

REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 02 APR 2026 DAY: Thursday

TABLED BY: Deputy Majority Whip  
Hon. Njomi Wago, MP

CLERK-AT THE-TABLE: Halima Ahmed

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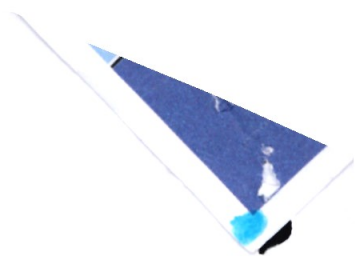
OF

THE AUDITOR-GENERAL

ON

KISII UNIVERSITY

FOR THE YEAR ENDED  
30 JUNE, 2025





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KISII UNIVERSITY

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE, 2025**

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

**KISII UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025.**

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**KISII UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025.**

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## **1. ACCRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS.**

### **(a) Acronyms and Abbreviations**

|       |  |
|-------|--|
| CBK   | Central Bank of Kenya                              |
| ICPAK | Institute of Certified Public Accountants of Kenya |
| IPSAS | International Public Sector Accounting Standards   |
| MD    | Managing Director                                  |
| NT    | National Treasury                                  |
| OCOB  | Office of the Controller of Budget                 |
| OAG   | Office of the Auditor General                      |
| OSHA  | Occupational Safety and Health Act of 2007         |
| PFM   | Public Finance Management                          |
| PPE   | Property Plant & Equipment                         |
| PSASB | Public Sector Accounting Standards Board           |
| SAGAs | Semi-Autonomous Government Agencies                |
| SC    | State Corporations                                 |
| WB    | World Bank   |
| VC    | Vice Chancellor                                    |

### **B: Glossary of Terms**

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

**Comparative Year-** Means the prior period.

## **2. KEY UNIVERSITY INFORMATION AND MANAGEMENT**

### **(b) Back ground Information**

Kisii University was founded in 1965 as a Primary Teachers' Training College on 61 acres of land under the sponsorship of the Kenya and British Governments. The College was in 1966 temporarily moved to Kabianga Agricultural Training College in Kericho, and continued up to 1983 when it was upgraded to a Secondary Teachers' College to offer Diploma programmes. Over the years, the College trained many teachers who got posted to primary schools in different parts of the country. Many of the teachers rose to ranks of head teachers and others got promotions to work in various educational institutions.

The Government of Kenya mandated Egerton University to take over the College as its campus in 1994. In 1999, the Faculty of Commerce established Bachelor of Business and Management as its first-degree programme within the Campus to run alongside Post Graduate Diploma in Education, which was phased out in 2001. On 23rd August 2007, Kisii University College was established as a Constituent College of Egerton University.

Finally, the College was on 6th February 2013, awarded a Charter to become the 13th public university in Kenya under the University's Act No 42 of 2012. The University's Main Campus is situated in a scenic and congenial environment which is ideal for academic pursuit. It is located approximately 2 km from Kisii Town Centre, off the Kisii – Kilgoris Road. Since being elevated to a University, the institution has expanded rapidly in terms of academic programmes, research output, extension services, student enrolment and staff establishment.

The central focus of Kisii University in 2009 was to increase access to quality education in line with Vision 2030. Notably, when elevated to a University College status in 2007, the University had only one Faculty (Commerce) offering one academic programme with less than 400 students. It was therefore apparent that there was a need to expand the existing capacity towards admitting more students. On account of this strategic issue, the University embarked on developing new Schools, Campuses and physical infrastructure, aimed at increasing student enrolment from diploma to PhD.

The University has the following Schools: Law; Information Science and Technology; Health Sciences; Business and Economics; Education and Human Resource Development; Agriculture and Natural Resources Development; Pure and Applied Sciences; and Arts and Social Sciences.

### **(c) Principal Activity**

- (i) The University's core activity is to provide University Education through teaching, research and community engagement.

The Core business of the University as spelt out in the Kisii University Charter and the University's Act No 42 of 2012 include:

**KISII UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025.**

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- Provision directly or in collaboration with other institutions of higher learning, facilities for University Education (including technological, scientific and professional education), the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of the citizens of Kenya and beyond;
- Participation in technological innovation as well as in the discovery, transmission, preservation and enhancement of knowledge and to stimulate the intellectual life in economic, social, cultural, scientific and technological development in Kenya;
- Provision and advancement of University education and training of appropriately qualified candidates leading to conferment of degrees and award of diplomas, certificates and such other qualifications as the Council and the Senate shall from time to time determine and, in so doing, contribute to human resource needs;
- Conducting examinations for such academic awards as may be provided in the statutes pertaining to the University and making proposals for new Faculties, Schools, Institutes, Departments, Resources and Research centres, degree courses and subjects of study;
- Contributing to Industrial and Technological Development of society in collaboration with industry and other organisations;
- Inculcating a culture of innovation in science, technology and engineering amongst staff, students and society.

**(ii) Vision**

An inclusive and borderless University that creates positive change in the world.

**(iii) Mission**

Creating a transformative environment that preserves knowledge, enriches the student experience, delivers quality training and research, and promotes community engagement for sustainable development.

**(iv) Community Service**

To provide community service to the public.

**(v) Core Values**

Kisii University is guided by the following core Values.

- Professionalism
- Transformative Thinking
- Teamwork
- Accountability
- Transparency
- Responsiveness
- Integrity

**(d) Key Management**

Kisii University governance is under the following key organs.

- i. Chancellor
- ii. University Council
- iii. University Senate
- iv. University Management Board
- v. School Boards
- vi. Departmental Boards

**(e) Fiduciary Management**

The Key Management personnel who held office during the financial year ended 30<sup>th</sup> June, 2025 and who had direct fiduciary responsibility were:

| <b>No</b> | <b>Designation</b>                   | <b>Name</b>                    |
|-----------|--------------------------------------|--------------------------------|
| 1.        | Vice Chancellor                      | Prof. Dr. Nathan O. Ogechi     |
| 2.        | Ag. Deputy Vice Chancellor AP&F      | Prof. Fred Mzee Awuor PhD; PhD |
| 3.        | Deputy Vice Chancellor ARSA          | Prof. Fredrick Wanyama         |
| 4.        | Ag. Registrar Research and Extension | Prof. Christopher Ngacho       |
| 5.        | Finance Officer                      | CPA. Charles Maina Mwangi      |
| 6.        | Ag. Registrar Administration         | Dr. Stella Omari               |
| 7.        | Ag. Registrar Academic Affairs       | Prof. Kennedy Getange          |

**(f) Fiduciary Oversight Arrangements**

The Council members who provided oversight during the financial ended 30<sup>th</sup> June 2025 and who had responsibility in various Committees were as follow:

| <b>Name of the committee</b>   | <b>No</b> | <b>Members</b>             | <b>Position</b> |
|--|-----------|----------------------------|-----------------|
| Audit Governance, Risk Management and Sealing Committee                | 1         | Dr. Bob Ndubi, PhD         | Chairperson     |
|  | 2         | Mr. Samuel Mogeni          | Secretary       |
|  | 3         | Mr. Samuel Gitau           | Member          |
|  | 4         | Dr Scholastica Ndambuki    | Member          |
| Planning, Finance, Building, Development and General Purpose Committee | 1         | Dr Samson Muchelule        | Chairperson     |
|  | 2         | Prof. Dr. Nathan O. Ogechi | Secretary       |
|  | 3         | Dr Scholastica Ndambuki    | Member          |
|  | 4         | Mr. Josphat Sowe           | Member          |
| Human Resource and Appointments Committee                              | 1         | Mr. Josphat Sowe           | Chairperson     |
|  | 2         | Prof. Dr. Nathan O. Ogechi | Secretary       |
|  | 3         | Dr Scholastica Ndambuki    | Member          |
|  | 4         | Dr Bob Ndubi, PhD          | Member          |
| Academic, Research, Extension Collaboration and Sealing Committee      | 1         | Dr Samson Muchelule        | Chairperson     |
|  | 2         | Prof. Dr. Nathan O. Ogechi | Secretary       |
|  | 3         | Mr. Samuel Gitau           | Member          |
|  | 4         | Dr Scholastica Ndambuki    | Member          |

**(g) Registered Office and Principal Place of Business**

Kisii University  
 Along Kisii - Kilgoris Road  
 P.O. Box 408 - 40200  
**KISII**, Kenya

**(h) University Contacts**

Kisii University  
 P.O. Box 408 - 40200  
**KISII**, Kenya  
 Tel.: 058-30826  
 Website: [www.kisiiuniversity.ac.ke](http://www.kisiiuniversity.ac.ke)  
 Email: [info@kisiiuniversity.ac.ke](mailto:info@kisiiuniversity.ac.ke)

**(i) University Bankers**

(i) National Bank of Kenya  
P.O. Box 4566 - 40200  
**KISII**

(ii) Kenya Commercial Bank  
P.O. Box 3684 - 40200  
**KISII**

(iii) Co-operative Bank of Kenya  
P.O. Box 3689 - 40200  
**KISII**

(iv) Equity Bank of Kenya  
**KISII**





**(j) Independent Auditors**

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




**(k) Principal Legal Advisor**

The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 4112- 00200  
**Nairobi, Kenya**





**3. UNIVERSITY COUNCIL**

| Ref | Directors   | Details   |
|-----|---|---|
| 1   |    | <p><b>Name:</b> Dr. Sarah J. Ruto, PhD, EBS<br/> <b>County:</b> Nandi<br/> <b>Position:</b> Chairperson<br/> <b>Date of Birth:</b> 28/09/1967<br/> <b>Academic Qualifications:</b> PhD (University of Heidelberg – Germany), M.Ed. and B.Ed. (Kenyatta University - Kenya).<br/>                     Dr. Ruto is the current Chairperson of the Council. She has wealth of experience in the field of education and policy implementation that spans over 30 years.</p>   |
| 2   |   | <p><b>Name:</b> Prof. Dr. Nathan Oyori Ogechi<br/> <b>County:</b> Kisii<br/> <b>Position:</b> Secretary to the Council and Vice Chancellor<br/> <b>Date of Birth:</b> 25/05/1968<br/> <b>Academic Qualification:</b> PhD (African Linguistics), University of Hamburger, Germany; MPhil (Kiswahili Studies) Moi University, Bachelor of Education (Arts), Moi University.<br/>                     Prof Ogechi brings in a wealth of experience in higher education, research and university management having been in the University system for more than 30 years. His international experience also brings in global perspectives to Kisii University.</p> |
| 3   |  | <p><b>Name:</b> Josphat Kipsoy Sowe<br/> <b>County:</b> Uasin Gishu<br/> <b>Position:</b> Independent Member<br/> <b>Date of Birth:</b> 12/12/1958<br/> <b>Academic Qualification:</b> M.Ed. (Admin) University of Eastern Africa, Baraton, B.Ed (Arts) Catholic University of Eastern Africa<br/>                     Mr. Sowe has a wealth of experience in educational administration at the locally and internationally. He has a track record of transformative leadership. He is a member of the Human Resource and Appointments Committee and sits in the Planning, Finance, Building, Development and General Purposes Committee.</p>                 |
| 4   |  | <p><b>Name:</b> Dr. Bob Ndubi, PhD<br/> <b>County:</b> Nyamira<br/> <b>Position:</b> Independent Member<br/> <b>Date of Birth:</b> 1973<br/> <b>Academic Qualification:</b> PhD (Finance), MBA (Finance) B.Ed Education<br/>                     Dr. Ndubi brings on board a wealth of experience in the finance sector. He is well versed in tax, investments, private equity, policy, strategy and general financial systems. He is the Chairperson of the Planning,</p>  |

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|   |   |  |
|---|---|--|
|   |   | Finance, Building, Development and General Purposes Committee and also sits in the Human Resource and Appointments Committee   |
| 5 |    | <p><b>Name:</b> Dr. Samson Eric Muchelule<br/> <b>County:</b> Kakamega<br/> <b>Position:</b> Member<br/> <b>Date of Birth:</b> 23/02/1969<br/> <b>Academic Qualification:</b> PhD (Ongoing) University of Nairobi, MBA (Strategic Management), University of Nairobi, BSc. (Veterinary Medicine) University of Nairobi.</p> <p>Dr Muchelule has a lot of experience as a transformative leader and an executive in the business world. Chair of the Academics, Research, Extension, Collaboration and Sealing Committee and also sits in the Audit, Governance and Risk Management Committee.</p>  |
| 6 |   | <p><b>Name:</b> Mr. Samuel K. Gitau<br/> <b>County:</b> Nyandarua<br/> <b>Position:</b> Representative of National Treasury<br/> <b>Date of Birth:</b> 10/11/1965<br/> <b>Academic Qualification:</b> BA (UoN); PGD (University of Botswana); MA (Economic Policy Management) Makerere University.</p> <p>Mr. Gitau is an economist and works at the National Treasury. He sits in the Audit, Governance and Risk Management Committee and the Academics, Research, Extension, Collaboration and Sealing Committee.</p>  |
| 7 |  | <p><b>Name:</b> Dr. Scholastica Ndambuki, LLD<br/> <b>County:</b> Makueni County<br/> <b>Position:</b> Representative Ministry of Education<br/> <b>Date of Birth:</b> 19/09/1967<br/> <b>Academic Qualification:</b> LLD (University of South Africa), LLM (University of South Africa), LLB (University of Nairobi).</p> <p>Dr. Ndambuki works at the Ministry of Education. She has a wealth of experience in legal matters. She is a member of the Human Resource and Appointments Committee, the Planning, Finance, Building, Development &amp; General Purposes Committee and the Academics, Research, Extension, Collaboration and Sealing Committee.</p> |

**4. UNIVERSITY MANAGEMENT TEAM.**

|   | <b>Management</b>   | <b>Details</b>  |
|---|---|---|
| 1 |    | <p><b>Name:</b> Prof. Dr. Nathan Oyori Ogechi</p> <p><b>Position:</b> Vice Chancellor</p> <p><b>Academic Qualification:</b> PhD, African linguistics, University of Hamburger, Germany, M.Arts Kiswahili, Moi University, Bachelor of Education (Arts), Moi University- Kenya.</p>  |
| 2 |   | <p><b>Name:</b> Prof. F. Mzee Awuor, PhD, PhD</p> <p><b>Position:</b> Ag. DVC (Administration, Planning and Finance).</p> <p><b>Academic Qualification:</b> PhD - Social Networks Human Centred Computing (Academia Sinica/ National Chengchi University – Taiwan), PhD – Business Information Systems (JOOUST - Kenya), MSc. Electronic and Electrical System (French South African Institute of Technology – S.Africa), M.Tech Electrical Engineering (Tshwane University of Technology - S. Africa), BSc. Computer Science (Moi University).</p> |
| 3 |  | <p><b>Name:</b> Charles M. Mwangi</p> <p><b>Position:</b> Finance Officer</p> <p><b>Academic Qualification:</b> MBA (Kisii University – Kenya), C.P.A.(K), B.B.M (Egerton University-Kenya), C.S.(Finalist).</p>  |
| 4 |  | <p><b>Name:</b> Prof. Christopher Ngacho, PhD</p> <p><b>Position:</b> Ag. Registrar Research and Extension</p> <p><b>Academic Qualification:</b> PhD – Operations Management, Delhi University(India), MBA. Management Science (UON), BCOM Management Science (UON).</p>  |

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

|   |  |  |
|---|--|--|
| 5 |   | <p><b>Name:</b> Prof. Fredrick Wanyama, PhD<br/> <b>Position:</b> DVC (Academic, Research &amp; Student Affairs).</p> <p><b>Academic Qualification:</b> PhD - Political Science (Maseno University), M.A. Government (UON), B.A. Government (UON).</p>   |
| 6 |   | <p><b>Name:</b> Dr. Stella A. Omari, PhD<br/> <b>Position:</b> Ag. Registrar (Administration, Human Resource and Central Services)</p> <p><b>Academic Qualification:</b> PhD Business Administration- Human Resource Management (UON) M.A in Social Dynamics, Bharathidasan University, (India), B.A. Economics, Punjab University (India)</p> |
| 7 |  | <p><b>Name:</b> Prof. Kennedy Getange, PhD<br/> <b>Position:</b> Ag. Registrar Academic Affairs</p> <p><b>Academic Qualification:</b> PhD- (ED), Kenyatta University, M (ED), (Maseno University), B.A. ED. (Andrews- Michigan, USA).</p>  |

**5. STATEMENT OF THE CHAIRPERSON OF THE COUNCIL.**



The mandate of the Council, amongst other responsibilities, is to provide oversight and give policy guidelines in order to ensure the smooth operations of University activities.

