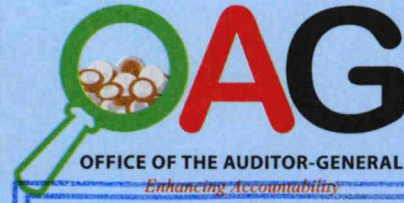


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

AFRICA CENTER OF EXCELLENCE IN
SUSTAINABLE USE OF INSECTS AS FOOD
AND FEEDS PROJECT
(IDA CREDIT NO.5798-KE)

FOR THE YEAR ENDED
30 JUNE, 2025

JARAMOGI OGINGA ODINGA UNIVERSITY
OF SCIENCE AND TECHNOLOGY



**AFRICA CENTER OF EXCELLENCE
IN
SUSTAINABLE USE OF INSECTS AS FOOD AND FEEDS**

**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE
AND TECHNOLOGY**

PROJECT GRANT/CREDIT NUMBER: IDA CREDIT 5798-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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



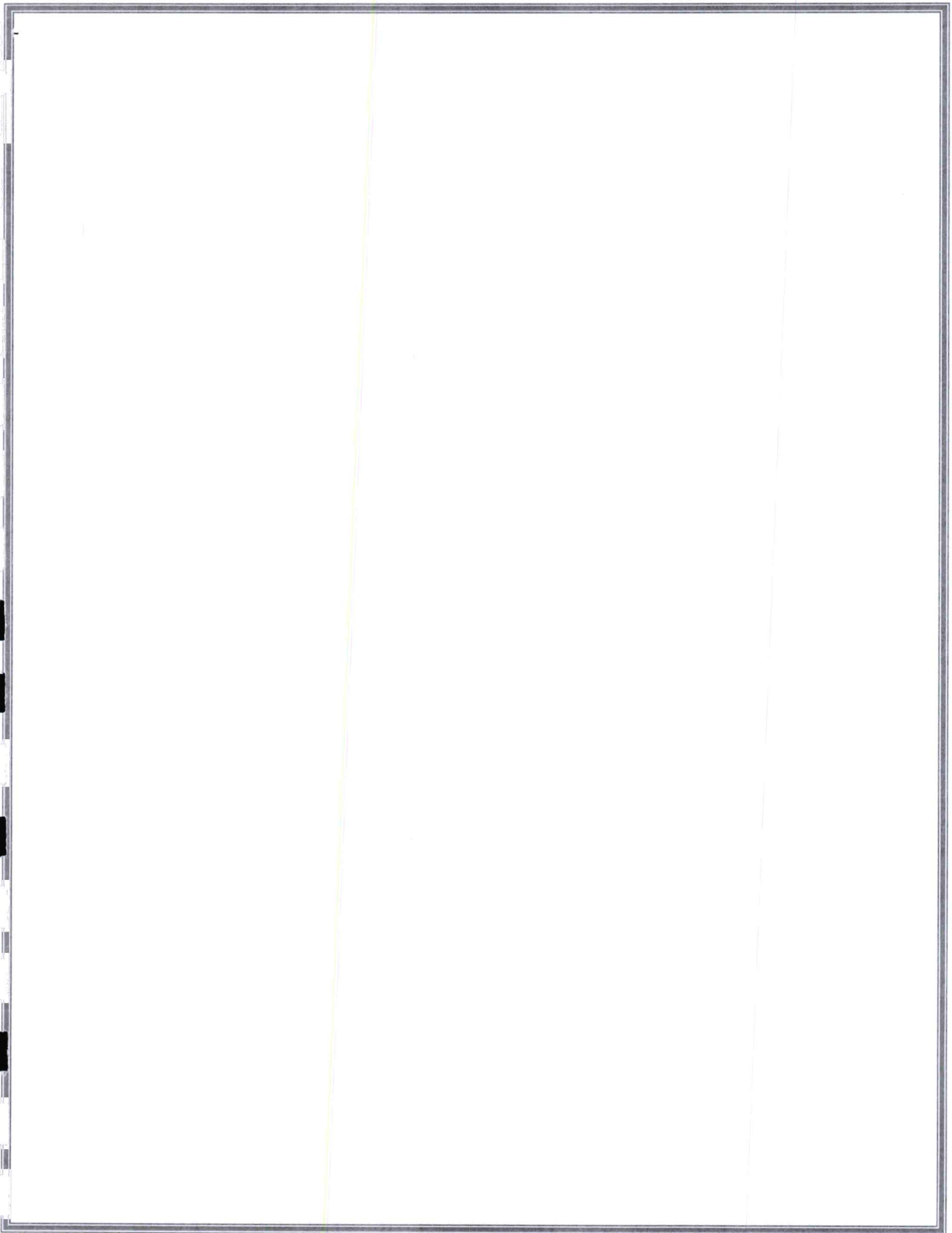




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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.



