



Innovative technology for a dynamic world



KIRINYAGA UNIVERSITY

Cover Photo: Ultra Modern Lecture Theatre

REPORT OF THE AUDITOR GENERAL ON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2025

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

Kirinyaga University is
ISO 9001: 2015 Certified

ISO 9001

BUREAU VERITAS
Certification





KIRINYAGA UNIVERSITY

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REPORT OF THE AUDITOR GENERAL ON ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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1. Key Entity Information and Management

(a) Background information

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

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



Kirinyaga University Tuition Block

Vision

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

Mission

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

Objective of the University

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

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

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

(a) **Principal Activities**

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

(b) **Key Management**

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

(c) **Fiduciary Management**

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

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

(d) **Fiduciary Oversight Arrangements**

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

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

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

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

(e) **Kirinyaga University Headquarters**

P.O. Box 143-10300

Sagana – Embu Highway Kutus Town

Kerugoya, Kenya.

(f) **Kirinyaga University Contacts**

Telephone: (254) 728499650

E-mail: vc@kyu.ac.ke

Website: www.kyu.ac.ke

(g) **Kirinyaga University Bankers**

- Kenya Commercial Bank, Kerugoya Branch
P.O Box 405090 -10300,
Kerugoya-Kenya.

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

(h) **Independent Auditors**

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

(i) **Principal Legal Adviser**

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

2. Members of the University Council



DR. IDRIS MUHUMED KOSAR
(Chairman of Council)
PhD – Environmental Science BSc, MSc Chemistry
DOB:1953 | Experience: 18 Years



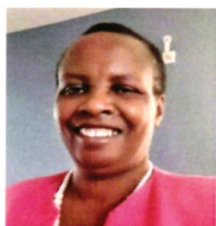
PROF. MARY WAMBUI NDUNG'U
(Vice Chancellor/ Secretary to Council)
*PhD- Chemistry (JKUAT), Msc- Chemistry (Kenyatta University),
B.Ed. (Kenyatta University), EMBA (JKUAT)*
DOB:1962 | Experience: 37 Years



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



DR. MILTON KIURA NJUKI
(Rep. Ministry of Education)
*PhD Strategic Management - UoN
MBA – Kenyatta University
Bed – Kenyatta University
AAPAM – Kenyatta University*
DOB:1973 | Experience: 23 Years



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



ENG. JOEL M. KIILU
MBA BSC-Structural Engineer
DOB:1956 | Experience: 43 Years

3. Management Team



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

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

DOB:1962 | Experience: 37 Years



PROF. CHARLES OMWANDHO
Deputy Vice Chancellor (ASA)

*PhD- Reproductive Immunology (new Castle University, Australia 1998), MSc,
Biochemistry, 1991(UoN), BSC Biochemistry and Zoology 1986 (UoN),*

DOB: 1961 | Experience: 33 Years



CPA PETER MUGO KAGIKA
Chief Finance Officer

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

DOB:1975 | Experience: 23 Years



MR. WALLACE WARUIRU KAMAU
Registrar ASA

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

DOB: 1982 | Experience: 18 Years



MS. ESTHER WANJIRU NDIRANGU
Procurement Officer

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

DOB:1988 | Experience: 10 Years



MS. JANE WANGECHI NDEGWA
Legal Officer

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

DOB:1987 | Experience: 10 Years

4. Chairman's Statement



I am pleased to present the Annual report and Financial Statements of Kirinyaga University for the year ended 30 June, 2025.

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

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

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

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

A handwritten signature in black ink, appearing to read 'Idris Muhumud Kosar'.

Dr. Idris Muhumud Kosar
Chairman of Council.

5. Report of the Vice Chancellor



Presented herein is the Annual Report and Financial Statements of Kirinyaga University for the year ended 30 June, 2025 as per requirements of the Universities Act, No. 42 of 2012 and Public Audit Act, 2015, and the PFM Act, 2012, Laws of Kenya.

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

courses geared towards producing employers in areas outlined by the Vision 2030.

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

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

The University operations are guided by the core values:

- Professionalism
- Integrity, transparency and accountability

- Innovation and creativity
- Excellence
- Equity

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

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

The current student population is 11,000 and is expected to increase to 13,308 students in FY2025/2026. Staff population stood at total 288 for both academic and non-academic divisions and it is expected to increase to 386 due to planned recruitment of academic staff and technicians in the next financial year 2025/2026.

During the year under review, the University generated Kshs. 1,674,489,558.00 (One billion, six hundred seventy-four million, four hundred eighty nine thousand, five hundred fifty-eight only) in A-in-A vide student tuition and other fees, and received Kshs. 736,091,615.00 (Seven hundred thirty-six million, ninety-one thousand, six hundred fifteen only) from Government of Kenya for recurrent expenditure.

Total expenditure for the year was Kshs. 1,174,104,269 (One billion, one hundred seventy four million, one hundred four thousand, two hundred sixty nine only) resulting to a surplus of Kshs 1,236,476,904.00 (One billion two hundred thirty six million four hundred seventy six thousand nine hundred and four only).

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

During the year under review, the University embarked on developing a number of academic programmes at PhD, Master and Bachelors in the five schools, along an intensive marketing programme aimed at increasing student enrollment. The strategic objectives of the University during the year under review were in the areas of institutional governance, human

resource, development of academic programmes, research and innovations, infrastructure development, community outreach, corporate image and resource mobilization as well as aligning our efforts towards support of the Big four agenda of Government. The University strengthened training in Civil, Mechanical, Electrical Engineering and Building Sciences, Fashion and Textile Technology, Clinical Medicine and Community Health, Forensic sciences, to support the big four agenda and all in line with the Second and Third Medium Term Plans.

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

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

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

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



Prof. Mary Ndung'u

Vice Chancellor

6. Statement of Performance against Predetermined Objectives for FY 2024/25

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

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

Therefore, the university identified strategic pillars and objectives for the FY 2024/25, which were within its Strategic Plan, as follows:

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

The University developed annual work plans based on the above pillars. Assessment of the performance against annual work plan is done on a quarterly basis. The University achieved the performance targets set for the FY 2024/25 period for its strategic pillars, as indicated below:

Development of New Academic Programmes

During the FY 2024/25, the University reviewed the following academic programs.

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

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

1. Identification of programs that have gone through four-year cycle.

2. The Chairmen of departments requested for approval to review programs.
3. The Vice Chancellor appointment a team of experts to review in line with current trends and industry practises.
4. Draft reviewed programs were tabled at Dean’s Committee and Senate for approval.
5. The reviewed Programs will be run in the FY2024/25.

