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REPORT OF THE AUDITOR GENERAL ON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2024

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

Kirinyaga University is
ISO 9001: 2015 Certified






KIRINYAGA UNIVERSITY

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REPORT OF THE AUDITOR GENERAL ON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 JUL 2025	DAY: Wednesday
TABLED BY:	Hon. Owen Bayar, CBS, MP Deputy Majority Leader
CLERK-AT THE-TABLE:	Lomale

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

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1. Key Entity Information and Management

(a) **Background information**

Kirinyaga University is a fully chartered public University since 7th October, 2016, and owned by the government of Kenya. The University aims at becoming a leading university in science and technology specializing in industry oriented teaching, research, innovation and entrepreneurship in engineering, applied sciences, health sciences, education technology and ICT.

The University is located approximately 115 kilometres north east of Nairobi off Nairobi Sagana – Embu Highway, in Kutus, Kirinyaga County.



Vision

To be a leading University in quality training, strategic research, innovation and technology development and transfer.

Mission

To train and develop human resource equipped with innovative skills to inspire enterprise in the disciplines of engineering, science, health, education, ICT and technology, to meet the demands of a dynamic world.

Objective of the University

The main objective of the University is to provide, directly or indirectly through collaboration with other institutions of higher learning, university education including scientific and professional education, and technology transfer for effective application of knowledge and skills in life, work and welfare of the citizens of Kenya. The University aims to play a leading role in the development and expansion of the opportunities for higher education and research.

The University is expected to provide and advance university education and training to appropriately qualified candidates leading to the conferment of degrees and award of diplomas and certificates.

Kirinyaga University will pursue strategic objectives in the following: policy, human resource management, library resources, resource mobilization, physical infrastructure development, information and communication technology (ICT), quality academic programmes, research, innovation, technology transfer and extension services.

(b) Principal Activities

The principal activity/mission of the University is to train and develop human resource equipped with innovative technology and skills to inspire enterprise in the discipline of engineering, science, health, education and technology and ICT to meet the demands of a dynamic world.

(c) Key Management

The Vice Chancellor, the University Management Board (UMB), Heads of Departments and Sections are responsible for management of the day-to-day operations of the University. The UMB meets weekly and is responsible for the execution of all policies on behalf of the University Council and is chaired by the Vice Chancellor, who is the Chief Executive Officer. The heads of sections and chairperson of academic departments steer the University mandate as cascaded to them via the statutes, and report to the UMB through the respective Deputy Vice Chancellors and Registrars.

(d) **Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Vice Chancellor	Prof. Mary Ndung'u
3.	Deputy Vice Chancellor (Academic Student Affairs)	Prof Charles Omwandho
4.	Registrar (Academic Student Affairs)	Mr Wallace Waruiru Kamau
5.	Chief Finance Officer	CPA Peter Kagika
6.	Procurement Officer	Ms. Esther Wanjiru Ndirangu
7.	Legal Officer	Ms. Jane Wangechi Ndegwa

(e) **Fiduciary Oversight Arrangements**

To execute this mandate, the University has various committees of Senate tasked with different responsibilities in the respective lines of operations; academic, student affairs, human resource, procurement, finance and general operations. These committees are domiciled in the respective divisions/ sections of the University, and have clearly defined terms of reference and reporting lines in the statutes.

The University Council has four committees as provided for in the statutes vide;

- The Finance, Human resource and General purpose committee,
- Audit & Risk management committee
- Academic and quality assurance committee
- Sealing committee

The respective committees of Council hold meetings quarterly and submit reports to full Council.

(f) **Kirinyaga University Headquarters**

P.O. Box 143-10300
Sagana – Embu Highway Kutus Town
Kerugoya, Kenya.

(g) **Kirinyaga University Contacts**

Telephone: (254) 728499650
E-mail: vc@kyu.ac.ke
Website: www.kyu.ac.ke

(h) **Kirinyaga University Bankers**

- Kenya Commercial Bank, Kerugoya Branch
P.O Box 405090 -10300,
Kerugoya-Kenya.
- Equity Bank, Kerugoya Branch
P.O. Box 1056 - 10300,
Kerugoya-Kenya.
- Co-operative Bank, Kutus Branch
P.O. Box 218 - 10304,
Kutus - Kenya.

(i) **Independent Auditors**

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

(j) **Principal Legal Adviser**

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

2. Members of the University Council



DR. IDRIS MUHUMED KOSAR
(Chairman of Council)

PhD – Environmental Science BSc, MSc Chemistry
DOB:1953 | Experience: 18 Years



PROF. MARY WAMBUI NDUNG'U
(Vice Chancellor/ Secretary to Council)

*PhD- Chemistry (JKUAT), Msc- Chemistry (Kenya University),
B.Ed. (Kenya University), EMBA (JKUAT)*
DOB:1962 | Experience: 37 Years



DR. BENSON MOMANYI MWANIKI
*PhD in Business Administration
(Strategic Management)*
DOB: 1961 | Experience: 37 Years



MR. MILTON KIURA NJUKI
(Rep. Ministry of Education)
*MBA – Kenya University
Bed – Kenya University
AAPAM – Kenya University*
DOB:1973 | Experience: 23 Years



MS HANNAH NJERI MAINA
*Masters in Environmental Science
(Environmental Education) – KU
B.Ed. - KU*
DOB: 1961 | Experience: 37 Years



ENG. JOEL M. KIILU
MBA BSC-Structural Engineer
DOB:1956 | Experience: 40 Years

3. Management Team



ROF. MARY WAMBUI NDUNG’U
(Vice Chancellor/ Secretary to Council)

*PhD- Chemistry (JKUAT), Msc- Chemistry (Kenyatta University),
B.Ed. (Kenyatta University), EMBA (JKUAT)*

DOB:1962 | Experience: 37 Years



PROF. CHARLES OMWANDHO
Deputy Vice Chancellor (ASA)

DOB: 1961 | Experience: 33 Years



CPA PETER MUGO KAGIKA
Chief Finance Officer

*MBA – Strategic Management (DeKUT),
BBA (Accounting & Finance) (KEMU), CPA(K)*

DOB:1975 | Experience: 23 Years



MR. WALLACE WARUIRU KAMAU
Registrar ASA

*MA Project Planning & Management (University of Nairobi),
Bsc Environmental Studies (Kenyatta University)*

DOB: 1982 | Experience: 18 Years



MS. ESTHER WANJIRU NDIRANGU
Procurement Officer

*Msc. Procurement & Logistics (JKUAT);
BSc Procurement and Logistics (JKUAT).*

DOB:1988 | Experience: 10 Years



MS. JANE WANGECHI NDEGWA
Legal Officer

*Bachelor of Laws (LLB)-CUEA
Diploma in Law- KSL*

DOB:1987 | Experience: 10 Years

4. Chairman's Statement



I am pleased to present the Annual report and Financial Statements of Kirinyaga University for the year ended 30 June, 2024.

The demand for relevant higher education in the country has continued to rise prompting the University to continually develop programmes that respond to the demands of the market. The main objective of the Council is to position the University's main programmes within the context of the market requirements, cost rationalization, equity and customer satisfaction.

During the financial period, key achievements were realized at Kirinyaga University including but not limited to hiring of competent faculty, increased students' enrolment, substantial physical infrastructure development and investments in ICT. The University plan builds on to the previous plan and lays the direction for the University for Strategic positioning in the changing landscape of University education. To achieve this objective, the University has undertaken projects which include Tuition complex phase two and lecture theatre. This is in embracing the GoK policy on increasing access to higher education. As the University strives to increase capacity in teaching and learning facilities there has been commensurate increase in the operations costs.

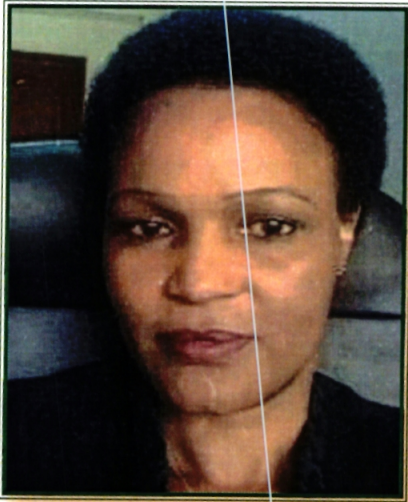
During the year under review, the University geared its financial commitments towards provision of teaching facilities, development of new curricula and recruitment of academic staff. The numbers of academic and non-academic staff have progressively grown since the inception of the University. The Council is in the process of recruiting additional senior academic and management staff to enable the implementation of new programmes and to offer quality services to the stakeholders.

The support from the Council, Management, staff, students and stake holders is appreciated.

A handwritten signature in black ink, appearing to read "Idris Muhumud Kosar". The signature is written in a cursive style and is positioned above the printed name of the Chairman.

Dr. Idris Muhumud Kosar
Chairman of Council.