2. Project Information and Overall Performance

2.1 Name and registered office

Name

Africa Center of Excellence in Sustainable Use of Insects as Food & Feeds (INSEFOODS)

Objective

The specific project objectives are to: -

- i)** Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed;
- ii)** Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed;
- iii)** Develop a biodiversity repository of insects for food and feed in the region; and
- iv)** Develop insect technology incubation and skills transfer hub for teaching and research.

Address:

The Project offices are located at Jaramogi Oginga Odinga University of Science and Technology, main campus,

Bondo. Bondo-Usenge Road
P.O Box 210-40601 Bondo, Kenya
Telephone: (254) 057-2058000/ 2501804
E-mail: drinsefoods@jooust.ac.ke

Contacts

Vice Chancellor
Jaramogi Oginga Odinga University of Science & Technology
Telephone:
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Website: www.jooust.ac.ke

Center Director
Telephone: (254) 057-2058000/ 2501804
E-mail: drinsefoods@jooust.ac.ke
Website: www.insefoods.jooust.ac.ke



Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The Financing Agreement was signed on 4th July 2016 and the Subsidiary Grant (Performance Agreement) signed on 27 th October 2016. Date of Credit Effectiveness 1st February 2017
Project End Date:	The project end date is 31 st December 2023
Project Manager :	The Center Director: Prof. Darius Otiato Andika
Project Sponsor:	International Development Association (IDA)-World Bank

2.3 Project Overview

Line Ministry / State Department of the project	Ministry of Education / State Department for Higher Education
Project Number:	P151847
Strategic goals of the Project	<p>Key Strategic Objectives.</p> <ul style="list-style-type: none"> i) Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed; ii) Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed; iii) Develop a biodiversity repository of insects for food and feed in the region; and iv) Develop insect technology incubation and skills transfer hub for teaching and research.
Achievement of strategic goals	<p>The project aims to achieve the goals through the following means:</p> <p>Component 1. Strengthening Education Capacity (Excellence) and Development impact</p> <p>Component 2. Strengthen Research Capacity Excellence</p> <p>Component 3. Attracting Regional Faculty and Students</p> <p>Component 4. Plan for National, Regional and International Academic Partnership and Collaborations</p> <p>Component 5. Plan for Management and Governance</p> <p>Component 6. Sustainability</p>



<p>Other important background information of the project</p>	<p>INSEFOODS is one of the 24 competitively selected centers at Universities in Eastern and Southern Africa under the World Bank’s Eastern and Southern Africa Higher Education Centers of Excellence Project II (ACE II).</p> <p>The overall objective of INSEFOODS is to achieve long-term food and nutritional security by using insects as a cost effective, reliable and sustainable source of protein and other nutrients for food and feeds.</p> <p>To achieve this objective, INSEFOODS’ strategy is to develop and offer high quality regional and internationally accredited masters, doctoral and short courses programs in food security and sustainable agriculture with insects for food and feeds as the entry point.</p> <p>The educational programs will involve teaching, research, product development and commercialization, and student and staff exchanges in different disciplines related to insects as food and feeds across Africa.</p> <p>INSEFOODS is funded by the World Bank to the tune of US\$ 6 million over a five-year period 2017-2023. The Bank has disbursed cumulative of US\$ 3.9 million. The funds were credited into the JOOUST Bank Account at the Equity Bank, Bondo Branch, for the ACE II Project. The total amount received cumulatively in Kenya shillings was 394,896,623 (Three Hundred and Ninety Four million, Eight Hundred and Ninety Six Thousand Six Hundred and Twenty Three).</p>
<p>Current situation that the project was formed to intervene</p>	<p>INSEFOODS was designed to:</p> <ul style="list-style-type: none"> a) Strengthen Education Capacity Excellence through the number of Ph.D. and Masters students trained, and the number of students who participate in short term trainings; b) Strengthen Education Capacity & Development Impact through the number of student and staff internships with private sector, the number of sub-regional and internationally accredited education programs, the number of students employed by industry and by universities as faculty members, and the number of students who create/start their own businesses; c) Strengthen Research Capacity Excellence through the number of internationally peer reviewed research publications in disciplines supported by the INSEFOODS Program; the number of new research collaboration in the region; the number of students employed by research organizations; and the number of patents, invention disclosures, trademarks and copyrights emanating from the project’s activities; and d) Strengthen Education and Research Capacity through increased financial sustainability and demonstration of value to students and partners through the amount of externally generated revenue by the INSEFOODS
<p>Project duration</p>	<p>The project started on 1st February 2017 and is expected to run until 31st Dec 2023</p>