Strategic Pillar/Theme/ Issue	Objective	Key Performance Indicators	Activities	Achievements
University Education	Effective application of knowledge and skills in life work and welfare of Kenyan citizens	Bachelor	Training & Research	2,485 Graduate
Post Graduate Studies		Post Graduate	Training & Research	17 Graduate

Safety and Security Measures

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

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

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

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

7. Corporate Governance Statement

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

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

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

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

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

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

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

The University Management Board is responsible for:

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

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

Table 1: Meetings of Full Council FY2023/24

Name	Designation	Meeting Attendance in FY2024/25
1. Dr. Idris Muhumed Kosar	Current Chairperson	5/5
2. Mr. Milton Njuki	Rep. State Department of University Education	5/5
3. Eng. Joel Kiilu Musembi	Member	4/5
4. Ms. Hannah Maina	Member	3/5
5. Dr. Benson Momanyi	Member	3/5
6. Michael Muturi	Rep. Inspector General	4/5
7. Mr. Elijah Nyamamba	Rep. National Treasury	5/5

8. Dr. Solomon Ngahu	Rep. National Treasury	2/5
9. Michael Muturi	Rep. Inspector General	4/5
10. Prof. Mary Ndung'u	VC/Council Secretary	5/5

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

Finance, Human Resource and General Purpose Committee

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

Table 2: Meetings of the Finance Human Resource and General Purpose Committee of Council in FY 2024/25

Name	Designation	Meeting Attendance in FY2023/24
1. Ms. Hannah Maina	Member	3/4
2. Mr. Milton Njuki	Rep. State Department of University Education	3/4
3. Dr. Benson Momanyi	Member	1/4
4. Mr. Elijah Nyamamba	Rep. National Treasury	2/4
5. Prof. Mary Ndung'u	VC/Council Secretary	4/4

Academic & Quality Assurance Committee

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

Table 3 below indicates the committee meetings and attendance therein.

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

Name	Designation	Meeting Attendance in FY2023/24
1. Eng. Joel Kiilu Musembi	Chairperson	2/4
2. Mr Milton Njuki	Rep. State Department of University Education	2/4
3. Ms. Hannah Maina	Member	3/4
4. Mr. Elijah Nyamamba	VC/Council Secretary	3/4

Audit and Risk Management Committee

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

Table 4 below summarizes the committee meetings and attendance therein.

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

Name	Designation	Meeting Attendance in FY2023/24
1. Eng Joel Kiilu Musembi	Chairperson	3/4
2. Mr. Elijah Nyamamba	Member	3/4
3. CPA Francis Chirchir	Internal Auditor	3/4

Sealing Committee

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

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

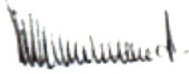
Name	Designation	Meeting Attendance in FY2023/24
1. Dr. Idris Muhumed Kosar	Chairperson	1/1
2. Dr. Benson Momanyi	Former Member	1/1
3. Prof. Mary Ndung'u	VC/Council Secretary	1/1
4. Prof. Charles Omwandho	DVC ASA/In attendance	1/1
5. Mr. Wallace Kamau	Registrar ASA/ In attendance	1/1

The University Senate has the mandate to:

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

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

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



Dr. Idris Muhumed Kosar

Chairman of Council.

8. Management Discussions and Analysis

The University started the year with cash and bank balance of Kshs. 73,455,167.00 (Seventy three million, four hundred fifty five thousand, one hundred sixty seven only). During the year under review, the University generated Kshs. 1,674,489,558.00 (One billion, six hundred seventy-four million, four hundred eighty nine thousand, five hundred fifty-eight only) in A-in-A vide student tuition and other fees, and received Kshs. 736,091,615.00 (Seven hundred thirty-six million, ninety-one thousand, six hundred fifteen only) from Government of Kenya for recurrent expenditure.

Total expenditure for the year was Kshs. 1,174,104,269 (One billion, one hundred seventy four million, one hundred four thousand, two hundred sixty nine only) resulting to a surplus of Kshs 1,236,476,904.00 (one billion two hundred thirty six million four hundred seventy six thousand nine hundred and four only).

When comparing the budget and actuals in these financial statements, the management noted that all other variances were within the allowed range of + or – 10%.

Key Projects and Investment Decisions Kirinyaga University is planning / implementing

During the FY 2024/25, the University had two major projects as follows:

Tuition Complex – This project entails construction of 5 floors modern tuition block with 6 lecture halls, ICT laboratories and sever rooms, engineering studio, office space, car park, landscaping and civil works. For phase 2, a contract of Kshs 509,899,441.00 (Five hundred and nine million, eight hundred ninety-nine thousand, four hundred forty-one only) was awarded to Corban Construction Ltd. The site was handover to the contractor on 26th April 2024. As at 30th June 2025, the steel fixing, Form work to vertical sides of ditto, concrete to ditto and form work to beams slab done up to fifth floor. The project is at 38% completion

Sport field – This project entails Athletics field, perimeter fence around sport field, ablution block and access road. The contract sum is Ksh. 75,126,310 awarded to Mankos Agencies limited. The commencement date was on 10th June 2025 with a contract period of 20weeks. The project is at 5.91 % as at 30th June 2025.

Kirinyaga University's Compliance with Statutory Requirements

The University governs her affairs within the legal framework provided by the Universities Act 2012 Cap 210 (b), Public Finance Management Act, 2012, Laws of Kenya, the Charter, and Statutes, and all other legal provisions and government circulars as issued from time to time. The University Statutes contain the fundamental governance provisions of the University and are developed and approved by the University Council. The University

conducts quarterly legal audits to ensure compliance with all statutory obligations: remitting of; taxes, HELB deductions, NSSF, NHIF, NITA levies, Union dues, Sacco deductions etc. During the quarter under review, the University complied with statutory requirements and Public Finance Management (PFM) Act, 2012, Laws of Kenya.

Major Risks Facing the Entity

Kirinyaga University is exposed to two major risks as follows;

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

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

Material Arrears in statutory/Financial Obligations

During the year under review, the University reported no pending bills, however we have Payables amounting to Kshs. 290,943,331.00(Two hundred ninety million, four hundred forty three thousand, three hundred thirty one only). The University anticipates honoring her financial obligations in good time to avoid any litigation in future. However, this commitment is dependent upon timely release of funds by government when the same falls due.

9. Environmental and Sustainability Reporting

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

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

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

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

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

10. Report of the University Council

Principal activities

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

Results

The financial results of Kirinyaga University for the year ended 30 June, 2025, are set out on page xxi

University Council

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

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

Auditors

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

Kirinyaga University's Financial Probity and Serious Governance Issues

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



Prof. Mary Ndung'u

Vice Chancellor.

4th Nov, 2024

11. Statement of the University Council Responsibilities.

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

The responsibilities of University Council include:

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

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

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

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

Approval of the financial statements

Kirinyaga University FY 2024/25 Financial Statements were approved by the University Council on 4th Nov, 2024 and signed on its behalf by:



Dr. Idris Muhumed Kosar
Chairman of Council.