It is my pleasure to note that the staff members of Kisii University worked hard during the last financial year towards attaining this.

**Dr. Sara J. Ruto, PhD. EBS**

During the period under review, the University faced a number of challenges especially due to numerous court cases and the reduced monthly exchequer. Due to the Financial challenges affecting the Institution the University has been forced to restructure its operations. This included the realignment of the human resource capital, physical and infrastructural needs, among many others.

In the period under review, the University through the Government is in the final stages of completing construction of its key capital projects. The first phase of the ICT Centre has been completed and is in use. The second phase of the tuition block has also been completed while the last phase of the ICT Centre is earmarked for completion within the financial year 2025-2026. The ICT centre is one of the landmark projects which is anchored in vision 2030 blue print. The lecture theatre is also at an advanced stage of construction and should also be completed within the financial year. I would therefore like to request the National Government to consider allocating more development funds to the University.

During the year under review, the University Council continued to implement the new Strategic Plan covering the period 2024-2029. The Strategic Plan will help the University in achieving its mission and vision.

To supplement the inadequate government funding the University has put in place mechanisms to fully commercialise its Nyosia Farm. The University also started the process of reengineering its water processing and bottling plant. All these efforts are aimed at assisting the University generate the much-needed revenue to support its operations.

In conclusion, therefore, the University's future is dependent on Government support and other key stakeholders. In this regard, I would like to register my special gratitude to the National Government through the Ministry of Education for the support and look forward to more of in the current financial year.

A handwritten signature in blue ink that reads "Sara Ruto". The signature is fluid and cursive, with a double underline at the end.

**Dr. Sara J. Ruto, PhD. EBS**  
**Chairperson of Council**

## **6. STATEMENT FROM THE VICE CHANCELLOR**



It gives me lots of pleasure to present the Annual Report and Financial Statements of Kisii University for the year Ended 30<sup>th</sup> June, 2025. During the year under review, the University faced a myriad of challenges which were brought about by reduced government funding through the monthly exchequer.

### **Prof. Dr. Nathan O. Ogechi**

Despite the University recording a slight improvement in terms of internally generated revenue within the year under review, the amount is still way below in comparison with what the Institution was generating a few years back. Since the University relies on this stream of revenue to finance its operations, most of the programs have been greatly affected. The University also faced other challenges which were brought about by the numerous court cases against the Institution. However, with the introduction of the new funding model there's a possibility of improved finances.

As such, achievements in the 2024-2025 financial year were slowed down by the challenges brought about by inadequacy of finances. However, some of the key achievements included the following.

### **Academic Matters**

The University continued with its core business of Teaching, Training and Research. During the year under review, the University Management, in collaboration with the local leadership started the process of mentoring and launching of Nyamira University College.

### **Student Affairs**

During the year under review the university was able to admit and orientate more than 7,600 first year government sponsored students.

### **Graduation Ceremony**

The University conducted its 13<sup>th</sup> Graduation ceremony on 19<sup>th</sup> December 2024. The graduation ceremony was conducted physically.

### **ICT development**

The University has greatly increased its capacity for Virtual learning by enhancing ICT infrastructure to support research and innovative learning and even more is planned in the near future.

### **Strategic Plan**

During the year under review, the University Council continued to implement the Strategic Plan which will cover the period between 2024-2029. The Strategic Plan will help the University in achieving its vision and mission.

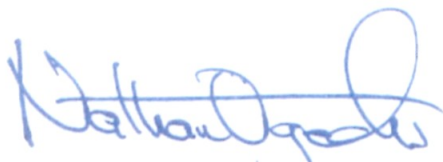
**KISII UNIVERSITY**  
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**Government Support**

On behalf of Kisii University, I wish to take this opportunity to thank the National Government for financial support accorded to the University within the financial year.

Finally, I would like to express my thanks to the University Council for providing policy guidelines and the entire University community for working tirelessly to ensure successful and smooth operations of the University.



Prof. Dr. Nathan O. Ogechi  
**Vice Chancellor**

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**7. STATEMENT OF KISII UNIVERSITY PERFORMANCE AGAINST  
 PREDETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2024/2025.**

| <b>ANNUAL PERFORMANCE REPORT</b>                       |                         |                                   |                           |               |                         |
|--|-------------------------|-----------------------------------|---------------------------|---------------|-------------------------|
| <b>YEAR ENDING: 30<sup>th</sup> June, 2025</b>         |                         |                                   |                           |               |                         |
| <b>FORM 2A</b>   |                         |                                   |                           |               |                         |
| <b>PERFORMANCE INDICATORS FOR KISII UNIVERSITY</b>     |                         |                                   |                           |               |                         |
| <b>SERVICE DELIVERY INDICATORS</b>                     | <b>Units of Measure</b> | <b>Target for Contract Period</b> | <b>CUMULATIVE TO DATE</b> |               |                         |
|  |                         | <b>A</b>                          | <b>Actual</b>             | <b>Target</b> | <b>Variance (E – F)</b> |
|  |                         |                                   | <b>E</b>                  | <b>F</b>      | <b>G</b>                |
| 1 Implementation of Citizens' Service Delivery Charter | %                       | 100                               | 100                       | 100           | 0                       |
| 2 Digitalization of Government Services                | %                       | 100                               | 100                       | 100           | 0                       |
| 3 Resolution of Public Complaints                      | %                       | 100                               | 100                       | 100           | 0                       |

**COMMENTS ON ANY VARIANCE (UN) FAVORABLE, CAUSES AND ACTION TAKEN:**

1. **Service Delivery Charter:** The University ensured compliance with the commitments and standards in the Citizen's Service Delivery Charter and maintained records on service delivery.
2. **Digitalization of Government Services:** The following four (4) core processes were re-engineered and digitalized on the *Huduma Bora* portal: Teaching and part-time lecturers management, medical services, students' cafeteria, and quality assurance/teaching evaluation processes, respectively. The applicable payment processes have also been fully on-boarded onto the e-Citizen platform.
3. **Resolution of Public Complaints:** All complaints received were resolved as per the University complaints handling procedure. The University also provided access to information through reactive disclosure based on requests received. The University further submitted the quarterly progress reports to the Committee on Administrative Justice (CAJ)/Ombudsman, who will award the score for this indicator.

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**ANNUAL PERFORMANCE REPORT**  
**YEAR ENDING: 30<sup>th</sup> June, 2025**  
**FORM 3A**

**PERFORMANCE INDICATORS FOR KISII UNIVERSITY**

| CORE MANDATE INDICATORS<br><br>("Big Four" Initiatives, Vision 2030<br>Flagship Projects, and<br>Projects/Programmes aligned to<br>SDGs and SPS) |  | Units | Target<br>for<br>Contract<br>Period | CUMULATIVE TO DATE |                 |                              |
|--|--|-------|-------------------------------------|--------------------|-----------------|------------------------------|
|  |  |       | A                                   | Actual<br><br>E    | Target<br><br>F | Variance<br>(E – F)<br><br>G |
| 1.   | Undergraduate Students<br>Completion Rate                    | %     | 68.1                                | 55.7               | 68.1            | (12.4)                       |
| 2.   | Student Mentorship Conducted                                 | No.   | 326                                 | 1,043              | 326             | 717                          |
| 3.   | Postgraduate Students Completion<br>Rate                     | %     | 8.54                                | 23                 | 8.54            | 14.46                        |
| 4.   | University-Industry Linkages<br>Established                  | No.   | 5                                   | 1                  | 5               | (4)                          |
| 5.   | Research Publications Increased                              | No.   | 170                                 | 208                | 170             | 38                           |
| 6.   | Science, Technology, and<br>Innovation Mainstreaming         | %     | 100                                 | 90                 | 100             | (90)                         |
| 7.   | Community Outreach Programmes<br>Conducted                   | No.   | 7                                   | 20                 | 7               | 13                           |
| 8.   | Competency-Based Education<br>(CBE) Rolled Out               | %     | 100                                 | 100                | 100             | 0                            |
| 9.   | Self-Assessment at Institutional<br>Level Undertaken         | %     | 100                                 | 100                | 100             | 0                            |
| 10   | Projects Completion Rate                                     | %     | 100                                 | 62.5               | 100             | (37.5)                       |
| 11   | Productivity Improvement                                     | %     | 100                                 | 44                 | 100             | (56)                         |
| 12   | Quality of Education, Training,<br>and Learning Enhanced     | %     | 100                                 | 110                | 100             | 10                           |
| 13   | Student's Welfare Services<br>Improved                       | %     | 100                                 | 120                | 100             | 20                           |
| 14   | Policies Developed and Reviewed                              | No.   | 2                                   | 1                  | 2               | (1)                          |
| 15   | Research Knowledge Generated,<br>Preserved and Disseminated  | %     | 100                                 | 143.35             | 100             | 43.35                        |
| 16   | ICT and E-Learning Infrastructure<br>Improved and Maintained | %     | 100                                 | 77                 | 100             | (23)                         |

**COMMENTS ON ANY VARIANCE (UN) FAVORABLE, CAUSES AND ACTION TAKEN:**

1. **Undergraduate Students Completion Rate:** From the 4,891 undergraduate students admitted in the FY 2020/21 cohort, 2,722 graduated in December 2024 after completing within the standard period of 4 years, translating to 55.7%. The revised target of 68.1% was not met.
2. **Student Mentorship Conducted:** Annual target was surpassed.
3. **Postgraduate Students Completion Rate:** Target was revised to 8.54% in the third quarter following a consultative meeting between MoE and public universities. The rate is computed as the proportion of students that graduated within the specified period of 1, 2 and 3 years for Postgraduate Diploma in Education (PGDE), Master and PhD respectively, from the same cohort admitted in the first year. The average completion rate for postgraduate students was 23%; being the average for masters (0%), PhD (0%) and PGDE (69%). However, despite the completion rates for masters and PhD being 0%, there were 19 Masters and 37 PhD graduands in the December 2024 graduation, but these were from earlier cohorts than the base year and had passed their regular duration for the programme. The delay in the completion of studies was due to the students starting their research work late.
4. **University-Industry Linkages Established:** A Memorandum of Understanding (MOU) was signed with the University of Minnesota during the year. The University Senate approved establishment of MOUs with the following institutions: Cape Peninsula University of Technology, University of South Africa, Institute of Radiation and Energy Medicine – Hirosaki University, Kenya Power, and the Kenya Medical Research Institute (KEMRI). The University is also awaiting approval to renew the existing MOUs with the University of Mankato, Kenya Forestry Research Institute (KEFRI), Institute of Primate Research (IPR), and East Tennessee State University. However, the MOUs had not been signed at the end of the year due to delay in approval of the drafts by the Ministry of Education.
5. **Research Publications Increased:** Annual target was surpassed.
6. **Science, Technology, and Innovation (STI) Mainstreaming:** The University participated in the Nyanza Innovation Investment Conference from the 6<sup>th</sup> to the 8<sup>th</sup> of January 2025, showcasing six (6) innovations by staff and students. The University also organized 1 STI workshop and participated in 6 other workshops during the year. In addition, the University established Research and Innovation Committees in all Schools towards enhancing coordination of research and innovation activities. The variance is attributed to delay in approval of MOU drafts by the Ministry of Education.
7. **Community Outreach Programmes Conducted:** Two free medical camps were carried out, one in the main campus and another one in Nyamira county. The School of Law also conducted a legal aid clinic at Ogembo–Gucha law Courts towards promoting social justice for sustainable development. The Career Services office carried out outreach to students in 12 secondary schools during the year. In addition, the University conducted other communities outreach activities including clean-up and donation exercise at Masimba Sub-County Hospital on 20<sup>th</sup> March 2025, training workshop for farmers on marketing skills held on 20<sup>th</sup> May 2025, workshop for farmers on livestock production held on 19<sup>th</sup> March 2025, workshop for women-led SMEs in Uasin Gishu County on sustainable business growth held on 8-10<sup>th</sup> May 2025, and the Climate Adaptation and Resilience Strategies (CLARS) project workshop held on 4<sup>th</sup> April 2025.
8. **Competency-Based Education and Training (CBET) Rolled Out:** The University held a pedagogy workshop for lecturers on 5<sup>th</sup> March 2025 themed, “Retooling trainers for effective learning”.
9. **Self-Assessment at Institutional Level Undertaken:** The institutional self-assessment was done and the report was compiled and submitted to the Commission for University

Education.

10. **Projects Completion Rate:** The University procured 2 buses, 1 ambulance and installed 10 plastic water storage tanks. The variance is attributed to pending works for the 5th and 6th floors of Tuition Complex and external works for Phase II of the ICT Learning and Business Centre.
11. **Productivity Improvement:** The Workplace Productivity Improvement Strategy was developed and submitted to the National Productivity and Competitiveness Centre (NPCC) for validation. The variance is because the new productivity index was not computed by the end of the year pending approval of the strategy. This indicator will be scored by NPCC.
12. **Quality of Education, Training, and Learning Enhanced:** The ISO 9001:2015 surveillance audit was conducted in the first quarter and the 4<sup>th</sup> internal audit done in the fourth quarter. The Directorate of Academic Quality Assurance held 4 capacity-building workshops for academic staff on various thematic areas, against the target of 1. All schools established their Academic Quality Assurance Committees. The Senate also approved the reviewed curriculum for the Bachelor of Science in Medical Laboratory Sciences. However, there were 13 other curricula undergoing review at the School level that were submitted to the Directorate of Academic Quality Assurance for validation but had not been cleared for Senate approval. Their review will be completed in FY 2025/26.
13. **Student Welfare Services Improved:** Target was surpassed because the University held 4 professional talks for students against the target of 1, and also enlisted 891 students on the work-study programme against the target of 500. However, the Talent Incubation Centre was not established during the year and the same will be undertaken in FY 2025/26.
14. **Policies Developed and Reviewed:** The Schemes of Service was reviewed during the year. The Succession Management Policy is at drafting stage, hence the variance.
15. **Research Knowledge Generated, Preserved and Disseminated:** During the year, 1 research conference was held, 60 grant proposals were submitted to various local and international funding organizations against the target of 30, and 16 academic staff were awarded internal research grants. Further, 11 public lectures, 12 school academic seminars, and 2 training workshops for academic staff on grant proposal writing were held. The University digital repository was also updated by uploading 348 new research outputs against the target of 200.
16. **ICT and E-Learning Infrastructure Improved and Maintained:** The Directorate of E-Learning held 1 capacity building workshop for lecturers on enhancing online teaching effectiveness through emerging technologies and AI integration. In addition, individual lecturer support and training were conducted through the year to 146 lecturers to meet personalized learning needs. The Open, Distance, and E-Learning (ODEL) website was also developed and will be rolled out in the FY 2025/26. In addition, 122 new desktop computers were acquired for computer laboratories, 26 WiFi access points and 1 smartboard installed. The target of procuring 200 computers, installing 3 smartboards, sound systems and overhead projectors was not achieved hence the variance.

