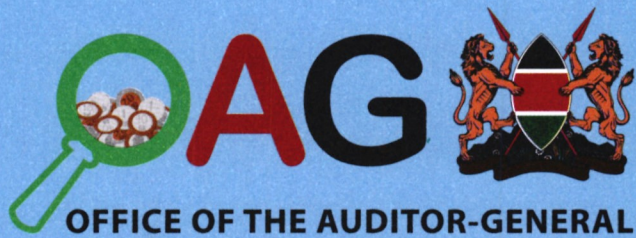



REPUBLIC OF KENYA



Enhancing Accountability

 THE NATIONAL ASSEMBLY REPORT	
DATE: 22 NOV 2023	
DAY: Wednesday	
TABLED BY:	Hon Owen Baya MP
CLERK-AT THE TABLE:	Deputy majority leader
	Miriam Mudo

PARLIAMENT OF KENYA LIBRARY

THE AUDITOR-GENERAL

ON

**CENTRE OF EXCELLENCE IN SUSTAINABLE
AGRICULTURE AND AGRIBUSINESS
MANAGEMENT CREDIT NO.5798-KE**

**FOR THE YEAR ENDED
30 JUNE, 2023**

EGERTON UNIVERSITY

12





**Project Name: Centre of Excellence in Sustainable Agriculture
and Agribusiness Management (CESAAM)
Implementing Entity: EGERTON UNIVERSITY
PROJECT CREDIT NUMBER: 5798-KE**

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED JUNE 30, 2023



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



TABLE OF CONTENTS

Contents

1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS	ii
2. PROJECT INFORMATION AND OVERALL PERFORMANCE.....	iii
3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES xxiii	
4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xxvi
5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	xxix
6. REPORT OF THE INDEPENDENT AUDITORS ON THE FINANCIAL STATEMENT OF CESAAM PROJECT.....	xxxii0
7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023	1
8. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2023.....	2
9. STATEMENT OF CASHFLOW FOR THE YEAR 30TH JUNE 2023	3
10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 TH JUNE 2023	4
11. SIGNIFICANT ACCOUNTING POLICIES	5
12. NOTES TO THE FINANCIAL STATEMENTS	13
13. ANNEXES.....	20

1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

WB	World Bank
CESAAM	Centre of Excellence in Sustainable Agriculture and Agribusiness Management.
VC	Vice Chancellor
ACE II	Africa Center of excellence.
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
DLIs	Disbursement Linked Indicators

2. PROJECT INFORMATION AND OVERALL PERFORMANCE

2.1 Name and registered office

Name: The project's official name is **Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)**

Overall Objective: Sustainable Agriculture and Agribusiness Management through capacity development, research and technology transfer for enhanced food security.

Address: The project headquarters offices are; Egerton University, Nakuru County, Kenya. The address of its registered office is:

Egerton University P.O. Box 536 - 20115 Egerton, Kenya.

Contacts: The following are the project contacts

Email: cesaam@egerton.ac.ke

Website: cesaam.egerton.ac.ke | **Twitter:** @CESAAM_EGERTON | **Facebook:** CESAAM Egerton University

Mobile: +254725809214 | +254700822859 | +254722831634

2.2 Project Information

Project Start Date:	The project start date is 04-07-2016
Project End Date:	The project end date is 31.12.2023
Project Manager:	The project manager is Prof. George Owuor
Project Sponsor:	The project sponsor is International Development Association

2.3 Project Overview

Line Ministry/State Department of the Project	The project is under the supervision of the Education Ministry. (State Department for University Education)
Project number	IDA Credit 5798-KE
Strategic goals of the Project	The strategic goals of the project are as follows: i) Capacity development along the Agricultural Value Chain in the Eastern and Southern Africa region, especially for the fragile and post conflict states. ii) To undertake innovative research, including use of biotechnology and climate smart agriculture, for increased crop and livestock productivity. iii) Enhance the capacity of the University's Agro-Science Park to assist partner universities establishes a similar model for incubation of

Project information and overall performance (continued)

	<p>technological innovations.</p> <p>iv) Develop evidence based agricultural policy briefs and disseminate best practices through Agricultural Knowledge Centres in Egerton (CESAAM) and partner universities</p>
Achievement of strategic goals	<p>Expected outputs include:</p> <ol style="list-style-type: none"> 1) Increased capacity to conduct quality training and research nationally and regionally. 2) Equipped research laboratories. 3) Increased innovation products. 4) Increased dissemination of agricultural best practices and evidence-based policy briefs. <p>The cumulative impacts of these outputs are increased productivity along the value chain and improved food security.</p>
Other important background information of the project	<p>CESAAM aims at leveraging fragile and post-conflict countries through offering opportunities to their faculty and students. The program does this through Post graduate training, Research, Retooling workshops, Exchange programs, Summer schools and admission of students from these countries.</p>
Current situation that The project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> 1) Address Food insecurity and persistent hunger and poverty affecting poverty affecting about 33% of African population. 2) Occurrence of frequent droughts, rampant crop and livestock diseases, 3) Poor Policies and market information access. 4) Inadequate technical capacity and limited technologies and innovations to address emerging challenges including diseases and pests. 5) Climate change effects and inability to sustainably ameliorate the climate impacts. 6) Low involvement in Agri-entrepreneurship, particularly among the Youth
Project duration	<p>The project was effective as from 24th August 2016 and is expected to run until 31 December 2023.</p>

Project information and overall performance (continued)

2.4 Bankers

The following is the banker for the current year:

- (i) Kenya Commercial Bank (Egerton Branch)

2.5 Independent Auditor

The project is audited by the Auditor General- Kenya.

2.6 Roles and Responsibilities

In line with the Project Organogram, the Project Management is in two Levels: The CESAAM Steering or Management Core Team and Thematic Leaders. The Core teams are involved in day-to-day decision making, while thematic leaders are Professors drawn from different disciplines and which comes handy during project research thematic areas. Thus the main management team is the core team as below:

The CESAAM Project Management Team

Names	Title designation	Key qualification	Responsibilities
Prof. Isaac O. Kibwage Ph.D, HSC	Vice Chancellor	Professor of Pharmaceutical Chemistry	Overall governance and leadership issues at
Prof. George Owuor	Centre Leader	PhD in Agribusiness	Deputy Centre Leader- and in charge of Academics
Prof. Samuel M. Mwonga	Deputy Centre Leader	University Level and represent the Council	Member of the Steering Committee in Charge of Overseeing Procurement
Prof. Josephine P. Ouma	Member of the Steering	PhD in Agronomy	Member of the Steering Committee in charge of Logistics
Dr. Mary Omwamba	Member of the Steering	PhD in Food science	Preparation of financial statements
Gabriel Ndung'u	Project Accountant	MBA (Finance), CPA-K	In charge of Research and Innovation
Prof. Joshua Ogendero	Member of the Steering	PhD in Crop Protection	

Project information and overall performance (continued)

	Partners with MoU and Agreement signed	Activities involved in:
Partners and partners hip involved :	<ol style="list-style-type: none"> 1. Community Action for Rural Development (CARD) 2. Kenya Association of Manufacturers (KAM) 3. Kenya Private Sector Alliance (KEPSA) 4. The Hive Limited Limited 5. University of Rwanda 6. University of Burundi 7. Nelson Mandela African Institute of Science and Technology (NM-AIST CREATES) 8. Gulu University, 9. University of Juba, 10. Jaramogi Oginga Odinga University of Science and Technology (JOOUST) 11. Virginia Tech, 12. Pwani University, 13. University of Namibia, 14. Florida A&M University (FAMU) 15. University of Edinburg 16. Zheijiang University 17. Nanjing Agricultural University 18. Kenya Agricultural & Livestock Research Organization. (KALRO). 19. The Biosciences eastern and central Africa (BeCA)-ILRI HubBeCA ILRI 20. The International Maize and Wheat Improvement Center (CIMMYT) 21. International Centre of Insect Physiology and Ecology (ICIPE). 22. Hand in Hand East Africa 23. Kenya Plant Health Inspectorate Service (KEPHIS) 24. Lian Farm Ltd 	<ol style="list-style-type: none"> 1. Retooling of faculty staff 2. Research & Innovation 3. Exchange Programmes 4. Product development and commercialization 5. Internship opportunities for Students 6. Benchmarking and development of new and/or existing programs 7. Joint teaching and/or co-supervision 8. Joint events that booster research and capacity Building 9. Joint private Sector engagement/mapping 10. Development and mounting of short/skill-based Courses 11. Specialized Research Opportunities 12. Collaborative research projects 13. Joint proposal Writing

Project information and overall performance (continued)

2.7 Funding summary

The Project is from 2016 to 2023 with an approved budget of XDR 5,999,905 equivalent to KShs 619,490,191 Six hundred nineteen Million, four hundred ninety thousand, one hundred and ninety-one only as highlighted in the table below: Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 06 2023)		Undrawn balance to date (30 06 2023)	
	Donor currency (XDR)	KShs	Donor currency (XDR)	KShs	Donor currency (XDR)	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan	5,999,905	619,490,191				
International Development Association 2016/2017	-	-	1,080,823.00	111,595,000		
International Development Association 2018/2019	-	-	845,458.04	85,477,343		
International Development Association 2019/2020			1,139,146.95	117,616,922		
International Development Association 2020/2021			1,285,127.86	132,689,452		
International Development Association 2021/2022			777,571.35	80,284,242		
International Development Association 2022/2023			274,357.91	28,327,454		
TOTAL	5,999,905	619,490,191	5,402,485	555,990,413	597,420	63,499,778
(ii) Counterpart funds						
Egerton University	-	1,000,000	0	1,000,000	0	0
Total	5,999,905	620,490,191	5,402,485	556,990,413	597,420	63,499,778

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2022)		Cumulative Amount paid to date – (30 th June 2023)	Unutilised balance to date (30 th June 2023)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')- (B')
(i) Loan					
International Development Association	5,402,485	555,990,413	520,112,324	347,487	35,878,089
(ii) Counterpart Funds					
Egerton university	26,464	2,684,800	2,666,333	23,34	2,367.80
Total	5,428,949	558,675,213	522,778,657	347,510	35,880,457