5. Report of the Vice Chancellor



Presented herein is the Annual Report and Financial Statements of Kirinyaga University for the year ended 30 June, 2024 as per requirements of the Universities Act, No. 42 of 2012 and Public Audit Act, 2015, and the PFM Act, 2012, Laws of Kenya.

Kirinyaga University was granted charter by His Excellency Hon. Uhuru Kenyatta the President of the republic of Kenya on 7th October 2016 with thirteen academic degree programmes then, and has since increased the number of academic degree programmes to one hundred (100). The University is positioning itself to be a leader in offering courses geared towards producing employers in areas outlined by the Vision 2030.

The mandate of the University is derived from the Universities Act No. 42 of 2012, Laws of Kenya, which outlines the objectives toward promoting higher education in Kenya as follows:

- Advancement of knowledge through teaching, scholarly research and scientific investigation.
- Promotion of learning in the student body and society in general.
- Promotion of cultural and social life of the society.
- Support and contribution to the realization of national economic and social development.
- Promotion of highest standards in and quality of teaching and research.
- Education, training and retaining higher level professional, technical and management personnel.
- Dissemination of the outcomes of the research conducted by the university to the community.
- Promotion of gender balance and equality of opportunity among students and employees.
- Fostering of capacity of independent critical thinking among its students.
- Promotion of equalization for persons with disabilities, minorities and other marginalised groups.

The University operations are guided by the core values:

- Professionalism
- Integrity, transparency and accountability
- Innovation and creativity
- Excellence
- Equity

The University aims at diversification of revenue streams through the following:

- Continued government support in capitation and development grants,
- Increasing student enrolment,
- Increasing income generating activities and strengthening the existing ones,
- Establishing a resource mobilization office. This will be achieved by hiring staff to drive commercial investment,
- Soliciting for grants, donations and sponsorship,
- Link with industries and agencies for research funding.

The current student population is 10,100 and is expected to increase to 13,308 students in the year 2024/2025. Staff population stood at total 282 for both academic and non-academic divisions and it is expected to increase to 386 due to planned recruitment of academic staff and technicians in the next financial year 2024/2025.

The University also carries out key stakeholders' analysis with a view to identifying changing needs and ensuring cooperation and support in the achievement of its mission. The major stake holders include students, staff, alumni, the government, the community, industry, development partners, research and development institutions and institution of higher learning.

During the year under review, the University embarked on developing a number of academic programmes at PhD, Master and Bachelors in the five schools, along an intensive marketing programme aimed at increasing student enrolment. The strategic objectives of the University during the year under review were in the areas of institutional governance, human resource, development of academic programmes, research and innovations, infrastructure development, community outreach, corporate image and resource mobilization as well as aligning our efforts towards support of the Big four agenda of Government. The University strengthened training in Civil, Mechanical, Electrical Engineering and Building Sciences,

Fashion and Textile Technology, Clinical Medicine and Community Health, Forensic sciences, to support the big four agenda and all in line with the Second and Third Medium Term Plans.

During the year under review, the University Senate focused on creating knowledge and delivery of accessible, equitable, relevant and quality training to sustain an internationally competitive knowledge based economy. The Senate advises and makes recommendations to Council on academic matters, including creation of schools and development, approval and implementation of academic programmes in line with the country's skills priority agenda and taking cognizance of emerging global trends in education, science, technology and innovation.

On behalf of the management and staff of Kirinyaga University, I thank Council for the guidance accorded to the University Management Board and for the visionary direction in development of this young institution of higher learning.

The support by the Government of Kenya throughout the year under review is highly appreciated. I appeal for more support especially for the purposes of establishing suitable facilities required towards becoming world class University and do hereby report that all public funds have been applied lawfully in an effective way as stipulated by the PFM Act, 2012, Laws of Kenya.

I thank the management board, staff and students of Kirinyaga University for their continued cooperation in this challenging but noble task of building the University and look forward to the same enthusiastic participation in our upcoming development strategies.



Prof. Mary Ndung'u
Vice Chancellor

6. Statement of Performance against Predetermined Objectives for FY 2023/24

Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives. Attainment of these objectives has been articulated as follows;

Kirinyaga University intends to put efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, keeping in mind the specific priorities of the University.

Therefore, the university identified strategic pillars and objectives for the FY 2023/24, which were within its Strategic Plan, as follows:

1. Expand training opportunities to provide skilled manpower for delivery of Vision 2030;
2. Conduct research and innovation in Engineering, Health, ICT and Enterprise;
3. Undertake community service to enhance University-community linkages and social integration and cohesion.

The University developed annual work plans based on the above pillars. Assessment of the performance against annual work plan is done on a quarterly basis. The University achieved the performance targets set for the FY 2023/24 period for its strategic pillars, as indicated below:

Development of New Academic Programmes

During the FY 2023/24, the University reviewed the following academic programs.

1. Bachelor of Science in Clinical Medicine and Community Health
2. Bachelor of Science in Nursing
3. Bachelor of Science in Health Records and Information Technology.
4. Bachelor of Education Science.
5. Bachelor of Education Arts.
6. Bachelor of Technology Education.
7. B.Sc. Entrepreneurship and Innovation

During the review of the said programmes, the following activities were undertaken

1. Identification of programs that have gone through four-year cycle.
2. The Chairmen of departments requested for approval to review programs.
3. The Vice Chancellor appointment a team of experts to review in line with current trends and industry practises.
4. Draft reviewed programs were tabled at Dean's Committee and Senate for approval.
5. The reviewed Programs will be run in the FY2024/25.

Safety and Security Measures

During the FY 2023/24, The University ensured safety of personnel, students, documents, information and assets. To achieve this objective, the University used the following strategies;

1. Put Security personnel at the University access points.
2. Conducted routine checks at various entry points to the university premises/buildings.
3. Verified visitor identification and document.

In addition to this, the University was able to put in place mechanisms to mitigate against technological hazards, terrorism, fire and natural disasters by;

1. Servicing of firefighting equipment.
2. Maintenance of CCTV surveillance system.
3. Maintenance of UHF radio communication system
4. Training of staff on disaster management.
5. Conducted one fire drill.
6. Implementing the Information Security Management System (ISMS) policy.
7. Installation of antivirus software and updates thereof.
8. Created ISMS risk management wide risk register and risk management plan.
9. Finalized documentation of ISMS policy procedures and implementation.
10. Updating and securing information assets register.

7. Corporate Governance Statement

The University Council has been appointed by the cabinet secretary through open process as stipulated in the Universities Act, No. 42 of 2012, Section 36, Laws of Kenya.

The Universities Act, 2012, KyU charter, and statutes guide the management of the University in achieving its mandate. Institutional governance tenets of authority, accountability, stewardship, leadership, direction and control are deployed in the operations of the University. Policy and reference documents used alongside the University Statutes include the strategic plan, the University Service Charter, various internal policies, relevant national policies, legislations and guidelines and Government circulars issued from time to time. The Council takes responsibility of ensuring that KyU has adequate systems and processes of accountability, risk management and internal controls. Operations of the University are guided by ethical practices that seek to promote good corporate citizenship, while focusing on sustainability.

The Council provides strategic direction to the University, exercises control and remains accountable to all stakeholders by:

- Administering the property and funds of the University in a manner and for the purposes which shall promote the interest of the University; and in accordance with the procedures laid down by the Government of Kenya;
- Receiving on behalf of the University, donations, endowments, gifts, grants or other moneys and make disbursements therefrom to the University or other bodies or persons;
- Approving the appointment criteria and the terms and conditions of service of staff;
- Providing for the welfare of the staff and students of the University;
- Entering into association with other Universities or other institutions of learning, whether within Kenya or otherwise, as the Council may deem necessary and appropriate;
- In consultation with the Senate, make regulations governing the conduct and discipline of the students of the University.

The University Council is guided by the principles of corporate governance as summarized below;

Council members should be informed and act ethically and in good faith, with due diligence and care, in the best interest of the University and the stakeholders.

- Review and guide corporate strategy, objective setting, major plans of action, risk policy, capital plans, and annual budgets.
- Oversee major acquisitions in the University.
- Select, compensate, monitor and replace key management members and oversee succession planning.
- Ensure the integrity of the University accounting and financial reporting systems, including the independent audit.
- Ensure appropriate systems of internal controls are established.
- Oversee the process of disclosure and communications.
- Where committees of the Council are established, their mandate, composition and working procedures should be well-defined and disclosed.

The University Management Board is responsible for:

- Efficient management of the human, physical and financial resources of the University.
- Making proposals to the University Council and the Senate on policies that have application across the entire University.
- Coordination of the University strategic and development plan.
- Any other matters related to the management of the University.