Project Information and Overall Performance (Continued)

2.4 Bankers

Equity Bank;
Bondo Branch
P.O Box 598-40601
Bondo, Kenya

2.5 Independent Auditor

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



2.6 Roles and Responsibilities

Key person(s) working with the project.

Names	Title designation	Key qualification	Responsibilities
Prof. Emily A. Akuno	Vice Chancellor	PhD in Music	Project Accounting Officer
Prof. Aggrey D.M Thuo	Deputy Vice Chancellor, Planning, Administration and Finance	PhD, Environmental Planning	Member Center Advisory Board
Prof. Elijah M. Ateka	Deputy Vice Chancellor, Academics, Students' Affairs and	PhD, Plant Pathology	Member Center Advisory Board
Dr. Mary Orinda	Ag. Dean School of Agricultural and Food Sciences	PhD Horticulture	Member Center Advisory Board
Prof. Darius Andika	Center Director	PhD Horticulture	Center Administration
Prof. Emeritus Monica Ayieko	Deputy Director and Principal Investigator	PhD Consumer Sciences and Food Security	Center Technical activities
CPA. Maureen Bichii	Ag. Chief Finance Officer	MBA Strategic Management, BBM (Accounting & Finance), CPA (K)	In charge of internal Project Finances
Mr. Joram Ooro	Project Manager	MA Project Planning and Management	Coordinate Centre activities
CPA Francis Ngati	Internal Auditor	MBA Finance, BBA Accounting, CPA (K)	In charge of Internal Project Auditing
Dickson Seda	Procurement Officer	MBA Procurement, BSc Procurement, CIPS	In charge of internal project Procurement