Prof. Mary Ndung'u
Vice Chancellor

REPUBLIC OF KENYA

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HEADQUARTERS
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NAIROBI

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

PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kirinyaga University set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025, the statement of financial performance, statement of changes in net assets and statement

of comparison of budget & actual amounts for the year ended 30 June, 2025 and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kirinyaga University as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS Accrual) and comply with the University Act, Cap. 210 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

The progress on follow-up on the Auditor's recommendations section of the financial statements reflects that the following two issues raised in the previous year's audit report remain unresolved as at 30 June, 2025:

- i. Budgetary control and performance
- ii. Non-Compliance with One-Third Basic Salary Rule

In the circumstances, the audit recommendations remain unresolved.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget of Kshs.2,488,375,259 against actual receipts of Kshs.2,395,556,674 resulting to under-funding of Kshs.92,818,585. Similarly, the statement reflects an actual expenditure of Kshs.1,397,909,189 against actual receipts of Kshs.2,395,556,674 resulting to under-expenditure of Kshs.997,647,485 or 41% of the total receipts.

The under-funding and under-utilization 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.

Other Information

The Management is responsible for the Other Information set out on page i to xxix which comprise of Key Entity Information and Management, The Kirinyaga University Board, Key Management Team, Municipality Board Chairperson's Statement, Report of the Municipality Manager, Statement of Performance against predetermined objective, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Environmental and Sustainability report, Report of the Municipality Board members, Statement of Managements Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit of 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. Unbalanced Budget

The statement of comparison of budget and actual amount for the year reflects total revenue budget of Kshs.2,488,375,259 against total expenditure budget of Kshs.1,410,679,863 resulting to surplus amount of Kshs.1,077,695,396. This is an indication that Management did not align total budgeted revenue with total budgeted expenditure contrary to Regulation 33 (c) and (e) of Public Finance Management Regulation, 2015.

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

2.0. Non-Compliance with Requirements of Ethnic Diversity

Review of human resource records provided for audit revealed that the University had two hundred and eighty-eight (288) members of staff on permanent & pensionable terms, out of which one hundred and eighty-three (183) members of staff, translating to 64%, are from the dominant ethnic community.

In the circumstances, Management was in breach of the law

3.0. Noncompliance with the Rights and the Privileges of Persons with Disabilities

The payroll data provided for audit revealed that out of 288 employees, only 2 are persons living with disabilities, representing just 1% of the workforce. This is significantly below the 5% threshold recommended by the Persons with Disabilities Act, 2005. Further, among the 33 employees in senior management, only one (1) person is living with disabilities.

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

4.0. Lack of Concurrence from Salaries and Remuneration Commission (SRC) on Allowances Rates

The University adopted a Staff Allowance Policy Ref No. KyU/HR/POLICY/8 that was approved by the University Council and which took effect in August, 2017. However, no concurrence was sought from the Salaries and Remuneration Commission (SRC) for the payment of Kshs.7,055,362 paid monthly as allowances. This is contrary to Section V (5.2) of the Human Resource Policies and Procedures Manual of the University.

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 and based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance

section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Weakness in Assets Management Internal Controls

Review of documents provided for audit revealed that the University owns a total of 13 vehicles out of which only five vehicles can be tracked in terms of movement. Eight (8) of the vehicles owned by the University do not have tracking devices as part of asset management system contrary to Regulation 139 of the Public Finance Management Regulations (National Government), 2015.

In the circumstances, the effectiveness of internal controls on management of motor vehicles 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 the Management and the University Council

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

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

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

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

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

and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 December, 2025

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

Revenue from non-exchange transactions	Notes	FY2024/25 Kshs	FY2023/24 Kshs
Transfers from the Government-Recurrent	5	736,091,615	389,028,876
Sub Totals		736,091,615	389,028,876
Revenue from exchange transactions			
Rendering of services	7	1,517,755,672	991,065,612
Rental revenue from facilities	8	1,699,123	1,431,865
Other income	9	135,254,829	78,050,789
Farm Surplus	43	19,779,935	14,801,211
Sub Totals		1,674,489,558	1,085,349,478
Total revenue		2,410,581,173	1,474,378,354
Expenses			
Bulk purchases of water and electricity	10	8,779,765	8,172,029
Employee costs	11	859,114,454	615,831,694
Remuneration of council	12	6,433,206	4,857,386
Repairs and maintenance	13	19,042,092	18,807,124
Contracted services	14	23,651,663	20,281,557
Student Welfare	15	12,812,074	13,064,175
Academic cost	16	52,600,822	58,329,585
Administrative costs	17	26,282,415	16,492,415
Finance costs	18	280,700	539,483
General expenses	19	30,890,068	33,418,288
Insurance Expenses	20	41,986,815	30,697,960
Depreciation and amortization expense	21	71,995,719	88,769,484
Provision for Audit fee	22	696,000	696,000
Provision for Service Gratuity	23	7,705,064	7,474,132
Increase in Provision for Doubtful Debt	29	11,833,413	3,141,664
Total expenses		1,174,104,269	920,572,974
Other Gains/(Losses)			
Surplus for the period		1,236,476,904	553,805,380
Taxation		-	-
Surplus for the period		1,236,476,904	553,805,380

The notes set out on pages 6 to 22 form an integral part of the Financial Statements

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council members



Dr. Idris Muhumed Kosar
Chairman of Council.



Prof. Mary Ndung'u
Vice Chancellor



CPA Peter Kagika
Chief Finance Officer
ICPAK Mbr. No. 9632

Date: 4th Nov, 2024

Date: 4th Nov, 2024

Date: 4th Nov, 2024

14. Statement of Financial Position as at 30 June 2025

ASSETS	Notes	FY2024/25 Kshs	FY2023/24 Kshs
Current assets			
Cash and cash equivalents	26	122,456,989	73,455,167
Prepayments	27	27,409,308	27,400,168
Receivables from exchange transactions	28	342,018,760	57,921,711
Receivables from Non exchange transactions	30	-	32,419,073
Investments	31	1,554,115,000	617,723,745
Inventories	32	<u>6,788,520</u>	<u>3,555,450</u>
		2,052,788,576	812,475,314
Non-current assets			
Property, Plant and Equipment (PPE)	24	2,500,591,838	1,963,071,652
Biological assets	33	58,544,520	59,481,000
Intangible Assets	34	28,668,090	1,536,559
Library Books	35	<u>44,792,670</u>	<u>3,318,289</u>
		2,632,597,118	2,027,407,500
Total assets		4,685,385,694	2,839,882,815
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	36	289,551,331	137,466,042
Provision for audit fee	37	<u>1,392,000</u>	<u>1,392,000</u>
		290,943,331	138,858,042
Long term liabilities			
Provision for service gratuity	38	<u>17,725,022</u>	<u>13,263,415</u>
		17,725,022	13,263,415
FUNDS AND RESERVES			
Revaluation Reserves-PPE	39	1,564,865,027	1,111,449,469
Revaluation Reserves-Biological Assets	40	41,039,020	41,975,500
Accumulated surplus	41	1,852,369,855	615,892,950
Capital fund	42	<u>918,443,439</u>	<u>918,443,439</u>
		4,376,717,341	2,687,761,358
Total Funds, Reserves & Liabilities		4,685,385,694	2,839,882,815

The notes set out on pages 6 to 24 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Council members by:



Dr. Idris Muhumed Kosar
Chairman of Council.