**KISII UNIVERSITY**  
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| <b>ANNUAL PERFORMANCE REPORT</b>                           |                         |                                   |                           |               |                         |
|--|-------------------------|-----------------------------------|---------------------------|---------------|-------------------------|
| <b>YEAR ENDING: 30<sup>th</sup> June, 2025</b>             |                         |                                   |                           |               |                         |
| <b>FORM 4A</b>   |                         |                                   |                           |               |                         |
| <b>PERFORMANCE INDICATORS FOR KISII UNIVERSITY</b>         |                         |                                   |                           |               |                         |
| <b>IMPLEMENTATION OF PRESIDENTIAL DIRECTIVES INDICATOR</b> | <b>Units of Measure</b> | <b>Target for Contract Period</b> | <b>CUMULATIVE TO DATE</b> |               |                         |
|  |                         |                                   | <b>Actual</b>             | <b>Target</b> | <b>Variance (E – F)</b> |
|  |                         |                                   | <b>A</b>                  | <b>E</b>      | <b>F</b>                |
| 1   Implementation of Presidential Directives              | %                       | 100                               | 100                       | 100           | 0                       |

**COMMENTS ON ANY VARIANCE (UN) FAVORABLE, CAUSES AND ACTION TAKEN:**

1. **National Tree Growing Restoration Campaign:** The University, in partnership with various organizations and associations, planted 32,760 trees during the year to promote a sustainable environment, against the annual target of 20,000.
2. **Quality assurance for higher education:** The University undertook internal quality assurance audits of academic processes, including teaching, learning and examinations, to ensure that quality standards are adhered to.
3. **Directive on wearing 'Made in Kenya' outfits on Fridays and public holidays by staff:** A reminder about compliance with the directive was communicated to all staff in the first quarter.

| <b>ANNUAL PERFORMANCE REPORT</b>                                       |                         |                                   |                           |               |                         |
|--|-------------------------|-----------------------------------|---------------------------|---------------|-------------------------|
| <b>YEAR ENDING: 30<sup>th</sup> June, 2025</b>                         |                         |                                   |                           |               |                         |
| <b>FORM 5A</b>   |                         |                                   |                           |               |                         |
| <b>PERFORMANCE INDICATORS FOR: KISII UNIVERSITY</b>                    |                         |                                   |                           |               |                         |
| <b>ACCESS TO GOVERNMENT PROCUREMENT OPPORTUNITIES (AGPO) INDICATOR</b> | <b>Units of Measure</b> | <b>Target for Contract Period</b> | <b>CUMULATIVE TO DATE</b> |               |                         |
|  |                         |                                   | <b>Actual</b>             | <b>Target</b> | <b>Variance (E – F)</b> |
|  |                         |                                   | <b>A</b>                  | <b>E</b>      | <b>F</b>                |
| 1   Access to Government Procurement Opportunities (AGPO)              | Ksh. (M)                | 302.5                             | 187.45                    | 302.5         | (115.05)                |

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**COMMENTS ON ANY VARIANCE (UN) FAVORABLE, CAUSES AND ACTION TAKEN:**

The target was not attained as a result of revision of approved budget from Ksh 1,465,844,400 to Ksh 3,875,411,545. This led to increase in procurement budget reserved for AGPO. However, upon the invitation of tenders, the prequalified youth, women, and persons with disabilities were unable to absorb the reserved amount resulting in the variance. The University will continue sensitizing the target groups on the available tender opportunities to enhance participation.

**ANNUAL PERFORMANCE REPORT**

**YEAR ENDING: 30<sup>th</sup> June, 2025**  
**FORM 6A**

**PERFORMANCE INDICATORS FOR KISII UNIVERSITY**

| PROMOTION OF LOCAL CONTENT IN PROCUREMENT INDICATOR | Units of Measure | Target for Contract Period | CUMULATIVE TO DATE |        |                  |
|---|------------------|----------------------------|--------------------|--------|------------------|
|   |                  |                            | Actual             | Target | Variance (E – F) |
|   |                  |                            | E                  | F      | G                |
| 1   Promotion of Local Content in Procurement       | Ksh.(M)          | 415.5                      | 513.72             | 415.5  | 98.22            |

**COMMENTS ON ANY VARIANCE (UN) FAVORABLE, CAUSES AND ACTION TAKEN:**

The annual target was surpassed as a result of the University's preferential efforts towards promoting uptake of locally produced goods and services in procurement.

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**ANNUAL PERFORMANCE REPORT**

**YEAR ENDING: 30<sup>th</sup> June, 2025**  
**FORM 7A**

**PERFORMANCE INDICATORS FOR KISII UNIVERSITY**

| CROSS-CUTTING INDICATORS   | Units of Measure | Target for Contract Period | CUMULATIVE TO DATE |        |                  |
|--|------------------|----------------------------|--------------------|--------|------------------|
|  |                  |                            | Actual             | Target | Variance (E – F) |
|  |                  | A                          | E                  | F      | G                |
| 1. Asset Management  | %                | 100                        | 100                | 100    | 0                |
| 2. Youth Internships/<br>Industrial Attachment/<br>Apprenticeships | No.              | 110                        | 62                 | 110    | (47)             |
| 3. Competence Development  | %                | 100                        | 100                | 100    | 0                |
| 4. National Cohesion and Values                                    | %                | 100                        | 100                | 100    | 0                |

**COMMENTS ON ANY VARIANCE (UN) FAVORABLE, CAUSES AND ACTION TAKEN:**

1. **Asset Management:** The University updated the asset register and submitted the quarterly reports to the National Treasury. The University has maintained ownership documents for all its assets as required. Disposal of identified idle and obsolete assets was also undertaken as per the Annual Disposal Plan. The Score for this indicator will be awarded by the National Treasury.
2. **Youth Internships / Attachment:** The annual target was not achieved because the University received fewer interns (6) against the expected number (30) from the Public Service Commission. The University also received fewer applicants for industrial attachment (56) against the target (80).
3. **Competence Development:** The University implemented various interventions to address the identified skills gaps and training needs, including facilitating staff attendance at external and internal conferences and training/sensitization workshops. Annual evaluation and appraisal of staff performance will be undertaken by the end of July 2025 and the appraisal report prepared. Recommendations from previous year appraisal were also implemented towards employee performance improvement.
4. **National Cohesion and Values:** The University implemented the commitments towards realization of national values and principles of governance. The annual report will be submitted by 15<sup>th</sup> July 2025 to the Directorate of National Cohesion and Values for evaluation and scoring.

## **8. CORPORATE GOVERNANCE STATEMENT**

Kisii University is a body corporate established through the Kisii University Charter of 2013 and the University's Act No 42 of 2012. The University's core activity is to provide University education and conduct research. The University vision is to be a World Class University in Advancement of Academic Excellence, Research and Social Welfare.

### **1. Current constitution and appointment of the University council.**

**The current membership of the University Council is as follows:**

- a) Chairperson- The Chairman is appointed by the Cabinet Secretary Ministry for Education,
- b) Two Members - one person representing the P.S National Treasury and the other one representing the P.S Ministry of Education,
- c) Four other members appointed by the Cabinet Secretary, Ministry of Education,
- d) Vice Chancellor, who is the Secretary to the Council.

### **2. Responsibility of the University Council**

**The University Council is ultimately responsible for:**

- a) The Mission and the Vision of the University;
- b) Promoting the aims and objectives of the University;
- c) Setting strategic directions for the University;
- d) Oversight of Management;
- e) Make and approve statutes for gazettelement in accordance with the provisions of the Act;
- f) The appointment and performance management review of the Vice Chancellor;
- g) Setting and monitoring broad budget and planning framework, ensuring that the University finances are sound, and taking major financial decisions;
- h) Monitoring University performance against strategic objectives;
- i) Setting and clearly examining Council policy and risk management;
- j) Extending links and communication between the University and the wider community;
- k) Legislative roles, including ensuring that the University is acting without ethnic bias and is in conformity with all legal requirements;
- l) Fundraising and resource mobilization;
- m) Approve budgets of the University;
- n) Council performance and succession planning.

The current University Council was constituted by the Cabinet Secretary Ministry Of Education on 23<sup>rd</sup> May 2023. The profile of the current University Council members is provided on page (vii).

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**3. Remuneration of the Council Members**

The University Council members other than the Vice Chancellor do not receive a salary. They are however paid a sitting allowance for every meeting attended. The allowances paid to Council members are disclosed in note 10 of the Financial Statements.

**4. University Council Meetings**

The meetings of the University Council are held at least once every quarter in a calendar year. In order to facilitate the smooth running of its affairs, the University Council establishes such committees with membership and with such terms of references as it may deem fit. A calendar of University Council and its committees is prepared before the beginning of each financial year. During the meetings, conflict of interest is declared and recorded in all committee and full board meetings, the declaration of which is embedded in the agenda items. A conflict of interest register form is signed by each Council member declaring any existing conflict or lack of the same at all meetings.

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The University Council and Committees meetings held within the financial year 2024-2025 were as follows.

**Audit Governance, Risk Management and Sealing Committee**

| NAME                     | 19/08/2024 | 04/11/2024 | 03/02/2025 | 02/05/2025 |
|--------------------------|------------|------------|------------|------------|
| Dr. Bob Ndubi            | ✓          | ✓          | ✓          | ✓          |
| Dr. Scholastica Ndambuki | ✓          | ✓          | ✓          | ✓          |
| Mr. Samuel Gitau         | ✓          | ✓          | ✓          | ✓          |
| Mr. Samuel Mogeni        | ✓          | ✓          | ✓          | ✓          |

**Planning, Finance, Building, Development and General Purpose Committee**

| NAME                     | 09/09/2024 | 16/09/2024 (Special Meeting)                        | 13/01/2025 | 09/06/2025 |
|--------------------------|------------|---|------------|------------|
| Dr. Samson Muchelule     | ✓          | ✓   | ✓          | ✓          |
| Mr. Josphat Sowe         | ✓          | ✓   | ✓          | ✓          |
| Mr. Samuel Gitau         | x          | ✓ (Co – opted due to quorum hitch in the committee) | ✓          | ✓          |
| Dr. Scholastica Ndambuki | ✓          | ✓   | ✓          | ✓          |
| Prof. Dr. Nathan Ogechi  | ✓          | ✓   | ✓          | ✓          |

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**Human Resource and Appointments Committee**

| <b>NAME</b>              | <b>22/07/2024</b> | <b>28/10/2024</b> | <b>25/11/2024 (Special Meeting)</b> | <b>10/02/2025</b> | <b>19/05/2025</b> |
|--------------------------|-------------------|-------------------|-------------------------------------|-------------------|-------------------|
| Dr. Bob Ndubi            | ✓                 | ✓                 | ✓                                   | ✓                 | ✓                 |
| Josphat Sowe             | ✓                 | ✓                 | ✓                                   | ✓                 | ✓                 |
| Dr. Scholastica Ndambuki | ✓                 | ✓                 | ✓                                   | ✓                 | ✓                 |
| Prof. Dr. Nathan Ogechi  | ✓                 | ✓                 | ✓                                   | ✓                 | ✓                 |

**Academic, Research, Extension Collaboration and Sealing Committee**

| <b>NAME</b>              | <b>05/08/2024</b> | <b>11/11/2024</b> | <b>17/03/2025</b> | <b>22/04/2025</b> |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Dr. Samson Muchelule     | ✓                 | ✓                 | ✓                 | ✓                 |
| Dr. Scholastica Ndambuki | ✓                 | ✓                 | ✓                 | ✓                 |
| Mr. Samuel Gitau         | ✓                 | ✓                 | ✓                 | ✓                 |
| Prof. Dr. Nathan Ogechi  | ✓                 | ✓                 | ✓                 | ✓                 |

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**Full Council**

| <b>NAME</b>              | <b>15/07/2024<br/>(SCAC<br/>Board<br/>Evaluation)</b> | <b>17/08/2024</b> | <b>02/12/2024</b> | <b>13/12/2024<br/>(Special<br/>Meeting)</b> | <b>14/01/2025</b> | <b>31/01/2025<br/>(Special<br/>Meeting)</b> | <b>03/03/2025<br/>(Special<br/>Meeting)</b> | <b>24/03/2025</b> | <b>30/06/2025</b> |
|--------------------------|---|-------------------|-------------------|---|-------------------|---|---|-------------------|-------------------|
| Dr. Sara Ruto            | ✓   | ✓                 | ✓                 | ✓   | ✓                 | ✓   | ✓   | ✓                 | ✓                 |
| Dr. Samson Muchelule     | ✓   | ✓                 | ✓                 | ✓   | ✓                 | ✓   | ✓   | ✓                 | ✓                 |
| Dr. Bob Ndubi            | ✓   | ✓                 | ✓                 | ✓   | ✓                 | ✓   | X (Exited)                                  | ✓                 | ✓                 |
| Mr. Josphat Sowe         | ✓   | x                 | ✓                 | ✓   | ✓                 | ✓   | ✓   | ✓                 | ✓                 |
| Prof. Nathan Ogechi      | ✓   | ✓                 | ✓                 | ✓   | ✓                 | ✓   | ✓   | ✓                 | ✓                 |
| Mr. Samuel Gitau         | ✓   | ✓                 | ✓                 | ✓   | ✓                 | ✓   | ✓   | ✓                 | ✓                 |
| Dr. Scholastica Ndambuki | ✓   | ✓                 | ✓                 | ✓   | ✓                 | ✓   | ✓   | ✓                 | ✓                 |

**5. Committees of the University Council**

The University Council has established the following committees:

**a) Planning, Finance, Building, Development and General purpose committee.**

The committee is responsible for the following:

- Making recommendations to the Council on Annual Budgets in the light of overall plan, the annual operating budgets from the academic division , other cost centres and other relevant information;
- Reviewing the University’s financial strategy for approval by the Council;
- Reviewing the University’s Annual Financial Statements and reporting to the Council;
- Reviewing the University’s financial regulations from time to time and recommending any necessary changes in those regulations to the Council;
- Reviewing the University’s Investment Policy from time to time and reporting to Council;
- Overseeing the University’s Financial Management and Financial Control Systems and making quarterly reports to the Council;
- Such other action on behalf of the University Council in relation to the University’s financial business as may be required from time to time.

**b) Human Resource and Appointment Committee**

The committee oversees the formulation and subsequent monitoring and review of policies and strategies on employment of all University staff, including policies on recruitment and selection, staff development and training, performance management schemes, salaries and other conditions of service. The committee is responsible for the following matters:

- Reviewing and monitoring the implementation and effectiveness of the University’s employment policies through regular reports provided by the Management Board;
- Overseeing the relations between the University and its employees;
- Reviewing and making recommendations to the University Council, on the salaries, allowances and other terms and conditions of service of the Vice Chancellor, the Deputy Vice Chancellors and such other senior officers of the University as the Council may determine from time to time;
- Monitoring key performance indicators as agreed by Council;
- Receiving and considering proposals on strategy and policy in all matters relating to the recruitment, reward, retention, motivation, and development of the University’s staff and make recommendations to the Council;
- Receiving reports from Management Board relating to promotion.

**c) Audit Governance, Risk Management and Sealing Committee**

The committee is responsible for the following:

- Providing leadership and advising Council on strategic issues related to risk management, quality management, and compliance with bench mark standards and Statutory Regulations;
- Reviewing and monitoring the effectiveness of the University's risk Management Policies and strategies in mitigating against identified potential risks and in improving management and control;
- Receiving and considering proposals from the internal audit section on the internal audit and compliance work plans, and making recommendations to Council for approval;
- Receiving and considering quarterly internal audit and compliance reports and making recommendations to the Council;
- Receiving and considering Annual External Audit Report submitted by external auditors and making recommendations to the Council;
- Receiving and considering proposals on quality review cycle and internal quality assessment plans from the management board and making recommendations to Council for approval.

**d) Academic, Research, Extension Collaboration and Sealing Committee**

The committee is responsible for the following

- Receive and consider reports from Senate and make recommendations to Council on academic matters including:
  - ✓ Curriculum and academic standards of any course of study;
  - ✓ Establishment, harmonization or abolition of Campuses, Schools, Units, Departments, and Centres;
  - ✓ Promotion of research and innovation work in the University and dissemination of the findings;
  - ✓ Quality standards and assurance of education, training, research and innovation; and Students' welfare.
- To receive and recommend to the Council approval of University Statutes.
- To receive and recommend to the Council approval of the Students Handbook.
- To receive and recommend to the Council approval of the Constitution for the Students Association.
- Oversee the constitution of Alumni Association and receive reports on their proposals and recommendations;
- To advise Council on students' access and admissions, curriculum design, course and fees structure, academic and mentoring support, provision and use of learning resources and students' welfare.
- To establish and review structures and mechanisms for assuring the implementation of academic policies, the maintenance of standards and enhancement of good practice;

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- To oversee and co-ordinate activities associated with national and external agencies involved in quality assurance;
- To develop, amend, repeal and approve regulations concerning academic programmes;
- To receive and consider proposals and nominations for the award of honorary degrees and recommend to the full Council award of honorary degrees;
- To consider and advice Council on all matters related to research and innovation in the University.
- To receive, consider and recommend for approval regulations governing students conduct and discipline;
- To authorize on behalf of the Council the application of the University Seal on documents;
- To determine the types and amount of fees to be paid by students
- In consultation with the Human Resource and Appointments Committee, recommend to the Council on recruitment and promotion of academic staff of the University; and
- To undertake any other responsibility assigned by the Council from time to time.