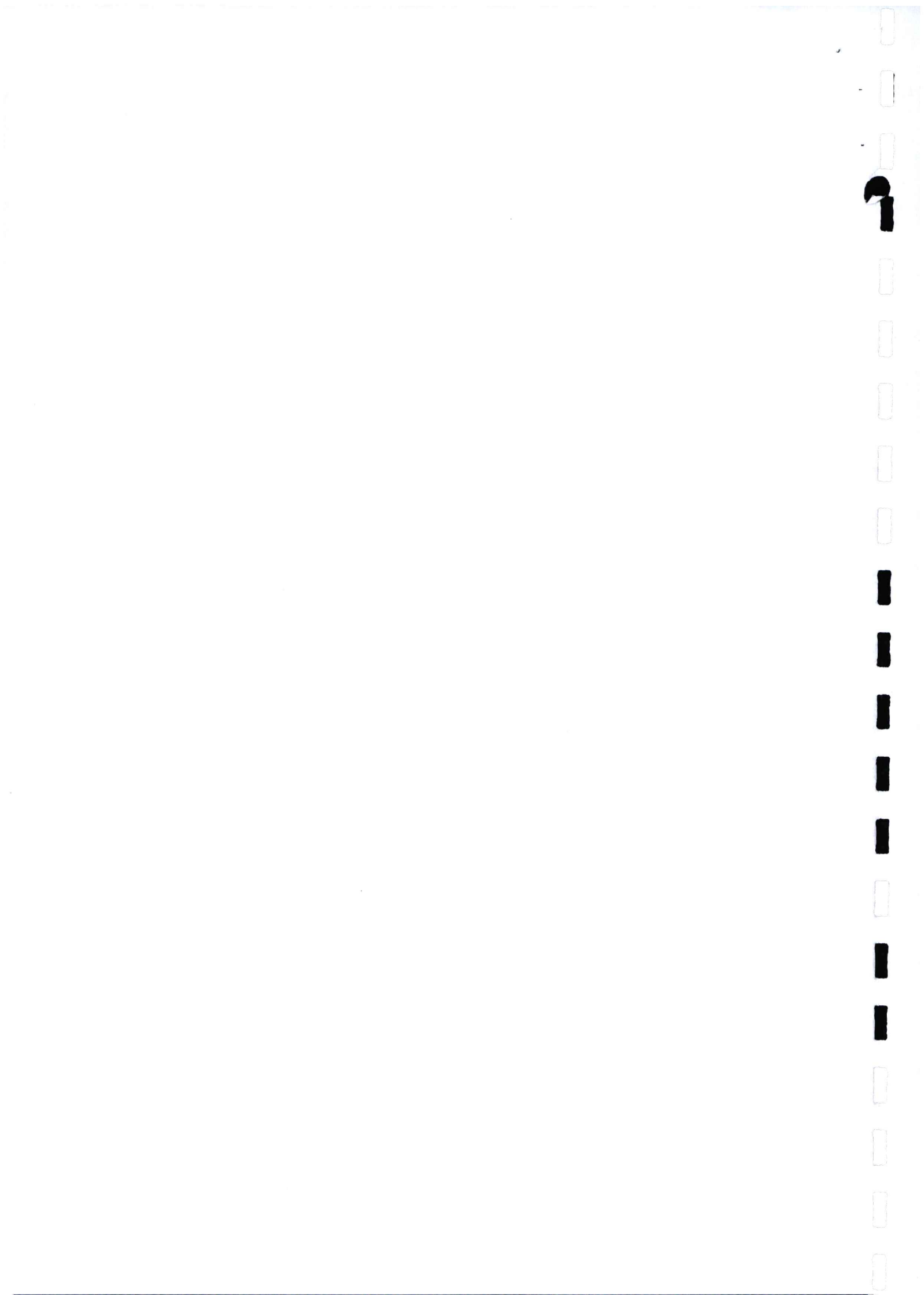
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2.7 Funding summary

The project **duration** is 5 years (from 2017 to 2023) with an approved total budget of USD 6 Million equivalent of Kshs. approx. 600 Million as highlighted in the table below:

Table A: Source of Funds

Source of funds	Development Partner Commitment		Amount received to date – (30 th June 2025)		Undrawn balance to date	
	USD (A)	Kshs (A')	USD (B)	Kshs (B')	USD (A)-(B)	Kshs (A') - (B')
(i) Grant						
The World Bank	6,000,000	600,000,000	6,903,154	690,315,439	0	0
Sub Total	6,000,000	600,000,000	6,903,154	690,315,439	0	0
Others Grants						
DANIDA Fellowship	16,096.00	1,609,594	16,096.00	1,609,594	-	-
Gottfried Wilhelm	6,258.00	625,818	6,258.00	625,818	-	-
Kobenhaven University	235,000.00	23,500,000	116,184.00	11,618,388	118,816.00	11,881,612
African Population and	22,299.00	2,229,942	22,299.00	2,229,942	-	-
University of Gothenburg	29,000.00	2,900,000	6,159.00	615,904	22,841.00	2,284,096
National Research Fund-SA	41,767.00	4,176,708	41,767.00	4,176,708	-	-
University of Southampton	287,218.00	28,721,801	84,733.00	8,473,272	202,485.00	20,248,529
World Health Organization	60,317.00	6,031,665	60,317.00	6,031,665	-	-
National Research Funds	369,951.00	36,995,113	369,951.00	36,995,113	-	-
Kobenhavens University	203,231.00	20,323,120	91,993.00	9,199,296	111,238.00	11,123,824
African Population and	89,867.00	8,986,719	89,867.00	8,986,719	-	-
University of Gothenburg	22,841.00	2,284,096	12,782.00	1,278,191	10,059.00	1,005,905
University of Southampton	247,985.00	24,798,529	40,783.00	4,078,343	207,202.00	20,720,186
The Michael Fox Foundation	220,597.00	22,059,713	220,597.00	22,059,713	0.00	0
University of Southampton	208,183.00	20,818,263	60,663.00	6,066,311	147,520.00	14,751,952
University of Gothenburg	15,796.00	1,579,572	15,796.00	1,579,572	-	-