Prof. Mary Ndung'u
Vice Chancellor



CPA Peter Kagika
Chief Finance Officer
ICPAK Mbr. No. 9632

Date: 4th Nov, 2024

Date: 4th Nov, 2024

Date: 4th Nov, 2024

15. Statement of changes in Net Asset for the year ended 30th June 2025

	CAPITAL FUND Kshs	REVALUATION RESERVE (PPE & INTANGIBLE ASSETS) Kshs	REVALUATION RESERVE (BIOLOGICAL ASSET) Kshs	ACCUMULATED FUNDS Kshs	TOTAL Kshs
Balance as at 1 July 2023	905,943,439	1,073,211,668	41,975,500	62,087,569	2,083,218,176
Additions in the year (Note 6)	12,500,000	38,237,801	-	-	50,737,801
Surplus for the Year	-	-	-	<u>553,805,380</u>	<u>553,805,380</u>
Balance as at 30 June 2024	<u>918,443,439</u>	<u>1,111,449,469</u>	<u>41,975,500</u>	<u>615,892,949</u>	<u>2,687,761,357</u>
Balance as at 1 July 2024	918,443,439	1,111,449,469	41,975,500	615,892,949	2,687,761,357
Additions in the year (Note 6)	-	453,415,559	(936,480)	-	452,479,079
Surplus for the Year	-	-	-	<u>1,236,476,904</u>	<u>1,236,476,904</u>
Balance as at 30 June 2025	<u>918,443,439</u>	<u>1,564,865,028</u>	<u>41,039,020</u>	<u>1,852,369,854</u>	<u>4,376,717,341</u>

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

Cash flows from operating activities	FY2024/25 Kshs	FY2023/24 Kshs
Receipts		
Transfer from Government-Recurrent Grants	768,510,688	356,609,803
Transfer from Government-Development Grants	-	12,500,000
Rendering Services	1,271,506,459	1,000,604,268
Rentals Revenue	1,699,123	1,431,865
Other Incomes	134,988,987	49,350,036
Farm Income	23,527,469	17,171,745
Total Receipts	2,200,232,726	1,437,667,717
Payments		
Bulk purchases of water and electricity	8,694,361	8,122,321
Employee costs	859,114,454	615,831,694
Remuneration of council	5,233,206	4,857,386
Repairs and maintenance	15,574,499	19,116,523
Contracted services	20,748,177	20,281,557
Student Welfare	11,753,117	13,064,175
Academic cost	44,420,383	61,978,417
Administrative costs	25,398,311	16,823,127
Finance costs	280,700	539,483
General expenses	22,623,944	36,663,989
Auditfee	696,000	696,000
Gratuity paid	3,243,458	1,044,359
Farm Expenditure	3,747,535	3,866,059
Total Payments	1,021,528,144	802,885,089
Net cash flows from/(used in) operating activities	1,178,704,582	634,782,628
Cash flow from Investing Activities		
Purchase of Computers	1,854,174	13,401,350
Purchase of software	591,093	721,056
Purchase of Furniture & Fittings	5,256,595	876,898
Purchase of Plant & Machinery	2,434,840	17,589,814
Working Progress	183,174,800	132,885,256
On call Deposit	936,391,255	480,133,909
Net Cash flow from/(used in) Investing Activities	1,129,702,760	645,608,283
Cash Flow from Financing Activities	-	-
Net Cash flow from Financing Activities	49,001,822	(10,825,655)
Net Increase/(Decrease in cash & Cash Equivalents		
Cash and cash equivalent at 1 July	73,455,167	84,280,822
Cash and cash equivalent at 30 June	122,456,989	73,455,167

17. Statement of Comparison of Budget and Actuals for the year ended 30th June 2025

1. Recurrent Expenditure						
	Original Budget	Adjustment	Final Budget	Actual	Performance Difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs		
	a	b	c = (a-b)	d	e = (c-d)	F = d/c*100
Revenue						
Transfers from government	705,489,492	30,602,123	736,091,615	736,091,615	-	
Other Income	16,906,598	119,177,390	136,083,988	135,254,829	(829,159)	(1)
Rendering of services	312,796,867	1,125,836,977	1,438,633,844	1,517,755,672	79,121,828	5
Rental income	1,200,000	504,520	1,704,520	1,699,123	(5,397)	(0)
Farm Surplus	<u>12,495,525</u>	<u>6,540,867</u>	<u>19,036,392</u>	<u>19,779,935</u>	743,543	4
Total Income	1,048,888,482		2,331,550,359	2,410,581,173		
EXPENSES						
Bulk purchases of water and electricity	15,613,828	(7,001,712)	8,612,116	8,779,765	(167,649)	(2)
Employee costs	765,783,000	91,431,393	857,214,393	859,114,454	(1,900,061)	(0)
Remuneration of council	6,885,898	(512,517)	6,373,381	6,433,206	(59,825)	(1)
Repairs and maintenance	30,005,389	(9,284,616)	20,720,773	19,042,092	1,678,681	8
Contracted services	28,784,280	(6,015,364)	22,768,916	23,651,663	(882,747)	(4)
Student Welfare	18,583,749	(4,721,410)	13,862,339	12,812,074	1,050,265	8
Academic cost	47,151,575	6,074,681	53,226,256	52,600,822	625,434	1
Administrative costs	21,714,305	4,740,811	26,455,116	26,282,415	172,701	1
Finance costs	1,500,000	(1,216,969)	283,031	280,700	2,331	1
General expenses	53,736,414	(21,165,248)	32,571,166	30,890,068	1,681,099	5
Insurance Expenses	42,154,044		41,679,295	41,986,815		
Provision for Audit fee	696,000	-	696,000	696,000	-	
Farm Inputs	8,280,000	(4,705,335)	3,574,665	3,747,535	(172,870)	(5)
Provision for service gratuity	8,000,000	-	8,000,000	7,705,064	525,868	7
Depreciation	-	-	<u>78,442,416</u>	<u>71,995,719</u>	-	
Total expenditure	1,048,888,482		1,174,479,863	1,166,018,390		
2. Development/Capital Expenditure						
	Original Budget	Adjustment	Final Budget	Actual	Performance Difference	% of Utilization
Tuition Complex	22,402,000	187,598,000	210,000,000	208,180,744	1,819,256	1
Sport field	-	10,000,000	10,000,000	9,926,501	73,499	1
Walkways	-	5,500,000	5,500,000	5,273,244	226,756	4
Furniture	15,000,000	(12,400,000)	2,600,000	2,662,620	(62,620)	(2)
Equipment(engineering)	67,224,000	(61,724,000)	5,500,000	5,256,595	243,405	4
Computer & ICT infrastructure	8,500,000	(5,900,000)	2,600,000	2,445,267	154,733	6
	113,126,000	123,074,000	236,200,000	233,744,971		