Membership to the council is based on a formal and transparent process by the Cabinet Secretary for Education. The University Council is committed to the highest level of corporate governance. Table 1 below summarizes the council meetings and attendance therein:

Table 1: Meetings of Full Council FY 2023/24

Name	Designation	Meeting Attendance in FY2023/24
1. Dr Idris Muhumed Kosar	Current Chairperson	2/5
2. Dr. Mechah C. Moturi	Former Chairperson	3/5
3. Mr Alister Murimi	Former Member	3/5
4. Mr Milton Njuki	Rep. State Department of University Education	5/5
5. Ms Kibibi Ndope	Former Member	2/5
6. Mr Julius Onyango	Former Member	3/5
7. Eng. Joel Kiilu Musembi	Member	5/5
8. Ms. Hannah Maina	Member	5/5
9. Dr. Solomon Ngahu	Rep. National Treasury	2/5
10. Michael Muturi	Rep. Inspector General	4/5
11. Prof. Mary Ndung'u	VC/Council Secretary	5/5

For effective performance of the oversight role, the Council formed different Committees of Council to deal with specific roles as stipulated in the terms of reference to advise full Council on decision making as below;

Finance, Human Resource and General Purpose Committee

This Committee shall exercise all the powers of Council in financial and human resource matters & projects and shall report to Council. The Committee monitors the financial health of the University on behalf of Council. Table 2 below summarizes the committee meetings and attendance therein.

Table 2: Meetings of the Finance Human Resource and General Purpose Committee of Council in FY 2023/24

Name	Designation	Meeting Attendance in FY2023/24
1. Mr Alister Murimi	Chairperson	1/4
2. Mr Milton Njuki	Rep. State Department of University Education	4/4
3. Ms. Hannah Maina	Member	4/4
4. Dr. Solomon Ngahu	Rep. National Treasury	0/4
5. Prof. Mary Ndung'u	VC/Council Secretary	4/4

Academic & Quality Assurance Committee

The Academic Committee is responsible for academic portfolio planning and development and for making recommendations to Council on approval and re-approval of partners, with due consideration for enhancing quality and standards.

Table 3 below indicates the committee meetings and attendance therein.

Table 3: Meetings of the Academic and Quality Assurance Committee of Council in FY 2022/23

Name	Designation	Meeting Attendance in FY2023/24
1. Eng. Joel Kiilu Musembi	Chairperson	4/4
2. Ms Kibibi Ndope	Former Member	1/4
3. Mr Milton Njuki	Rep. State Department of University Education	4/4
4. Ms. Hannah Maina	Member	4/4
5. Prof. Mary Ndung'u	VC/Council Secretary	4/4

Audit and Risk Management Committee

The primary purpose of the Audit and Risk Management Committee is to assist Council in discharging its oversight responsibilities as the governing body of Kirinyaga University.

Table 4 below summarizes the committee meetings and attendance therein.

Table 4 Meetings of Audit and Risk Management Committee of Council in FY 2023/24

Name	Designation	Meeting Attendance in FY2023/24
1. Mr Julius Onyango	Chairperson	2/4
2. Ms Kibibi Ndope	Former Member	2/4
3. Eng Joel Kiilu Musembi	Member	4/4
4. Dr. Solomon Ngahu	Rep. National Treasury	1/4
5. CPA Francis Chirchir	Internal Auditor	4/4

Sealing Committee

The primary purpose of sealing Committee is to seal the list of students graduating before they graduate and to receive reports on use of the University seal, if any. Table 5 below summarizes the committee meetings and attendance.

Table 5: Meetings of the Sealing Committee of Council in FY 2023/24

Name	Designation	Meeting Attendance in FY2023/24
1. Dr. Mechah Charles Moturi	Chairperson	1/1
2. Mr Julius Onyango	Former Member	1/1
3. Prof. Mary Ndung'u	VC/Council Secretary	1/1
4. Prof. Charles Omwandho	DVC ASA/In attendance	1/1
5. Mr. Wallace Kamau	Registrar ASA/ In attendance	1/1

The University Senate has the mandate to:

- Establish, abolish or harmonize faculties, schools, units, departments and their titles and to recommend to Council.
- Approve all syllabus of the University
- Make recommendations to the Council for the establishment or abolition of degrees and other academic programmes.
- Approve examination results

The Council appreciates the significant growth of the University infrastructure that has promoted a good teaching and learning environment for both students and staff. The financial support by Government so far is much appreciated. However, I would like to appeal for more funding in the capital development to ensure adequate infrastructure which will support the growing student population.

I wish to thank the University Council members, management, staff, parents, guardians and students for their continued support towards building a better Kirinyaga University.



Dr. Idris Muhumed Kosar
Chairman of Council.

8. Management Discussions and Analysis

The University started the year with cash and bank balance of Kshs. 84,280,822.00 (Eighty four million, two hundred eighty thousand, eight hundred twenty two only).

During the year under review, the University generated Kshs. 1,085,349,478.00 (One billion, eighty five million, three hundred forty nine thousand, four hundred seventy eight only) in A-in-A vide student tuition and other fees, and received Kshs. 389,028,876.00 (Three hundred eighty nine million, twenty eight thousand, eight hundred seventy six only) from Government of Kenya for recurrent expenditure.

Total expenditure for the year was Kshs. 920,572,974 (Nine hundred twenty million, five hundred seventy two thousand, nine hundred seventy four only) resulting to a surplus of Kshs 553,805,380.00 (Five hundred fifty three million, eight hundred and five thousand, three hundred and eighty only).

When comparing the budget and actuals in these financial statements, the management made the following observations;

1. Other income had a positive variance of 33%. This was occasioned by the fact that during the year under review, the University received a research grant of Kshs. 32,374,285 to conduct a research in cotton growing in 47 counties. This grant was not considered during the budget preparation.
2. Income from rendering of services had a positive variance of 43%. This resulted from the fact that under new funding model for 1st year students, fees charged during FY 2023/2024 was more compared to the fees charged in previous year.
3. All other variances were within the allowed range of + or – 10%.

Key Projects and Investment Decisions Kirinyaga University is planning / implementing

During the FY 2023/24, the University had two major projects as follows:

Proposed Multi-Purpose Lecture Theatre - This project entails construction of 600 seater lecture theatre with requisite spaces and utilities, the auditorium which has a lower level and mezzanine space for audience. The tender of Kshs 208,149,185.00 (Two hundred and eight million, one hundred forty-nine thousand, one hundred eighty-five only) was awarded to High Point Agencies. The project has been transferred to Building account.

Tuition Complex – This project entails construction of 5 floors modern tuition block with 6 lecture halls, ICT laboratories and sever rooms, engineering studio, office space, car park, landscaping and civil works. For phase 2, a contract of Kshs 509,899,441.00

(Five hundred and nine million, eight hundred ninety-nine thousand, four hundred forty-one only) was awarded to Corban Construction Ltd. The site was handover to the contractor on 26th April 2024. As at 30th June 2024, site holding, building setting out and excavation had been done.

Kirinyaga University's Compliance with Statutory Requirements

The University governs her affairs within the legal framework provided by the Universities Act 2012 Cap 210 (b), Public Finance Management Act, 2012, Laws of Kenya, the Charter, and Statutes, and all other legal provisions and government circulars as issued from time to time. The University Statutes contain the fundamental governance provisions of the University and are developed and approved by the University Council. The University conducts quarterly legal audits to ensure compliance with all statutory obligations: remitting of; taxes, HELB deductions, NSSF, NHIF, NITA levies, Union dues, Sacco deductions etc. During the quarter under review, the University complied with statutory requirements and Public Finance Management (PFM) Act, 2012, Laws of Kenya.

Major Risks Facing the Entity

Kirinyaga University is exposed to two major risks as follows;

Credit risk – This refers to the risk that the students will default on payment of fees. To manage this risk, the University ensures that only students who have paid at least 60% of semester fees get to register for course units and can attend lectures up to and including the 14th week of study for the given semester by when they must attain zero balance of fees. Students with fees balances are not issued with examination cards hence they cannot sit for examinations. Such students are advised to take academic leave pending payment of requisite fees.

Liquidity risk – This is the risk to the University's financial condition or safety and soundness arising from her inability to meet her contractual obligations. To manage this risk, Kirinyaga University ensures availability of funds before committing an expenditure or collateral to fulfil those needs at the appropriate time. That the University is mainly dependent on exchequer funds, compounds the risk, especially when the budget cuts/ realignment happen in the course of the plan period and without reference to the University.

Material Arrears in statutory/Financial Obligations

During the year under review, the University reported no pending bills, however we have Payables amounting to Kshs. 137,466,041.00(One hundred thirty-seven million, four hundred sixty-six thousand, forty one only). The University anticipates honoring her financial obligations in good time to avoid any litigation in future. However, this commitment is dependent upon timely release of funds by government when the same falls due.

9. Environmental and Sustainability Reporting

At Kirinyaga University we consider the broader interests of society by taking responsibility for the impact of our activities. We believe our responsibility extends beyond the statutory obligation to comply with legislation, to include voluntarily taking action to improve the quality of life among our employees and their families, local communities and society at large as well as to protect the environment.

We are dedicated to creating a workplace that is safe, fair and enriching. Safety procedures and programs are constantly monitored and improved to help ensure that our employees work safely. The University fosters a workplace culture in which the rights, needs and unique contributions of each employee are respected, while supporting their professional development opportunities.