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance Disbursement Linked Results (DLR) during the Financial Year 2022/23

1. DLR 2.2 – CESAAM now has 240 graduate students- (MSc 168: PhD 72) - 52% female and 23% regional) and 63 graduated.
2. Total direct project beneficiaries – 750; includes an international conference, virtual forums, and training, research grants awarded, and short courses offered.
3. DLR 2.3 – CESAAM has fully achieved national accreditation. - International Accreditation: 2 Programs: MSc Food Science & MSc Animal Nutrition currently have undergone for international accreditation by ASIIN, waiting for the final report.
4. DLR 2.5: 214 publications in internationally refereed journals; this is fully achieved as per initial and re-structuring targets (20 publications in this quarter). Fully achieved
5. CESAAM jointly held an International Conference with Africa Farm Management Association (AFMA) in Nov 2021 in Nairobi and planning for another joint conference in November 2023.
6. CESAAM students presented their papers at the Africa Farm Management Association (AFMA) 12th International conference.
7. CESAAM students presented their papers at the Egerton University 14th Biennial International conference.
8. DLR 2.6: **Exchange (A total of 111 supported and been verified.**
9. DLR 2.7: **on Externally generated revenue (Fully Achieved)**
10. **New projects in 2023:** INCiTis Food Project funded by European Union.
11. DLR 2.8: on The Partnership for skills in Applied Sciences, Engineering and Technology (PASET) Benchmarking – Fully achieved
12. DLR 3.2 – 3.4: **Financial Management**, successfully verified for years 1,2 &3 with unqualified opinion. Disbursement for year 4 done.
13. DLR 4.1 – 4.2: **Procurement:** 2018/19-2020 done with 80% compliance. Withdrawal done pending disbursement.

Project information and overall performance (continued)

**Kenya Africa Center of Excellence (ACE) II Project
 Implementation status of the Africa Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) as at
 June 2023**

1. PROJECT DELIVERABLES

	Total Amount (USD)	Overall Target (Results)	Cumulative Results verified as at September 2021	Verified Amount as at September 2021	Remaining amount for all Years	Disbursement projections (December, 2021).	Comments/ remedial actions
DLR# 1.1 Completion of Effectiveness Conditions	600,000	1	1	600,000	0	0	Fully achieved
DLR# 1.2 Development of the Project Implementation Plan	500,000	1	1	500,000	0	0	Fully achieved
DLR 1	1,100,000			1,100,000			
DLR# 2.1 Timely annual implementation of the plans (% of execution of the budget)	500,000		0	0	500,000		As per the Aid Memoir following the TAM in Malawi, this DLR was dropped and apportioned to DLRs 2.2, 2.5 and 2.6
DLR #2.2: Newly enrolled students in the ACE of which at least 20% must be regional (African) students.		Masters: 60	Masters: 157	Round 1: 102,500 Round 2: 181,000 Round 3: 268,500 Round 4:		0	Fully achieved

DLR#2.5: Peer-reviewed journal papers or peer-reviewed conference papers prepared collaboratively with national, regional or international co-authors.	500,000	70	75	500,000	0	0	- This is completely achieved.
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Project information and overall performance (continued)

DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching collaborations	500,000	34	12	180,000	320,000	0	- 90% fully achieved. Data submitted for final round for verification. .
DLR#2.7: External revenue generation	900,000	500,000	223,488	900,000	0	0	DLR2.7 Verified
DLR#2.8: Institution participating in benchmarking exercise	100,000	1	100,000	0	0	0	DRL #2.8 verified
DLR 3	2,600,000			1,980,000	620,000	0	
DLR#3.1: Timely Withdrawal applications supported by interim unaudited financial reports for each ACE	75,000			0	75,000	45,000	DLR 3.1 verified.
DLR#3.2: Functioning audit committee under each Eastern and Southern African Higher Education Institutions.	75,000			45,000	30,000	15,000	

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2023.

DLR#3.3: Functioning internal audit unit for each Eastern and Southern African Higher Education Institution	75,000			45,000	30,000	15,000
DLR#3.4: Transparency of financial management (audit reports, interim unaudited financial reports, budgets and Annual Work Programs are all web accessible)	75,000			45,000	30,000	15,000
DLR 3	300,000			135,000	165,000	90,000
DLR# 4.1 Timely procurement audit report for each ACE	150,000	5	2	60,000	90,000	45,000
DLR#4.2: Timely and satisfactory procurement progress report for each ACE	150,000	5	2	60,000	90,000	45,000
DLR 4	300,000	-	-	120,000	180,000	90,000
Grand Total	6,000,000			5,079,869	920,131	

2. Safeguards actions

Action	Status
Grievance Redress Mechanism	<ul style="list-style-type: none"> - An online GRM System set up. Available on CESAAM and University websites - It is anonymous but an optional provision for a name and email is provided incase someone requires feedback - Students are sensitized on use
An inclusive CESAAM Steering Committee	<ul style="list-style-type: none"> - CESAAM has a steering committee that comprises students, faculty members, industry partners, academic partners and co-opted members when necessary.
Students - Supervisors Consultative Meetings	<ul style="list-style-type: none"> - FIVE consultative meetings have been organized to discuss supervision
Co-supervision and advising of graduate students with partners	<ul style="list-style-type: none"> - To help meet the need for regional research interventions and for dynamism, CESAAM shared with students' profiles of faculty members from partner university and research institutions to select supervisors - CESAAM has planned a joint supervisors and students' regional forum to discuss matters relating to research in the region and student-supervisor relationship enhanced - CESAAM is in constant touch with the Graduate School and relevant academic units on students' progress and complaints.
Social & Environmental safeguards focal points	<ul style="list-style-type: none"> - CESAAM's Social safeguards is also the Director University Welfare Services and former Director Institute of Women, Gender and Development Studies at Egerton University. She is also an expert in sexual harassment. - The Environmental safeguards focal point is a certified environmentalist and former immediate former Dean Faculty of Environment and Resource Development at Egerton University
Special accommodation and fund for student mothers	<ul style="list-style-type: none"> - Female students are now supported with special accommodation and additional subsistence to cater for toddlers
Community dissemination workshops	<ul style="list-style-type: none"> - Dissemination workshops where students are sent back to places of research to disseminate information to the community
Asbestos disposal	<ul style="list-style-type: none"> - CESAAM procured a NEMA-approved consultant who successfully executed disposal of asbestos
CESAAM Complex	<ul style="list-style-type: none"> - There was a community engagement program where there were no objections to the building - CESAAM also presented and ESIA report that was approved by the World Bank, NEMA, County Government and CESAAM Steering Committee. The complex is now complete and the secretariat are operating at the complex.
Research funding	<ul style="list-style-type: none"> - The Steering Committee approved an increase in research funding for students. PhD now earns USD 12,000 for research and MSc USD 3,000 for research. Additional depending on the nature of research.

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2023.*

3. Impact to date (on community, policy etc.)

IMPACT							
Deliberate support of female scientists	CESAAM now has a total of 240 students enrolled. Of this number 52% are female and 23% being regional students. CESAAM also provides affirmative fund for female scientists (students) with toddlers.						
Student enrollment to enhance quality research in the region	Total enrollment: 240 Female: 52% Regional: 23%						
CLASS 2019							
	MASTERS			PhD			SUMMARY
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MSc & PhD
NATIONAL	10	16 (62%)	26	05	04 (44%)	09	Male: 24 (41%)
REGIONAL	07	10 (59%)	17	02	04 (67%)	06	Female: 34(59%)
TOTAL	17	26(58%)	43	07	08 (53%)	15	SUB-TOTAL: 58
CLASS 2018							
	MASTERS			PhD			SUMMARY
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MSc & PhD
NATIONAL	19	18 (49%)	37	09	08 (47%)	17	Male: 33 (49%)
REGIONAL	03	07 (70%)	10	02	01 (33%)	03	Female: 34(51%)
TOTAL	22	25(53%)	47	11	09 (45%)	20	SUB-TOTAL: 67
CLASS 2017							
	MASTERS			PhD			SUMMARY
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MSc & PhD
NATIONAL	20	12 (38%)	32	13	12 (48%)	25	Male: 43 (57%)
REGIONAL	07	04 (36%)	11	03	04 (51%)	07	Female: 32(43%)
TOTAL	27	16(37%)	43	16	16 (50%)	32	SUB-TOTAL: 75
CLASS 2016							
	MASTERS			PhD			SUMMARY
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MSc & PhD
NATIONAL	04	07 (64%)	11	01	01 (50%)	02	Male: 05 (38%)
REGIONAL	0	0	0	0	0	0	Female: 08 (62%)
TOTAL	4	7	11	1	1	02	SUB-TOTAL: 13
SELF-PAYING STUDENTS							
	MASTER			PhD			
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	SUMMARY
NATIONAL	09	15(63%)	24	1	0	1	Male: 11 (41%)
REGIONAL	0	0	0	1	1 (50%)	2	Female: 16 (59%)

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2023.*

	TOTAL	9	15	24	2	1	3	SUB-TOTAL: 27
								TOTAL: 240
1 st Regional Summer School for Graduate Students	CESAAM organized and hosted its 1 st Regional Summer School for Graduate Students. This, in our understanding, is the largest event that has brought together ACE II students in the agriculture field. Over 200 students participated from INSEFOODS, MaRCCI, CSABC, CREATES and CESAAM.							
High profile regional exhibitions	Meant to market the centre in the region.							
Open/Field days	To train farmers on emerging agricultural technologies. CESAAM organized a joint Seeds of Gold Field Day with Nation Media for farmers and industry at Egerton University. Over 400 participants and exhibitors attended. This was in January 2020.							
Skill-based short courses	Organized for the community, farmers and students. (Feed formulation, Research Analytics for students, Proposal writing for students, Policy Brief Preparation course).							
Youth-led extension	CESAAM students underwent direct outreach to farmers using the Seeds of Gold model of extension.							
Community Dissemination workshops	All students and faculty supported by CESAAM to carry out research are expected to carry out dissemination workshops of research findings in their areas of study. A dissemination workshop is planned post-COVID for 4 students who have graduated and collected data in Kenya.							
1 st CESAAM Competitive Research Grant	CESAAM competitively awarded proposal research grants, which will be community oriented and that which must have policy implications, to faculty members. A key criterion for selection was whether the proposal had a strong component on collaboration with industry players.							
Regional sensitization visits	Joint Sensitization visit CESAAM, INSEFOODS, Internet of Things, Rwanda College of Agriculture and Veterinary Medicine (Kenya, Tanzania and Rwanda)							
Dissemination of best-practices and policies	2 Side Events Held at the RUFORUM international Conference in Nairobi, Kenya. The side events were on social safeguards (sexual harassment in HEIs) and on Role of Partnerships in Research and Academic Excellence							

Upcoming Activities.