The University Council nominates the Chairperson of each committee of the Council. In absence of a substantive chairperson the members present and constituting a quorum may elect a person from among them to chair the meeting. The chairperson of the University Council and the Vice Chancellor are ex-official members of every committee of the Council except the audit committee.

## **6. The Management Board**

Section 24 (1) of Kisii University Charter provides for the formation of the Management Board which shall function as the Executive Board as provided for in the provisions of the act and the statutes. The Management Board members are appointed by the University Council.

### **The current membership consists of the following:**

- a) The Vice Chancellor-who is the chairperson;
- b) Deputy Vice Chancellors;
- c) Registrars; and
- d) The Finance Officer.

### **The Management Board is responsible for the following:**

- a) Overseeing the day to day running of the University;
- b) Efficient management of the human, physical and financial resources of the University;
- c) Coordinating and controlling the development, planning, management, and administration of the University and its resources in accordance with approved policies, rules and regulations;

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- d) Submitting proposals to the University Council concerning Annual Financial Statements, development priorities, staff development plans, terms and conditions of service, fund raising strategies, student welfare, public relations policies, academic partnerships and linkages with other institutions, collaboration with industry, as well as any policies and any matters related to the development, management and administration of the University;
- e) Authorizing the initiation of legal proceedings on behalf of the University;
- f) Proposing to the University Council rules and regulations for the administration of the University and for the execution of its programs and plans;
- g) Establishing any University charges and fees ; and
- h) Performing any other duties relating to the management of the University.

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**9. MANAGEMENT DISCUSSION AND ANALYSIS**

**8.1 Student Enrolment**

Kisii University started experiencing a reduction in the number of student admission after the year 2015. Subsequently, there has been a continuous decline especially in the number of Module Two students (SSP - Self sponsored students).

However, the number of government sponsored students has been increasing exponentially for the last three years.

| <b>Academic year</b> | <b>Government sponsored students allocated</b> |
|----------------------|--|
| <b>2024/2025</b>     | <b>7,688</b>                                   |
| 2023/2024            | 7,700  |
| 2022/2023            | 3,888  |
| 2021/2022            | 5,235  |
| 2020/2021            | 5,502  |
| 2019/2020            | 2,855  |
| 2018/2019            | 1,831  |
| 2017/2018            | 2,246  |
| 2016/2017            | 1,950  |
| 2015/2016            | 995  |

**8.2 Graduation Statistics**

The University conducted its graduation ceremony on 19<sup>th</sup> December 2024. Below is the graduation statistics for the entire period since the award of the Charter.

| <b>Year</b> | <b>Cert</b> | <b>Diploma</b> | <b>Bachelors</b> | <b>Masters</b> | <b>PhD</b> | <b>Total</b>  |
|-------------|-------------|----------------|------------------|----------------|------------|---------------|
| 2024/2025   | 36          | 327            | 3,375            | 19             | 37         | <b>3,794</b>  |
| 2023/2024   | 77          | 416            | 2,423            | 72             | 23         | <b>3,011</b>  |
| 2022/2023   | 124         | 508            | 2302             | 54             | 25         | <b>3,013</b>  |
| 2021/2022   | 69          | 487            | 2,554            | 53             | 20         | <b>3,183</b>  |
| 2020/2021   | 40          | 161            | 1,129            | 24             | 15         | <b>1,369</b>  |
| 2019/2020   | 160         | 268            | 1,684            | 60             | 25         | <b>2,197</b>  |
| 2018/2019   | 256         | 993            | 3,873            | 37             | 5          | <b>5,164</b>  |
| 2017/2018   | 74          | 1,452          | 4,082            | 63             | 14         | <b>5,685</b>  |
| 2016/2017   | 36          | 2,151          | 3,374            | 103            | 9          | <b>5,673</b>  |
| 2015/2016   | -           | 1,214          | 2,169            | 80             | -          | <b>3,463</b>  |
| 2014/2015   | -           | 898            | 2,396            | 124            | -          | <b>3,418</b>  |
| 2013/2014   | -           | 695            | 1,641            | 89             | 5          | <b>2,430</b>  |
| Total       | -           | 522            | 984              | 72             | -          | <b>1,578</b>  |
|             | <b>872</b>  | <b>10,092</b>  | <b>31,986</b>    | <b>850</b>     | <b>178</b> | <b>43,978</b> |

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### 8.3 Employee Costs

The University Employee costs have been increasing over the years. In comparison with the total budget requirements, the average employee costs have been more than 65 %. The University Management is fully aware that this trend is not sustainable in the near future unless the government injects more funding to the institution. The employee costs in comparison with the total revenue is shown below.

| Financial Year | Employee costs (Kshs.) | Total revenue (Kshs.) | %  |
|----------------|------------------------|-----------------------|----|
| 2015/2016      | 1,677,809,000          | 3,197,065,000         | 52 |
| 2016/2017      | 1,688,496,000          | 3,048,605,000         | 55 |
| 2017/2018      | 1,957,781,000          | 2,922,969,000         | 67 |
| 2018/2019      | 1,768,866,000          | 2,509,495,000         | 70 |
| 2019/2020      | 1,970,047,000          | 2,128,061,000         | 93 |
| 2020/2021      | 1,529,856,000          | 1,841,515,000         | 83 |
| 2021/2022      | 1,485,064,000          | 2,219,904,000         | 67 |
| 2022/2023      | 1,584,566,000          | 2,255,593,000         | 70 |
| 2023/2024      | 1,493,960,000          | 3,167,440,129         | 47 |
| 2024/2025      | 1,971,731,000          | 4,308,759,000         | 46 |

### 8.4 Operation and Financial Performance Highlights

The revenue generated by the University has been on a down ward trend since the financial year 2015/2016. This is as a result of reduced enrolment of self-sponsored students. For the year under review, the University registered an operating Surplus.

The table below shows the revenue trend since the financial year 2015/2016.

| Financial Year | Exchequer (Kshs.) | AIA (Kshs.)      | Total (Kshs.)    |
|----------------|-------------------|------------------|------------------|
| 2016/2017      | 1,061,278,000.00  | 1,987,327,000.00 | 3,048,605,000.00 |
| 2017/2018      | 1,289,139,000.00  | 1,633,830,000.00 | 2,922,969,000.00 |
| 2018/2019      | 1,141,152,000.00  | 1,368,343,000.00 | 2,509,495,000.00 |
| 2019/2020      | 1,330,008,000.00  | 798,053,000.00   | 2,128,061,000.00 |
| 2020/2021      | 1,139,706,000.00  | 701,809,000.00   | 1,841,515,000.00 |
| 2021/2022      | 1,185,470,000.00  | 1,034,434,000.00 | 2,219,904,000.00 |
| 2022/2023      | 1,183,877,000.00  | 1,071,716,000.00 | 2,255,593,000.00 |
| 2023/2024      | 914,948,580.00    | 2,252,491,549.00 | 3,167,440,129.00 |
| 2024/2025      | 818,904,864.00    | 3,489,854,000.00 | 4,308,758,864.00 |

### **8.5 Key projects that the University is implementing**

During the year under review the university was implementing three key projects.

- a) Construction of lecture theatres:  
The lecture theatres are in the final stages of completion. The remaining works are external works which will be completed within the financial year 2025/2026.
- b) Construction of ICT Centre  
The first and second phase of ICT CENTER is complete and handed over to the University. The remaining works for second phase are only external works which are at an advanced stage and will be completed within the financial year 2025/2026.
- c) Construction of tuition complex:  
The second phase of tuition complex has already been completed and handed over to the university. However, there is some remaining works of tiling the two upper floors and external landscaping which are currently ongoing and will be finalised in the financial year 2025/2026.

### **8.6 Compliance with statutory requirements**

During the year under review the University complied with other statutory deductions except pension. The university has put in place arrangements to clear the outstanding amounts in the new financial year including having discussion with Retirement Benefit Authority.

### **8.7 Major potential risks that the university may face**

- a) Political risks
- b) Economic risks such as inflation
- c) Insufficient funding due to inadequate exchequer allocation and low revenue collection especially due to decline in self sponsored students
- d) New government regulations
- e) Non-compliance with legal and statutory obligations due to lack of enough funds
- f) Inadequate infrastructure

### **8.8 Material arrears in Statutory & Financial Obligations**

During the Year under review the University had material arrears in statutory and financial obligations as follows:

- a) Payroll deductions
- b) Sundry creditors
- c) Part time lecturers

The university has been using internally generated funds to supplement its budgetary requirements however the revenue collected is still below the annual requirements.

## **10. ENVIRONMENT AND SUSTAINABILITY REPORTING**

Kisii University was founded for public benefit, to promote education and knowledge, and to provide an institution open to all, irrespective of race, creed or political belief. The University seeks to replicate this commitment to the academic enterprise and to wider society, through all of its operations and activities. The University endeavours to conduct its business in accordance with the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

**Kisii University Corporate Social Responsibility is centred on three pillars:**

- People and Community
- Finance and Economic Activity
- Environmental Sustainability

### **(1) People and Community**

#### **The University as an employer**

Kisii University is committed to being a good employer, and to contribute positively to the local community, the education sector in Kenya and the global community. As an employer the University is committed in ensuring that all staff members are fully supported in their work, have a decent working environment, and are fairly rewarded. The University engages with recognized Trade Unions which represent and protect the interests of its staff. The University offers competitive terms and conditions of service to its directly employed staff. The University also encourages and supports staff to engage in activities which benefit the wider community and society.

In order to achieve this, the University commits to:

- Embedding equality and diversity into all operations
- Allowing staff time for civic and public duties.
- Encouraging payroll donation, fundraising and other charitable activities.
- Ensuring staff can achieve their full potential through training, mentoring, and other staff development activities.
- Achieving the highest practical standards of health and safety for our staff, students, and visitors.

### **Local Community**

Kisii University is a major tenant and employer in the local community with considerable operations in Kisii town. It opens up events and facilities to the public and participates in specific community engagement projects.

In support of the local community Kisii University through the research and extension department is undertaking free training to the farmers on the following projects.

- Training farmers at Nyosia farm on new farming methods through the use of modern technology;
- Offering of artificial insemination to animals of selected farmers;
- Enhancing farmers' knowledge and skills on how to generate more farm produce from their farms.

### **Kisii University as an agent of peace and conflict resolution**

Currently the University is offering a course to train key members of the local community on how to manage and maintain peace between various communities living in Kisii.

In addition to these, local pastors are also continuously being trained on various leadership skills.

### **Freedom of Expression**

As an academic institution, the University encourages debate and discussion and supports the right of peaceful protest where this does not threaten the health and safety of staff, students or visitors, and does not infringe upon others rights to freedom of expression and association.

## **(2) Finance and Economic Activity**

The University recognizes the way in which it conducts its activities financially, has a bearing on those with an interest in its work. The University financial regulations follow the laid down Accounting Standards.

## **(3) Environmental Sustainability**

Kisii University recognizes environmental sustainability as the greatest challenge of the 21<sup>st</sup> century and commits to ensuring that all of its major strategies and operations consider their environmental and ecological aspects and impacts. In this respect Kisii University is;

- a) Partnering with County Government of Kisii in keeping the Kisii town clean. This is done by sponsoring students and staff to freely participate in the cleaning programmes.
- b) In order to maintain a healthy environment, Kisii University recently removed asbestos roofing materials and replaced them with eco-friendly iron sheets.
- c) The university through the safety committee was engaged in road safety campaign.
- d) The scout movement was involved in planting of trees in our Nyosia Farm, and Selected Primary Schools.

**(4) Post Covid 19 Strategy and other emerging challenges**

During the year under review the university fraternity was continuously sensitised and reminded of the pandemic strategies that ensured success against it. These strategies continue to help mitigate against even other air borne diseases therefore keeping the community healthy. The University also continued to invest in E- Learning as part of its efforts to reduce physical contact. In order to assist the mitigate some of the existing medical challenges several medical camps have been organised by the University in Kisii and Nyamira Counties.

## **11. REPORT OF THE COUNCIL MEMBERS**

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of Kisii University affairs.

### **i) Principal activities**

The principal activities of Kisii University continue to be provision of University Education and conduct of Research.

### **ii) Results**

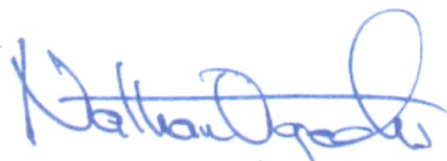
The results of the University for the year ended June 30, 2025 are in the financial statements set out on pages 1 to 33.

### **iii) Council Members**

The members of the University Council who served during the year are shown on pages vii and viii.

### **iv) Auditors**

The Auditor-General is responsible for the statutory audit of the Kisii University in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act, 2015.



.....  
**Prof. Dr. Nathan O. Ogechi**  
**Secretary to the Council**

## **12. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES**

The Public Financial Management Act of 2012, Kisii University Charter of 2013 and the Universities' Act of 2012 Cap 42 require the University Council to prepare Financial Statements of Kisii University which give a true and fair view of the state of affairs of the University as at the end of the financial year and the operating results of the University for the year. The Council members are also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council members are also responsible for safeguarding the assets of the University.

The Council members accept responsibility for the Annual Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and in the manner provided by the Public Financial Management Act of 2012 and the Universities' Act of 2012 Cap 42.

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

The Council members are of the opinion that the Financial Statements give a true and fair view of the state of the University's transactions during the financial year ended on 30<sup>th</sup> June 2025, and the University's financial position as at that date.

The Council members further confirm the completeness of the accounting records maintained in the University, which have been relied upon in the preparation of the Financial Statements, as well as adequate operation systems of Internal Financial Controls.

In preparing the financial statements, the council members have assessed the entity's ability to continue as a going concern. Nothing has come to the attention of the Council members to indicate that Kisii University will not remain a going concern for at least the next twelve months from the date of this statement.

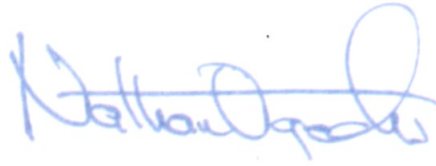
**KISII UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025.**

**Approval of the Financial Statements**

The University's Financial Statements were approved by the Council on 26/08/2025 and signed on its behalf by:



**Dr. Sara J. Ruto, PhD**  
**Chairperson of the**  
**Council.**



**Prof. Dr. Nathan O. Ogechi**  
**Accounting Officer**

# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON KISII UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2025

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### 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 the 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; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of the Kisii University set out on pages 1 to 32, which comprise of the statement of financial position as at 30 June,

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Kisii University as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Universities Act, 2012 and Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1.0. Non-Compliance with PSASB Reporting Framework**

The statement of cash flows has been prepared under the indirect method contrary to the prescribed direct method in the reporting framework of the public entities. Further, the statement of changes in net assets covers four (4) financial years, contrary to the prescribed reporting template which requires the statement to reflect balances for two (2) financial years-previous year (2023/2024) and current year (2024/2025).

In addition, Note 17 to the financial statements on property, plant and equipment has not been prepared in the format provided in the IPSAS Reporting Template for State Corporations and Semi-autonomous Government Agencies (SAGAS).

In the circumstances, the financial statements as prepared and presented do not comply with the reporting framework prescribed by the Public Sector Accounting Standards Board.

#### **2.0. Unsupported and Long Outstanding Receivables from Exchange Transactions**

The statement of financial position, and as disclosed in Note 15 to the financial statements, reflects receivables from exchange transactions balance of Kshs.1,824,839,000 which comprises imprest outstanding, fees balances and fuel deposit balances of Kshs.8,542,000, Kshs.1,907,341,000 and Kshs.5,000,000 respectively, less provision balance of Kshs.96,044,000. However, a detailed ageing analysis in support of the fees balances of Kshs.1,907,341,000 which was between 1 and two years and policy for the provision for bad and doubtful debt to support the provision balance were not provided for audit review. As a result, the adequacy of the provisions made could not be confirmed.