KyU believes that strong neighborhood, towns, and cities are vital to the well-being of the society and to the economy, and we acknowledge that we have both a special responsibility and role to play in helping the communities thrive. Through our various student and staff clubs and societies, we participate in environmental and health initiatives to help conserve the environment and save lives, and create stability in local communities. The University has partnered with the Kenya Forestry Service and Equity bank to plant over 8000 trees in an initiative to contribute to the national goal of achieving 10% tree cover by 2024. The University has put in place mechanisms to protect the riparian land along its borders by planting trees, where 12000 trees were planted in the year under review. The University blood donor club through their quarterly blood donation weeks/campaigns continues to contribute upwards of 200 pints of blood every three months, towards building a sustainable blood bank in Kenya for the benefit of the community members needing blood transfusions.

The University contributes support to local community endeavours which help provide for a better quality of life, including contributing substantially to local employment, training and skills development, especially for the management staff of Kirinyaga and Nyeri county governments. In addition, our employees and students participate in community outreach programmes to educate on Alcohol Drugs and Substance Abuse and HIV and AIDS prevention and other volunteer services.

We are committed to enhancing the quality of life for our employees, students and the communities in which they live and work by encouraging, educating, engaging and ultimately spreading good by involving more of us in volunteerism and community service.

10. Report of the University Council

Principal activities

The principal activities of Kirinyaga University are set out on page ii.

Results

The financial results of Kirinyaga University for the year ended 30 June, 2024, are set out on page xxi

University Council

Members of Council shown on page (vi) and (vii) were appointed and gazetted. Their appointment dates are as follows;

S/n	Council Member's Name	Date of Appointment	Term	Term Expiry Date
1.	Dr. Idris Muhumed Kosar	15 th December 2023	3 Years	14 th Dec. 2026
2.	Eng. Joel M. Kiilu	10 th June 2022	3 Years	9 th June 2025
3.	Mr. Milton Kiura Njuki	1 st April 2022	3 Years	30 th March 2025
4.	Dr. Benson M. Mwaniki	5 th April 2024	3 Years	4 th April 2027
5.	Ms Hannah Njeri Maina	10 th June 2022	3 Years	9 th June 2025
6.	Mr. Elijah Nyamamba	28 th March 2024	3 Years	27 th March 2027

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with Section 81 of the Public Finance Management (PFM) Act, 2015, Laws of Kenya.

Kirinyaga University's Financial Probity and Serious Governance Issues

During the year under review, nothing has come to the attention of the University Council to indicate that Kirinyaga University will not remain a going concern for at least the next twelve months from the date of this statement. Further to this, there was no conflict of interest and nothing was reported by internal auditors, external auditors or government agencies providing oversight, which is likely to affect the correctness of these financial statements.



Prof. Mary Ndung'u
Vice Chancellor.

Date: 25/11/2024

11. Statement of the University Council Responsibilities.

Section 81 of the Public Finance Management Act, 2012, Laws of Kenya and Kirinyaga University Charter of 7th October, 2016, require the University Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results for that year/period.

The responsibilities of University Council include:

- Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University;
- 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;
- Safeguarding the assets of the University,
- Selecting and applying appropriate accounting policies; and
- Making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for Kirinyaga University financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act, 2012 Section 81 and the State Corporations Act, revised 2012 Section 14.

The Council is of the opinion that the Kirinyaga University financial statements give a true and fair view of the state of the University transactions during the financial year ended June 30, 2024, and of the University financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the University Council to indicate that Kirinyaga University will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

Kirinyaga University FY 2023/2024 Financial Statements were approved by the University Council on 25/11/2024 and signed on its behalf by:



Dr. Idris Muhumed Kosar
Chairman of Council.



Prof. Mary dung'u
Vice Chancellor

REPUBLIC OF KENYA

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HEADQUARTERS
Anniversary Towers
Monrovia Street
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NAIROBI

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

PREAMBLE

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

- A. Report on 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.

An Unmodified Opinion is issued when the Auditor-General concludes that 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 aim to address the Auditor-General's statutory roles and responsibilities 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

Opinion

I have audited the accompanying financial statements of Kirinyaga University set out on pages 1 to 27, which comprise the statement of financial position as at 30 June, 2024 and

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

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, the financial statements present fairly, in all material respects, the financial position of Kirinyaga University as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Universities Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Budgetary Control and Performance

The Statement of Comparison of Budget and Actual amounts for the year under review reflects a revenue budget of Kshs.1,155,028,876 and actual revenue amount of Kshs.1,474,378,354 resulting to a net surplus of Kshs.319,349,478 or 28% of the budget. Although Management indicates the surplus was due to increased fee rates charged from the New University Funding Model, the revenue surplus may be an indication of unrealistic revenue budget planning process.

In addition, the University's budget was unbalanced since the total budgeted revenue was Kshs.1,155,028,876 against total expenditure budget of Kshs.1,080,907,391 resulting in a budget surplus of Kshs.74,121,485. This is contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 that requires budget prepared by an entity to be balanced.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Management is responsible for the Other Information set out on page ii to xxviii, which comprise of Key Entity Information and Management, Members of the University Council, Management team, Chairman's statement, Report of the Vice Chancellor, Statement of Performance Against Predetermined Objectives, Corporate Governance statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the University Council and Statement of University Council responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with One-Third Basic Salary Rule

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects Kshs.643,891,897 in respect of employee cost which includes Kshs.292,661,561 in respect to basic salaries. However, review of the payrolls revealed

that some of the employees received net salary of less than a third (1/3) of their basic salary in various months analyzed as follows;

Month	Number of Staff	Sum of Net Pay Below 1/3 of Basic Salary (Kshs)
July, 2023	16	40,941
Aug, 2023	82	329,472
Sept, 2023	57	135,211
October, 2023	56	122,832
November, 2023	55	130,259
December, 2023	11	14,183
Jan, 2024	8	23,829
March, 2024	11	4,114
April, 2024	24	35,442
May, 2024	2	38,731

This is contrary to Section 19(3) of the Employment Act, 2007 which provides that, the total amount of all deductions made by an employer from the wages of his employee at any one time shall not exceed two-thirds of such wages.

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

2. Valuation of Biological Assets

The statement of financial position and as disclosed in Note 31 to the financial statements reflects Kshs.59,481,000 in respect to Biological Assets. However, the methods and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological assets was not disclosed. This is contrary to Paragraph 45 of IPSAS 27 which requires an entity to disclose the methods and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological assets.

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

3. Employees in Acting Capacity for More than Six (6) Months

Review of employees' records revealed that two (2) employees have been in acting capacity for more than six (6) months. This is contrary to Section 34(3) of the Public

Service Commission Act, 2017 which requires public officers to serve in an acting capacity for a period of at least thirty days but not exceeding period of six months.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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


31 December, 2024


13. Statement of Financial performance for the year ended 30th June 2024

		FY 2023/24	FY 2022/23
	Notes	Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from the Government- Recurrent	5	389,028,876	360,106,665
Sub Totals		389,028,876	360,106,665
Revenue from exchange transactions			
Rendering of services	7	991,065,612	387,022,053
Rental revenue from facilities	8	1,431,865	1,378,700
Other income	9	78,050,789	17,647,520
Farm Surplus	41	14,801,211	12,695,787
Decrease in Provision for Doubtful Debt	27	-	497,097
Sub Totals		1,085,349,478	419,241,157
Total revenue		1,474,378,354	779,347,822
Expenses			
Bulk purchases of water and electricity	10	8,172,029	6,502,612
Employee costs	11	643,891,897	589,084,037
Remuneration of council	12	4,857,386	4,395,526
Repairs and maintenance	13	18,807,123	10,828,080
Contracted services	14	20,281,557	16,043,348
Student Welfare	15	13,064,175	8,166,573
Academic cost	16	58,329,585	14,596,699
Administrative costs	17	16,492,415	13,718,959
Finance costs	18	539,483	292,398
General expenses	19	36,056,045	31,188,411
Depreciation and amortization expense	20	88,769,484	83,418,148
Provision for Audit fee	21	696,000	696,000
Provision for Service Gratuity	23	7,474,132	7,592,407
Increase in Provision for Doubtful Debt	27	3,141,664	-
Total expenses		920,572,974	786,523,196
Other Gains/(Losses)		-	-
Surplus for the period		553,805,380	(7,175,375)
Taxation			
Surplus for the period		553,805,380	(7,175,375)

The notes set out on page 14 to 30 form an integral part of the Financial Statements


Dr. Idris Muhumed Kosar
Chairman of Council.