Activity	Dates	Purpose
Short course training of farmers	October, 2023	Enhance capacity for farmers and community at large.
AFMA & CESAAM Joint Conference in East London, South Africa	November, 2023	Students, faculty, private partners and international partners present their research work at the international conference.
Community outreach programme in Siaya County	November, 2023	Training of farmers on the farming systems in Siaya County.
ASIIN International Accreditation	August, 2023	International Accreditation of MSc Food Science and Animal Nutrition Programmes for International Accreditation

I. Key challenges and risks

Issue/Risk	Status and proposed action
Procurement	<ul style="list-style-type: none"> - Slow procurement process - Unwillingness of suppliers to supply items due to main university debts - CESAAM plans to have a suppliers' sensitization workshop to help them understand the different nature of the project. - Relatively high procurement staff turn-over - Procuring of the international institutions
Risk of extension for students	<ul style="list-style-type: none"> - Due to COVID-19 related delays and industrial action by lecturers, students are likely to provide reasons for extension. This will have financial implications on the centre

2. Sustainability of the Centre

Action	Status (including timelines)
CESAAM is attracting Fee paying students	<ul style="list-style-type: none"> - 26 self-paying students now admitted at CESAAM - 56 new applicants including those from the region
Have CESAAM as a directorate/institutionalization of the centre	<ul style="list-style-type: none"> - A committee to over-see this sustainability plan is already set-up - Discussions are underway for this
Research proposals for funding	<ul style="list-style-type: none"> - Several groups supported to write proposals for funding. - Externally generated funds attracted. - The centre has now attracted a sum of Ksh 242,172,834 at 30th June 2023.
Regional gate-way for agricultural interventions	<ul style="list-style-type: none"> - CESAAM is positioning itself, through partnership, as a regional gateway for agriculture-related interventions in the region. This is due to its regional appeal because its presence in the region.
Phase II Proposal writing	<ul style="list-style-type: none"> - CESAAM together with 2 other Kenyan ACES (Insefoods – JOOUST & PTRE - Moi University) were involved in joint proposal writing for Phase II of ACE II.

2.9. Summary of Project Compliance:

The centre has complied with the Egerton financial rules and regulations, the Public Finance Management Act (PFM Act 2012) and the Financing agreement with the development partners.

3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

The objective of the Project is to support the University to establish a center of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) through capacity development, research and technology transfer for enhanced food security. The Project shall finance eligible activities aimed at achieving the following Disbursement Linked Indicators (DLIs):-

- (a) Regional specialization endorsed and institutional readiness
- (b) Excellence in education and research capacity and development impact
- (c) Timely, transparent and institutionally reviewed Financial Management
- (d) Timely and audited Procurement

The following table specifies the categories of the proceeds of the grants and the allocations of the amounts to each DLI.

Disbursement Linked Indicator	Amount of the Financing Allocated expressed in US\$)
DLI 1: Regional specialization endorsed and institutional readiness	1,100,000
DLI 2: Excellence in education and research capacity and development impact	4,300,000
DLI 3: Timely, transparent and institutionally reviewed Financial Management	300,000
DLI 4: Timely and audited Procurement	300,000
TOTAL (US\$)	6,000,000

The Center shall:

- a. Implement the Project in accordance with the Project implementation plan;
- b. Not assign, amend, abrogate or waive any of the provisions of the Project implementation plan

- c. Implement the project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices and in accordance with the provisions of this Subsidiary Grant Agreement;
- d. Implement all contractual obligations with the Association and other implementation Agreements to which it is a party in such a manner as to protect the interest of the Government and the Association and to accomplish the purposes of the Financing;
- e. Prepare the relevant Project reports under the project; and Participate in the mid-term Review of the operations under the project which shall cover progress achieved in the implementation of the project and to implement the relevant recommendations of the mid-term review as agreed with the Association.
- f. Promptly inform the Government of any conditions which interfere or threaten to interfere with the progress of the project or the performance of its obligations under this Subsidiary Grant Agreement.

Summary of achievement

- DLR 2.2 – CESAAM now has **240 graduate students- (MSc 168 : PhD 72) -(52% female and 23% regional)**. 100 (88 MSc and 12 Ph.D.) have been verified. **Graduated = 63 (10 PhDs, 53-MScs: 40% female)**,- 31 Awaiting graduation. Total direct project **beneficiaries – 630**; includes an international conference, virtual forums, and training, research grants awarded, and short courses offered.
- DLR 2.3 – CESAAM has **fully achieved national accreditation**. Two programs are undergoing **International Accreditation**:- MSc Food Science & MSc Animal Nutrition currently submitted for international accreditation (ASIIN)- contract awarded
- DLR 2.4: 2 new **partnership** with Kentaste Coconut processor, Malindi Fruit processors, and AFMA (**partnerships, is currently fully achieved**)
- DLR 2.5: 241 **publications** in internationally refereed journals; this is fully achieved as per initial and re-structuring targets (**16 publications in this quarter**). **Fully achieved**
- DLR 2.6:**Exchange (67%- A total of 44 supported** out of which 10 have been verified. Exchanges: 5 Ph.D. & 3 Academic staff to MaRCCI, Makerere University , 5 Ph.D. & 3

Academic Staff to CREATES, Nelson Mandra University, Tanzania, 5 Ph.D. & 3

Academic staff to JOOUST, 3 Academic Staff to Virginia Tech, 4 Academic staff to

MaRCCI, Makerere, Uganda, 10 Ph.D. students to JOOUST and 3Ph.D students KALRO

Muguga Research Centre.

DLR 2.7: Externally generated revenue (Fully Achieved) – To date attracted a total of Ksh 242,172,834

DLR 2.8: on PASET Benchmarking – Fully achieved

DLR 3.2 – 3.4: FM, successfully verified for years 1,2 &3 with an unqualified opinion.
Disbursement for year 3 is done.

DLR 4.1 – 4.2: Procurement: 2020/2021 done with 78.9% compliance.

4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

1. Sustainability strategy and profile

The project is committed to implementing the following measures for its sustainability plan;

1. Proposal Development for new funding. New Projects Already earned USD 1.9 Million, e.g. recent ones below:

- a) IFC. 2021 on creating model farms – USD 290,000
- b) Laser Pad Project-on ICT Block chain value chain system-USD 150,000
- c) 7 County based value chain projects- Over USD -500,000
- d) INCiTiS Food Project – Over USD 1,200,000
- e) Future proposals will continue through existing teams of experts already trained on fundable proposal development

2. Product development (Innovated Products ongoing development) :

- ✓ Animal feeds
- ✓ Marmalade jam
- ✓ Sorghum Bread (seed unit, flour targeting bakery & confectionery)

3. New Fee Paying Cohort 2022/23- 10 PhD & 20 Msc in Popular programmes (Agribusiness, Animal Nutrition, Crop Protection and Food Science) CESAAM will link them for internships, research attachments and publications)

4. Popular paid Short Courses (Value Addition, Feed formulation, Poultry production, Dairy Mgt- Cow Signal & Agribusiness Value chain Development, Conservation Agriculture)

5. Institutionalization of the Centre to the university structure.

2. Environmental performance

The University shall carry out its Respective Part of the Project in accordance with the requirements of the Environmental and Social Management Framework (ESMF) dated April 18, 2016 and the Environmental and Social management Plan, as appropriate, and except as the Government and the Association shall otherwise agree in writing. The University shall not amend or waive any provision of the safeguard instruments if any such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of its Respective Part of the Project or the Project. [SEP]

The University shall in its progress report include progress made on compliance with environmental

and social safeguard measures under the Project, giving details of measures taken in furtherance of the environmental and social safeguard and any conditions which interfere or threaten to interfere with the smooth implementation of the said plans and frameworks, and remedial measures taken or required to be taken to address such conditions.

The university and the project have taken the following measures;

- a) Availability of waste disposal points within the CESAAM building
- b) CESAAM Building NEEMA approval plus World Bank approval for construction executed
Further: waste disposal and safety gear followed
- c) CES Ethical Certificate for our Graduate students during their fieldwork.
- d) CESAAM students and staff participated in EMS public waste removal, tree planting and training
- e) CESAAM in collaboration with National Environmental Authority disposed Asbestos successfully

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organization should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA)

4. Market place practices

a) Responsible Supply chain and supplier relations-

The procurement of goods, works and consultants services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with Annex II of the financing agreement.

b) Responsible ethical practices

The University shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines and the relevant laws of Kenya.

c) Regulatory impact assessment

The university and the project is committed to safeguard and citizen stakeholder's rights that's;

- a) Dignity.
- b) Non-discrimination.
- c) Equality.
- d) Autonomy.
- e) Accountability.
- f) Participation.
- g) Proportionality.

5. Community Engagements

The project is committed to sharing its output and input with the community. The following events have so far been conducted;

- 1. Youth-led extension and 4-k club revival plan
- 2. 1st Regional summer school for graduate students
- 3. Skilled based short courses for farmers
- 4. Open field days/communication dissemination
- 5. Thesis disseminations of best practice

5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2023. This responsibility includes:

- (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the Project;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.


The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2023, and of the Project's financial position as at that date. The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation

of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Egerton University Council on 26th September 2023 and signed by the Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) on 26th September, 2023.



Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor



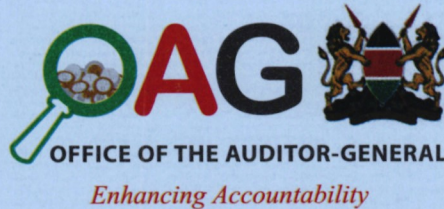
CESAAM Centre Leader
Name: Prof. George Owuor



Ag Finance officer
Name: C.PA Charles Wanjohi.
ICPAK Member Number: 8804

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON CENTRE OF EXCELLENCE IN SUSTAINABLE AGRICULTURE AND AGRIBUSINESS MANAGEMENT CREDIT NO.5798-KE FOR THE YEAR ENDED 30 JUNE, 2023 - EGERTON UNIVERSITY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Centre of Excellence in Sustainable Agriculture and Agribusiness Management set out on pages 1 to 20, which

Report of the Auditor-General on Centre of Excellence in Sustainable Agriculture and Agribusiness Management Credit No.5798-KE for the year ended 30 June, 2023 - Egerton University

comprise the statement of financial assets and liabilities as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Centre of Excellence in Sustainable Agriculture and Agribusiness Management as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Loan Agreement Credit Number 5798-KE dated 4 July, 2016 between the International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special account statement presents fairly transactions for the year, and the closing balance has been reconciled with the books of account

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the

financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association - Credit No.5798-KE financing agreement, I report based on my audit, that:

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

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

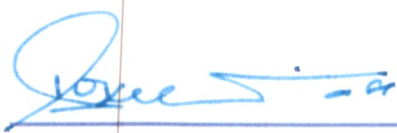
Nairobi

10 November, 2023


7. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2022/23			2021/22			Cumulative to-date
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	TOTAL	Receipts and payments controlled by the entity	Receipts and Payments made by third parties	TOTAL	PROJECT LIFE Cumulative to-date
		KShs	KShs		KShs	KShs	KShs	
RECEIPTS								
Transfer from Government entities	1	476,543	-	476,543	-	-	3,161,343	
Loan from external development partners	2	28,327,454	-	28,327,454	80,284,242	80,284,242	555,990,413	
Other Attracted funds	3	44,065,674	-	44,065,674	49,216,917	49,216,917	245,553,579	
TOTAL RECEIPTS		72,869,671	-	72,869,671	129,501,158	129,501,158	804,705,334	
PAYMENTS								
Transfers To Other Government Entities	4	-	-	-	-	-	1,000,000	
Other Grants And Transfers And Payments	5	53,889,554	-	53,889,554	57,826,186	57,826,186	219,423,214	
Excellence In Education And Research	6	16,443,960	-	16,443,960	28,353,864	28,353,864	311,309,345	
Exchanges To Promote Regional Research & Teaching	7	18,729,169	-	18,729,169	19,251,109	19,251,109	83,437,368	
External Generation Of Revenue	8	1,609,235	-	1,609,235	338,670	338,670	6,741,215	
Enhancing Institutional Readiness & Operations	9	7,507,178	-	7,507,178	12,070,973	12,070,973	74,709,607	
Timely And Transparency Financial Management	10	6,687,207	-	6,687,207	8,301,423	8,301,423	43,914,789	
TOTAL PAYMENTS		104,866,303	-	104,866,303	126,142,224	126,142,224	740,535,538	
SURPLUS/DEFICIT		(31,996,631)	-	(31,996,631)	3,358,934	3,358,934	64,169,797	

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


Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor


CESAAM Centre Leader
Name: Prof. George Owuor


Ag Finance officer
Name: C.P.A Charles Wanjohi
ICPAK Member Number: 8804

8. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2023

	Note	2022/23	2021/22
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11	54,416,503	81,451,991
Accounts receivables – Imprests and Advances	13	9,886,101	14,928,525
Total Cash and Cash Equivalents	12	64,302,604	96,380,517
TOTAL FINANCIAL ASSETS	12	64,302,604	96,380,517
FINANCIAL LIABILITIES			
Uncalimed Imprest Refund	13	132,807	214,088
TOTAL FINANCIAL LIABILITIES		132,807	214,088
NET ASSETS	12	64,169,797	96,166,429
REPRESENTED BY			
Fund balance b/fwd	14	96,166,429	92,807,495
Surplus/Deficit for the year		(31,996,631)	3,358,934
NET FINANCIAL POSITION		64,169,798	96,166,429

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 26th September, 2023 and signed by:



Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor



CESAAM Centre Leader
Name: Prof. George Owuor





Ag Finance officer
Name: C.P.A Charles Wanjohi
ICPAK Member Number: 8804

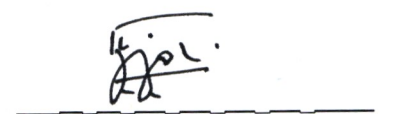
9. STATEMENT OF CASHFLOW FOR THE YEAR 30TH JUNE 2023

		2022/23	2021/22
	Note	KShs	KShs
Receipts for operating activities			
Transfer from Government entities	1	476,543	-
Proceeds from domestic and foreign grants	2	-	-
Other Attracted funds	3	44,065,674	49,216,917
Payments for operating activities			
Transfers to Egerton University	4	-	-
Other Grants And Transfers And Payments	5	53,889,554	57,826,186
Excellence In Education And Research	6	16,443,960	28,353,864
Exchanges To Promote Regional Research & teaching	7	18,729,169	19,251,109
External Generation Of Revenue	8	1,609,235	338,670
Enhancing Institutional Readiness & Operations	9	7,507,178	12,070,973
Timely And Transparency Financial Management	10	6,687,207	8,301,423
Net cash flow from operating activities		(60,324,085)	(76,925,308)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		0	0
Net cash flows from Investing Activities		0	0
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	2	28,327,454	80,284,242
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(31,996,631)	3,358,934
Cash and cash equivalent at beginning of the year		96,166,429	92,807,495
Cash and cash equivalent at END of the year		64,169,798	96,166,429

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 26th September, 2023 and signed by:


 Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor


 CESAAM Centre Leader
 Name: Prof. George Owuor


 Ag Finance officer
 Name: C.P.A Charles Wanjohi
 ICPAK Member Number: 8804


10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2023


Receipts/Payments Item	Original Budget 2022/23	Adjustment	Final Budget 2022/23	Actual on Comparable Basis 2022/23	Budget Utilization Difference 2022/23	Percentage of Utilization 2022/23
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Proceeds from domestic and foreign grants	49,505,232		49,505,232	28,327,454	(21,177,778)	57%
Other Attracted funds	50,600,000		50,600,000	44,065,674	(6,534,326)	87%
Total Receipts	100,105,232		100,105,232	72,393,128	(27,712,104)	72%
PAYMENTS						
World Bank Funding	Kshs	Kshs	Kshs	Kshs	Kshs	
Excellence In Education And Research	15,039,515		15,039,515	16,443,960	1,404,445	109%
Exchanges To Promote Regional Research & Teaching	17,614,275		17,614,275	18,729,169	1,114,894	106%
External Generation Of Revenue	1,948,750		1,948,750	1,609,235	(339,515)	83%
Enhancing Institutional Readiness & Operations	8,067,192		8,067,192	7,507,178	(560,014)	93%
Timely And Transparency Financial Management	6,835,500		6,835,500	6,687,207	(148,293)	98%
SUB-TOTAL PAYMENTS	49,505,232		49,505,232	50,976,749	1,471,517	103%
OTHER ATTRACTED FUNDS						
	Kshs	Kshs	Kshs	Kshs	Kshs	
Other Grants and Transfers	50,600,000		50,600,000	53,889,554	3,289,554	107%
GRAND TOTAL PAYMENT	100,105,232		100,105,232	104,866,303	4,761,071	105%


Note: The significant budget utilization/performance differences in the last column are explained in

Annex 1 to these financial statements.

The Eligible Expenditure Programs (EEPs) for the financial year 2022/2023 was KShs **1,256,571,463** which consists of the teaching Staff remuneration as explained in **Note 9.2**.


Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor


CESAAM Centre Leader
Name: Prof. George Owuor


Ag Finance officer
Name: C.PA Charles Wanjohi.
ICPAK Member Number: 8804

11. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance and basis of preparation

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

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

The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

The financial statements are for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation Public Finance Management Act 2012 (PFM Act 2012).

These financial statements are part of the consolidated financial statements of Egerton University for the reporting period.

c) Reporting currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling. Where exchange rate is required one USD will be converted at 101.45 as provided in the Project Appraisal Documents.

Significant Accounting Policies (continued)

d) Recognition of receipts

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

i. Transfers from the Exchequer

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

ii. External Assistance

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

iii. Other receipts

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

iv. Donations and grants

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

v. Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

Significant Accounting Policies (continued)

vi. Undrawn external assistance

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

e) Recognition of payments

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

i. Compensation of employees

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

ii. Use of goods and services

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

iii. Interest on borrowing

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

Significant Accounting Policies (continued)

iv. Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

v. Acquisition of fixed assets

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

A fixed asset register is maintained by CESAAM Project and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

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. Bank account balances include amounts held at the Central Bank of Kenya

Significant Accounting Policies (continued)

and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Restriction on cash

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

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

A present obligation that arises from past events but is not recognized because:

Significant Accounting Policies (continued)

It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or

The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities.

Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity 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. There were no contingent liabilities in the year.

k) Contingent Assets

The Entity 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 Entity 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.

l) Pending bills

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

Significant Accounting Policies (continued)

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the Ministries, Departments and Agencies MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognized as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year no funds were received in form of direct payments from third parties.

o) Exchange rate differences

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

Significant Accounting Policies (continued)

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2023.

r) Prior period adjustments

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

12. NOTES TO THE FINANCIAL STATEMENTS

1. Transfers from Government entities

The counterpart funding and other receipts from government is as follows:

	2022/2023	2021/2022	Cumulative
	KShs	KShs	to-date
<i>Other transfers from government entities</i>			
Egerton University	476,543.20	0	2,476,543
Refund by Egerton university	-	0	684,800
	476,543.20	0.00	3,161,343

2. Proceeds from Domestic and Foreign Grants

During the 12 months to 30 June 2023 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

	Date received	Amount in SSD	Loans received in cash	Loans received as direct payment*	Total amount in KShs						PROJECT LIFE
					FY 2022/23	FY 2020/21	FY 2019/20	FY 2018/19	FY17/18	FY16/17		TOTAL
The World Bank	12/6/2016	1,080,823	111,595,000	0		0	0	0	0	111,595,000	111,595,000
The World Bank	5/12/2018	2,510	259,167	0		0	0	0	259,167	0	259,167
The World Bank	5/2/2019	12,948	1,315,641	0		0	0	0	1,315,641	0	1,315,641
The World Bank	24/2/2019	830,000	83,902,535	0		0	0	0	83,902,535	0	83,902,535
The World Bank	24/7/2019	510,104	52,030,625	0		0	0	52,030,625	0	0	52,030,625
The World Bank	12/11/2019	643,003	65,586,298	0		0	0	65,586,298	0	0	65,586,298
The World Bank	18/2/2021	1,285,128	132,689,452	0		0	132,689,452	0			132,689,452
The World Bank	22/03/2022	726,392	75,000,000	0		75,000,000					75,000,000
The World Bank	5/4/2022	51,179	5,284,242	0		5,284,242					5,284,242
The World Bank	27/4/2023	274,358	28,327,454	0	28,327,454						28,327,454
Total		5,416,445	555,990,413	-	28,327,454	80,284,242	132,689,452	117,616,922	85,477,343	111,595,000	555,990,413

3. Other Attracted Funds

	FY 2022/23			FY 2021/22			PROJECT LIFE
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	
	KShs	KShs	KShs	KShs	KShs	KShs	
School Fees and related fees	648,784	0	648,784	-	0	-	3,380,745
Other Research Projects	-	43,416,890	43,416,890	-	49,216,917	49,216,917	242,172,834
Total	648,784	43,416,890	44,065,674	-	49,216,917	49,216,917	245,553,579

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. Transfers to Other Government Entities.

During the 12 months to 30 June 2023, there were no transfers TO other Government entities.

	FY 2022/23		FY 2020/21		PROJECT LIFE	
	Payments made by the Entity in Cash	Payments made by third parties	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	
	KShs	KShs	KShs	KShs	KShs	KShs
Transfers to Egerton University			-	-	0	1,000,000
TOTAL	-	0	-	0	0	1,000,000

5. Other Grants and Transfers and Payments

	FY 2022/23			FY 2021/22	FY 2020/21	PROJECT LIFE
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs	
ADB MOHEST	1,786,764	0	1,786,764	3,574,094	7,421,324	12,782,182
EGU OPERATION EXPENSES	559,654	0	559,654	16,100	107,365	683,119
NAPROCLA Project	0	0	0	1,480,512	6,590,984	8,071,496
Inter-university Council for East Africa	0	0	0	1,788,000	2,640,000	4,428,000
Students FEES and Related expenses	0	0	0	949,225	50,000	999,225
UNEP CHINAMA Project	1,545,370	0	1,545,370	1,345,390	1,559,142	4,449,902
EGU-BOWIE USA Exchange Project	7,036,445	0	7,036,445	2,193,750	0	9,230,195
RWANDA HIGH COMMISSION	0	0	0	474,524	170,664	645,188
Kenya Climate Smart Agriculture Projects(KCSAP)	25,424,001	0	25,424,001	34,551,846	18,223,510	78,199,357
LASER Project	2,092,200	0	2,092,200	3,495,198	2,228,650	7,816,048
GLOBAL SCOPE Project	0	0	0	1,535,778	2,425,148	3,960,926
LOCUST MASS project	0	0	0	0	176,128	176,128
NMK ALOE Project	0	0	0	0	1,240,657	1,240,657
POULTRY VALUE CHAIN Project	0	0	0	2,365,704	0	2,365,704
NARIGP APICULRURE Project	389,664	0	389,664	356,700	0	746,364
BHEARD Project	2,152,535	0	2,152,535	2,181,584	0	4,334,119
NARIGP DAIRY VALUE CHAIN VIHIGA Project	3,285,500	0	3,285,500	320,000	0	3,605,500
NARIGP LOCAL VEGETABLE VALUE CHAIN VIHIGA Project	2,017,165	0	2,017,165	206,000	0	2,223,165
INTERNATIONAL FINANCE CORPORATION Project	6,134,185	0	6,134,185	991,780	0	7,125,965
INCITIS Project	1,466,070	0	1,466,070	0	0	1,466,070
Closed project						64,873,902
TOTAL	53,889,554	0	53,889,554	57,826,186	42,833,572	219,423,214

6. Excellence in Education and Research

	FY 2022/23 (Ksh)	FY 2021/22 (Ksh)	Cumulative to-date (Ksh)
Recruitment process, interviews & Short listing of students exercise	-	-	748,561
Support atleast 25 Ph.D. students	4,363,472	17,446,694	157,384,123
Support atleast 30 Msc. Students	7,548,838	10,635,398	132,749,317
Review & Development of Phd & Msc Curriculum	1,015,420	-	5,572,720
Develop new programmes	-	-	929,591
undertake Self-assessment	-	-	805,775
Development of short courses for Private sectors upgrading - Agric value chain	-	229,772	3,998,123
Conduct short term courses on sustainable agric & agri business/value chain	3,516,230	42,000	9,121,135
Total	16,443,960	28,353,864	311,309,345

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Exchanges to Promote Regional Research & Teaching

	FY 2022/23 (Ksh)	FY 2021/22 (Ksh)	Cumulative to-date (Ksh)
support staff & student presentation in int	1,032,759	-	6,063,474
Ph.D. students exchange fellowship	-	3,058,000	5,797,292
Staff supported in collaborated research projects	1,568,575	2,273,751	12,529,357
Support publications on research output on peer reviewed journals	237,236	579,598	1,817,618
Conduct 2 theses dissemination workshops for 40 graduate students and 1 supervisors con	3,069,315	849,425	6,193,740
Establish call center within CESAAM and link with devolved systems	-	4,354,179	5,115,879
Support 3 Staff and 20 students to present their research output in local, regional and in int	2,570,443	2,258,700	7,011,348
Retooling workshop to build capacity of teaching staff	1,546,845	350,060	12,584,145
CESAAM - 4 Staff exchange fellowship	3,497,935	1,600,241	5,583,891
CESAAM -Staff supported in collaborated research pj	2,055,060	960,400	3,015,460
programmes (Crop protection and Agribusiness) internationally accredited by accrediting b	2,045,511	-	2,478,005
Establsih knowledge center	204,650		204,650
Internship Support for students	246,000	2,966,755	7,676,905
Engage in consultative MoUs baesd meetings to come up with new MOuS with new partne	654,840	-	2,734,070
Total	18,729,169	19,251,109	83,437,368

8. External Generation of Revenue

	FY 2022/23 (Ksh)	FY 2021/22 (Ksh)	Cumulative to-date (Ksh)
Support research team to develop research proposals	1,609,235	338,670	6,741,215
Total	1,609,235	338,670	6,741,215

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Enhancing Institutional Readiness & Operations

	FY 2022/23 (Ksh)	FY 2021/22 (Ksh)	Cumulative to-date (Ksh)
Procure equipments for Cesaam research center and ICT upgrading	1,375,500	-	8,318,299
Cesaam office block design	-	4,289,964	15,246,704
Procure motor vehicle	-	-	13,521,167
Modern research equipment for research and teaching procured and commissioned.	-	2,916,612	5,777,296
Procure dairy and food science assorted equipment	-	-	2,263,385
Procurement of laboratory consumables	-	-	1,068,596
Procure soil testing TOC analyzer	-	-	1,663,680
Procure assorted equipment - animal nutrition lab	393,265	527,500	3,883,340
Support Agro science park	1,030,135	-	3,405,212
Conduct Tracer study of any graduate from CESAAM. Target is class of 2016	-	-	580,650
Marketing Cesaam Project and its programs (adverts, banners etc)	2,686,553	2,006,646	10,085,894
Cesaam steering committee, thematic research and training sub committees	2,021,725	2,330,251	8,895,385
Total	7,507,178	12,070,973	74,709,607

10. Timely and Transparency Financial Management

	FY 2022/23 (Ksh)	FY 2021/22 (Ksh)	Cumulative to-date (Ksh)
Cesaam staff package (Salaries and wages)	2,263,725	2,620,000	12,043,767
Administrative and office running	1,055,145	2,187,731	7,609,283
Renovation of post graduate and tatton demon	144,430	769,204	2,849,377
local & regional Travel	3,223,907	2,724,488	21,412,363
Total	6,687,207	8,301,423	43,914,789

11. Bank Account Details

	FY 2022/23 (Ksh)	FY 2021/22 (Ksh)
	KShs	KShs
CESAAM Project Account - KCB Bank no 1184060347	54,416,503	81,451,991
Total bank account balances	54,416,503	81,451,991

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. Cash and Cash Equivalents Carried Forward

	FY 2022/23 (Ksh)	FY 2021/22 (Ksh)
	KShs	KShs
Bank accounts	54,416,502.78	81,451,991.38
Outstanding Imprests	9,886,101.40	14,928,525.25
Unclaimed imprest refund	132,806.70	214,088
Total	64,169,797	96,166,429