Management did not also provide evidence of efforts being made to recover the long outstanding receivables.

In the circumstances, the accuracy, recoverability and fair statement of the receivables from exchange transactions balance of Kshs.1,824,839,000 as at 30 June, 2025 could not be confirmed.

### **3.0. Property, Plant and Equipment Balances**

The statement of financial performance, and as disclosed in Note 17 to the financial statements, reflects property, plant and equipment balance of Kshs.3,492,511,000. The balance includes Work-In-Progress (W.I.P.) balance of Kshs.2,889,852,000. However, the supporting ledger, detailed project implementation reports and payment vouchers / certificates for the payments made during the year were provided for audit. Further, the WIP balance includes three (3) building blocks which had been substantially completed already put in use at the time of audit in September, 2025 without proper hand over or completion certificates.

Note 17 also reflects additions to W.I.P. of Kshs.17,932,000 whose supporting procurement documents such as bids, tender opening minutes, tender evaluation minutes, professional opinion, award and regret letters, letter of acceptance and signed contract agreement were not provided for audit. The Note also reflects acquisition after 31/12/2024 balance of Kshs.71,585,000 whose supporting ledger schedules were not provided for audit.

In the circumstances, the accuracy and completeness of the property plant and equipment balance of Kshs.3,492,511,000 could not be confirmed.

### **4.0. Unsupported Trade and Other Payables from Exchange Transactions**

The statement of financial position, and as disclosed in Note 20 to the financial statements, reflects trade and other payables from exchange transactions balance of Kshs.1,278,469,000. The balance includes University staff pay and deduction (pension) balance of Kshs.572,805,000, University staff pay and deductions—other balance of Kshs.70,412,000, KUSU Case on Redundancy balance of Kshs.211,158,000 and prepaid tuition fees balance of Kshs.97,217,000. However, the balances were not supported by the individual detailed ageing analyses and other requisite documentations.

In the circumstances, the accuracy and completeness of the trade and other payables from exchange transactions balance of Kshs.1,278,469,000 could not be confirmed.

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

## Emphasis of Matter

### Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects capital expenditure budget and actual on comparable basis of Kshs.215,000,000 and Kshs.145,286,000 resulting in an under-expenditure of Kshs.69,714,000 or 32% of the budget.

The under-expenditure on capital expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### Key Audit Matters

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

### Other Matter

#### Unresolved Prior Year Matters

In the prior year audit report, several issues were raised under the Report on Financial Statements and Lawfulness and Effectiveness in Use of Public Resources, respectively. Review of the status during audit of the University in 2024/2025 revealed that the following matters remained unresolved as at 30 June, 2024.

| S/No. | Audit Issue  |
|-------|--|
| 1.    | Budgetary Control and Performance                    |
| 2.    | Payment of Acting Allowance                          |
| 3.    | Non-Compliance with One of Third Basic Salary Rule   |
| 4.    | Non-Compliance with Law on Staff Regional Diversity  |
| 5.    | Non-Remittance of University Staff Salary Deductions |
| 6.    | Student Invoice Adjustment                           |

### Other Information

Management is responsible for the Other Information set out on page ii to xxxviii, which comprises Key University Information and Management, University Council, University Management Team, Statement of the Chairperson of the Council, Statement from the Vice Chancellor, Statement of Kisii University Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environment and Sustainability Reporting, Report of the Council Members and Statement of Council Members' Responsibilities. The Other Information does not include the financial statements and my auditor's report thereon.

In connection with my audit on the University's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other

Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

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

## REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0. Regularity of Human Resource Management Practices**

##### **1.1. Staff on Acting Capacity Beyond the Stipulated Period**

During the year under review ten (10) members of staff served in acting capacities for periods exceeding six (6) months, contrary to Section C.14(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016, which provides that when an Officer is eligible for appointment to a higher post and is called upon to act in that post pending advertisement of the post, he is eligible for payment of acting allowance and the allowance will not be payable to an officer for more than six (6) months. Further, up to date appointment /extension letters or cessation memos were not provided for audit verification.

##### **1.2. Non-Compliance with Law on Regional Diversity on Staff Employment**

Review of the University's payroll revealed that 65% members of total staff in post of six hundred and nineteen (619) were from one dominant ethnic community, contrary to Section 7 (1) (2) of the National Cohesion and Integration Act, 2008 (Revised 2012) which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, Management was in breach of the law

#### **2.0. Irregular Fee Waivers**

Review of University records revealed fees waivers amounting to Kshs.6,081,979. Review of education committee minutes indicate that fee waivers for several employees, their spouses and dependents were waived. However, personal files of affected employees did not have records of their spouses or dependents and as a result, it was not possible to establish if the beneficiaries were bona fide. Further, the

fee waivers granted exceeded the authorized amounts. Additionally, some of the beneficiaries of the fee waivers were not in the list authorized by the committee. This was contrary to the University's Staff Training Policy, 2015, which states that the university shall grant fee waiver to members of staff-on-staff development programmes undertaking post graduate training at the university and the fee waived shall apply to tuition only.

In the circumstances, Management was in breach of the University policy.

### **3.0. Failure to Remit Staff Statutory Deductions**

Note 20(B) to the financial statements discloses outstanding payables balances of Kshs.834,619,000 that had been outstanding for more than two (2) years which included University staff pay and deductions balance of Kshs.572,805,000 which had been outstanding since January, 2019. This was contrary to Section 53A (1) of the Retirement Benefits Act, 1997, which states that where an employer, having with the agreement of an employee who is a member of a scheme, made a deduction from the employee's emoluments for remittance to the scheme, fails to remit the deduction within fifteen days of the deduction, the scheme may, after giving such employer not less than seven days' notice, institute proceedings for the recovery of the deduction".

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

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

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1.0. Student Invoice Adjustment**

As reported in the previous year, the statement of financial performance for that year reflected tuition fees amount of Kshs.2,145,201,000 as disclosed in Note 7 to the financial statements. Review of an internal audit report during the year carried out on invoice ledgers and student account system generated fee statement revealed

unexplained invoice reversals, system invoice adjustments and non-adherence to fee payment policies set out by the Management and that the weak internal controls and system override led to student attending lecture classes, sitting for exams, graduating and collecting their certificates with outstanding fee balances. However, Management did not provide evidence of action and progress made to address the Audit Committee's recommendations.

In the circumstances, the effectiveness of internal controls over the collection and management fees arrears could not be confirmed.

## **2.0. Weak Controls Over Motor Vehicle Fueling**

Note 12 to the financial statements, discloses fuel and oil expenditure of Kshs.22,938,000. However, review of internal audit reports revealed unaccounted for fuel and lubricants, fueling at physical locations other than those of the motor vehicle being fueled, fueling without approval and missing work tickets. The audit committee made several recommendations aimed at addressing the identified weaknesses and improving internal controls. However, Management did not provide evidence of action and progress made to address the Audit Committee's recommendations.

In the circumstances, the effectiveness of internal controls over motor vehicle fueling could not be confirmed.

## **3.0. Over-payment for Motor Vehicle**

The University entered into a contract with a company to the supply of a vehicle at a cost of Kshs.13,649,400. However, the contractor was overpaid of Kshs.136,494. Management has not taken action to recover the overpayment or apply the amount for the provisions of other services.

In the circumstances, the effectiveness of internal controls over payment of vendors could not be confirmed.

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

## **Responsibilities of Management and those Charged with Governance**

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

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

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

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

The University Council is responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


### **Auditor-General's Responsibilities for the Audit**

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

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

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

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

  
FCPA Nancy Sathungu, CBS  
AUDITOR-GENERAL

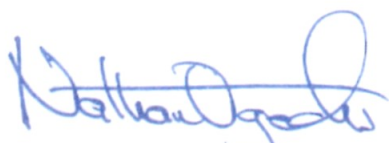
Nairobi

02 December, 2025

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

**14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2025.**

|   | Note | 2024-2025        | 2023-2024        |
|---|------|------------------|------------------|
|   |      | Kshs'000         | Kshs'000         |
| <b>Revenue from non-exchange transactions</b>       |      |                  |                  |
| Transfers from other government entities            | 6    | 818,905          | 914,948          |
| <b>Total revenue from non-exchange transactions</b> |      | <b>818,905</b>   | <b>914,948</b>   |
| <b>Revenue from exchange transactions</b>           |      |                  |                  |
| Tuition fees  | 7    | 3,434,348        | 2,145,202        |
| Less prepaid Tuition Fees                           |      | (97,217)         | -                |
| <b>Net Tuition Fees</b>                             |      | <b>3,337,131</b> | <b>2,145,202</b> |
| Income Generating Units                             | 8    | 152,723          | 107,290          |
| <b>Total revenue from exchange transactions</b>     |      | <b>3,489,854</b> | <b>2,252,492</b> |
|   |      |                  |                  |
| <b>Total revenue</b>                                |      | <b>4,308,759</b> | <b>3,167,440</b> |
|   |      |                  |                  |
| <b>Expenses</b>                                     |      |                  |                  |
| Employee costs                                      | 9    | 1,971,731        | 1,493,960        |
| Council expenses                                    | 10   | 20,327           | 25,276           |
| Contracted services-part time expenses              | 11   | 115,333          | 75,500           |
| General expenses                                    | 12   | 912,173          | 805,399          |
| Service gratuity                                    | 13   | -                | 46,064           |
| Provision For Audit Fees                            | 13   | 580              | 550              |
| Depreciation expense                                | 18   | 43,385           | 32,141           |
| <b>Total expenses</b>                               |      | <b>3,063,529</b> | <b>2,478,890</b> |
| <b>Surplus/deficit for the year</b>                 |      | <b>1,245,230</b> | <b>688,550</b>   |



**Prof. Dr. Nathan O. Ogechi**  
**Vice Chancellor**

**Date: 26/08/2025**



**Charles M. Mwangi**  
**Finance Officer**  
**ICPAK Member: 13211**

**Date: 26/08/2025**



**Dr. Sara J. Ruto, PhD**  
**Chairperson of the Council**

**Date: 26/08/2025**

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

**15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025.**

|   | Note | 2024-2025        | 2023-2024        |
|---|------|------------------|------------------|
|   |      | Kshs'000         | Kshs'000         |
| <b>Assets</b>                                       |      |                  |                  |
| <b>Current assets</b>                               |      |                  |                  |
| Cash and cash equivalents                           | 14   | 400,728          | 164,470          |
| Receivables from exchange Transactions              | 15   | 1,824,839        | 582,007          |
| Inventories- Consumables                            | 16   | 41,241           | 47,299           |
| Inventories- Biological assets                      | 19   | 4,125            | 4,902            |
| <b>Total current assets</b>                         |      | <b>2,270,933</b> | <b>798,678</b>   |
| <b>Non-current assets</b>                           |      |                  |                  |
| Property, plant and equipment                       | 17   | 3,492,511        | 3,390,610        |
| <b>Total non- current assets</b>                    |      | <b>3,492,511</b> | <b>3,390,610</b> |
| <b>Total assets (A)</b>                             |      | <b>5,763,444</b> | <b>4,189,288</b> |
| <b>Liabilities</b>                                  |      |                  |                  |
| <b>Current liabilities</b>                          |      |                  |                  |
| Trade and other payables from exchange transactions | 20   | 1,278,469        | 940,954          |
| Provisions  | 13   | 38,575           | 47,164           |
| <b>Total current liabilities</b>                    |      | <b>1,317,044</b> | <b>988,118</b>   |
| <b>Total liabilities (B)</b>                        |      | <b>1,317,044</b> | <b>988,118</b>   |
| <b>Net assets A-B</b>                               |      | <b>4,446,400</b> | <b>3,201,170</b> |
| <b>Represented by:</b>                              |      |                  |                  |
| Capital development funds                           | 21   | 3,173,710        | 3,173,710        |
| Accumulated surplus                                 | 21   | 1,272,690        | 27,460           |
| <b>Net assets</b>                                   |      | <b>4,446,400</b> | <b>3,201,170</b> |



Prof. Dr. Nathan O. Ogechi  
Vice Chancellor

Date: 26/08/2025



Charles M. Mwangi  
Finance Officer  
ICPAK Member: 13211

Date: 26/08/2025



Dr. Sara J. Ruto, PhD  
Chairperson of the Council

Date: 26/08/2025

**KISII UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025.**

**16. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30TH JUNE 2025.**

|   | Note      | Capital/<br>Development<br>Funds | Accumulated<br>Surplus | Total            |
|---|-----------|----------------------------------|------------------------|------------------|
|   |           | Kshs.000                         | Kshs.000               | Kshs.000         |
| <b>Balance as at 1 July, 2021</b>             | <b>21</b> | <b>3,130,748</b>                 | <b>(457,451)</b>       | <b>2,673,297</b> |
| Capital/development funds from the Government |           | -                                | -                      | -                |
| Surplus/deficit                               |           |                                  | (30,226)               | (30,226)         |
| <b>Balance as at 30 June, 2022</b>            | <b>21</b> | <b>3,130,748</b>                 | <b>(487,677)</b>       | <b>2,643,071</b> |
| <b>Balance as at July 1 2022</b>              | <b>21</b> | <b>3,130,748</b>                 | <b>(487,677)</b>       | <b>2,643,071</b> |
| Capital/development funds from the Government |           | 25,630                           |                        | 25,630           |
| Surplus/deficit                               |           |                                  | (173,413)              | (173,413)        |
| <b>Balance as at 1 July, 2023</b>             | <b>21</b> | <b>3,156,378</b>                 | <b>(661,090)</b>       | <b>2,495,288</b> |
| Capital/development funds from the Government |           | 17,332                           |                        | 17,332           |
| Surplus/deficit                               |           |                                  | 688,550                | 688,550          |
| <b>Balance as at 30 June, 2024</b>            | <b>21</b> | <b>3,173,710</b>                 | <b>27,460</b>          | <b>3,201,170</b> |
| Capital/development funds from the Government |           | -                                | -                      | -                |
| Surplus/deficit                               |           |                                  | 1,245,230              | 1,245,230        |
| <b>Balance as at 30 June, 2025</b>            | <b>21</b> | <b>3,173,710</b>                 | <b>1,272,690</b>       | <b>4,446,400</b> |

**KISII UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025.**

**17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2025.**

|   | Note      | 2024-2025        | 2023-2024        |
|---|-----------|------------------|------------------|
|   |           | Kshs'000         | Kshs'000         |
| <b>Cash flows from operating activities</b>                     |           |                  |                  |
| <b>Surplus/deficit for the year</b>                             |           | 1,245,230        | 688,550          |
| <b>Adjusted for:</b>  |           |                  |                  |
| Depreciation  | 18        | 43,385           | 32,141           |
| Decrease in Provisions  | 13        | (8,589)          | 21,736           |
| Decrease in biological Inventories                              | 19        | 777              | (475)            |
| Decrease in inventories   | 16        | 6,058            | (28,257)         |
| Increase in receivables   | 15        | (1,242,832)      | (284,482)        |
| Increase in payables  | 20        | 337,515          | (214,463)        |
| <b>Net Cash flows from operating Activities</b>                 |           | <b>381,544</b>   | <b>214,750</b>   |
| <b>Cash flows from investing activities</b>                     |           |                  |                  |
| Purchase of property, plant and equipment                       | 17        | (145,286)        | (123,477)        |
| <b>Net Cash flow used in investing activities</b>               |           | <b>(145,286)</b> | <b>(123,477)</b> |
| <b>Cash flows from financing activities</b>                     |           |                  |                  |
| Capital development grant                                       | 6         | -                | 17,332           |
| Bank overdraft  | 20        | -                | 44,058           |
| <b>Net cash flows from financing activities</b>                 |           | <b>-</b>         | <b>61,390</b>    |
| <b>Net decrease in cash and cash equivalents</b>                |           | <b>236,258</b>   | <b>152,663</b>   |
| Cash and cash equivalent as at 30 June, 2024                    | 14        | 164,470          | 11,807           |
| <b>Cash and cash equivalent as at 30<sup>th</sup> June 2025</b> | <b>14</b> | <b>400,728</b>   | <b>164,470</b>   |