Prof. Mary dung'u
Vice Chancellor


CPA Peter Kagika
Chief Finance Officer
ICPAK Mbr. No. 9632
Date: 25/11/2024


Date: 25/11/2024

Date: 25/11/2024

14. Statement of Financial position for the year ended 30th June 2024

		FY 2023/24	FY 2022/23
	Notes	Kshs	Kshs
Current assets			
Cash and cash equivalents	25	73,455,167	84,280,822
Receivables from exchange transactions	26	85,321,879	25,630,260
Receivables from Non exchange transactions	28	32,419,073	8,658,389
Investments	29	617,723,745	137,589,836
Inventories	30	3,555,450	1,254,698
		812,475,314	257,414,006
Non-current assets			
Property, Plant and Equipment(PPE)	23	1,963,071,651	1,942,017,178
Biological assets	31	59,481,000	59,481,000
Intangible Assets	32	1,536,559	701,568
Library Books	33	3,318,289	12,276,823
		2,027,407,500	2,014,476,569
Total assets		2,839,882,814	2,271,890,576
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	34	137,466,041	180,446,757
Provision for audit fee	35	1,392,000	1,392,000
		138,858,041	181,838,757
Long term liabilities			
Provision for service gratuity	36	13,263,415	6,833,642
		13,263,415	6,833,642
FUNDS AND RESERVES			
Revaluation Reserves - PPE	37	1,111,449,469	1,073,211,668
Revaluation Reserves - Biological Assets	38	41,975,500	41,975,500
Accumulated surplus	39	615,892,949	62,087,569
Capital fund	40	918,443,439	905,943,439
		2,687,761,357	2,083,218,176
Total Funds, Reserves & Liabilities		2,839,882,814	2,271,890,576


The notes set out on page 14 to 30 form an integral part of the Financial Statements.
The financial Statements set out on page 8 to 13 were signed on behalf of council by:


Dr. Idris Muhumed Kosar
Chairman of Council.

Date: 25/11/2024


Prof. Mary dung'u
Vice Chancellor

Date: 25/11/2024


CPA Peter Kagika
Chief Finance Officer
ICPAK Mbr. No. 9632
Date: 25/11/2024

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

	CAPITAL FUND	REVALUATION RESERVE (PPE & INTANGIBLE ASSET)	REVALUATION RESERVE (BIOLOGICAL ASSETS)	ACCUMULATED FUNDS	TOTAL
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance as at 1 July 2022	882,285,050	1,073,211,668	41,975,500	69,262,944	2,066,735,162
Additions in the year (Note 6)	23,658,389	-	-	-	23,658,389
Surplus for the Year	-	-	-	(7,175,375)	(7,175,375)
Balance as at 30 June 2023	<u>905,943,439</u>	<u>1,073,211,668</u>	<u>41,975,500</u>	<u>62,087,569</u>	<u>2,083,218,176</u>
Balance as at 1 July 2023	905,943,439	1,073,211,668	41,975,500	62,087,569	2,083,218,176
Additions in the year (Note 6)	12,500,000	38,237,801	-	-	50,737,801
Surplus for the Year	-	-	-	553,805,380	553,805,380
Balance as at 30 June 2024	<u>918,443,439</u>	<u>1,111,449,469</u>	<u>41,975,500</u>	<u>615,892,949</u>	<u>2,687,761,357</u>

16. Statement of cash flows for the year ended 30 June 2024

	FY 2023/24	FY 2022/23
	Kshs	Kshs
Cash flows from operating activities		
Receipts		
Transfer from Government -Recurrent Grants	356,609,803	360,106,665
Transfer from Government - Development Grants	12,500,000	15,000,000
Rendering Services	1,000,604,268	509,743,377
Rentals Revenue	1,431,865	1,378,700
Other Incomes	49,350,036	19,062,532
Farm Income	<u>17,171,745</u>	<u>15,236,360</u>
Total Receipts	1,437,667,717	920,527,634
Payments		
Bulk purchases of water and electricity	8,122,321	6,445,000
Employee costs	673,080,042	598,756,915
Remuneration of council	4,857,386	4,395,526
Repairs and maintenance	19,116,523	13,150,628
Contracted services	20,281,557	15,649,012
Student Welfare	13,064,175	8,634,907
Academic cost	61,978,417	12,860,688
Administrative costs	16,823,127	14,407,631
Finance costs	539,483	292,398
General expenses	36,663,989	35,732,739
Audit fee	696,000	696,000
Gratuity paid	1,044,359	27,952,373
Farm Expenditure	3,866,059	2,540,572
Total Payments	860,133,437	741,514,388
Net cash flows from/(used in) operating activities	577,534,280	179,013,246
Cash flow from Investing Activities		
Purchase of Motor vehicles	-	(19,203,000)
Purchase of Computers	(13,401,350)	(10,458,658)
Purchase of software	(721,056)	(1,002,240)
Purchase of Furniture & Fittings	(876,898)	(9,973,364)
Purchase of Plant & Machinery	(17,589,814)	(35,086,709)
Work in Progress	(75,636,908)	(140,576,026)
On call Deposit	(480,133,909)	34,606,987
Net Cash flow from/(used in) Investing Activities	(588,359,935)	(181,693,010)
Cash Flow from Financing Activities		
Net Cash flow from Financing Activities	-	-
Net Increase/(Decrease in cash & Cash Equivalents	(10,825,655)	(2,679,764)
Cash and cash equivalent at 1 July	<u>84,280,821</u>	<u>86,960,587</u>
Cash and cash equivalent at 30 June	73,455,166	84,280,823

17. Statement of comparison of Budget and Actual amounts for year ended 30 June 2024

a) Recurrent Expenditure FY 2023/24						
	Original Budget	Adjustment	Final Budget	Actual	Performance Difference	% of Utilization
	Kshs	Kshs	Kshs			
	a	b	c=(a-b)			
	d	e=(c-d)	F=d/c*100			
Revenue						
Transfers from government	570,000,000	(180,971,124)	389,028,876	389,028,876	-	-
Other Income	13,410,322	45,239,588	58,649,910	78,050,789	19,400,879	33
Rendering of services	310,189,678	381,464,888	691,654,566	991,065,612	299,411,046	43
Rental income	1,400,000	-	1,400,000	1,431,865	31,865	2
Farm Surplus	15,000,000	(704,476)	14,295,524	14,801,211	505,687	4
Total Income	910,000,000		1,155,028,876	1,474,378,354		
EXPENSES						
Bulk purchases of water and electricity	7,501,462	1,207,757	8,709,219	8,172,029	537,190	6
Employee costs	714,269,441	(26,810,343)	687,459,098	643,891,897	43,567,201	6
Remuneration of council	7,106,240	(1,809,396)	5,296,844	4,857,386	439,458	8
Repairs and maintenance	14,816,553	4,979,451	19,796,004	18,807,123	988,881	5
Contracted services	25,667,490	(4,170,770)	21,496,720	20,281,557	1,215,163	6
Student Welfare	8,360,696	3,844,660	12,205,356	13,064,175	(858,819)	(7)
Academic cost	48,853,374	13,397,378	62,250,752	58,329,585	3,921,168	6
Administrative costs	20,461,806	(3,946,774)	16,515,032	16,492,415	22,617	0

Finance costs	300,000	260,000	560,000	539,483	20,517	4
General expenses	48,966,938	(9,175,088)	39,791,850	36,056,045	3,735,806	9
Provision for Audit fee	696,000	-	696,000	696,000	-	-
Farm Inputs	5,000,000	(1,725,335)	3,274,665	3,141,665	133,000	4
Provision for service gratuity	8,000,000	-	8,000,000	7,474,132	525,868	7
Depreciation	-	-	88,769,484	88,769,484	-	-
Total expenditure	910,000,000		974,821,024	920,572,974		
b) Development/Capital Expenditure						
	Original Budget	Adjustment	Final Budget	Actual	Performance Difference	% Variance
Tuition Complex	22,402,000	(12,402,000)	10,000,000	9,293,914	706,086	7
Lecture Theater	40,000,000	(30,000,000)	10,000,000	10,262,362	(262,362)	(3)
Furniture	15,000,000	(5,000,000)	10,000,000	9,583,354	416,646	4
Foot bridge	7,500,000	(5,500,000)	2,000,000	1,851,962	148,038	7
Lecture theatre external works	7,500,000	17,500,000	25,000,000	23,307,445	1,692,556	7
Library books	5,000,000	(1,300,000)	3,700,000	3,502,923	197,077	5
Equipment(engineering)	67,224,000	(31,224,000)	36,000,000	35,168,494	831,506	2
Computer & ICT infrastructure	8,500,000	886,367	9,386,367	9,436,010	(49,643)	(1)
	173,126,000	(67,039,633)	106,086,367	102,406,464		

18. Notes to the financial statement

1. General Information

Kirinyaga University is a fully chartered public university, since 2016, and owned by the government of Kenya. The mandate of the University is derived from the Universities Act No. 42 of 2012, Laws of Kenya. The University aims at becoming a world class university of science and technology specializing in industry oriented teaching, research, innovation and entrepreneurship in engineering, applied sciences, health sciences, education, technology and ICT.

The main objective of the University is to provide, directly or indirectly through collaboration with other institutions of higher learning, University education including scientific and professional education, and technology transfer for effective application of knowledge and skills in life, work and welfare of the citizens of Kenya.

2. Statement of compliance and basis of preparation

Kirinyaga University's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the entity.