13. Outstanding Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of surrender	Amount Surrendred	Balance	
				2022/2023	2021/2022
				KShs	KShs
MUGERA JOSEPH KARIUKI	102,000	20-Jun-2022	102,000	0	102,000
MS HAFSA YUSSUF MAALIM	42,000	16-Jun-2022	42,000	0	42,000
MR GABRIEL WARIMA NDUNGU	679,665	30-May-2022	679,665	0	679,665
MS GRACE JEPKOGEI ROTICH	699,118	26-May-2022	699,118	0	699,118
GETRAY SHIJENJE	104,565	16-Jun-2022	104,565	0	104,565
KIRUI COLLINS KIPKORIR	79,185	13-Apr-2022	79,185	0	79,185
MR CHRISTOPHER ONYANGO ON	173,350	26-May-2022	173,350	0	173,350
NYONGA ERICK APWOKA	197,500	24-Jun-2022	197,500	0	197,500
MR STEPHEN THUMBI THUKU	119,265	22-Jun-2022	119,265	0	119,265
PROF JOSEPHINE ACHIENG OUM	1,652,790	19-May-2022	1,652,790	0	1,652,790
PROF JOSHUA O. OGENDO	1,500,485	15-Jun-2022	1,500,485	0	1,500,485
JOSEPH JUMA MAFURAH	250,905	29-Jun-2022	250,905	0	250,905
PROF CHARLES MULEKE INYAGV	640,500	24-May-2022	640,500	0	640,500
MWANGI JOSEPH KANYUA	172,737	18-Jan-2021	172,737	0	172,737
NGENO KIPLANGAT	1,017,170	07-Jan-2022	1,017,170	0	1,017,170
KINGORI ANTHONY MACHARIA	805,000	24-Jun-2022	805,000	0	805,000
MR MVAVISHI D.LIKHANGA	99,380	12-Apr-2022	99,380	0	99,380
PROF PAUL KIPROTICH KIMURTC	732,613	26-May-2022	732,613	0	732,613
PROF GILBERT ONACHA O. OBW	346,225	19-May-2022	346,225	0	346,225
PROF MWANGI A. JAMES. KIBE	136,840	29-Jun-2022	136,840	0	136,840
PROF K. ERICK CHERUIYOT	150,000	09-May-2022	150,000	0	150,000
PROF NZULA K. KITAKA	314,400	03-Mar-2022	314,400	0	314,400
PHILIP KANDAGOR BETT	491,275	26-May-2022	491,275	0	491,275
PROF CHARLES MWITHALI MERIN	58,765	28-Jun-2022	58,765	0	58,765
AYEKA PETER AMWOGA	315,899	14-Dec-2021	315,899	0	315,899
ELICK ONYANGO OTACHI	118,200	21-Dec-2020	118,200	0	118,200
TOROTICH FAITH JEBET	430,400	20-May-2022	430,400	0	430,400
PROF MARGARET W. NGIGI	453,400	09-May-2022	453,400	0	453,400
PROF GEORGE OWUOR	101,140	16-Jun-2022	101,140	0	101,140
OSCAR INGASIA AYUYA	329,795	13-Jun-2022	329,795	0	329,795
MR NICKSON KHAMASI MUTESHI	111,900	14-Feb-2022	111,900	0	111,900

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2023.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

MR JOHN G. KAMAU	140,305	24-May-2022	140,305	0	140,305
MRS RAHAB WANJIRU MBURU	180,000	06-May-2022	180,000	0	180,000
MR SONGA HARRY	61,165	16-Jun-2022	61,165	0	61,165
GITAU RAPHAEL	-25,786	25-Apr-22	-25,786	0	-25,786
KARIUKI ISAAC MAINA	1,086,047	2-Sep-20	1,086,047	0	1,086,047
WANDULU ALEXANDER O.	-17,633	28-Jun-22	-17,633	0	-17,633
MWANGI JOSEPH KANYUA	-170,669	27-Apr-22	-170,669	0	-170,669
salary Recovery	1,034,542	30-Jun-22	1,034,542	0	1,034,542
	14,714,437		14,714,437	0	14,714,437
Outstanding imprests for the year					
JOSEPH KARIUKI MUGERA	91,920	21-Sep-23	0	91,920	0
MS HAFSA YUSSUF MAALIM	158,010	30-Jun-23	0	158,010	0
MR GABRIEL WARIMA NDUNGU	240,000	12-Aug-23	0	240,000	0
PROF JOSEPHINE ACHIENG OUMA	65,405	11-Aug-23	0	65,405	0
PROF JOSHUA O. OGENDO	433,915	23-Aug-23	0	433,915	0
PASCAL OJWANG OKWIRI	3,793,510	16-Sep-23	0	3,793,510	0
MR ERIC ROTICH KIPKEMOI	213,575	11-Aug-23	0	213,575	0
TOROTICH FAITH JEBET	713,180	13-Jul-23	0	713,180	0
KARIUKI ISAAC MAINA	939,585	13-Jul-23	0	939,585	0
OSCAR INGASIA AYUYA	2,272,825	31-Aug-23	0	2,272,825	0
DR DAVID KURIA WAMUKURU	346,606	31-Aug-23	0	346,606	0
MS FLORENCE IKHUMBA WAFULA	83,920	12-Sep-23	0	83,920	0
MS IVY JELAGAT ROP	165,335	30-Sep-23	0	165,335	0
PROF JOSHUA OTIENO OGWENO	368,315	30-Sep-23	0	368,315	0
	9,886,101			9,886,101	
UNCLAIMED IMPREST RECOVERY					
GITAU RAPHAEL	-25786.1	25-Jul-22	0	-25786.1	0
PASCAL OJWANG OKWIRI	-73057	16-Sep-23	0	-73057	0
WILLY KIPRONO KOROS	-25147.35	30-May-23	0	-25147.35	0
WANDULU ALEXANDER O.	-8816.25	21-Jul-22	0	-8816.25	0
	-132,807		0	(132,807)	0
Accounts imprests outstanding	9,753,295			9,753,295	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. Fund Balance Brought Forward

	FY 2022/23	FY 2021/22
	KShs	KShs
Bank accounts	54,416,503	81,451,991
Outstanding imprests and advances	9,753,294.70	14,714,437
Total	64,169,797	96,166,429

16 OTHER IMPORTANT DISCLOSURES

(i) PENDING ACCOUNTS PAYABLE

	2022/23	2021/22
	KShs	KShs
Supply of goods and services	-	2,475,500
Total	-	2,475,500

(ii) Eligible Expenditure Programs Payroll for The Teaching Staff 2022/23

S/No	Designation category	gross Pay Per annum 2022/2023 Ksh	gross Pay Per annum 2021/2022 ksh
1	Professor	92,753,783	97,635,561
2	Adjunct Professor	17,128,821	19,032,023
3	Associate Professor	196,787,458	221,109,503
4	Senior lecturer	241,079,537	283,622,985
5	Lecturer	550,720,266	605,187,106
6	Assistant lecturer	134,905,505	168,631,881
7	Tutorial Fellow	23,196,093	25,773,437
	Grand Total	1,256,571,463	1,420,992,496

The eligible expenditure programs includes the payroll for the teaching staff for Egerton University for the year 2022/23 as a requirement from the World Bank.

13. ANNEXES

Annex 1: Prior Year Auditor-General's Recommendations

Issue / Observations from Auditor	Management comments	Status	Timeframe
Other Grants and Transfers and Payments	The management has instituted internal controls to ensure supporting documents are attached to the payment/ surrender documents once the researchers return from the field activities. Any unsupported imprests are recovered from the staff salary with interest as provided in the PFM Act and Egerton University financial rules and Regulations 2021.	Resolved	FY 2023/2024
Pending Payable Accounts	These were pending bills that could not be settled until the goods and services have been delivered. However the pending accounts payable have been settled since delivery of the goods and services have been received.	Resolved	FY 2023/2024



Prof. Isaac O. Kibwage Ph.D, HSC
Vice Chancellor



CESAAM Centre Leader
 Name: Prof. George Owuor.

ANNEX 2 - Variance explanations - Comparative Budget and Actual amounts for Current FY

Receipts/Payments Item	Original Budget 2022/23	Adjustment	Final Budget 2022/23	Actual on Comparable Basis 2022/23	Budget Utilization Difference 2022/23	Percentage of Utilization 2022/23
Receipts	Kshs	Kshs	Kshs	Kshs	Kshs	
Proceeds from domestic and foreign grants	49,505,232		49,505,232	28,327,454	(21,177,778)	57%
Other Attracted funds	50,600,000		50,600,000	44,065,674	(6,534,326)	87%
Total Receipts	100,105,232		100,105,232	72,393,128	(27,712,104)	72%
PAYMENTS						
World Bank Funding	Kshs	Kshs	Kshs	Kshs	Kshs	
Excellence In Education And Research	15,039,515		15,039,515	16,443,960	1,404,445	109%
Exchanges To Promote Regional Research & Teaching	17,614,275		17,614,275	18,729,169	1,114,894	106%
External Generation Of Revenue	1,948,750		1,948,750	1,609,235	(339,515)	83%
Enhancing Institutional Readiness & Operations	8,067,192		8,067,192	7,507,178	(560,014)	93%
Timely And Transparency Financial Management	6,835,500		6,835,500	6,687,207	(148,293)	98%
SUB-TOTAL PAYMENTS	49,505,232		49,505,232	50,976,749	1,471,517	103%
OTHER ATTRACTED FUNDS						
	Kshs	Kshs	Kshs	Kshs	Kshs	
Other Grants and Transfers	50,600,000		50,600,000	53,889,554	3,289,554	107%
GRAND TOTAL PAYMENT	100,105,232		100,105,232	104,866,303	4,761,071	105%

Explanation to the variances.

Proceeds from domestic and foreign grants were 28 Million, the project utilized the balances brought forward from the financial year 2022/2023 to cover for the difference. Other attracted funds were at 87% of the expected funds. The joint projects also used funds brought forward from the previous years.

The underutilization for the other grants and transfers by 13% was as a result of the difference in the work plans for other projects which form part of attracted funds from joint research projects.