18. Notes to the financial statement

1. General Information

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

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

2. Statement of compliance and basis of preparation

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

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

3. Adoption of new and revised standards.

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

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

4. Summary of significant accounting policies

(a) Revenue recognition

Revenue from exchange transactions

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the

contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

(ii) Rental income

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

(iii) Interest income

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

(iv) Farm

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

(v) Revenue from non-exchange transactions

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

Recurrent Grants

i. 13 th August, 2024	-	Kshs. 58,790,791
ii. 12 th September, 2024	-	Kshs. 58,790,791
iii. 8 th October, 2024	-	Kshs. 58,790,791
iv. 8 th November, 2024	-	Kshs. 57,624,124
v. 5 th December, 2024	-	Kshs. 1,166,667
vi. 5 th December, 2024	-	Kshs. 58,790,791
vii. 6 th January, 2025	-	Kshs. 58,790,791
viii. 7 th January, 2025	-	Kshs. 58,790,791
ix. 10 th February, 2025	-	Kshs. 58,790,791
x. 13 th March, 2025	-	Kshs. 58,790,791
xi. 10 th April, 2025	-	Kshs. 58,790,791
xii. 2 nd May, 2025	-	Kshs. 58,790,791

xiii. 12 th June 2025	-	Kshs. 58,790,791
xiv. 30 th June 2025	-	Kshs. 30,602,123
	Total:	Kshs 736,091,615

Development Grants

During the FY 2024/25, the University did not receive development grant.

b) Budget information

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

(c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation

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

Land	Nil
Building	2%
Furniture and Fittings	12.5%
Motor Vehicles	25%
Computers and Accessories	30%
Plant and Machinery	12.5%
Loose Tools	20%

Depreciation is charged fully in the year of acquisition and no depreciation is charged in the year of disposal.

(d) Inventories

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

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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

Library books

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

(e) Employee benefits

Retirement benefit plans

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

to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

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

(f) Foreign currency transactions

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

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

(h) Subsequent events

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

(i) Receivables

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

(j) Trade payables

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

(k) Nature and purpose of reserves

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

Revaluation Reserve. This reserve was occasioned by the fact that the University valued all its assets in June, 2025. It represents the difference between the net book value and the revalued amount as at June 30, 2025.

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

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

(l) Changes in accounting policies and estimates

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

(m) Biological assets

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

(n) Significant judgements and sources of estimation uncertainty

The preparation of Kirinyaga University financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. Nothing has come to the attention of the University Council that can result to contingent liability or asset.

(o) Related parties' disclosures

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

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

(p) Disclosure on financial risk management

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

Trade receivables in Kshs

As at 30 June 2025	Fully performing	Between 0-5 months	Over 5 Months
Student Receivables	326,480,769	326,480,769	-
Deposit with Financial Institution	1,554,115,000	1,554,115,000	-
Accrued Interest on Call deposits	30,549,094	30,549,094	-
Bank Balance	122,456,989	122,456,989	-
Totals	2,033,601,852		
As at 30 June 2024			
Student Receivables	25,648,583	25,648,583	-
Deposit with Financial Institution	617,723,745	617,723,745	-
Accrued Interest on Call deposits	31,930,128	31,930,128	-
Bank Balance	73,455,167	73,455,167	-
Totals	748,757,623		

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

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June 2025				
Trade payables	22,947,325	114,169,502	152,434,504	289,551,331
	=====	=====	=====	=====
As at 30 June 2024				
Trade payables	4,236,310	101,664,855	31,564,876	137,466,041
	=====	=====	=====	=====

(q) On call / Fixed Deposit Kshs 1,554,115,000.00 (One Billion Five hundred fifty four million, one hundred fifteen thousand only)

1. Kshs 1,115,000.00 (One million, one hundred fifteen thousand only) is a bank guarantee with KCB Bank Ltd for fuelling with Rubis Energy Kenya.
2. Kshs 453,000,000.00 (Four Hundred and fifty three million only) deposited in a call deposit account with KCB Bank Ltd at a rate of 10%.
3. Kshs 193,000,000.00 (One hundred ninety three million only) deposited in a call deposit account with Equity Bank Ltd at a rate of 11.5%.
4. Kshs 240,000,000.00 (Two hundred & forty million only) deposited in a call deposit account with Equity Bank Ltd at a rate of 10.5%.
5. Kshs 130,000,000.00 (One hundred and thirty million only) deposited in a call deposit account with Equity Bank Ltd at a rate of 10%.
6. Kshs 197,000,000.00 (One hundred ninety seven million only) deposited in a call deposit account with Equity Bank Ltd at a rate of 9.5%.

7. Kshs 90,000,000.00 (Ninety million only) deposited in a call deposit account with Equity Bank Ltd at a rate of 8.5%.
8. Kshs 100,000,000.00 (One hundred million only) deposited in a call deposit account with Equity Bank Ltd at a rate of 9%.
9. Kshs 150,000,000.00 (One hundred and fifty million only) deposited in a call deposit account with Cooperative Bank Ltd at a rate of 9%.

(r) Comparative information

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

(s) Related Party Disclosures

During the quarter under review, the University paid Kshs 6,433,206.00 to Council and Kshs 56,697,873.00 to the top management.

(t) Capital Commitment

The University had an approved capital budget of Kshs 26,900,000 which is financed from AIA.

(u) Ultimate and Holding Entity

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

(v) Currency

The financial statements are presented in Kenyan shillings (Kshs)

5. TRANSFER FROM THE GOVT - RECURRENT

	FY 2024/25	FY 2023/24
July	58,790,791	32,419,073
August	58,790,791	32,419,073
September	58,790,791	32,419,073
October	57,624,124	32,419,073
October	1,166,667	-
November	58,790,791	32,419,073
December	58,790,791	32,419,073
January	58,790,791	32,419,073
February	58,790,791	32,419,073
March	58,790,791	32,419,073
April	58,790,791	32,419,073
May	58,790,791	32,419,073
June	58,790,791	32,419,073
June	<u>30,602,123</u>	-
Total	<u>736,091,615</u>	<u>389,028,876</u>

6. TRANSFER FROM THE GOVT - DEVELOPMENT

March	-	10,000,000
March	-	<u>2,500,000</u>
Total	=	<u>12,500,000</u>

NB/This amount relates to Development grant recognised in changes in Net asset State

