	Nil	275,010.00
86.	Akarim Agencies Company Ltd	97894	Air ticket	76,270.00	Nil	76,270.00
87.	Akarim Agencies Company Ltd	97890	Air ticket	87,830.00	Nil	87,830.00
88.	Akarim Agencies Company Ltd	97949	Air ticket	126,080.00	Nil	126,080.00
89.	Akarim Agencies Company Ltd	97847	Air ticket	94,500.00	Nil	94,500.00
90.	Akarim Agencies Company Ltd	97906	Air ticket	87,155.00	Nil	87,155.00
91.	Attic Tours and Travel Ltd	59758	Air ticket	71,450.00	Nil	71,450.00
92.	Grand Winstone Hotel	GWH/98/2022	Conference services	254,100.00	Nil	254,100.00
93.	Grand Winstone Hotel	GWH/86/2022	Conference services	115,500.00	Nil	115,500.00
94.	Hotel Waterbuck	6688	Conference services	245,700.00	Nil	245,700.00
95.	Masada Hotel	2246	Conference services	175,000.00	Nil	175,000.00
96.	Hotel Waterbuck	6650	Conference services	342,000.00	Nil	342,000.00
97.	Empolos Hotel	5348	Conference services	419,650.00	Nil	419,650.00
98.	Realedge Africa Ventures Ltd	4344/2020	Air ticket	14,900.00	Nil	14,900.00
99.	Realedge Africa Ventures Ltd	4917/2021	Air ticket	83,065.00	Nil	83,065.00
100.	Realedge Africa Ventures Ltd	4872/2021	Air ticket	39,380.00	Nil	39,380.00
101.	Realedge Africa Ventures Ltd	4848/2021	Air ticket	14,880.00	Nil	14,880.00
102.	Realedge Africa Ventures Ltd	4861/2021	Air ticket	31,690.00	Nil	31,690.00

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103.	ComChoice Africa Limited	1021	Air ticket	76,880.00	Nil	76,880.00
104.	Gofit Travel and Logistics Ltd	G131	Air ticket	45,070.00	Nil	45,070.00
105.	Gofit Travel and Logistics Ltd	G137	Air ticket	51,425.00	Nil	51,425.00
106.	Astorian Grand Hotel	938	Conference services	236,000.00	Nil	236,000.00
107.	Astorian Grand Hotel	1193	Conference services	89,600.00	Nil	89,600.00
108.	Astorian Grand Hotel	917	Conference services	206,500.00	Nil	206,500.00
109.	Astorian Grand Hotel	498	Conference services	97,450.00	Nil	97,450.00
110.	Astorian Grand Hotel	939	Conference services	61,950.00	Nil	61,950.00
SUB TOTAL						44,057,220.66

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Appendix IV: Transfers to Other Government Entities

University Name	Provide University Education	Position	Amount transferred during the year 2024-2025 (Kshs)	Annual Appropriation during the year 2024-2025 (Kshs)	Amount transferred during the financial year 2024-2025 (Kshs)	Spent
Technical University of Kenya	Provide University Education	Vice Chancellor	1,182,390,239.90	-	1,182,390,239.90	Yes
Technical University of Mombasa	Provide University Education	Vice Chancellor	747,563,278.35	-	747,563,278.35	Yes
University of Nairobi	Provide University Education	Vice Chancellor	2,119,536,471.20	12,796,400.00	2,132,332,871.20	Yes
Koitalel Samoei UC	Provide University Education	Principal	199,264,633.55	150,000,000.00	349,264,633.55	Yes
University of Embu	Provide University Education	Vice Chancellor	576,719,795.15	-	576,719,795.15	Yes
Kenyatta University	Provide University Education	Vice Chancellor	2,279,837,125.35	-	2,279,837,125.35	Yes
Machakos University	Provide University Education	Vice Chancellor	721,159,181.90	-	721,159,181.90	Yes
Egerton University	Provide University Education	Vice Chancellor	1,670,280,764.85	-	1,670,280,764.85	Yes
Jomo Kenyatta University of Agriculture and Technology	Provide University Education	Vice Chancellor	1,713,508,445.00	-	1,713,508,445.00	Yes
Open university	Provide University Education	Vice Chancellor	726,522,337.00	-	726,522,337.00	Yes
Pan African University	Provide University Education	Vice Chancellor	63,465,214.75	-	63,465,214.75	Yes
Kirinyaga University	Provide University Education	Vice Chancellor	736,091,615.00	-	736,091,615.00	Yes
Murang'a University of Technology	Provide University Education	Vice Chancellor	583,705,246.90	-	583,705,246.90	Yes
Taita Taveta University	Provide University Education	Vice Chancellor	355,451,602.15	-	355,451,602.15	Yes
Co-operative University	Provide University Education	Vice Chancellor	335,703,804.00	6,666,860.20	342,370,664.20	Yes
Maseno University	Provide University Education	Vice Chancellor	1,527,582,467.50	-	1,527,582,467.50	Yes
Kabianga University	Provide University Education	Vice Chancellor	391,020,263.00	-	391,020,263.00	Yes