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

**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2025.**

|  | <b>Original Budget</b> | <b>Adjustment</b> | <b>Final Budget</b> | <b>Actual on comparable basis</b> | <b>Performance difference</b> | <b>% of Utilization</b> |
|--|------------------------|-------------------|---------------------|-----------------------------------|-------------------------------|-------------------------|
|  | <b>Kshs.000</b>        | <b>Kshs.000</b>   | <b>Kshs.000</b>     | <b>Kshs.000</b>                   | <b>Kshs.000</b>               |                         |
|  | <b>a</b>               | <b>b</b>          | <b>c=a+b</b>        | <b>D</b>                          | <b>e=(c-d)</b>                | <b>f=d/c*100</b>        |
| <b>Receipts</b>                        |                        |                   |                     |                                   |                               |                         |
| Transfers to other government entities | 715,845                | 103,060           | 818,905             | 818,905                           | 0                             | 100%                    |
| Tuition fees                           | 3,004,567              | 0                 | 3,004,567           | 3,337,131                         | -332,564                      | 111%                    |
| Income generating units                | 155,000                | 0                 | 155,000             | 152,723                           | 2,277                         | 99%                     |
| <b>Total Receipts</b>                  | <b>3,875,412</b>       | <b>103,060</b>    | <b>3,978,472</b>    | <b>4,308,759</b>                  | <b>-330,287</b>               | <b>108%</b>             |
| <b>Payments</b>                        |                        |                   |                     |                                   | 0                             |                         |
| Employee Expenses                      | 2,352,802              | 103,060           | 2,455,862           | 1,971,731                         | 484,131                       | 80%                     |
| Council expenses                       | 30,000                 | 0                 | 30,000              | 20,327                            | 9,673                         | 68%                     |
| Part time expenses                     | 200,000                | 0                 | 200,000             | 115,333                           | 84,667                        | 58%                     |
| General expenses & Provisions          | 1,032,610              |                   | 1,032,610           | 912,173                           | 335,437                       | 88%                     |
| Depreciation and Provision             | 45,000                 | 0                 | 45,000              | 43,965                            | 1,035                         | 98%                     |
| <b>Total payments</b>                  | <b>3,660,412</b>       | <b>103,060</b>    | <b>3,763,472</b>    | <b>3,063,529</b>                  | <b>914,943</b>                | <b>77%</b>              |
| <b>Capital Expenditure</b>             | <b>215,000</b>         |                   | <b>215,000</b>      | <b>145,286</b>                    | <b>69,714</b>                 | <b>68%</b>              |
| <b>Total Budget</b>                    | <b>3,875,412</b>       | <b>103,060</b>    | <b>3,978,472</b>    |                                   |                               |                         |
| <b>Surplus</b>                         |                        |                   |                     | <b>1,245,230</b>                  | <b>1,245,230</b>              |                         |

**KISII UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025.**

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**Notes**

1. During the year under review the University recorded an operating surplus this was as result of increased tuition fee realised under the new funding new funding model. However much of this realised tuition is yet to remitted to the university by government in terms of scholarship and HELB loans.
2. There were no funds allocated for capital development by government during the year under review however there was internally generated funds towards capital expenditure as shown on Note17.

## 19. NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

Kisii University is established by and derives its authority and accountability from Kisii University Charter of 2013 and the University's Act No 42 of 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is to provide University Education and conduct research.

### 2. Statement of Compliance and Basis of Preparation;

The University's Financial Statements for the year ended 30<sup>th</sup> June 2025 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) accrual. This is the third year of adoption and the previous years have been restated accordingly. The Financial Statements are presented in Kenya shillings, which is the functional and reporting currency of the University and all values are rounded to the nearest thousand (Kshs. '000'). The accounting policies have been consistently applied to all the years presented. The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow is prepared using the indirect method. The Financial Statements are prepared on accrual basis.

### 3. Adoption of New and Revised Standards

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

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

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

| Standard   | Effective date and impact:   |
|--|--|
| IPSAS 43:<br>Leases  | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.<br>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.<br><b><i>State the expected impact of the standard to the Entity if relevant</i></b> |
| IPSAS 44:<br>Non- Current<br>Assets Held for<br>Sale and<br>Discontinued | <b><i>Applicable 1<sup>st</sup> January 2025</i></b><br>The Standard requires,<br>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:   |

**KISII UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025.**

|   |   |
|---|---|
| Operations                                | <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>  |
| IPSAS 45:<br>Property Plant and Equipment | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p> |
| IPSAS 46:<br>Measurement                  | <p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>   |
| IPSAS 47:<br>Revenue                      | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>  |
| IPSAS 48:<br>Transfer Expenses            | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial</p>   |

**KISII UNIVERSITY**  
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|  |  |
|--|--|
|  | <p>statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>  |
| <p>IPSAS 49:<br/>Retirement<br/>Benefit Plans</p>                                      | <p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p>  |
| <p>IPSAS 50:<br/>Exploration For &amp;<br/>Evaluation of<br/>Mineral<br/>Resources</p> | <p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><b><i>State the expected impact of the standard to the Entity if relevant</i></b></p> |

**iii. Early adoption of standards**

The Entity did not early – adopt any new or amended standards in year 2024/2025.

**4. Summary of Significant Accounting Policies;**

**a) Revenue Recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other Government Entities**

The University receives Government Capitation for Recurrent Expenditure and is recognised in the statement of financial performance. The University recognises the grants when the budget estimates are approved hence there are no accrued grants at the end of the year. The Capital Development grants are recognised and credited to the Capital Development Funds.

**ii) Revenue from exchange transactions;**

**Tuition**

The University recognizes tuition revenue in the period in which it is earned.

**Income Generating Units**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

**b) Budget Information**

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

**c) Property, Plant and Equipment**

All Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Land is not depreciated as it is deemed to have an infinite life. Depreciation on the other property is charged so as to write off the assets during their estimated useful life, using reducing balance method.

Assets acquired during the first six months of the year attract full depreciation while those acquired in the last six months of the year are not depreciated.

**The annual rates are: (Reducing Balance Method)**

|                             |   |       |
|-----------------------------|---|-------|
| Buildings                   | - | 2.5%  |
| Infrastructural Assets      | - | 2.5%  |
| Motor Vehicles              | - | 25%   |
| Furniture & Fittings        | - | 12.5% |
| Office equipment's          | - | 20 %  |
| Plant Machinery & Equipment | - | 20%   |
| Library Books               | - | 20%   |
| Cutlery                     | - | 33.3% |
| Office equipment's          | - | 20 %  |

**d) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the Inventory is its fair value at the date of acquisition.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

**e) Biological Assets**

The University recognises and measures its Biological Assets on initial recognition and at each reporting date at its fair value less costs to sell. The fair value reflects the current market value. The University currently owns cows, goats and rears fish as part of its Biological Assets.

**f) Provisions**

Provisions are measured at the Management's best estimate of the expenditure required to settle the obligation at the reporting date.

**g) Employee Benefits**

**Retirement Benefit Plans**

The University operates a Defined Contribution Scheme for its employees. The assets of this scheme are held in a separate Trustee Administered Fund. The scheme is funded by contributions based on the basic salary from both employees and employer at a rate of 10% and 20% respectively. Benefits are paid to retiring employees in accordance with the scheme rules.

The University also contributes to the statutory National Social Security Fund (NSSF). This is a Defined Contribution Scheme registered under the NSSF Act. The University's obligations under this scheme are limited to specific contributions legislated from time to time. The University's obligations to Staff Retirement Benefit Schemes are charged to the statement of financial performance in the year to which they relate.

**h) Related parties**

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. The University's parent Ministry is the Ministry of Education Science and Technology. The University gets its grants through this Ministry. Other related parties include the Council members and the Senior Management. Key transactions and balances with the related parties are clearly shown in the following notes;

- Council remuneration is shown in note number 7.
- Funds received from the Ministry are shown in note number 3 (i) and (ii).

**i) Cash and Cash Equivalents**

Cash and Cash Equivalents comprise cash on hand and cash at bank, as the University does not have any short-term deposits or liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash.

Bank account balances include amounts held at various commercial banks at the end of the financial year. For the purpose of these Financial Statements cash and cash equivalents does not include imprests and advances which were not surrendered at the end of the financial year.

**j) Comparative figures**

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

**k) Receivables**

Receivables are recognised when commitments are effected. A provision of 5% of total receivables has been provided to take care of the receivables, which may not be recovered in full.

**l) Description and nature and purpose of each reserve in statement of net asset;**

Capital Development fund- These are funds which are received by the University from the Government for purposes of Capital Development. Currently the projects being funded by these funds are still on-going.

Accumulated Surplus- This is accumulated surplus realised by the University over the years.

**m) Intangible assets**

The ERP system that qualifies for classification under intangible assets is still under implementation and therefore no amortization provision has been made in this financial year.

**n) Leases**

A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an asset are passed to the lessee. All other leases are classified as operating leases to the surplus or deficit on a reducing balance basis over the period of the lease.

**5. Significant judgements and sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The entity based its assumptions and estimates on parameters available when the Financial Statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the entity.

**Key sources of estimation Uncertainty:**

**Equipment**

Critical estimates are made by the Council in determining the depreciation rates of the equipment.

**Impairment**

At each statement of financial position date, the entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss.

**Provisions and contingent Liabilities**

The University reviews its obligations at each balance sheet date to determine whether provisions need to be made and if there are any contingent liabilities. The university has an active court case in court involving the KUDHEIHA UNION (Kenya Union of Domestic Hotels Educational Institution's and Hospital workers Union) in KISUMU

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ELRC NO. 2 OF 2003. The discussions with regard to an out of court settlement are ongoing.

**Contingent Liabilities**

|                                     | <b>2024-2025</b>      | <b>2023-2024</b> |
|-------------------------------------|-----------------------|------------------|
|                                     | <b>Kshs.</b>          | <b>Kshs.</b>     |
| <b>Contingent liabilities</b>       |                       |                  |
|                                     |                       |                  |
| Court case KISUMU ELRC NO 2 OF 2023 | 156,879,303.00        | 0                |
|                                     |                       |                  |
|                                     |                       |                  |
| <b>Total</b>                        | <b>156,879,303.00</b> | <b>0</b>         |

**Useful Lives and Residual Values**

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

- The condition of the asset based on the assessment of experts employed by the entity.
- The nature of the asset and its, susceptibility and adaptability to changes in technology and processes.
- The nature of the process in which the asset is deployed.

**5(b) Sustainability of services**

During the year under review the University reported an operating Surplus of Ksh. 1,245,230,000 this is a result of the implementation of the new funding model. However, despite this positive development the funds are not released on time resulting to huge fee balances from the students.

The other major cause of this worrying trend is the inadequate funding in form of monthly exchequer from the government. The funds released by the government on monthly basis are barely enough to meet the monthly payroll expenditure leave alone to cater for the other recurrent expenditure. This has been the trend for the last five financial years.

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**6. Transfers from Other Government Entities**

a)

| Description                                  | 2024-2025      | 2023-2024      |
|--|----------------|----------------|
|  | Kshs.          | Kshs.          |
| <b>Unconditional Grants</b>                  |                |                |
| Operational Grant                            | 818,905        | 914,948        |
| Other Grants                                 | -              | 17,332         |
| <b>Total Unconditional Grants</b>            | -              |                |
| <b>Conditional Grants</b>                    |                |                |
| <b>Total Government Grants And Subsidies</b> | <b>818,905</b> | <b>932,280</b> |

b) Transfers from Ministries, Departments and Agencies (MDAs)

| Name Of The Entity Sending The Grant            | Amount recognized to Statement of Financial performance | Amount deferred under deferred income | Amount recognised in capital fund | Total transfers 2024-25 | Prior year 2023-2024 |
|---|---|---------------------------------------|-----------------------------------|-------------------------|----------------------|
|   | Kshs.000  |                                       | Kshs.000                          | Kshs.000                | Kshs.000             |
| State Department Higher Education and Research. |   |                                       |                                   |                         |                      |
| Ministry of Education                           | 818,905   | -                                     | -                                 | 818,905                 | 949,612              |
| <b>Total</b>                                    | <b>818,905</b>  |                                       |                                   | <b>818,905</b>          | <b>949,612</b>       |

**7. Tuition Fees and Related Components**

| Details              | 2024-2025        | 2023-2024        |
|----------------------|------------------|------------------|
|                      | Kshs.            | Kshs000.         |
| Tuition fees         | 2,624,883        | 1,445,144        |
| Registration fees    | 18,265           | 25,392           |
| Student ID           | 281              | 577              |
| Library use          | 18,439           | 26,150           |
| Examination          | 54,256           | 75,442           |
| Material Development | 27,384           | 38,042           |
| Activity fees        | 9,122            | 12,680           |
| HELB funds           | 663,472          | 496,432          |
| Medical              | 18,246           | 25,343           |
| <b>Total</b>         | <b>3,434,348</b> | <b>2,145,202</b> |

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**8. Income Generating Units**

| <b>Details</b>                        | <b>2024-2025</b> | <b>2023-2024</b> |
|---------------------------------------|------------------|------------------|
|                                       | <b>Kshs.</b>     | <b>Kshs.</b>     |
| Accommodation                         | 3,479            | 1,409            |
| Academic Support Fee                  |                  | 51               |
| Administrative fee                    |                  | 39               |
| Application Forms                     | 1,981            | 2,282            |
| Certificates Reprinting               | 14               | 24               |
| Conference charges                    | 638              | 264              |
| Cash Refunds                          |                  | 27               |
| Credit Transfers                      | 136              | 154              |
| Disposal Income                       |                  | 2                |
| Exam Retake                           | 187              | 203              |
| Farm Sales                            | 1,262            | 19               |
| Fines and penalties                   | 1,345            | 787              |
| Graduation Fee And Gowns Hire         | 23,111           | 17,677           |
| Hire of Hall                          | 278              | 13               |
| Hire of Bus                           | 112              |                  |
| Hire Of Playing Ground                | 9                | 75               |
| Library Charges                       | 104              | 218              |
| Lab Fees                              | 13,197           |                  |
| Ict Fees                              | 45,056           |                  |
| Medical Charges                       | 562              | 85               |
| Miscellaneous Income                  | 12,871           | 621              |
| Other Miscellaneous income lost items | 0.7              |                  |
| Rent                                  |                  | 13               |
| Research Grants                       | 17,009           | 48,157           |
| Staff Mess Sales                      | 4,190            | 208              |
| Staff id replacement                  | 465              | -                |
| Student Id Replacement                |                  | 444              |
| Student mess Sales                    | 3,111            | 3,608            |
| Supervision fee                       | 635              | 1,030            |
| Supplementary                         | 14,456           | 17,257           |
| Tailoring Fees                        | 0.3              |                  |
| Test and vaccination levy             | 335              | 278              |
| Transcripts                           | 444              | 301              |
| Workshop and seminar charges          | 126              | 206              |
| CUE Quality Charges                   | 547              | 787              |
| KUCCPS Levy                           | 102              | 253              |
| Replacement of Lost Items             |                  | 2                |
| Teaching Practice                     | 380              | 1,293            |
| Thesis Examination                    | 1,440            | 2,375            |
| Attachment Fees                       | 5,140            | 7,128            |
| <b>Total</b>                          | <b>152,723</b>   | <b>107,290</b>   |

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**9. Employee Costs**

| <b>Details</b>                                  | <b>2024-2025</b> | <b>2023-2024</b> |
|---|------------------|------------------|
|   | <b>Kshs.000</b>  | <b>Kshs.000</b>  |
| Salaries And Wages                              | 1,910,830        | 1,454,281        |
| Salary Locum Appointees, Casuals, Security Firm | 19,482           | 12,470           |
| Staff welfare and Development                   | 17,341           | 4,332            |
| Student Medical Refunds and Hospitalisation     | 5,892            | 11,300           |
| Medical Supply                                  | 18,186           | 11,577           |
| <b>Total</b>                                    | <b>1,971,731</b> | <b>1,493,960</b> |