Detailed analysis of the grants received by Kirinyaga University

Name of the entity sending the Grant	Amount recognized to Statement of Financial Performance FY 2024/25	Amount recognised in capital fund	Prior Year FY 2023/24
MoE -Recurrent	736,091,615	-	389,028,876
MoE -Development	-	-	12,500,000
Total	<u>736,091,615</u>	-	<u>401,528,876</u>

7. RENDERING SERVICES

	FY 2024/25	FY 2023/24
Tuition and other fees	1,502,731,172	984,094,612
Graduation Fee	15,024,500	6,971,000
Total	1,517,755,672	991,065,612

8. RENTAL REVENUE

Staff Houses	1,699,123	1,431,865
Totals	1,699,123	1,431,865

9. RENTAL REVENUE

Staff Houses	1,699,123	1,431,865
Total	1,699,123	1,431,865

10. OTHER INCOMES

Disposal	14,380	818,641
Medical & Other Income	18,600	36,100
Kitchen sales	2,134,030	3,919,418
Interest Income	118,760,031	39,420,848
Bursary fund Donations	98,500	155,750
Hire of Facilities	2,045,309	1,325,747
Research Income	12,183,979	32,374,285
TOTAL INCOME	135,254,829	78,050,789
	8,779,765	8,172,029

11. EMPLOYEE COSTS

Basic Salaries	357,085,140	292,661,561
Casual Workers	5,140,695	4,376,684
House Allowances	127,896,598	123,785,782
Part time teaching	72,517,500	65,301,105
Pension	67,050,214	54,018,820
House to Office Allowance	45,073,799	31,441,291
Other Personal Allowances	39,013,454	38,655,037
Passage & Baggage	161,494	140,060
Housing Levy	10,722,910	5,451,354
CBA Arrears	134,452,650	-
Total	859,114,454	615,831,694

12. RENUMERATION OF COUNCIL

Chairman's Allowance	1,020,000	896,613
Sitting Allowance	2,980,000	2,456,200
Travelling & Accommodation	1,233,206	704,573
Chancellors Allowance	1,200,000	800,000
Total	6,433,206	4,857,386

13. REPAIRS AND MAINTENANCE

	FY 2024/25	FY 2023/24
Vehicle repairs	2,853,751	1,795,773
Maintenance of Buildings	14,313,728	13,463,531
Machine & Equipment repairs	1,874,613	3,547,820
Total	19,042,092	18,807,124

14. CONTRACTED/PROFESSIONAL SERVICES

Asset Valuation	2,505,600	-
Legal Services	300,000	150,000
ISO Expenses	783,140	1,265,200
House Keeping/Cleaning Services	14,520,720	14,208,228
Security Services	5,542,203	4,658,129
Total	23,651,663	20,281,557

15. STUDENTS WELFARE

Students games	4,827,556	2,847,335
Students medical expenses	3,234,460	2,048,233
Fees refunds	1,150,941	4,949,484
Students Entertainment	3,193,517	2,813,523
KYU Students union	405,600	405,600
Total	12,812,074	13,064,175

16. ACADEMIC COSTS

Curriculum Development	8,972,593	166,550
Attachement expenses	4,394,606	4,786,260
Student admission Expense	4,791,000	13,091,500
Graduation Expense	5,954,981	3,161,929
Teaching materials	21,426,705	12,882,481
Research Expenses	7,060,937	24,240,865
Total	52,600,822	58,329,585

17. ADMINISTRATIVE COSTS

Travelling and accommodation	15,871,313	9,657,000
Stationery	10,411,102	6,835,415
Total	26,282,415	16,492,415

18. FINANCE COSTS

Bank charges

	FY2024/25	FY2023/24
	<u>280,700</u>	<u>539,483</u>
	<u>280,700</u>	<u>539,483</u>

19. GENERAL EXPENSES

Conferences & Seminars

Internet expenses

Purchase of Uniforms

Vehicle fuel and oil

Advertisement & Marketing

Staff Welfare & Trainings

News papers

Telephone & Postage expenses

Subscription to Professional bodies

Cleaning Materials

Public celebrations/Demise

Catering expenses

Corporate Social Responsibility

Performance Contract

Totals

	2,531,143	1,290,550
	8,967,634	9,416,242
	724,160	261,482
	4,453,331	5,304,958
	1,547,290	3,171,679
	883,052	350,550
	136,520	143,240
	106,554	110,249
	1,443,220	1,578,747
	429,158	185,084
	360,101	240,000
	8,191,905	10,031,067
	307,000	864,640
	<u>809,000</u>	<u>469,800</u>
	<u>30,890,068</u>	<u>33,418,288</u>

20. INSURANCE EXPENSES

Staff Medical Cover

Property Plant & Equipment Insurance

	38,686,371	28,060,203
	<u>3,300,444</u>	<u>2,637,757</u>
	<u>41,986,815</u>	<u>30,697,960</u>

21. DEPRECIATION & AMORTIZATION EXPENSE

Property Plant and Equipment

Intangible Asset Amortization

Library Books

Total

	68,013,388	79,023,565
	664,041	787,385
	<u>3,318,290</u>	<u>8,958,534</u>
	<u>71,995,719</u>	<u>88,769,484</u>