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Chalmers Tekniska	36,232.00	3,623,198	36,232.00	3,623,198	-	-
Africa Research Excellence	7,479.00	747,864	7,479.00	747,864	-	-
University of Warwick	3,818.00	381,798	3,818.00	381,798	-	-
Miscellaneous Receipts	59,647.00	5,964,663	59,647.00	5,964,663	-	-
Sub Total	2,183,582.00	218,358,176.00	1,363,421.00	136,342,072.43	820,161.00	82,016,104.00
Total	8,183,582.00	818,358,176.00	8,266,575.00	826,657,511.43	820,161.00	82,016,104.00



Project information and overall performance (continued)

B. Application of Funds

Application of Funds	Amount received to date-(30th June 2025)		Cumulative Amount Paid to Date-(30th June 2025)		Un-utilized Balance to Date-(30th June 2025)	
	USD.	KShs.	USD.	KShs.	USD.	KShs.
Grant	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
The World Bank	6,903,154	690,315,439	5,259,658	525,965,759	1,643,496	164,349,680
Sub Total	6,903,154	690,315,439	5,259,658	525,965,759	1,643,497	164,349,680
Others Grants						
DANIDA Fellowship Centre	16,095.94	1,609,594	16,096	1,609,594	0.00	0
Gottfried Wilhelm	6,258.18	625,818	6,258	625,818	0.00	0
Kobenhaven University	208,176.84	20,817,684	208,177	20,817,684	0.00	0
African Population and Health	112,166.61	11,216,661	101,114	10,111,446	11,052.15	1,105,215
University of Gothenburg	34,736.67	3,473,667	18,803	1,880,318	15,933.49	1,593,349
National Research Fund-SA	41,767.08	4,176,708	33,530	3,352,950	8,237.58	823,758
University of Southampton	186,179.26	18,617,926	99,873	9,987,334	86,305.92	8,630,592
World Health Organization	60,316.65	6,031,665	18,088	1,808,806	42,228.59	4,222,859
National Research Funds	369,951.13	36,995,113	243,912	24,391,222	126,038.91	12,603,891
The Michael Fox Foundation	220,597.13	22,059,713	162,502	16,250,205	58,095.08	5,809,508
Chalmers Tekniska Hogskola	36,231.98	3,623,198	5,230	523,046	31,001.52	3,100,152
Africa Research Excellence	7,478.64	747,864	7,479	747,864	0.00	0
University of Warwick	3,817.98	381,798.00	3,818	381,798	0.00	0
Miscellaneous Receipts	59,646.63	5,964,663	0	0	59,646.63	5,964,663
Sub Total	1,363,421	136,342,072	924,880	92,488,085	438,540	43,853,987
Total	8,266,575	826,657,511	6,184,538	618,453,844	2,082,037	208,203,667



Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

2.8.1 Budget performance

During the year the budget performance against actual amount stood at 15%.

2.8.2 Physical Progress

The progress made towards achieving the result of the project as per the PDO indicator is as per the Result Framework table below.

Table C. Results Framework

PDO Indicators	Description	End Project Target	Achieved Targets	Remarks
1. Regional students enrolled in ACEs: (i) Masters (No. of Female) (ii) PhD (No. of female)	Masters (Total No.)	17	54	Aide de memoir for Lilongwe malawi
	Masters (Female No.)	7	27	
	PhD (Total No.)	10	13	
	PhD (Female No.)	3	4	
	Short-term courses (Total No.)	0	94	
	Short-term courses(Female)	0	40	
2. Students (national and regional) enrolled in the Center: (i) Masters (No. of female) (ii) PhD (No. of female)	Masters (Total No.)	60	143	
	Masters (Female No.)	24	58	
	PhD (Total No.)	20	41	
	PhD (Female No.)	8	22	