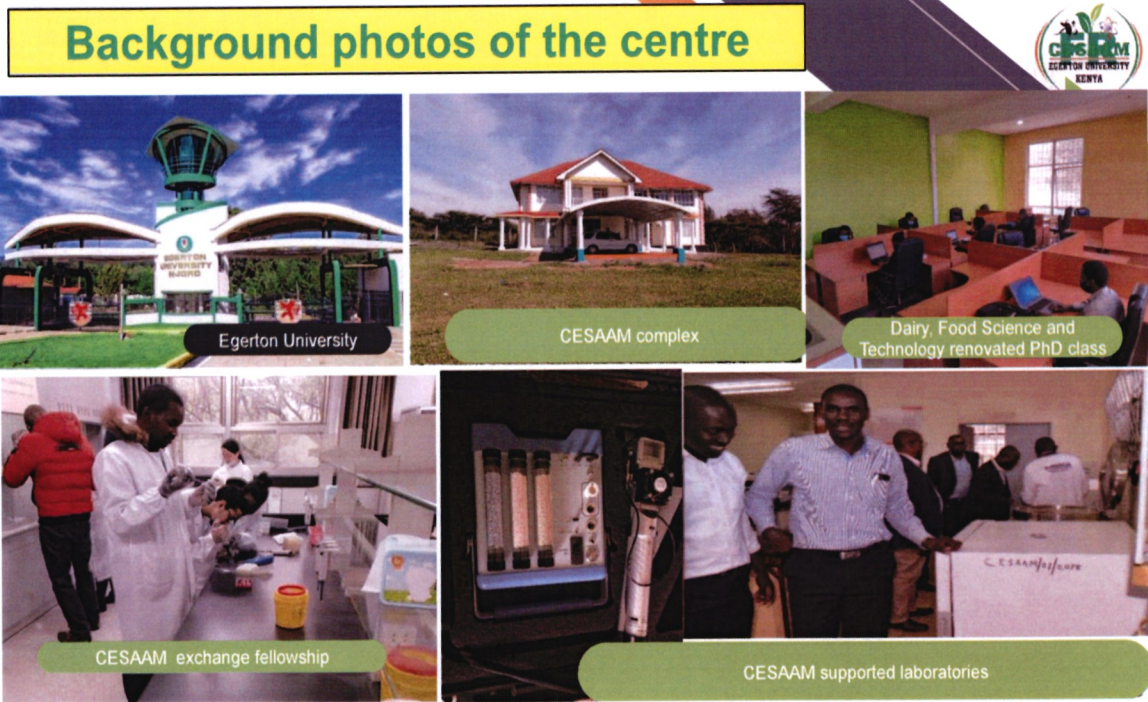
The Overall performance is at 98 percent utilization as most of the planned activities were undertaken.

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for the Financial Year Ended June 30, 2023.*

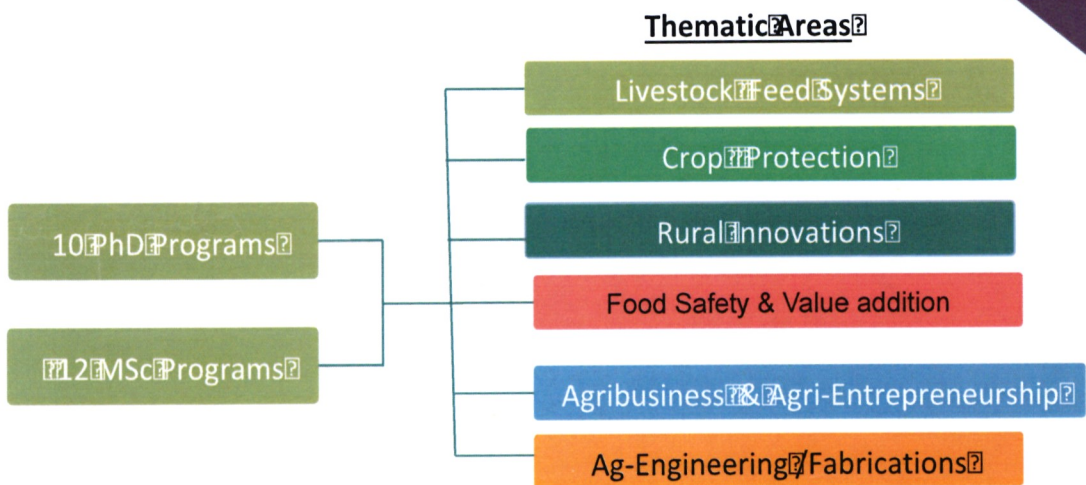
ANNEX 3 – Summary of Fixed Asset Register

Asset class	Opening Cost (KShs) 2021/22 (a)	*Purchases/Additions in the Year (KShs) 2022/23 (b)	**Disposals in the Year (KShs) 2022/23 (c)	Closing Cost (KShs) 92 (d)= (a)+ (b)-(c)
Transport equipment	13,000,000		0.00	13,000,000
Office equipment, furniture and fittings	15,185,980	1,375,500	0.00	16,561,480
Buildings	15,793,467		0.00	15,793,467
TOTAL	43,979,447	1,375,500	-	45,354,947

ANNEX 4 – Pictorial Representation of Key Past Activities Pictorials



CESAAM PROGRAMS



*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for the Financial Year Ended June 30, 2023.*



The Principal Secretary, State Department for University Education and Research Amb. Simon Nabukwesi officially opens the CESAAM Complex on 4 February 2022. Amb. Nabukwesi toured various CESAAM Project activities immediately after chairing the African Centres of Excellence (ACE) Steering Committee meeting at Main Campus in Njoro.

CESAAM FACULTY EXCHANGE IN MARCI – MAKERERE **FR**

Efforts to create sustainability activities working with regional partners in capacity building



Exploring Joint Sustainability Partnerships in West Africa-WACWISA- Tamale Ghana-West Africa **FR**



Florida A&M, University of Maryland & CESAAM after discussing sustainable activities (June 6-12, 2022)

FR

key issues agreed going forward:

- Exchange fellowships offered in USA,
- joint advising,
- joint research
- product development for income generation



Viginiatech & CESAAM June 15, 2022
after agreeing on sustainable activities(3rd visit in 4 years)

FR



CESAAM hosts WB Journalists, June 7-8th, **FR** 2022 showcasing CESAAM success stories & lessons learnt



Farm based Innovations & Experiential Learning



Commercialization of Sorghum Bread take



SORGHUM BREAD UNDERGOING COMMERCIALION TRIAL & BAKING BEING DONE JOINTLY WITH SUPERMARKETS

23/2

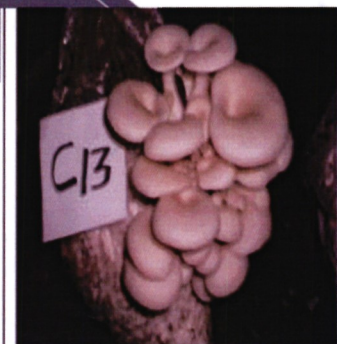
Research & Innovations at Agro-science



Sorghum Bread- Agreed with Woolmart for Commercialization starting Feb 11, 2022



Fingerlings for Farmers



Propagation of Indigenous mushrooms

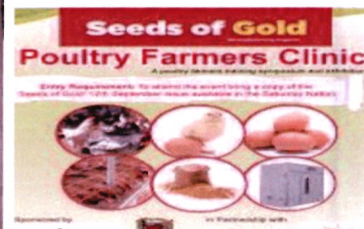


Mushroom Sausages-Improvement ongoing



ASAL Bean Seeds

New Peanut Variety for ASAL is at the last stage of patenting



Farm Clinics-Ongoing

Agric-Engineering Fabrications

FR



Chaff-Cutter



Feed Mixer

- Fabricated Machines passed farmers trials & preference, commercialization a major challenge. Currently engaging Engineering Companies via Kenya Association of Manufacturers.

25

More Fabricated Machines by Agric-Engineering...

FR



Sorghum Thresher



Winnower

26

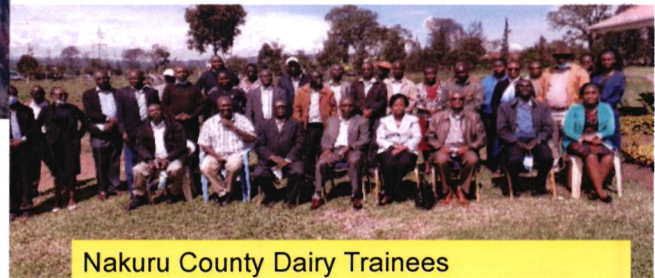
Images of Short Courses & Innovations



Kajiado County trainees with products they made after the training



4 K-Club Youths after Training in Honey Value Addition & Poultry Mgt



Nakuru County Dairy Trainees

COMMUNITY OUTREACH CONTINUES



❖ Youth-led extension & K-Club revival plan



❖ 1st Regional Summer School for Graduate Students

❖ Skill-based short courses



❖ Open field days/Community dissemination

❖ Theses dissemination of best-practices

PS/CAS Higher Education in Kenya Prof. Collate Suda, Samples products from CESAAM students. The products are part of students' innovations at the Agro-Science Innovation and Incubation Center. Looking are VC-Prof. Rose Mwonya, and Centre Leader-Prof. George Owuor



Center Leader, Prof. George Owuor with 2 CESAAM female students accompanied by their toddlers. The female students are part of many who have benefitted from CESAAM's special accommodation for female students, aimed at supporting female students to proceed with their studies uninterrupted, despite having toddlers. The Centre organises 3 bedroomed hostels, and provides a nanny, and facilities such as fridge and cookers.



The World Bank ACE II Coordinator Ms Ruth Charo, addresses NSC members at Egerton during the NSC hosted by CESAAM at Egerton University Njoro.

CENTER OF EXCELLENCE BUILDING COMPLETE



Conferences held in 2021/22 : 1. Global Opportunity-Virgina-tech-USA & 2. AFMA





CESAAM student with a farmer during Farm clinic. Farm clinic occurs when students work and solve farmers' problems at farm level. They live with farmers for extended period of the crop.



Farm clinics is an important ingredient of Egerton and CESAAM training programmes and community engagement. Seeds of gold programme is a partnership between the Egerton and Nation Media for outreach.