22. PROVISION FOR AUDIT FEE

Annual Audit Fee Provision

	<u>696,000</u>	<u>696,000</u>
	<u>696,000</u>	<u>696,000</u>

23. PROVISION FOR SERVICE GRATUITY

Provision for Service Gratuity

	<u>7,705,064</u>	<u>7,474,132</u>
	<u>7,705,064</u>	<u>7,474,132</u>

24. PROPERTY, PLANT AND EQUIPMENT

Details	LAND	BUILDING	VEHICLE (Revaluation)	COMPUTER & ACCESSORIES	PLANT & EQUIPMENT	FURNITURE & FITINGS	LOOSE TOOLS	WORK IN PROGRESS	TOTAL
	NIL	2%	25%	30%	12.5%	12.5%	20.0%	NOTE 3	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	
Cost As at 01/07/2023	911,700,000	713,488,783	52,640,052	62,334,609	138,605,336	33,856,808	3,584,588	208,389,088	2,124,599,264
Additions for the period	-	-	-	13,359,350	17,589,814	951,918	-	31,189,155	63,090,237
Disposal	-	-	(1,250,000)	-	-	-	-	-	(1,250,000)
Transfers	-	(230,284,329)	-	-	-	-	-	230,284,329	-
Cost As at 30/06/2024	911,700,000	943,773,112	51,390,052	75,693,959	156,195,150	34,808,726	3,584,588	9,293,914	2,186,439,501
Revaluation as at 1/7/2024	911,700,000	943,773,112	51,390,052	75,693,959	156,195,150	34,808,726	3,584,588	9,293,914	2,186,439,501
Additions for the period	-	-	-	2,109,374	5,256,595	2,662,620	-	214,086,575	224,115,164
Disposal	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
As at 30/06/2025	911,700,000	943,773,112	51,390,052	77,803,333	161,451,745	37,471,346	3,584,588	223,380,489	2,410,554,665
Depreciation									
As at 01/07/2023	-	43,902,177	-	43,680,175	42,566,716	11,337,602	2,857,614	-	144,344,284
Depreciation of the disposed asset	-	-	-	-	-	-	-	-	-
Charge for the period	-	18,875,462	12,847,513	22,708,188	19,524,394	4,351,091	716,918	-	79,023,565
As at 30/06/2024	-	62,777,639	12,847,513	66,388,363	62,091,110	15,688,693	3,574,532	-	223,367,849
As at 01/07/2024	-	62,777,639	12,847,513	66,388,363	62,091,110	15,688,693	3,574,532	-	223,367,849
Depreciation of the disposed asset	-	-	-	-	-	-	-	-	-
Charge for the period	-	18,875,462	12,847,513	11,414,970	20,181,468	4,683,918	10,056	-	68,013,388
As at 30/06/2025	-	81,653,101	25,695,026	77,803,333	82,272,578	20,372,611	3,584,588	-	291,381,237
NBV as at 30/06/2025	911,700,000	862,120,011	25,695,026	-	79,179,167	17,098,735	-	223,380,489	2,119,173,428
Revaluation Reserve	239,200,000	(23,875,636)	15,417,015	84,969,275	26,358,256	36,481,830	2,867,671	-	381,418,411
NBV as at 30/06/2025	1,150,900,000	838,244,375	41,112,041	84,969,275	105,537,423	53,580,565	2,867,671	223,380,489	2,500,591,838
NBV as at 30/06/2024	911,700,000	880,995,473	38,542,539	9,305,596	94,104,040	19,120,033	10,056	9,293,914	1,963,071,652

25. WORK-IN-PROGRESS	Bal B/D As At 01/7/2024	Additions During the year	Bal C/D As At 30/06/2025
Tuition Complex II	-	184,632,036	184,632,036
Tuition Complex II Professional Fee	9,293,914	14,254,794	23,548,708
Sportfield	-	9,926,501	9,926,501
Walkways & Boundary Walls	-	5,273,244	5,273,244
TOTAL	9,293,914	214,086,575	223,380,489

26. CASH AND BANK BALANCES

Kenya comercial bank	Account No.	FY 2024/25	FY 2023/24
Current Account	1135935173	41,114,203	14,247,628
Fees collection Account	1104016028	9,228,657	25,996,597
Development Account	1164419137	1,179,626	1,231,755
Equity bank			
Fee collection Account	0100299420333	7,779,517	2,231,298
Cooperative bank			
Fees collection Account	01129489200000	57,977,781	20,481,557
Farm Account	01120489200000	2,674,434	2,771,391
Giachai Farm Account	01120489200001	2,497,182	6,486,043
Cash balances		5,590	8,898
TOTAL		122,456,989	73,455,167

27. PREPAYMENTS

Prepaid Insurance	27,409,308	27,400,168
TOTAL	27,409,308	27,400,168

28. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Student debtors	326,480,769	25,648,583
E-Citizen Disbursement	328,435	-
K.P.L.C. deposits	984,500	984,500
Accrued Interest	30,549,094	31,930,128
Accrued Lease Income	-	3,829,625
Rent Deposit	-	19,500
TOTAL	358,342,798	62,412,336
Less Provision For Doubtful Debt @ 5%	(16,324,038)	(4,490,625)
Net Receivables	342,018,760	57,921,711
NB Provision relate to Student Debtors only		

29. PROVISION FOR DOUBTFUL DEBT ANALYSIS

Balance C/D	16,324,038	4,490,625
less Balance B/D	(4,490,625)	(1,348,961)
Increase/(Decrease) in Provision for Doubtful dept	11,833,413	3,141,664

30. RECEIVABLES FROM NON EXCHANGE TRANSACTIONS

MOEST

	FY 2024/25	FY 2023/24
	-	32,419,073
	-	32,419,073

31. INVESTMENT

On call Deposit - KCB Bank

454,115,000

1,115,000

On call Deposit - Equity Bank

950,000,000

616,608,745

On Call Deposit - Cooperative Bank

150,000,000

-

Total**1,554,115,000****617,723,745****32. INVENTORIES**

Stock

6,788,520

3,555,450

Total**6,788,520****3,555,450**

NB/This Inventory represent repair materials in the store.

33. BIOLOGICAL ASSETS

64,108 Coffee trees

17,570,000

19,500,000

148,052 Tea bushes

38,493,520

37,500,000

4.5 acres Banana Plantation

850,000

850,000

28 Avocado trees

140,000

140,000

15 Macandamia trees

172,500

172,500

2.5 acres Agroforest

1,318,500

1,318,500

*This was at net realisable value***Total****58,544,520****59,481,000****34. INTANGIBLE ASSETS**

Cost at the beginning of the year

30,290,466

28,668,090

Additional

591,093

1,622,376

Cost at the end of the year

30,881,559**30,290,466****Amortization**

At the beginning of the year

28,753,907

27,966,522

Amortization for the Year (30%)

664,041

787,385

At the end of the year**29,417,948****28,753,907****Net Book Value****1,463,611****1,536,559**

Revaluation Reserve

27,204,479

-

Revaluation as at 30/6/2025**28,668,090****1,536,559**

NB/These are software.

35. LIBRARY BOOKS

	FY 2024/25	FY 2023/24
Cost at the beginning of the year	44,792,672	44,792,672
Additional	-	-
Cost at the end of the year	44,792,672	44,792,672
Depreciation		
At the beginning of the year	41,474,382	32,515,848
Depreciation for the Year (20%)	3,318,290	8,958,534
At the end of the year	44,792,672	41,474,382
Net Book Value	-	3,318,290
Revaluation Reserve	44,792,670	-
Revaluation as at 30/6/2025	44,792,670	3,318,290

36. TRADE AND OTHER PAYABLES

Student Creditors	80,141,602	95,412,906
Trade Creditors- Recurrent	56,975,226	42,053,136
Trade Creditors- CBA Arears	134,452,650	-
Retention funds	17,981,854	-
Total	289,551,331	137,466,042

37. AUDIT FEES

Balance b/f	1,392,000	1,392,000
Paid in the Year	(696,000)	(696,000)
Provision Audit fees for the Year	696,000	696,000
Balance c/d	1,392,000	1,392,000

38. PROVISION FOR SERVICE GRATUITY

Balance b/f	13,263,415	6,833,642
Add provision for the year	7,705,064	7,474,132
Gratuity paid during the year	(3,243,458)	(1,044,359)
Balance c/d	17,725,022	13,263,415