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	Short-term courses (Total No.)	110	277
	Short-term courses(Female)	22	150
3. MOUs on partnerships for collaboration in applied research and training entered into by the ACEs		5	12
4. Accredited education programs offered by the Center	Total No.	12	11
	National (No.)	10	9
	Regional (No.)	0	0
	International (No.)	2	2
5. Direct Project Beneficiaries (of which female)	Total No.	117	496
	Female	32	173
Component 1	Total No.	37	88
1. Faculty and PhD students exchanges to promote research and teaching (No. of female)	Female	11	67
2. Amount of externally generated revenue by the Center, USD		25,000	46,546.42
	Total No.	75	235



3. Internationally recognized research publications in disciplines supported by the Center Programs and with regional co-authors	No. co-authored with regional collaborators		35	
4. No. of institutions hosting the Center participating in the PASET benchmarking exercise (No.)		1	1	

2.8.3 Comment on value-for-money achievements

The Project is result based and the Center DLR status is per the table able D below.

Table D: DLR status

DLR	DLR Description	Target Amount	Amount Achieved	Percentage Achieved (%)	Remarks
DLR 1.1	Completion of Effectiveness Conditions	600,000	600,000	100%	Fully achieved
DLR 1.2	Project Implementation Plan	500,000	500,000	100%	Fully achieved
DLR 2.2	Enrollments	1,300,000	1,300,000	100%	Fully achieved
DLR 2.3	Accreditation	600,000	600,000	100%	Fully achieved
DLR 2.4	Partnership and Collaboration	200,000	200,000	100%	Fully achieved
DLR 2.5	Journals and Conf Presentations	500,000	500,000	100%	Fully achieved
DLR 2.6	Faculty/PhD Exchange	700,000	700,000	100%	Fully achieved
DLR 2.7	Ext. Revenue Generation	900,000	900,000	100%	Fully achieved
DLR 2.8	Paset benchmarking	100,000	100,000	100%	Fully achieved
DLR 3.1	Timely Withdrawal	75,000	75,000	100%	Fully achieved



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DLR 3.2	Functional Audit Committee	75,000	75,000	100%	Fully achieved
DLR 3.3	Functional Internal Audit	75,000	75,000	100%	Fully achieved
DLR 3.4	Transparency and Accountability	75,000	75,000	100%	Fully achieved
DLR 4.1	Timely Procurement Audit	150,000	150,000	100%	Fully achieved
DLR 4.2	Timely Procurement Progress	150,000	150,000	100%	Fully achieved
TOTAL		6,000,000.00	6,000,000	100%	

2.8.4 Implementation Challenges

The Center faced some challenges towards achieving its objectives and took the following actions to solve them.

	Challenge faced	Action Taken
1	The Center did not face any challenges towards achieving its set objectives since it had achieved its DLR's and disbursement fully remitted	<ul style="list-style-type: none">• N/A

2.9 Summary of Project Compliance

There were no issues of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the project's agreement/ plan are to:

- i.** Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed;
- ii.** Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed;
- iii.** Develop a biodiversity repository of insects for food and feed in the region; and
- iv.** Develop insect technology incubation and skills transfer hub for teaching and research.

Progress on attainment of Strategic development objectives

For the purpose of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Indicator metrics were identified for tracking progress and measuring performance.

Achieved Metric

The project is result-based, and the performance of the project is per the implementation Matrix as indicated in the table below:

Table D: Implementation Matrix

Project	Objective	Outcome	Indicator	Performance
1.1 Develop new relevant multidisciplinary MSc and PhD food security curricula and regular reviews	Objective 1 Strengthen education capacity excellence and development impact	Build human resource and infrastructural capacity for research, training and technology development and transfer in insect science.	Number of new relevant multidisciplinary MSc and PhD curricular developed and regularly reviewed	9 programs developed
1.2 Benchmark and obtain accreditation for MSc and PhD food security curriculum			Number of MSc and PhD programs accredited	Bench-marked with Chalmers University which led to International accreditation of 2 programs, 9 program Nationally accredited
1.3 Rehabilitate and upgrade teaching and learning facilities			Number of teaching and learning facilities upgraded	4 Lecture rooms were rehabilitated and furnished with modern learning materials. 1 post graduate library renovated and equipped
1.4 Rehabilitate and upgrade teaching and learning facilities			A grants management scheme established and functional	The Center supported the implementation of the ERP within the institution which has component of grants management system integrated
1.5 Strengthen ICT infrastructure for teaching and learning			ICT infrastructure for teaching and learning strengthened	The Center is facilitating the institution to enhance the ICT infrastructure; the center is in the process of acquisition of teleconference/video facility.
1.6 Advertise and admit students into MSc and PhD programmes			Number of MSc and PhD students admitted	41 PhD Students enrolled 143 MSc Enrolled