The financial statements have been prepared on the basis of historical cost. The cash flow statement is prepared using the indirect method. The financial statements are prepared in accordance with PFM Act, 2012, Laws of Kenya, and the State Corporation and International Public Sector Accounting standard (IPSAS) accrual basis.

3. Adoption of new and revised standards.

Kirinyaga University is a non-profit making organization and hence was not affected by IPSAS 40 on Public Sector Combinations during the year under review.

Kirinyaga University has adopted IPSAS 41 on financial instruments to provide users with information on interest receivable as a result of on call deposits.

4. Summary of significant accounting policies

(a) Revenue recognition

(i) Revenue from exchange transactions

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

(ii) 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.

(iii) Interest income

This relates to held-to-maturity investments with the commercial bank. The entity determines the classification of its financial assets at initial recognition.

(iv) Farm

The University operates a farm for coffee, tea and horticulture. The proceeds of the farm are recognized in the financial statement net of related costs.

(v) Revenue from non-exchange transactions

The University recognizes revenue from transfers from government once they are included in the printed estimates and the outcome of the transaction can be estimated reliably. The University has received a total of Kshs 389,028,876.00 from the State Department for University Education and Research as follows:

Recurrent	Grants
i. 10 th August, 2023	- Kshs. 32,419,073
ii. 30 th August, 2023	- Kshs. 32,419,073
iii. 12 th September, 2023	- Kshs. 32,419,073
iv. 1 st November, 2023	- Kshs. 32,419,073
v. 13 th December, 2023	- Kshs. 32,419,073
vi. 8 th January, 2024	- Kshs. 32,419,073
vii. 12 th February, 2024	- Kshs. 32,419,073
viii. 13 th March, 2024	- Kshs. 32,419,073
ix. 12 th April, 2024	- Kshs. 32,419,073
x. 17 th May, 2024	- Kshs. 32,419,073
xi. 12 th June, 2024	- Kshs. 32,419,073
xii. 1 st July, 2024	- <u>Kshs. 32,419,073</u>
Total:	<u>Kshs 389,028,876</u>

Development Grants

During the FY 2023/24, the University received development grant amounting to Kshs. 12,500,000.00 as follows;

- i. 29th February, 2024 - Kshs. 12,500,000

Total: Kshs 12,500,000

b) Budget information

The annual budget was prepared on the accrual basis where all planned costs and income were presented in a single statement to determine the needs of the entity. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

(c) 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. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation

The University land is a freehold property and not subjected to amortization. Fixed assets have been depreciated using reduced balance method to write off the costs of the assets over their useful economic life at the following rates;

Land	Nil
Building	2%
Furniture and Fittings	12.5%
Motor Vehicles	25%
Computers and Accessories	30%
Plant and Machinery	12.5%
Loose Tools	20%
Depreciation is charged fully in the year of acquisition and no depreciation is charged in the year of disposal.	

(d) 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:

1. Raw materials: purchase cost using the weighted average cost method
2. 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 entity.

Library books

Library books relate to books purchase by the valued at cost less depreciation. These are deemed to be used by the students hence represented in the financial statements.

(e) Employee benefits

Retirement benefit plans

Kirinyaga University provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts (through employee contributions and, if applicable, employer contributions) plus any investment earnings on the money in the account.

(f) Foreign currency transactions

There were no foreign currency transactions during the period under review.

(g) 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.

(h) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statement for the year ended June 30, 2024.

(i) Receivables

Receivables are recognized when commitments are effected at their fair value and the University makes a provision of 5% as doubtful debts.

(j) Trade payables

Trade payables are nearly always classified as current liabilities, since they are usually payable within one year. If that is not the case, then such payables can be classified as long-term liabilities. If a longer-term liability typically has an interest payment associated with it, and so is more likely to be classified as long-term debt.

(k) Nature and purpose of reserves

Kirinyaga University creates and maintains reserves in terms of specific requirements. The entity has the following reserves:

Revaluation Reserve. This reserve was occasioned by the fact that the University valued all its assets in June, 2020. All University motor vehicles were revalued on 20th June 2023. It represents the difference between the net book value as at June 30, 2024 and the revalued amount.

Accumulated Surplus. This reserve represents the accumulated surplus over years.

Capital fund. This relates to development funds made to the University.

(l) Changes in accounting policies and estimates

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

(m) Biological assets

Kirinyaga University accounting, treatment and disclosures related to Agricultural activity is provided for in these financial statements. These activities have been measured at fair value less estimated cost to sell at the point of harvest or at the point of disposal.

(n) Significant judgements and sources of estimation uncertainty

The preparation of Kirinyaga University 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. Nothing has come to the attention of the University Council that can result to contingent liability or asset.

(o) Related parties' disclosures

In accordance to IPSAS 20, Kirinyaga University regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the University. The University Council and the key management are regarded as related parties and comprise the Vice Chancellor, Deputy Vice Chancellors, Registrars, Deans of Schools, Chairmen of Departments and Heads of sections in the University.

National Government is also a related party to the University by the fact of it being formed by the Act of parliament through the University Charter of 7th October, 2016.

(p) Disclosure on financial risk management

Credit risk - Credit risk refers to the risk that the students will default fees by failing to make required payments. To manage this risk, the University ensures that students with fees balances are not issued with examination cards hence they cannot sit for examinations.

Trade receivables in Kshs

As at 30 June 2024	Fully performing	Between 0-5months	Over 5 Months
Student Receivables	25,648,583	25,648,583	-
Deposit with Financial Institution	617,723,745	617,723,745	-
Accrued Interest on Call deposits	31,930,128	31,930,128	-
Bank Balance	73,455,167	73,455,167	-
Totals	748,757,623		
As at 30 June 2023			
Student Receivables	9,128,814	9,128,814	-
Deposit with Financial Institution	137,589,836	137,589,836	-
Accrued Interest on Call deposits	3,229,375	3,229,375	-
Bank Balance	84,280,822	84,280,822	-
Totals	234,228,847		

Liquidity risk - Liquidity risk is the risk to an institution's financial condition or safety and soundness arising from its inability to meet its contractual obligations. To manage this risk, Kirinyaga University ensures availability of funds before committing an expenditure or collateral to fulfil those needs at the appropriate time.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2024				
Trade payables	4,236,310	101,664,855	31,564,876	137,466,041
	=====	=====	=====	=====
As at 30 June 2023				
Trade payables	131,062,420	4,665,008	44,719,328	180,446,757
	=====	=====	=====	=====

(q) On call / Fixed Deposit Kshs 617,723,745.00 (Six hundred seventeen million, seven hundred twenty-three thousand, seven hundred forty five only)

1. Kshs 1,115,000.00 (One million, one hundred fifteen thousand only) is a bank guarantee with KCB Bank Ltd for fuelling with Rubis Energy Kenya.
2. Kshs 80,000,000.00 (Eighty million only) deposited in a call deposit account with Equity Bank Ltd at a rate of 16%.

3. Kshs 268,000,000.00 (Two hundred sixty-eight million only) deposited in a call deposit account with Equity Bank ltd at a rate of 16%.
4. Kshs 36,000,000.00 (Thirty-six million only) deposited in a call deposit account with Equity Bank ltd at a rate of 12.5%.
5. Kshs 141,000,000.00 (One hundred forty-one million only) deposited in a call deposit account with Equity Bank ltd at a rate of 16.5%.
6. Kshs 88,278,828.00 (Eighty eight million, two hundred seventy eight thousand, eight hundred twenty eight only) deposited in a call deposit account with Equity Bank ltd at a rate of 15.5%.
7. Kshs 3,329,917.00 (Three million, three twenty nine thousand, nine hundred seventeen only) deposited in a call deposit account with Equity Bank ltd at a rate of 10%.

(r) Comparative information

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

(s) Related Party Disclosures

During the quarter under review, the University paid Kshs 4,857,386.00 to Council and Kshs 53,627,296.00 to the top management.

(t) Capital Commitment

The University had an approved capital budget of Kshs 50,000,000 and the University received Kshs 12,500,000 during the year under review.

(u) Ultimate and Holding Entity

Kirinyaga University is a Semi – Autonomous Government Agency under Ministry of Education.

(v) Currency

The financial statements are presented in Kenyan shillings (Kshs)

5. TRANSFER FROM THE GOVT - RECURRENT	FY 2023/24	FY 2022/23
July	32,419,073	30,008,889
August	32,419,073	30,008,889
September	32,419,073	30,008,888
October	32,419,073	30,008,889
November	32,419,073	30,008,889
December	32,419,073	30,008,888
January	32,419,073	30,008,889
February	32,419,073	30,008,889
March	32,419,073	30,008,885
April	32,419,073	30,008,890
May	32,419,073	30,008,890
June	32,419,073	30,008,890
	<u>389,028,876</u>	<u>360,106,665</u>
6. TRANSFER FROM THE GOVT - DEVELOPMENT		
March	10,000,000	15,000,000
March	2,500,000	8,658,389
Total	<u>12,500,000</u>	<u>23,658,389</u>

NB/This amount relates to Development grant recognized in changes in Net Asset Statement.