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Tom Mboya UC	Provide University Education	Principal	371,327,779.90	-	371,327,779.90	Yes
Moi University	Provide University Education	Vice Chancellor	2,868,419,013.70	-	2,868,419,013.70	Yes
Gatundu UC/Mama Ngina	Provide University Education	Principal	158,010,929.85	-	158,010,929.85	Yes
Bomet UC	Provide University Education	Principal	288,885,828.70	-	288,885,828.70	Yes
Garissa University	Provide University Education	Vice Chancellor	395,888,472.00	-	395,888,472.00	Yes
Rongo University	Provide University Education	Vice Chancellor	446,703,524.15	-	446,703,524.15	Yes
Alupe UC	Provide University Education	Principal	214,435,752.05	-	214,435,752.05	Yes
Masinde Muliro University	Provide University Education	Vice Chancellor	1,146,760,728.85	-	1,146,760,728.85	Yes
Kibabii University	Provide University Education	Vice Chancellor	373,112,690.00	-	373,112,690.00	Yes
Kaimosi UC	Provide University Education	Principal	353,501,087.20	-	353,501,087.20	Yes
Turkana UC	Provide University Education	Principal	170,517,311.55	-	170,517,311.55	Yes
South Eastern Kenya University	Provide University Education	Vice Chancellor	473,068,873.65	-	473,068,873.65	Yes
Pwani University	Provide University Education	Vice Chancellor	409,327,813.05	-	409,327,813.05	Yes
Chuka University	Provide University Education	Vice Chancellor	942,573,849.00	-	942,573,849.00	Yes
Kisii University	Provide University Education	Vice Chancellor	818,904,864.00	-	818,904,864.00	Yes
Laikipia University of Technology	Provide University Education	Vice Chancellor	374,620,749.15	-	374,620,749.15	Yes
Dedan Kimathi University	Provide University Education	Vice Chancellor	727,664,734.65	-	727,664,734.65	Yes
Meru University of Technology	Provide University Education	Vice Chancellor	640,396,983.55	-	640,396,983.55	Yes
Multimedia University	Provide University Education	Vice Chancellor	457,746,264.50	50,000,000.00	507,746,264.50	Yes
Maasai Mara University	Provide University Education	Vice Chancellor	559,723,158.55	-	559,723,158.55	Yes

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University of Eldoret	Provide University Education	Vice Chancellor	767,623,211.85	-	767,623,211.85	Yes
Karatina University	Provide University Education	Vice Chancellor	475,116,886.00	-	475,116,886.00	Yes
Jaramogi Oginga Odinga University	Provide University Education	Vice Chancellor	448,366,098.05	130,000,000.00	578,366,098.05	Yes
Tharaka UC	Provide University Education	Principal	453,658,224.55	-	453,658,224.55	Yes
KUCCPS	Placement of students in universities & colleges	CEO	69,900,204.90	-	69,900,204.90	Yes
NACOSTI	Regulate and assure quality in science, technology & innovation centre	CEO	248,159,112.00	-	248,159,112.00	Yes
Commission for University Education	A credit and quality assure in university education	CEO	219,438,963.75	-	219,438,963.75	Yes
HELB - Current Grants	Source for funds and finance students enrolled in recognised institutions of learning.	CEO	163,018,176.00	-	163,018,176.00	Yes
HELB - Scholarships	Source for funds and finance students enrolled in recognised institutions of learning.	CEO	237,000,000.00	-	237,000,000.00	Yes
National Research Fund	Mobilise and channel resources for research, science, technology and innovation	Ag-CEO	242,988,182.00	-	242,988,182.00	Yes
University Funding Board	Mobilise resources financing education	CEO	242,351,908.80	-	242,351,908.80	Yes

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African Institute for Capacity and Development	Provide University Education	CEO	56,000,000.00	-	56,000,000.00	Yes
HELB - loans	Source for funds and finance students enrolled in recognised institutions of learning.	CEO	31,185,000,000	-	31,185,000,000.00	Yes
University Funding Board	Mobilise resources financing education	CEO	16,670,980,489.80	-	16,670,980,489.80	Yes
Headquarter scholarship	Processing scholarship	Director	14,997,190.00	-	14,997,190.00	Yes
Total			79,615,991,541.30	349,463,260.20	79,965,454,801.50	