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1.7 Offer required taught courses to MSc and PhD students			Number of courses offered to MSc and PhD students	2 courses being offered; PhD Food Security and Sustainable Agriculture and MSc Food Security and Sustainable Agriculture student are going on with their research work, projects and some have graduated
1.8 Initiate and implement regional student exchanges to broaden learning experience			Number of students involved in regional student exchanges	This is a continuous exercise and student goes for exchange in different partner Universities
1.9 Develop and offer relevant short courses for special groups			Number of short courses developed and offered to special groups Number of beneficiaries trained in the short courses	277 people trained across the region against a target of 110 people
1.10 Develop content and convert for delivery by e-learning platform			Number of courses delivered by e-Learning platform A functional e-learning platform	2 post graduate program delivered online (MSc Food Security and Sustainable Agriculture PhD Food Security and Sustainable Agriculture. 1 Short course training delivered online (BSF rearing and value addition).
1.11 Expand the existing library resources including e-resources relevant to the ACE			Number of new library resources including e-resources relevant to the ACE provided	The Center facilitated renovation and equipping of post graduate library.



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1.12 Broaden students' knowledge and skills through internship at advanced research institutions and industries			Number of students participated in internship at advanced institutions and industries	
1.13 Provide appropriate tools for people with disabilities to access learning and research			Number of appropriate tools provided for people with disabilities to access learning and research	Through safe guard team, the Center has supported making the rooms more accessible and still have plans to work with the institution to enhance the environment.
2.1 Scale up MSc and PhD research in key areas in insect science and food security	Objective 2 Strengthen research capacity excellence		·Number of additional MSc and PhD programs developed and offered ·Number of MSc and PhD students trained	Post graduate students are conducting research in the different key areas
2.2 Expand regional and international collaborations and joint research programmes			Number of MoUs signed with regional partners	The Center has entered in Collaboration with Institution and Universities. The Center is still enhancing these collaborations for the purpose of sustainability.
2.3 Equip and rehabilitate research laboratories for up scaling insect rearing, processing and analysis			Number of research laboratories rehabilitated Number of equipment procured	2 labs had been renovated and some equipment to be serviced and rehabilitation done based on the requirement of the public health recommendation. Food lab and are fully renovated and working and Temperature controlled cricket room was established



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2.4 Enhance faculty research capacity through staff development , exchange programmes and visits			Number of staff involved in staff exchange programme	The Center has facilitated staff capacity building through supporting staff training as well as exchange program. The center if facilitating incoming and outgoing exchanges
2.5 Recruit qualified technical and support staff			Number of qualified technical and support staff recruited	The Center pays salaries of the center staff
2.6 Conduct training workshops and seminars to broaden students' learning experience			Number of training workshops conducted Number of students trained in the training workshops	Continuous process as student continues with their studies.
2.7 Develop and sign MoUs with partner institutions			Number of MoUs signed with partner institutions	12 MOUs Signed
2.8 Attract, retain and retool faculty in areas relevant to the ACE			Number of faculty recruited, retained and retooled	Retooling was conducted and the Center retooled the post graduate students supervisors to enhance their capacity.
2.9 Publish in peer reviewed journals			Number of publications in peer reviewed journals	235 peer reviewed papers published No research results commercialized so far No research results being used by firm/industry so far More students in the process of submitting their articles for publication
2.10 Support scientific conference presentations			Number of papers supported for conference presentations	This is a continuous process