Detailed analysis of the grants received by Kirinyaga University

Name of the entity sending the Grant	Amount recognized to Statement of Financial Performance	Amount recognised in capital fund	Prior Year FY 2022/23
MoE -Recurrent	389,028,876	-	360,106,665
MoE -Development	-	12,500,000	23,658,389
Total	<u>389,028,876</u>	<u>12,500,000</u>	<u>383,765,054</u>

7. RENDERING SERVICES	FY 2023/24	FY 2022/23
Tuition and other fees	991,065,612	387,022,053
	<u>991,065,612</u>	<u>387,022,053</u>

8. RENTAL REVENUE	FY 2023/24	FY 2022/23
Staff Houses	1,431,865	1,378,700
Totals	<u>1,431,865</u>	<u>1,378,700</u>
9. OTHER INCOMES		
Sale of tender forms	-	4,000
Disposal	818,641	124,738
Medical & Other Income	36,100	24,300
Kitchen sales	3,919,418	4,282,660
Interest Income	39,420,848	10,217,632
Bursary fund Donations	155,750	176,910
Hire of Facilities	1,325,747	1,118,640
Research Income	32,374,285	1,698,640
TOTAL INCOME	<u>78,050,789</u>	<u>17,647,520</u>
10. BULK PURCHASE OF WATER AND ELECTRICITY		
Electricity expenses	7,485,494	6,109,022
Water expenses	686,353	393,590
	<u>8,172,029</u>	<u>6,502,612</u>
11. EMPLOYEE COSTS		
Basic Salaries	292,661,561	272,541,910
Casual Workers	4,376,684	2,240,488
House Allowances	123,785,782	117,990,670
Part time teaching	65,301,105	55,161,165
Pension	54,018,820	49,408,895
House to Office Allowance	31,441,291	26,580,962
Other Personal Allowances	38,655,037	37,660,904
Passage & Baggage	140,060	138,021
Staff Medical Cover	28,060,203	27,361,021
Housing Levy	5,451,354	-
	<u>643,891,897</u>	<u>589,084,037</u>
12. RENUMERATION OF COUNCIL		
Chairman's Allowance	896,613	1,020,000
Sitting Allowance	2,456,200	2,540,000
Travelling & Accommodation	704,573	835,526
Chancellor Allowance	800,000	-
	<u>4,857,386</u>	<u>4,395,526</u>

13. REPAIRS AND MAINTENANCE	FY 2023/24	FY 2022/23
Vehicle repairs	1,795,773	1,856,097
Maintenance of Buildings	13,463,531	7,595,815
Machine & Equipment repairs	3,547,820	1,376,168
	<u>18,807,123</u>	<u>10,828,080</u>
14. CONTRACTED/PROFESSIONAL SERVICES		
Asset Tagging	-	998,673
Legal Services	150,000	1,138,086
ISO Expenses	1,265,200	150,000
House Keeping/Cleaning Services	14,208,228	9,968,200
Security Services	4,658,129	3,788,389
	<u>20,281,557</u>	<u>16,043,348</u>
15. STUDENTS WELFARE		
Students games	2,847,335	2,500,536
Students medical expenses	2,048,233	2,334,188
Fees refunds	4,949,484	605,429
Students Entertainment	2,813,523	2,329,821
KYU Students union	<u>405,600</u>	<u>396,600</u>
	<u>13,064,175</u>	<u>8,166,573</u>
16. ACADEMIC COSTS		
Curriculum Development	166,550	1,097,052
Attachment expenses	4,786,260	1,918,759
Student admission Expense	13,091,500	1,766,000
Graduation Expense	3,161,929	1,775,986
Teaching materials	12,882,481	7,568,466
Research Expenses	<u>24,240,865</u>	<u>470,436</u>
	<u>58,329,585</u>	<u>14,596,699</u>
17. ADMINISTRATIVE COSTS		
Travelling and accommodation	9,657,000	5,707,218
Stationery	<u>6,835,415</u>	<u>8,011,741</u>
	<u>16,492,415</u>	<u>13,718,959</u>
18. FINANCE COSTS		
Bank charges	<u>539,483</u>	<u>292,398</u>
	<u>539,483</u>	<u>292,398</u>

19	GENERAL EXPENSES	FY 2023/24	FY 2022/23
	Conferences & Seminars	1,290,550	1,487,120
	Internet expenses	9,416,242	8,060,126
	Vehicle licenses & insurance	2,637,757	2,613,112
	Purchase of Uniforms	261,782	433,951
	Vehicle fuel and oil	5,304,958	4,127,436
	Advertisement & Marketing	3,171,679	2,196,529
	Staff Welfare & Trainings	350,550	522,439
	News papers	143,240	235,385
	Telephone & Postage expenses	110,249	122,743
	Subscription to Professional bodies	1,578,747	1,148,980
	Cleaning Materials	185,084	205,046
	Public celebrations/Demise	240,000	180,000
	Catering expenses	10,031,067	9,786,144
	Corporate Social Responsibility	864,640	69,400
	Performance Contract	<u>469,800</u>	<u>-</u>
	Totals	<u>36,056,045</u>	<u>31,188,411</u>
20	DEPRECIATION & AMORTIZATION EXPENSE		
	Property Plant and Equipment	79,023,565	71,053,694
	Intangible Asset Amortization	787,385	3,405,919
	Library Books	<u>8,958,534</u>	<u>8,958,534</u>
	Total	<u>88,769,484</u>	<u>83,418,148</u>
21	PROVISION FOR AUDIT FEE		
	Annual Audit Fee Provision	<u>696,000</u>	<u>696,000</u>
		<u>696,000</u>	<u>696,000</u>
22	PROVISION FOR SERVICE GRATUITY		
	Provision for Service Gratuity	<u>7,474,132</u>	<u>7,592,407</u>
		<u>7,474,132</u>	<u>7,592,407</u>

Note 23 : Property, Plant and Equipment

DETAILS	LAND	BUILDING	MOTOR VEHICLES	COM-PUTER & ACCESSORIES	PLANT & EQUIPMENT	FURNITURE & FITINGS	LOOSE TOOLS	WORK IN PROGRESS	TOTAL
	NIL	2%	25%	30%	12.5%	12.5%	20.0%	NOTE 3	
Cost As at 01/07/2022	911,700,000	713,488,783	44,032,402	53,410,599	103,436,842	24,273,454	3,584,588	155,467,607	2,009,394,275
Additions for the period	-	-	19,203,000	8,924,010	35,168,494	9,583,354	-	52,921,481	125,800,339
Transfers	-	-	-	-	-	-	-	-	-
Cost As at 30/06/2023	911,700,000	713,488,783	63,235,402	62,334,609	138,605,336	33,856,808	3,584,588	208,389,088	2,135,194,614
Revaluation as at 1/7/2023	911,700,000	713,488,783	52,640,052	62,334,609	138,605,336	33,856,808	3,584,588	208,389,088	2,124,599,264
Additions for the period	-	-	-	13,359,350	17,589,814	951,918	-	31,189,156	63,090,238
Disposal	-	-	(1,250,000)	-	-	-	-	-	(1,250,000)
Transfers	-	230,284,329	-	-	-	-	-	(230,284,329)	-
As at 30/06/2024	<u>911,700,000</u>	<u>943,773,112</u>	<u>51,390,052</u>	<u>75,693,959</u>	<u>156,195,150</u>	<u>34,808,726</u>	<u>3,584,588</u>	<u>9,293,915</u>	<u>2,186,439,502</u>
Depreciation									
As at 01/07/2022	-	29,632,402	33,024,302	24,979,792	25,241,049	7,105,501	2,140,697	-	122,123,742
Depreciation of the disposed asset	-	-	-	-	-	-	-	-	-
Charge for the period	-	14,269,776	15,808,851	18,700,383	17,325,667	4,232,101	716,918	-	71,053,694
As at 30/06/2023	-	43,902,177	48,833,153	43,680,175	42,566,716	11,337,602	2,857,614	-	193,177,437
As at 01/07/2023	-	43,902,177	-	43,680,175	42,566,716	11,337,602	2,857,614	-	144,344,284
Depreciation of the disposed asset	-	-	-	-	-	-	-	-	-
Charge for the period	-	18,875,462	12,847,513	22,708,188	19,524,394	4,351,091	716,918	-	79,023,565
As at 30/06/2024	-	62,777,640	12,847,513	66,388,362	62,091,110	15,688,693	3,574,532	-	223,367,849
NBV as at 30/06/2024	<u>911,700,000</u>	<u>880,995,472</u>	<u>38,542,539</u>	<u>9,305,597</u>	<u>94,104,040</u>	<u>19,120,033</u>	<u>10,056</u>	<u>9,293,915</u>	<u>1,963,071,652</u>
NBV as at 30/06/2023	<u>911,700,000</u>	<u>669,586,606</u>	<u>14,402,250</u>	<u>18,654,434</u>	<u>96,038,620</u>	<u>22,519,206</u>	<u>726,974</u>	<u>208,389,088</u>	<u>1,942,017,178</u>