39. REVALUATION RESERVE - PPE

Balance b/f	1,111,449,469	1,073,211,668
Additions for the Year	453,415,559	38,237,801
Balance c/d	1,564,865,028	1,111,449,469

40. REVALUATION RESERVE (BIOLOGICAL ASSETS)

Balance b/f	41,975,500	41,975,500
Additions for the Year	(936,480)	-
Balance c/d	41,039,020	41,975,500

41. ACCUMULATED SURPLUS

	FY 2024/25	FY 2023/24
Balance b/f	615,892,950	62,087,569
Surplus/(Deficit) for the period	1,236,476,904	553,805,380
Balance c/d	1,852,369,855	615,892,950

42. CAPITAL FUND

Balance b/f	918,443,439	905,943,439
Development fund	-	12,500,000
Balance c/d	918,443,439	918,443,439

43. FARM ACCOUNTS**Revenue**

Coffee	3,821,052	1,995,525
Tea income	19,442,847	16,214,485
Horticulture	<u>263,570</u>	<u>457,260</u>
Total Income	23,527,469	18,667,270

Expenditure

Tea picking casuals	2,328,841	2,705,055
Tea pruning	149,955	109,149
Fertilizers & Inputs	793,725	886,529
Horticulture expenses	-	80,100
Farm staff welfare	416,466	25,750
Farm travelling charges	14,520	16,720
Electricity Water & Conservation	<u>44,028</u>	<u>42,756</u>
Total Expenditure	<u>3,747,535</u>	<u>3,866,059</u>
Sulplus for the year	<u>19,779,935</u>	<u>14,801,211</u>

APPENDIX

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

S.No	Observation from the Auditor	Management Comments	Status	Time frame
1.	<p>The statement of comparison of budget and actual amounts for the year under review reflects a revenue budget of Kshs 1,155,028,876 and actual revenue amount of Kshs 1,474,378,353 resulting to a net surplus of Kshs 319,349,476 (28%) of the budget.</p> <p>In addition, the University's budget was unbalanced since the total budgeted revenue was Kshs 1,155,028,876 against total expenditure budget of Kshs 1,080,907,391 resulting in a budget surplus of Kshs 74,121,485.</p>	<p>During the year under review, there was change in the funding model for all Public Universities in Kenya. In the new funding model, fees charged to students was higher compared to fees charged in previous years. This enabled Kirinyaga University to realize a surplus of Kshs 319,349,476. It is the management comment that the University was sincere to disclose this surplus in the financial statements as required by Law.</p> <p>Further to this, budgeted revenue was Kshs 1,155,028,876 against total expenditure budget of Kshs 1,080,907,391 resulting in a budget surplus of Kshs 74,121,485. This variance is 6% which is within the allowed range of + or - 10%</p>	Continuous Monitoring	Continuous

2.	<p>The statement of financial performance disclosed in note 11 that Kshs 643,891,897 was paid to employees. This includes Kshs292,661,561 in respect to basic salaries. However, payrolls revealed that some employees were earning less than a third of basic salary, contrary to Section 19(3) of Employment Act, 2007 which provides that all deductions made by an employer from wages shall not exceed two thirds of basic salary</p>	<p>This resulted from the effects President's directive to waive tax to citizens during Covid 19 Pandemic, the said staff locked the additional funds from the waiver to loans with repayment period of up to 76 months. The waiver was later lifted thus adversely affecting the one third rule for the affected staff. As a way forward, the Management has put in place a check point to verify staff members applying for loans, to ensure that they do not commit more than two thirds of basic salary and for prompt advice before the loan is processed.</p>	<p>The University is complying with Section19(3) of Employment Act, 2007</p>	<p>Continuous</p>
3.	<p>Note 31 to the financial statements reflects Kshs 59,481,000 in respect to biological assets. However, the methods and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological assets was not disclosed. This is contrary to Paragraph 45 of IPSAS 27 which requires an entity to disclose the method and significant assumptions applied in determining the fair value of each group of agricultural produce at the point of harvest and each group of biological asset.</p>	<p>The management wish to clarify that the University biological assets comprises of 50,200 coffee trees, 148,052 tea bushes, 2.5 acres agroforest, 4.5 acres banana plantation, 28 avocado trees and 15 macadamia trees.</p> <p>The management has since revalued all the movable and immovable assets including library books and computers & accessories as at 30th June 2025. We have attached a copy of the valuation certificate for auditor's verification.</p>	<p>All Kirinyaga University Assets were valued and a valuation report dated 30 June 2025 was issued to the University</p>	

4	Review of employees records revealed that two (2) employees have been in acting capacity for more than six months contrary to Section 34(3) of the Public Service Commission Act, 2017. This Act requires public officers to act in acting capacity for a period of at least 30 days but not exceeding 6 months.	The management is in concurrence with the audit finding. However, this has been occasioned by the University's inadequate funding from Government of Kenya. The management is committed to set aside an additional payroll budget to enable the two officers be recruited in the substantial positions.	Resolved	
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APPENDIX II: Projects Implemented by the University

Projects

Projects implemented by the Kirinyaga University funded by the government.

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

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Tuition Complex I	1,200,000,000	371,734,801	100 %	-	371,734,801	GOK
2	Tuition Complex I		509,899,441	38 %	200,000,000	209,180,744	AIA
3	Sport Field	85,052,811	9,926,501	5%	10,000,000	9,926,501	AIA

APPENDIX III: INTER-ENTITY TRANSFERS

Confirmation of amounts received by Kirinyaga University as at 30 th June 2025				
Reference Number	Date Received	Recurrent (A)	Development (B)	Remarks
	13th August 2024	58,790,791	-	FY 2024/25 July Capitation
	12th September 2024	58,790,791	-	FY 2024/25 August Capitation
	8th October 2024	58,790,791	-	FY 2024/25 September Capitation
	8th November 2024	57,624,124	-	FY 2024/25 October Capitation
	5th December 2024	1,166,667	-	FY 2024/25 October Capitation
	5th December 2024	58,790,791	-	FY 2024/25 November Capitation
	06th January 2025	58,790,791	-	FY 2024/25 December Capitation
	07th January 2025	58,790,791	--	FY 2024/25 January Capitation
	10th February 2025	58,790,791	--	FY 2024/25 February Capitation
	13th March 2025	58,790,791	-	FY 2024/25 March Capitation
	April 10, 2025	58,790,791	-	FY 2024/25 April Capitation
	May 2nd , 2025	58,790,791	-	FY 2024/25 May Capitation
	June 12th 2025	58,790,791	-	FY 2024/25 June Capitation
	June 30 th 2025	30,602,123	-	FY 2024/25 CBA Allocation
Total		<u>736,091,615</u>	<u>736,091,615</u>	

I confirm that the amounts shown above are correct as of the date indicated.



Prof Mary Ndung'u

Vice Chancellor



CPA Peter Kagika

Chief Finance Officer

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

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

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