**10. Council Expenses**

| <b>Details</b>                                 | <b>2024-2025</b> | <b>2023-2024</b> |
|--|------------------|------------------|
|  | <b>Kshs.000</b>  | <b>Kshs.000</b>  |
| Sitting Allowances                             | 4,496            | 5,592            |
| Subsistence Allowances                         | 6,735            | 8,374            |
| Mileage Allowances                             | 7,508            | 9,336            |
| Other expenses air time, food, medical Refunds | 1,588            | 1,974            |
| <b>Total</b>                                   | <b>20,327</b>    | <b>25,276</b>    |

**11. Contracted Services (Part Time Lecturers)**

| <b>Details</b>                     | <b>2024-2025</b> | <b>2023-2024</b> |
|------------------------------------|------------------|------------------|
|                                    | <b>Kshs.000</b>  | <b>Kshs.000</b>  |
| School Of Business                 | 38,356           | 11,736           |
| School of Information Science      | 13,815           | 4,227            |
| School of Education                | 28,551           | 8,736            |
| School of Agriculture              | 14,292           | 4,373            |
| School of Health Science           | 2,670            | 817              |
| School of Pure and Applied Science | 1,759            | 538              |
| School of Arts and Social Science  | 15,390           | 4709             |
| School of Law                      | 500              | 153              |
| Accrued Part time                  |                  | 40,211           |
| <b>Total</b>                       | <b>115,333</b>   | <b>75,500</b>    |

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**12. General Expenses**

| <b>Details</b>               | <b>2024-2025</b> | <b>2023-2024</b> |
|------------------------------|------------------|------------------|
|                              | <b>Kshs.000.</b> | <b>Kshs.000</b>  |
| Advertising                  | 1,760            | 1,342            |
| Conferences and Delegations  | 19,929           | 7,047            |
| Electricity                  | 10,452           | 19,238           |
| Fuel and oil                 | 22,938           | 27,991           |
| Insurance                    | 33,943           | 52,518           |
| Postage                      | 365              | 356              |
| Printing and stationery      | 33,332           | 41,404           |
| Rent and Rates               | 16,890           | 116,953          |
| Travelling and Accommodation | 145,871          | 93,430           |
| Repairs and Maintenance      | 49,832           | 39,441           |
| Other Expenses               | 576,861          | 405,679          |
| <b>Total</b>                 | <b>912,173</b>   | <b>805,399</b>   |

**13. Provisions**

| <b>Details</b>           | <b>2024-2025</b> | <b>2023-2024</b> |
|--------------------------|------------------|------------------|
|                          | <b>Kshs.000</b>  | <b>Kshs.000</b>  |
| Provision For Audit Fees | 580              | 1,100            |
| Provision For Gratuity   | 37,995           | 46,064           |
| <b>Total</b>             | <b>38,575</b>    | <b>47,164</b>    |

**14. Cash and Cash Equivalents**

| <b>Details</b>                        |                   | <b>2024-2025</b> | <b>2023-2024</b> |
|---------------------------------------|-------------------|------------------|------------------|
|                                       | <b>ACCOUNT NO</b> | <b>Kshs.000</b>  | <b>Kshs.000</b>  |
| Cash At Bank (NBK Current A/C)        | 01001035009000    | 6,894            | 12,948           |
| Cash At Bank (NBK Savings A/C)        | 01230035009000    | 615              | 2,003            |
| Cash At Bank (KCB Development)        | 1113771143        | 517              | 611              |
| Cash At Bank (Cooperative Bank)       | 01129297079400    | 2,613            | 2,267            |
| Cash At Bank (KCB Fee collection)     | 1148599398        | 361,188          | 139,556          |
| Cash At Bank (KCB Research Grant)     | 1151310557        | 7,085            | 7,085            |
| Cash At Bank (KCB Operations Account) | 1135404291        | 10,818           | 0                |
| Cash At Bank (Equity Bank A/C)        | 1970286095451     | 10,998           | 0                |
| <b>Total</b>                          |                   | <b>400,728</b>   | <b>164,470</b>   |

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**15. Receivables from Exchange Transactions**

| <b>Details</b>      | <b>2024-2025</b> | <b>2023-2024</b> |
|---------------------|------------------|------------------|
|                     | <b>Kshs.000</b>  | <b>Kshs.000</b>  |
| Imprest Outstanding | 8,542            | 3,690            |
| Fees Balances       | 1,907,341        | 608,949          |
| Fuel Deposit        | 5,000            |                  |
| <b>Provision</b>    | <b>-96,044</b>   | <b>-30,632</b>   |
| <b>Total</b>        | <b>1,824,839</b> | <b>582,007</b>   |

**Ageing Analysis for Receivables from Exchange Transactions.**

| <b>Description</b>       | <b>2024/2025</b>  |                       | <b>2023/2024</b>      |                       |
|--------------------------|-------------------|-----------------------|-----------------------|-----------------------|
|                          | <b>Current FY</b> | <b>% of the total</b> | <b>Comparative FY</b> | <b>% of the total</b> |
| <b>Less than 1year</b>   | <b>13,542</b>     | <b>0.60</b>           | <b>3,690</b>          | <b>0.60</b>           |
| <b>Between 1-2 years</b> | <b>1,907,341</b>  | <b>99.40</b>          | <b>608,949</b>        | <b>99.4</b>           |
| <b>Between 2-3 years</b> |                   |                       |                       |                       |
| <b>Over 3 years</b>      |                   |                       |                       |                       |
| <b>Provision</b>         | <b>-96,044</b>    |                       | <b>(30,632)</b>       |                       |
| <b>Total (a+b)</b>       | <b>1,824,839</b>  | <b>100</b>            | <b>582,007</b>        | <b>100</b>            |

**16. Inventories**

| <b>Details</b>                | <b>Items</b> | <b>2024/2025</b> | <b>2023/2024</b> |
|-------------------------------|--------------|------------------|------------------|
| <b>University departments</b> |              | <b>Kshs.000</b>  | <b>Kshs.000</b>  |
| Anatomy Lab                   | Stationery   | 2,406            | 1,500            |
| Bio chemistry Lab             | Stationery   | 749              |                  |
| Biochem LAB                   | Stationery   |                  | 407              |
| Biological Lab                | Stationery   |                  | 35               |
| Central Registry              | Stationery   |                  | 57               |
| Central Registry              | Stationery   | 91               |                  |
| Central Services              | Stationery   |                  | 3,447            |
| Central Services              | Stationery   | 576              |                  |
| Central Stores                | Stationery   |                  | 10,993           |
| Central Stores                | Stationery   | 5,543            |                  |
| Dean of students              | Stationery   |                  |                  |
| DVC AP&F                      | Stationery   | 20               |                  |
| DVC APF                       | Stationery   |                  | 3                |

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| <b>Details</b>                  | <b>Items</b> | <b>2024/2025</b>     | <b>2023/2024</b>     |
|---------------------------------|--------------|----------------------|----------------------|
| <b>University departments</b>   |              | <b>Kshs.000</b>      | <b>Kshs.000</b>      |
| DVC ARSA                        | Stationery   |                      | 6                    |
| DVC ARSA                        | Stationery   | 122                  |                      |
| ELearning                       | Stationery   |                      | 2                    |
| Elimu Center                    | Stationery   | 48                   |                      |
| Examination & Timetabling Dept. | Stationery   | 795                  | 1,787                |
| Finance Main and cash office    | Stationery   | 213                  | 5                    |
| Games                           | Stationery   |                      | 390                  |
| ICT                             | Stationery   |                      | 17                   |
| Library                         | Stationery   | 4,505                | 1,388                |
| Medical                         | Stationery   | 19,617               | 10,689               |
| Nairobi campus                  | Stationery   |                      | 3                    |
| Nursing                         | Stationery   | 4,280                |                      |
| Nyosia Farm                     | Stationery   |                      | 601                  |
| Physiology Lab                  | Stationery   |                      | 37                   |
| Planning                        | Stationery   |                      | 22                   |
| Printing Press                  | Stationery   |                      | 3,052                |
| Procurement                     | Stationery   |                      | 8                    |
| Registrar Academics             | Stationery   | 565                  | 11,621               |
| Registrar Administration        | Stationery   | 136                  | 17                   |
| Research                        | Stationery   | 1                    | 1                    |
| Salaries                        | Stationery   |                      | 513                  |
| School of Agriculture           | Stationery   |                      | 35                   |
| School of Business              | Stationery   |                      | 9                    |
| School of Law                   | Stationery   |                      | 598                  |
| School of SIST                  | Stationery   |                      | 18                   |
| School of Social Sciences       | Stationery   |                      | 18                   |
| Science Lab                     | Stationery   |                      | 15                   |
| Staff mess                      | Stationery   | 31                   |                      |
| Student mess                    | Stationery   | 2                    |                      |
| TVET                            | Stationery   |                      | 4                    |
| Vice Chancellor                 | Stationery   | 902                  |                      |
| Water Plant                     | Stationery   | 639                  |                      |
| <b>Total</b>                    |              | <b><u>41,241</u></b> | <b><u>47,298</u></b> |

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**17. Property, Plant and Equipment Movement Schedule**

|                                      | Land            | Buildings       | Infrast.<br>Assets | W.I.P            | Motor<br>Vehicle | Furniture<br>& fittings | Office<br>Equipment | Plant &<br>Machinery | Library         | Cutlery         | Total            |
|--------------------------------------|-----------------|-----------------|--------------------|------------------|------------------|-------------------------|---------------------|----------------------|-----------------|-----------------|------------------|
| Cost                                 | Kshs'000        | Kshs'000        | Kshs'000           | Kshs'000         | Kshs'000         | Kshs'000                | Kshs'000            | Kshs'000             | Kshs'000        | Kshs'000        | Kshs'000         |
| <b>Depreciation Rate</b>             | -               | 2.5%            | 2.5%               | -                | 25%              | 12.5%                   | 20%                 | 20%                  | 20%             | 33.3%           |                  |
| <b>As at July2024</b>                | 140,901         | 297,263         | 38,644             | 2,871,920        | 102,598          | 77,744                  | 191,105             | 36,431               | 62,471          | 1,731           | 3,820,808        |
| <b>Additions</b>                     |                 |                 |                    | 17,932           | 43,983           |                         | 57,930              |                      | 25,441          | 0               | 145,286          |
| Cost as at 30/06/2025                | 140,901         | 297,263         | 38,644             | 2,889,852        | 146,581          | 77,744                  | 249,035             | 36,431               | 87,912          | 1,731           | 3,966,094        |
| Acquisition After 31/12/2024         |                 |                 |                    |                  |                  |                         | 48,938              |                      | 22,647          |                 | 71,585           |
| Qualifying asset for depreciation    | 140,901         | 297,263         | 38,644             | 2,889,852        | 146,581          | 77,744                  | 200,097             | 36,431               | 65,265          | 1,731           | 3,894,509        |
| <b>Depreciation and impairment</b>   |                 |                 |                    |                  |                  |                         |                     |                      |                 |                 |                  |
| Accrued depreciation b/f             | 0               | 75,506          | 6,769              | 0                | 92,185           | 55,569                  | 122,268             | 29,373               | 46,808          | 1,720           | 430,189          |
| Net cost for depreciation            | 140,901         | 221,757         | 31,875             | 2,889,852        | 54,396           | 22,175                  | 77,829              | 7,058                | 18,457          | 11              | 3,464,311        |
| Depreciation for the year            |                 | 5,544           | 797                | 0                | 13,599           | 2,772                   | 15,566              | 1,412                | 3,691           | 4               | 43,385           |
| Total Depreciation                   |                 | 81,050          | 7,566              | 0                | 105,784          | 58,341                  | 137,834             | 30,785               | 50,499          | 1,724           | 473,583          |
| <b>Net Book Value as at 30/06/25</b> | <b>140,901</b>  | <b>216,213</b>  | <b>31,078</b>      | <b>2,889,852</b> | <b>40,797</b>    | <b>19,403</b>           | <b>111,201</b>      | <b>5,646</b>         | <b>37,413</b>   | <b>7</b>        | <b>3,492,511</b> |
| <b>Net Book Value as at 30/06/24</b> | <b>140,901</b>  | <b>221,757</b>  | <b>31,875</b>      | <b>2,871,920</b> | <b>10,413</b>    | <b>22,175</b>           | <b>68,837</b>       | <b>7,058</b>         | <b>15,663</b>   | <b>11</b>       | <b>3,390,610</b> |
|                                      |                 |                 |                    |                  |                  |                         |                     |                      |                 |                 |                  |
| <b>Cost</b>                          | <b>Kshs'000</b> | <b>Kshs'000</b> | <b>Kshs'000</b>    | <b>Kshs'000</b>  | <b>Kshs'000</b>  | <b>Kshs'000</b>         | <b>Kshs'000</b>     | <b>Kshs'000</b>      | <b>Kshs'000</b> | <b>Kshs'000</b> | <b>Kshs'000</b>  |
| <b>As at July2023</b>                | 140,901         | 297,263         | 38,644             | 2,778,502        | 102,598          | 77,744                  | 163,016             | 36,431               | 60,501          | 1,731           | 3,697,331        |
| <b>Additions</b>                     | 0               | 0               | 0                  | 93,418           | 0                | 0                       | 28,089              | 0                    | 1,970           | 0               | 123,477          |
| Cost as at 30/06/2024                | 140,901         | 297,263         | 38,644             | 2,871,920        | 102,598          | 77,744                  | 191,105             | 36,431               | 62,471          | 1,731           | 3,820,808        |
| Acquisition After 31/12/2023         | 0               | 0               | 0                  | 0                | 0                | 0                       | 15,499              | 0                    | 87              | 0               | 15,586           |
| Qualifying asset for depreciation    | 140,901         | 297,263         | 38,644             | 2,871,920        | 102,598          | 77,744                  | 175,606             | 36,431               | 62,384          | 1,731           | 3,805,222        |
| Accrued depreciation b/f             | 0               | 69820           | 5,952              | 0                | 88,714           | 52,401                  | 108,933             | 27,609               | 42,914          | 1,714           | 398,057          |
| Net cost for depreciation            | 140,901         | 227,443         | 32,692             | 2,871,920        | 13,884           | 25,343                  | 66,673              | 8,822                | 19,470          | 17              | 3,407,165        |
| Depreciation for the year            | 0               | 5,686           | 817                | 0                | 3,471            | 3,168                   | 13,335              | 1,764                | 3,894           | 6               | 32,141           |
| Total Depreciation                   | 0               | 75,506          | 6,769              | 0                | 92,185           | 55,569                  | 122,268             | 29,373               | 46,808          | 1,720           | 430,198          |
| <b>Net Book Value as at 30/06/24</b> | <b>140,901</b>  | <b>221,757</b>  | <b>31,875</b>      | <b>2,871,920</b> | <b>10,413</b>    | <b>22,175</b>           | <b>68,837</b>       | <b>7,058</b>         | <b>15,663</b>   | <b>11</b>       | <b>3,390,610</b> |
| <b>Net Book Value as at 30/06/23</b> | <b>140,901</b>  | <b>227,443</b>  | <b>32,692</b>      | <b>2,778,502</b> | <b>13,884</b>    | <b>25,343</b>           | <b>54,083</b>       | <b>8,822</b>         | <b>17,587</b>   | <b>17</b>       | <b>3,299,274</b> |

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**18. Depreciation and Amortization Expense**

Property plant and Equipment includes the following assets that are fully depreciated:

| Details              | Cost or Valuation | Normal Annual Depreciation charge for the year ended 30/06/2025 | Normal Annual Depreciation charge for the year ended 30/06/2024 |
|----------------------|-------------------|---|---|
|                      | Kshs'000          | Kshs'000  | Kshs'000  |
| Buildings            | 297,263           | 5,544   | 5,686   |
| Infrastructure       | 38,644            | 797   | 817   |
| Motor Vehicles       | 146,581           | 13,599  | 3471  |
| Furniture & Fittings | 77,744            | 2,772   | 3168  |
| Office Equipment     | 249,035           | 15,566  | 13335   |
| Plant and Machinery  | 36,431            | 1,412   | 1764  |
| Library Books        | 87,912            | 3,691   | 3894  |
| Cutlery              | 1,731             | 4   | 6   |
| <b>Total</b>         | <b>935,341</b>    | <b>43,385</b>   | <b>32,141</b>   |