24. Work-in-Progress	Bal B/D as at 1/7/23	Additional Buildings	Transfer to During the Year	Bal C/D as at 30/6/24
Lecture Theatre	175,746,610	10,262,362	(186,008,972)	-
External works	28,094,726	-	(28,094,726)	-
Tuition Complex II	-	9,293,914	-	9,293,914
Foot Bridge	1,851,962	6,390,004	(8,241,966)	-
Extension of Carpark	-	5,242,875	(5,242,875)	-
Exam Office Extension	2,695,790	-	(2,695,790)	-
Totals	<u>208,389,088</u>	<u>31,189,155</u>	<u>(230,284,329)</u>	<u>9,293,914</u>

25. CASH AND BANK BALANCES		FY 2023/24	FY 2022/23
Kenya Commercial Bank	Account No.		
Current Account	1135935173	14,247,628	49,658,803
Fees collection Account	1104016028	25,996,597	9,472,846
Development Account	1164419137	1,231,755	254,118
Equity bank			
Fee collection Account	0100299420333	2,231,298	9,683,259
Cooperative bank			
Fees collection Account	01129489200000	20,481,557	9,043,898
Farm Account	01120489200000	2,771,391	2,795,534
Giachai Farm Account	01120489200001	6,486,043	3,336,216
Cash balances		8,898	36,150
		<u>73,455,167</u>	<u>84,280,822</u>

RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Student debtors		9,128,814
K.P.L.C. deposits		984,500
Accrued Interest - Equity Bank		3,229,375
Accrued Lease Income		2,334,100
Rent Deposit		19,500
Prepaid Insurance		<u>11,282,933</u>
		89,812,504
Less Provision For Doubtful Debt @ 5%		<u>(1,348,961)</u>
Net Receivables		<u>25,630,260</u>
PROVISION FOR DOUBTFUL DEBT ANALYSIS		FY 2023/24
Balance C/D		1,348,961
less Balance B/D		<u>(1,846,058)</u>
Increase/(Decrease) in Provision for Doubtful debt		<u>(497,097)</u>

RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

MOEST	<u>32,419,073</u>	<u>8,658,389</u>
	<u>32,419,073</u>	<u>8,658,389</u>

INVESTMENT

On call Deposit - KCB Bank	3,329,917	14,393,828
On call Deposit - Equity Bank	<u>616,608,745</u>	<u>123,196,008</u>
	<u>617,723,745</u>	<u>137,589,836</u>

INVENTORIES

Stock	<u>3,555,450</u>	<u>1,254,698</u>
	<u>3,555,450</u>	<u>1,254,698</u>

NB/This Inventory represent repair materials in the store.

BIOLOGICAL ASSETS

64,108 Coffee trees	19,500,000	19,500,000
148,052 Tea bushes	37,500,000	37,500,000
4.5 acres Banana Plantation	850,000	850,000
28 Avocado trees	140,000	140,000
15 Macandamia trees	172,500	172,500
2.5 acres Agroforest	<u>1,318,500</u>	<u>1,318,500</u>
Total	<u>59,481,000</u>	<u>59,481,000</u>

This was at net realizable value

INTANGIBLE ASSETS

Cost at the beginning of the year	28,668,090	27,665,850
Additional	-	1,002,240
Cost at the end of the year	<u>28,668,090</u>	<u>28,668,090</u>

Amortization

At the beginning of the year	27,966,522	24,560,603
Amortization for the Year (30%)	300,672	3,405,919
At the end of the year	<u>28,267,194</u>	<u>27,966,522</u>

Net Book Value	<u>400,896</u>	<u>701,568</u>
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NB/These are software.

LIBRARY BOOKS	FY 2023/24	FY 2022/23
Cost at the beginning of the year	44,792,672	41,289,749
Additional	-	3,502,923
Cost at the end of the year	<u>44,792,672</u>	<u>44,792,672</u>
Depreciation		
At the beginning of the year	32,515,848	23,557,314
Depreciation for the Year (20%)	8,958,534	8,958,534
At the end of the year	<u>41,474,383</u>	<u>32,515,848</u>
Net Book Value	<u>3,318,289</u>	<u>12,276,823</u>
TRADE AND OTHER PAYABLES		
Student creditors	95,412,906	52,228,270
Trade Creditors- Recurrent	42,053,136	83,499,159
Trade Creditors - Development	-	21,812,977
Retention funds	-	22,906,351
Total	<u>137,466,041</u>	<u>180,446,757</u>
AUDIT FEES		
Balance b/f	1,392,000	1,392,000
Paid in the Year	(696,000)	(696,000)
Provision Audit fees for the Year	696,000	696,000
Balance c/d	<u>1,392,000</u>	<u>1,392,000</u>
PROVISION FOR SERVICE GRATUITY		
Balance b/f	6,833,642	27,193,609
Add provision for the year	7,474,132	7,592,407
Gratuity paid during the year	(1,044,359)	(27,952,373)
Balance c/d	<u>13,263,415</u>	<u>6,833,642</u>
REVALUATION RESERVE - PPE		
Balance b/f	1,073,211,668	1,073,211,668
Additions for the Year	38,237,801	-
Balance c/d	<u>1,111,449,469</u>	<u>1,073,211,668</u>

REVALUATION RESERVE - (BIOLOGICAL ASSETS)	FY 2023/24	FY 2022/23
Balance b/f	41,975,500	42,415,000
Additions for the Year	-	(439,500)
Balance c/d	<u>41,975,500</u>	<u>41,975,500</u>
ACCUMULATED SURPLUS		
Balance b/f	62,087,569	69,262,944
Surplus/(Deficit) for the period	<u>553,805,380</u>	<u>(7,175,375)</u>
Balance c/d	<u>615,892,949</u>	<u>62,087,569</u>
CAPITAL FUND		
Balance b/f	905,943,439	882,285,050
Development fund	<u>12,500,000</u>	<u>23,658,389</u>
Balance c/d	<u>918,443,439</u>	<u>905,943,439</u>
FARM ACCOUNTS		
Revenue		
Coffee	1,995,525	1,995,525
Tea income	16,214,485	10,677,150
Horticulture	457,260	110,335
Sale of Trees	-	2,453,350
Total Income	18,667,270	15,236,360
Expenditure		
Tea picking casuals	2,705,055	2,062,208
Tea pruning	109,149	97,000
Fertilizers & Inputs	886,529	303,861
Horticulture expenses	80,100	8,500
Farm staff welfare	25,750	24,510
Farm travelling charges	16,720	10,560
Electricity Water & Conservation	42,756	33,933
Total Expenditure	3,866,059	2,540,572
Surplus for the year	<u>14,801,211</u>	<u>12,695,787</u>

19. Appendix

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR

RECOMMENDATIONS

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

S.No	Observation	Management Comments	Focal Person	Status	Time frame
1.	Non-Compliance to one third Basic salary	This was affected by changes of tax bracket rate.	Vice Chancellor	The vice chancellor has developed a check point in finance to ensure that staff are not committing more than two thirds of their basic salary to loan	Continuous
2.	Employee on Acting Capacity	The management is committed to set aside an additional payroll budget to enable the two officers be recruited in the substantive positions	Vice Chancellor	The budget for this position is factored in FY2024/25 Budget	Continuous

32 APPENDIX II: Projects Implemented by the University

Projects

Projects implemented by the Kirinyaga University funded by the government.

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Tuition Complex	KyU/TN/TCII/MBW/001/2024	GOK		Fully Committed	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Tuition Complex	1,200,000,000	366,772,236	30.6 %	1,200,000,000	1,200,000,000	GOK

APPENDIX III: INTER-ENTITY TRANSFERS

State Department for University Education	Date Received	Nature	Recurrent Grants Amount (Kshs)	Development grant
	10 th August 2023	Recurrent Grants	32,419,073	-
	30 th August 2023	Recurrent Grants	32,419,073	-
	12 th September 2023	Recurrent Grants	32,419,073	-
	1 st November 2023	Recurrent Grants	32,419,073	-
	13 th December 2023	Recurrent Grants	32,419,073	-
	8 th January 2024	Recurrent Grants	32,419,073	-
	12 th February 2024	Recurrent Grants	32,419,073	-
	13 th March 2024	Recurrent Grants	32,419,073	-
	29 th March 2024	Development Grants	-	12,500,000
	12 th April 2024	Recurrent Grants	32,419,073	-
	17 th May 2024	Recurrent Grants	32,419,073	-
	12 th June 2024	Recurrent Grants	32,419,073	-
1 st July 2024	Recurrent Grants	32,419,073	-	
Total			389,028,876	12,500,000



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Prof. Mary Ndung'u
Vice Chancellor
Kirinyaga University



.....
CPA Peter Kagika
Chief Finance Officer
Kirinyaga University

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA Transferring the funds	Date received as per bank statement	Nature	Total Amount - KES	Statement of Financial Performance	Receivables	Total Transfers during the Year
N/A	N/A	N/A	N/A	N/A	N/A	N/A