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Appendix V: AIA Collections

S/N	Institution	AIA Estimates for FY 2024/25	Actual Collected	AIA Captured in IFMIS	Variance
1	Technical University of Kenya (TUK)	1,112,984,812.00	1,546,948,612.35	1,112,984,812.00	-433,963,800.35
2	Technical University of Mombasa (TUM)	972,300,000.00	989,208,440.00	972,300,000.00	-16,908,440.00
3	University of Nairobi	12,320,051,847.00	12,694,049,221.00	12,320,051,847.00	-373,997,374.00
4	Koitalel Samoei University College	101,487,340.00	237,373,148.10	101,487,340.00	-135,885,808.10
5	Embu University College	725,900,000.00	820,827,283.00	725,900,000.00	-94,927,283.00
6	Kenyatta University	6,913,181,620.00	6,514,293,321.00	6,514,293,321.00	398,888,299.00
7	Machakos University College	538,396,928.00	882,722,571.00	538,396,928.00	-344,325,643.00
8	Egerton University	2,160,085,910.00	3,437,901,485.72	2,160,085,910.00	-1,277,815,575.72
9	Jomo Kenyatta University	4,679,254,689.00	5,549,654,241.00	4,679,254,689.00	-870,399,552.00
10	Open University	120,000,000.00	52,735,898.00	52,735,898.00	67,264,102.00
11	Kirinyaga University	1,271,427,823.00	1,597,170,680.00	1,271,427,823.00	-325,742,857.00
12	Murang'a University	639,886,704.00	725,738,465.00	639,886,704.00	-85,851,761.00
13	Taita Taveta University College	131,000,000.00	110,727,233.55	110,727,233.00	20,272,766.45
14	Cooperative University College	629,735,528.00	805,675,362.00	629,735,528.00	-175,939,834.00
15	Maseno University	1,374,281,009.00	3,614,295,692.00	1,374,281,009.00	-2,240,014,683.00
16	Tom Mboya University	252,897,115.00	815,597,688.00	252,897,115.00	-562,700,573.00
17	Moi University	2,480,400,000.00	2,714,377,666.00	2,480,400,000.00	-233,977,666.00
18	Gatundu University College	68,218,010.00	57,636,396.00	57,636,396.00	10,581,614.00
19	Bomet University College	576,060,475.00	686,058,792.00	576,060,475.00	-109,998,317.00
20	Garissa University College	291,584,139.00	276,672,293.00	276,672,293.00	14,911,846.00
21	Rongo University College	396,000,000.00	451,702,147.85	396,000,000.00	-55,702,147.85
22	Alupe University	90,000,000.00	135,866,938.00	90,000,000.00	-45,866,938.00
23	Masinde Muliro University of Science & Technology	1,366,000,000.00	2,990,138,383.00	1,366,000,000.00	-1,624,138,383.00
24	Kibabii University College	439,228,417.00	133,206,000.00	133,206,000.00	306,022,417.00
25	Kaimosi University College	219,165,700.00	760,528,253.00	219,165,700.00	-541,362,553.00

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159,132,814.00	145,905,030.00	145,905,030.00	13,227,784.00
945,342,000.00	512,324,417.00	512,324,417.00	433,017,583.00
621,473,029.00	1,051,660,773.06	621,473,029.00	-430,187,744.06
950,000,000.00	982,931,401.53	950,000,000.00	-32,931,401.53
750,000,000.00	584,810,110.00	584,810,110.00	165,189,890.00
455,434,000.00	1,536,694,836.00	455,434,000.00	-1,081,260,836.00
731,695,378.00	890,030,603.00	731,695,377.00	-158,335,225.00
592,649,617.00	490,484,230.00	490,484,230.00	102,165,387.00
621,460,316.00	1,239,431,883.00	621,460,315.00	-617,971,567.00
376,000,000.00	50,342,002.50	50,342,002.50	325,657,997.50
528,000,000.00	843,555,447.00	528,000,000.00	-315,555,447.00
80,918,435.00	2,106,596,132.00	780,918,435.00	-1,325,677,697.00
77,792,468.00	1,939,312,405.00	677,792,467.00	-1,261,519,937.00
1,792,468.00	1,032,441,753.00	1,032,441,753.00	109,350,715.00
5,512,200.00	694,518,782.00	136,512,200.00	-558,006,582.00
5,217,719,597.00	5,217,719,597.00	5,217,719,597.00	1,508,280,407.00
		796,500,000.00	-186,119,900.00

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Appendix VI. Transfers to Private Universities

S/NO	UNIVERSITY	
1	International Leadership University	
2	Amref International University	
3	Raf International University	
4	East Africa School Of Theology	
5	Pan African Christian University	
6	Riara University	
7	Marist International University Col	
8	Scott Christian University	
9	Kiriri Women's University Of Scienc	
10	The East African University	
11	The Management University Of Africa	
12	Tangaza University College	
13	Africa International University	
14	Africa Nazarene University	
15	Umma University TRUST REGISTERED TR	
	Kenya Highlands Evangelical Univers	
	retsa University	
	st Lakes University Of Kisumu	
	International University Tr	
	University Tr	