5. Cesaam Students Engage In Entrepreneurial Activities Admst Covid 19 Pandemic, 2021



Students in the centre are currently engaging in different entrepreneurial activities that focus on value addition, making of soaps and detergents to agri-consultancy, capacity building using e-



Images of Cesaam entrepreneurial students' product & GOI activity



OUR MOTTO: SUSTAINABLE
 FOOD SECURITY



New EU Project on Food Systems Training On going in August 2023

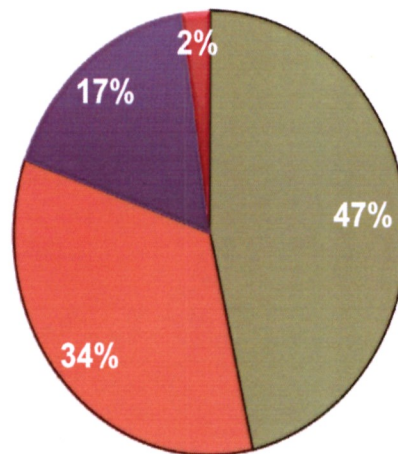


NEW EU PROJECT ON COURSE AS PART OF SUSTAINABILITY PROJECTS AT CESAAM



Capacity Building

■ Graduated ■ Thesis Writing ■ Data Collection ■ Ready for Presentation at Faculty level

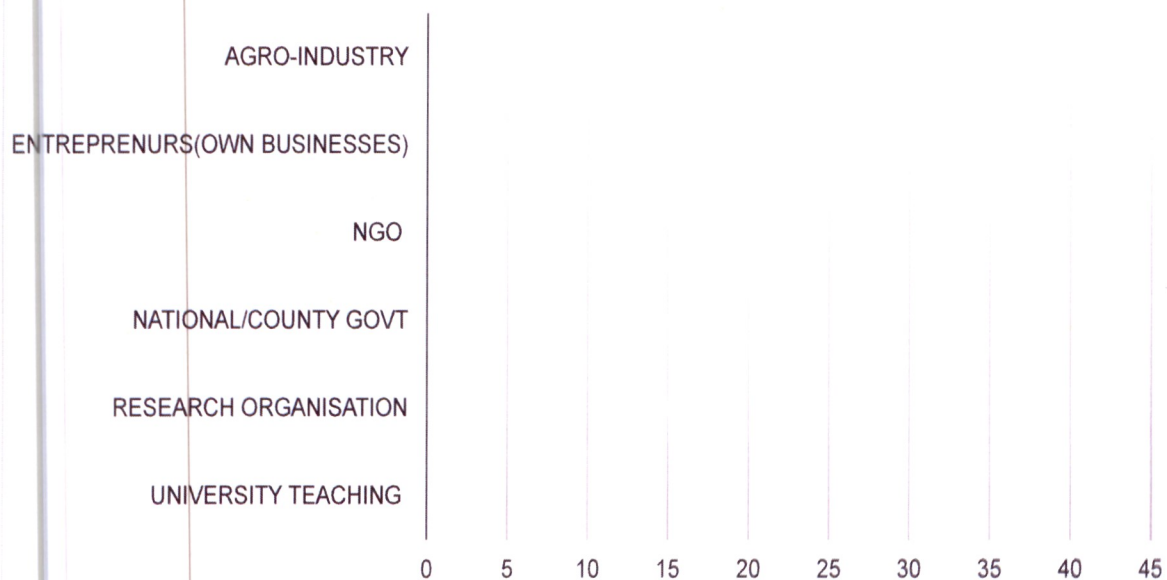


EGERTON UNIVERSITY
Transforming lives through quality education...



CESAAM Graduates Tracer Study

Distribution of CESAAM Graduates- Tracer



@CESAAM_EGERTON
 website (cesaam.egerton.ac.ke)

TWEETS FOR 2021

CESAAM Egerton @CESAAM_EGERTON · 04 Jun · 4
 CESAAM-BHEARD (USAID) Joint train on Econometrics and Biometrics Modelling for Egerton University Academic Staff. Ongoing at KALRO Naivasha-KE. Aimed at improving supervision or student research advis @Ace2Africa @iucea_info @kilimoKE @EduMinKenya @VTCals

CESAAM Egerton @CESAAM_EGERTON · 30 Jun · 1
 Day 3 of thesis dissemination workshop. Disseminating research results using local language of Luo @Ace2Africa @WBG_Education @iucea_info @NakuruAgriCall @EduMinKenya @VTCals @egertonunikenya

CESAAM Egerton @CESAAM_EGERTON · 28 Jun · 1
 These Dissemination is getting back to key stakeholders recommendations and best practices derived from the results of the students' research work @Ace2Africa @EduMinKenya @iucea_info

CESAAM Egerton @CESAAM_EGERTON · 07 Jun · 1
 Grab a copy of Daily Nation today for insight about CESAAM supported students Innovative Research @Ace2Africa @egertonunikenya @iucea_info

CESAAM Egerton @CESAAM_EGERTON · 07 Jun · 1
 Participating in Technical and Advisory Meeting for the Eastern and Southern Africa Higher Education Centres of Excellence for the 24 ACEs @Ace2Africa @worldbankgroup @iucea_info

CESAAM Egerton @CESAAM_EGERTON · 28 May · 1
 CESAAM National Steering Committee meeting at Egerton University @Ace2Africa @joost_insefood @

CESAAM Egerton @CESAAM_EGERTON · 15 Mar · 1
 Currently happening!!!IGOI btw Egerton University, CESAAM and Virginia Tech, USA.
 Fellows will learn:
 1. Framing challenge
 2. Using systems thinking to understand systems and complexity
 3. Systems mapping
 4. Refining pitch
 5. Action planning @Ace2Africa @VTCals @VTCALSGlobal

CESAAM Egerton @CESAAM_EGERTON · 17 Dec 20 · 1
 The 10th Technical & Advisory Meeting for the Africa Centers of Excellence is now underway. Below, a highlight of successes by @CESAAM_EGERTON #10thTAM #Ace2Impact

CESAAM Egerton @CESAAM_EGERTON · 04 Dec 20 · 1
 Regional Retooling on Fundable Proposals & Scientific Writing by @VTCALSGlobal @VTCals Dates: 6th - 11th December 2020

CESAAM Egerton @CESAAM_EGERTON · 14 Nov 20 · 1
 A Learning Forum to Understand the context of Extension at Egerton University and Virginia Tech. @VTCals @VTCALSGlobal @egertonunikenya @VCE_news

Tweet Buzz for 2020

CESAAM Egerton @CESAAM_EGERTON
 @CESAAM_EGERTON
 PhD Food Science Fellow @JacksonNKESIGA now at Nanjing Agricultural University for a 5-month Students' Exchange Program. #CESAAMNJAUPartnership

CESAAM Egerton @CESAAM_EGERTON
 @CESAAM_EGERTON student @BRENDAH5 shares her experience as a female student @egertonunikenya @Ace2Africa sponsored by CESAAM #CESAAMFellows2019

Wellington Ekaya @EkayaEkaya
 @ILRI this afternoon we are excited to host colleagues from @CESAAM_EGERTON to discuss matter collaboration. ILRI DDG Iain Wright welcomed the @CESAAM_EGERTON

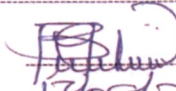
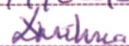
5. CESAAM website (cesaam.egerton.ac.ke)

APPENDICES

- i. Statement of designated/ special account
- ii. Statement of reconciliation of special account
- iii. Bank Reconciliations.

Appendix 1. Statement of designated/ special account

127

SPECIAL ACCOUNT STATEMENT	
For period ending	30th JUNE, 2023
Account No.	1000331704
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	ESAHECE ACE II CR NO. 5798
Credit Agreement	
Currency	USD
Part A - Account Activity	
Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	51,589.83
Add:	
Total Amount deposited by World Bank	790,580.69
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	790,580.54
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2023	51,589.98
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
	DATE: 17/08/2023
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: 
	DATE: 28-08-2023

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Appendix 2. Statement of Reconciliation of Special Account.

21

**EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTRES OF EXCELLENCE - ACE II
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
 FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA CREDIT NO. 57980-KE

Bank Account No.: 1000331704 held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		14,737,342.71
	Less:		
2	Total amount documented		14,737,342.71
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		51,589.83
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		(51,589.83)
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		-


Discrepancy between total appearing on line 3 and 9

-

Notes:

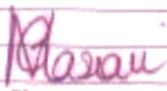

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs


 AUTHORISED REPRESENTATIVE
 RESOURCE MOBILISATION DEPARTMENT
 THE NATIONAL TREASURY

DATE: 28-08-2023

Appendix 3. Bank Reconciliation statement.

RE30			
EGERTON UNIVERSITY CESAAM PROJECT			
BANK RECONCILLIATION STATEMENT			
KCB ACCOUNT 1184060347			
FOR THE MONTH ENDED JUNE 2023			
		AMOUNT	AMOUNT
1. Cash Book Reconciled Balance as at 30/06/2023		54,416,502.78	
Add: Unpresented Cheques		4,896,408.55	
Add: Unreceipted Deposits		750,000.00	
			60,062,911.33
Reconciled Cash Book Balance as at 30/06/2023			
2. Reconciled Bank Statement Balance as at 30/06/2023		59,312,911.33	
Add: Unreceipted Deposits		750,000.00	
			60,062,911.33
Closing Bank Balance as at 30/06/2023			
Prepared by: Getray Shijenje CPA (K),CPM Accountant Research & Extension.		5/07/23	
	Signature	Date:	
Approved by: Charles K. Wanjohi CPA (K) Deputy Finance Officer		5/7/2023	
	Signature	Date:	



Appendix 4. Cash survey Report..

EGERTON UNIVERSITY
CASH SURVEY

ACCOUNT NO. 1184060347
DATE 30.06.2023

BREAK DOWN

1,000.00	Kshs	.....
500.00	Kshs	.....
200.00	Kshs	.....
100.00	Kshs	.....
50.00	Kshs	.....
40.00	Kshs	.....
20.00	Kshs	.....
10.00	Kshs	.....
5.00	Kshs	.....
1.00	Kshs	.....

TOTAL CASH ON HAND Kshs. NIL
CHEQUES Kshs
VOUCHERS ON PROCESS Kshs
BALANCE C/F Kshs

PREPARED BY Colleta Migwi SIGNATURE [Signature] DATE 30/6/2023

BOARD OF SURVEY

1.	<u>JAMES THUITA</u>	SIGNATURE <u>[Signature]</u>	DATE <u>30.06.2023</u>
2.	<u>HABAKWIL OCHI</u>	SIGNATURE <u>[Signature]</u>	DATE <u>30/6/23</u>
3.	.....	SIGNATURE	DATE
4.	.....	SIGNATURE	DATE

"Transforming Lives Through Quality Education"