**19. Inventories-Biological**

| Details             | 2024-2025 | 2023-2024           | 2023-2024 |
|---------------------|-----------|---------------------|-----------|
| Cows                | Kshs'000  | Kshs'000            | Kshs'000  |
| Acade 001 KSU22423  | 80        | Acade 001 KSU22423  | 180       |
| Acade BA024         | 150       | Acade BA024         | 150       |
| Akama 8321          | 100       | Akama 8321          | 200       |
| Ann 009 8336        | 140       | Ann 009 8336        | 7         |
| Ann 010 8341        | 130       | Ann 010 8341        | 150       |
| Ann 011 KSU 21723   | 80        | Ann 011 KSU 21723   | 150       |
| Ann 012 BA011       | 80        | Ann 012 BA011       | 150       |
| Ann 013 KSU12525    | 20        | Ann 013 KSU12525    | 56        |
| Dutch 001 BA0019    | 30        | Dutch 001 BA0019    | 180       |
| Dutch 8347          | 150       | Dutch 8347          |           |
| France 001 KSU4423  | 80        | France 001 KSU4423  | 6         |
| France BA0022       | 30        | France BA0022       | 80        |
| France 8353         | 150       | France 8353         | 200       |
| Gold Coast          | 150       | Gold Coast          | 200       |
| Gold Coast KSU16625 | 10        | Gold Coast KSU16625 | 98        |
| Haron               | -         | Haron               | 6         |
| kyle 8335           | 80        | kyle 8335           | 150       |
| Mary 8339           | 150       | Mary 8339           |           |
| Mary BA005          | 60        | Mary BA005          | 6         |
| Michael 8343        | 140       | Michael 8343        | 90        |
| Michael BA0023      | 20        | Michael BA0023      | 150       |
| Michelle 8358       | 95        | Michelle 8358       | 150       |

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| <b>Details</b>      | <b>2024-2025</b> | <b>2023-2024</b>                       | <b>2023-2024</b> |
|---------------------|------------------|--|------------------|
| <b>Cows</b>         | <b>Kshs'000</b>  | <b>Kshs'000</b>                        | <b>Kshs'000</b>  |
| Noah 002 BA006      | 80               | Noah 002 BA006                         | 90               |
| Noah 8348           | 150              | Noah 8348                              |                  |
| Noah 8355           | 150              | Noah 8355                              | 7                |
| Owen 001 BA0018     | 60               | Owen 001 BA0018                        | 150              |
| Owen 8346           | 150              | Owen 8346                              | 150              |
| Petition 8359       | 115              | Petition 8359                          | 180              |
| petition 001 8333   | 100              | petition 001 8333                      | 25               |
| Reporter 8332       | 85               | Reporter 8332                          | 90               |
| Ruth 8352           | 120              | Ruth 8352                              |                  |
| Ruth BA007          | 70               | Ruth BA007                             | 200              |
| Ruth 001 BA027      | 120              | Ruth 001 BA027                         | 180              |
| Ruth 002 BA025      | 80               | Ruth 002 BA025                         | 200              |
| Ruth 004 BA013      | 50               | Ruth 004 BA013                         |                  |
| Susan 003 KSU141024 | 80               | Susan 003<br>KSU141024                 | 58               |
| Susan 8342          | 80               | Susan 8342                             | 90               |
| Sylvia 8357         | 140              | Sylvia 8357                            | 60               |
| <b>Thomas</b>       | <b>-</b>         | <b>Thomas</b>                          |                  |
| thomas 001 8360     | 100              | thomas 001 8360                        | 200              |
| Thomas 8323         | 100              | Thomas 8323                            | 90               |
| Winnie 001 8556     | 90               | Winnie 001 8556                        | 180              |
| Winnie 002 BA008    | 80               | Winnie 002 BA008                       | 80               |
| Winnie 003 BA0015   | 50               | Winnie 003 BA0015                      |                  |
| Winnie 004 KSU26325 | 30               | Winnie 004<br>KSU26325                 | 80               |
| Winnie 8331         | 120              | Winnie 8331                            | 200              |
|                     |                  | Tom 1 Year                             |                  |
|                     |                  | Winnie                                 | 200              |
|                     |                  | Alphine she Goat<br>(Brown Kid) Joy    | 8                |
|                     |                  | Alphine She Goat<br>Jane               | 8                |
|                     |                  | White Brown Goat<br>(Male Kids) Claire |                  |
|                     |                  | White Brown Goat<br>(Male Kids) 6 kids | 17               |
| <b>Total</b>        | <b>4,125</b>     |  | <b>4,902</b>     |

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**20. (A) Trade and Other Payables from Exchange Transactions**

| Details   | 2024-2025        | 2023-2024      |
|---|------------------|----------------|
|   | Kshs.000         | Kshs.000       |
| Bank Overdraft KCB Operations account number 1135404291 | 0                | 44,058         |
| Caution Money   | 11,239           | 40,910         |
| Part Time Expenses                                      | 224,288          | 207,733        |
| Sundry Creditors  | 25,712           | 6,665          |
| Student Union   | 28,112           | 8,782          |
| Retention   | 10,526           | 10,526         |
| Lease hold  | 27,000           | 27,000         |
| University staff pay & Deductions -Pension              | 572,805          | 595,280        |
| University staff pay & Deductions - Other               | 70,412           |                |
| KUSU Case on Redundancy                                 | 211,158          |                |
| Prepaid Tuition Fees                                    | 97,217           |                |
| <b>Total</b>  | <b>1,278,469</b> | <b>940,954</b> |

**20 (B) Ageing Analysis Trade and Other Payables**

| Description        | 2024/2025        | % of the total | 2023/2024      | % of the total |
|--------------------|------------------|----------------|----------------|----------------|
| Under 1year        | 204,580          | 16.00          | 6,665          | 0.7            |
| Between 1-2 years  | 239,270          | 18.72          | 10,526         | 1.1            |
| Between 2-3 years  | 234,814          | 18.37          | 328,483        | 34.7           |
| Over 3 years       | 599,805          | 46.92          | 595,280        | 63.5           |
| <b>Total (a+b)</b> | <b>1,278,469</b> | <b>100</b>     | <b>940,954</b> | <b>100</b>     |

**21. Capital Development Funds and Accumulated Surplus**

| Capital Development Funds  |         | Accumulated Surplus/Deficit |         |
|----------------------------|---------|-----------------------------|---------|
| Financial Year             | Kshs.   | Financial Year              | Kshs.   |
| <b>Bal. B/f 01/07/2008</b> | 278,054 | <b>Bal. B/f 01/07/2008</b>  |         |
| 2008-2009                  | -       | 2008-2009                   | 46,322  |
| 2009-2010                  | 274,938 | 2009-2010                   | 110,622 |
| 2010-2011                  | 283,581 | 2010-2011                   | 52,808  |
| 2011-2012                  | 350,693 | 2011-2012                   | 32,331  |
| 2012-2013                  | 273,189 | 2012-2013                   | 28,895  |
| 2013-2014                  | 110,728 | 2013-2014                   | 22,806  |
| 2014-2015                  | 246,527 | 2014-2015                   | 26,489  |

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| <b>Capital Development Funds</b> |                  | <b>Accumulated Surplus/Deficit</b> |                  |
|----------------------------------|------------------|------------------------------------|------------------|
| <b>Financial Year</b>            | <b>Kshs.</b>     | <b>Financial Year</b>              | <b>Kshs.</b>     |
| 2015-2016                        | 174,360          | 2015-2016                          | 22,241           |
| 2016-2017                        | 279,846          | 2016-2017                          | 4,351            |
| 2017-2018                        | 64,108           | 2016-2017                          | 4,056            |
| 2018-2019                        | 500,419          | 2018-2019                          | (19,602)         |
| 2019-2020                        | 280,160          | 2019-2020                          | (508,827)        |
| 2020-2021                        | 14,145           | 2020-2021                          | (279,943)        |
| 2021-2022                        | 0                | 2021-2022                          | (30,226)         |
| 2022-2023                        | 25,630           | 2022-2023                          | (173,413)        |
| 2023-2024                        | 17,332           | 2023-2024                          | 688,550          |
| 2024-2025                        | 0                | 2024-2025                          | 1,245,230        |
| <b>Balance as at 30/06/25</b>    | <b>3,173,710</b> | <b>Balance as at 30/06/25</b>      | <b>1,272,690</b> |
|                                  |                  |                                    |                  |

## **22. Risk Management**

The University activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risks.

### **Credit risk**

The University has exposure to credit risk which is the risk that a counter party to financial instrument will be unable to pay amounts in full when due thus causing a financial loss. Credit risk arises from cash and cash equivalents and trade receivables. Credit risk on trade receivables is managed by ensuring that credit is extended to customers and students with established credit history.

### **Market risk**

The University has put in place an internal audit function to assist it in assessing the risk faced by the University on an on-going basis, evaluate and test the design and effectiveness of its Internal Accounting and Operational Controls. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the audit and risk management committee.

**Liquidity risk**

The ultimate responsibility for liquidity risk management rests with the council who have built an appropriate liquidity risk management framework for the management of the University's short, medium and long term funding and liquidity management requirements.

**23. Capital Commitments**

The University has on-going projects which are funded purely by the exchequer. The projects include Hostels, ICT Centre and Lecture Theatres.

**24. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the Financial Statements for the year ended on 30<sup>th</sup> June 2025.

**25. Ultimate and Holding Entity**

The entity is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**26. Currency-** The Financial statements are presented in Kenya Shillings.

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**20. APPENDIX**

**APPENDIX 1: IMPLEMENTATION STATUS OF AUDITOR-GENERAL'S RECOMMENDATIONS**

The following is the summary of issues raised by the Auditor-General in year 2023/2024, and Management comments that were provided to the auditor.

| Reference No. on the external audit Report | Issue / Observations from Auditor   | Management comments   | Status:<br><i>(Resolved / Not Resolved)</i> | Timeframe:<br><i>(Put a date when you expect the issue to be resolved)</i> |
|--|-------------------------------------|---|---|--|
| <b>REPORT ON THE FINANCIAL STATEMENTS</b>  |                                     |   |   |  |
| <b>Basis for Qualified Opinion</b>         |                                     |   |   |  |
| 1.   | Unsupported Bank Overdraft position | We concur with your observation that during the year under review the University statement of financial position reflected trade and other payables from exchange transactions balance of Ksh.940,954,000 as disclosed in note 20 of the financial statements. The reconciling balance of Ksh.2,723,000 cleared in the records of the university as shown in the attached cash book extract. Kindly find attached the cash book extract, bank certificate and bank reconciliation in support of the same. | Resolved                                    |  |
|  |                                     | We concur with your observations that during the year   | Resolved                                    |  |

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|    |                                   |   |  |  |
|----|-----------------------------------|---|--|--|
| 2. | Budgetary Control and performance | <p>ended on 30<sup>th</sup> June 2024. The university was not able to collect all the funds as budgeted for. The university has put in mechanisms to ensure all students clear their fees within the required timelines. However, it is important to note that most of the uncollected revenue involved students who deferred studies when the semester was already on. With the introduction of the new funding model within the year under review the management has also noted that most of the students are not paying the house hold component of the fees. This is because of the various government pronouncements on the new funding model including the intervention by the courts. The management has taken note of the audit recommendations and is continuously monitoring the situation and ensure all invoiced tuition fees is collected on time. With regard to capital development funding the management wrote to the State department requesting for release of all budgeted funds however the same was not released in full. Kindly find attached the approved capital development budget for the year under review and the request for release of the same submitted to the state department.</p> |  |  |
|    |                                   |   |  |  |

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| <b>Other Matter</b>  |   |   |              |  |
|--|---|---|--------------|--|
| 1  | Unresolved prior year matters                   | The management has addressed most of the prior year issues as evidenced in the latest audited financial statements and is committed to continuously address any issues that remains unresolved.   | Resolved     |  |
| <b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b> |   |   |              |  |
| 1.   | Payment of Acting Allowance                     | The university management is well ceased of the matter and necessary remedial action was initiated. The university advertised for the senior positions in the month of February 2023 and redeployed the other affected officers, however the process stalled due to court litigation from the trade Unions. The court advised that the process be restarted. The management has undertaken to complete the process in the coming Financial Year. The process of filling senior management offices is being undertaken by public service commission which is the body mandated by law to fill the vacancies. Kindly find attached the court ruling and table indicating the current status of all the affected officers. | Not Resolved |  |
| 2.   | Non Compliance with one third basic salary rule | The management of the University is already ceased of the matter and has taken action to ensure full compliance. Management through the office of Vice Chancellor has been issuing regular circulars to all   | Not resolved |  |

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|    |  |   |              |  |
|----|--|---|--------------|--|
|    |  | employees to regularize their pay by adhering to the requirement. Most of the University staff have been sighting the introduction of new levies which were recently introduced as having contributed to this non-compliance.   |              |  |
| 3. | Noncompliance with law on staff regional diversity   | The university management has always ensured that it adheres to the requirements of National Cohesion and integration Act. However, in this case most of the staff recruited were meant to work in low cadre jobs like cleaning and office clerks. From past experience it is difficult to attract people from outside the region who would be willing to come and work for the said jobs because of the low earnings. There is also pressure from the local community to be considered for such openings. However, the university management commits to continue adhering to the requirements of the relevant provisions of the law while recruiting its staff in order to ensure the diversity of the people of Kenya is reflected in its workforce. The table below indicates the current distribution of the University work force. | Not Resolved |  |
| 4  | Non Remittance of University Staff Salary Deductions | The university concurs with your observation that during the year under review, part of the outstanding payables includes unremitted statutory deductions The main reason for nonpayment of these statutory   | Not Resolved |  |

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|   |                            |   |          |  |
|---|----------------------------|---|----------|--|
|   |                            | deductions is due to lack of enough funds. However, despite the existing financial challenges the university management has put in measures and ensured that the outstanding payables are paid on time. Since the year ended the management has made a lot of progress in settling the unremitted deductions. This has been made possible after the government released the funds under the new funding model. In view of the circumstances the university has entered into several repayment plans with statutory bodies with regard to settlement of the outstanding dues.    |          |  |
|   |                            |   |          |  |
|   |                            |   |          |  |
| <b>REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE</b> |                            |   |          |  |
| <b>Basis for Conclusion</b>   |                            |   |          |  |
| 1   | Student invoice adjustment | <p>As clearly noted in the Auditor General's report University Management has addressed most of the issues raised by the internal audit report with regard to management of student fees.</p> <ol style="list-style-type: none"> <li>1. The management has put in measures to ensure that all students who graduated with fee balance do not pick certificates if they have not paid all the pending fees. This is done by filling a prescribed form which must be approved by officer in charge of student finance.</li> <li>2. With regard to outstanding fees the</li> </ol> | Resolved |  |

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|  |  |  |  |  |
|--|--|--|--|--|
|  |  | <p>management has put measures to ensure the same is paid. However, the management is facing challenges due to various government pronouncements which tends to allow students to attend classes and even do exams without paying fees.</p> <p>3. With regard to recovery of funds from officers who cleared students with fee balances the same has been recovered. Please see appendix 13 for PCAs authorizing the same.</p> |  |  |
|  |  |  |  |  |



**Appendix 11. Status of the project's completion**

| Project          | Total project cost | Total expended to date | Completion % to date | Budget 2024/2025 | Sources of Funds |
|------------------|--------------------|------------------------|----------------------|------------------|------------------|
|                  | Kshs.              |                        |                      |                  |                  |
| Lecture Theatres | 527,303,000        | 523,750,967            | 95%                  | 0                | GOK              |
| Hostels          | 534,600,000        | 455,878,000            | 95%                  | 0                | GOK              |
| ICT Center       | 984,000,000        | 825,690,000            | 90%                  | 0                | GOK              |
|                  |                    |                        |                      |                  |                  |