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2.11 Develop insect technology incubation and skills transfer hub				The Center has established insect repository. National Museum of Kenya have finalized the work. Training for the faculty was conducted on site
3.1 Set up collaborative postgraduate programmes with other Institutions	Objective 3 Attract regional faculty and students		Number of collaborative postgraduate programmes with other institutions developed	The Center is working with other institution in establishing of the collaborative program as a way of attaining International accreditation.
3.2 Set up structures for student and staff support			Number of structures for student and staff support developed	The Centre finalized putting policies in place on how students are supported. Policies on stipends, scholarship and research funds
3.3 Establish staff/student regional mentor-ship programme and regional working groups			A staff/student regional mentor-ship programme established Number of regional working groups established	Undertaken through collaboration with other institution and exchange program where the Center has supervisors from other institutions
3.4 Develop partnerships with industry, research organization for staff and equipment sharing			Number of partnerships with industry & research organizations for staff and equipment sharing developed	The institution has engaged research institution where students goes for research and analysis of their specimen. These include KALRO, ICIPE. The Center is currently receiving support from Word Bank to enhance the partnership with private sectors. The Center has an MOU with SIGMA feeds and FAO has just started collaboration with the Institution to commercialized BSF



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4.1 Inception meeting and workshops to form strategic working groups for collaborative teaching and research	Objective 4 Plan for national, regional and international academic partners and collaborations	Build sustainable local, regional and international partnerships and networks for research, development and training.	·Inception meeting & workshop held ·Number of working groups for collaborative teaching & research formed	Partners meeting conducted and agreed on project implementation strategies
4.2 Institutionalize faculty exchange programmes			Number of faculty exchange programmes institutionalized	The Centre facilitated exchange program for outgoing and incoming faculties
4.3 Establish and publish a high impact peer reviewed journal in insects as food and feeds			A high impact peer reviewed journal in insects as food and feeds established	Faculty and student are continuously publishing in high impact peer review journals in insect as foods and feeds.
4.4 Set up collaborative postgraduate, postdoctoral studies and fellowship programmes			Number of collaborative postgraduate, postdoctoral studies and fellowship programmes established	Discussions ongoing
4.5 Schedule a launching and inception workshop with partners			A launching and inception workshop held	Partners meeting conducted and agreed on project implementation strategies
4.6 Participation in two (2) joint regional ACEII Meetings			Number of ACE staff participated in two regional ACE II Meetings	Participated in all joint meetings organized by IUCEA



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5.1 Develop a biodiversity repository of insects for food and feed in the region	Objective 5 Develop a biodiversity repository of insects for food and feed in the region	Enhance knowledge on the available insect in the region and their contribution	A regional biodiversity repository of insects for food and feeds developed	Repository established and equipped. Training on management and collection of more specimens was conducted
6.1 Carry out an implementation survey and impact assessments through participatory community outreach activities	Objective 6 Develop insect technology incubation and skills transfer hub	Community member embrace farming and consumption of insects	A report of a survey and impact assessment through participatory community outreach activities available	
6.2 Write proposal and acquire funds to develop insect technology incubation and skills transfer hub			An insect technology incubation and skills transfer hub established	The insect farms established and community outreach through short courses conducted

4. Environmental and Sustainability Reporting

INSEFOODS exists to transform lives. The overall objective of INSEFOODS is to achieve long-term food and nutritional security by using insects as a cost effective, reliable and sustainable source of protein and other nutrients for food and feeds.

To achieve this objective, INSEFOODS' strategy is to develop and offer high quality regional and internationally accredited masters, doctoral and short courses programs in food security and sustainable agriculture with insects for food and feeds as the entry point. Below is a brief highlight of our activities that drive towards sustainability.

i. Sustainability strategy and profile

The center has developed a sustainability strategy that relates to social, environmental, economic, and ethical issues that define its relationships with society and continued existence in executing its mandate as defined from inception.

The sustainability strategy has considered several key factors including.

- i) Sustainability Assessment to identify current activities and potential gaps
- ii) Benchmarking against peers to identify areas of strength, weakness, opportunity, and risk
- iii) Stakeholder Engagement to hold a meaningful dialogue and receive feedback through workshops and interviews
- iv) Impact measurement to assess performance in social, environmental, and economic areas
- v) Reporting and Engagement to communicate and explain progress to stakeholders

The involvement of strategic stakeholders from the industry has been given priority to facilitate the marketing of developed research outputs and access to the consumers.

Therefore, the sustainability strategy focuses on;

- i) Innovation for growth to provide an additional revenue stream through meeting environmental or social needs.
- ii) Leadership in the market to future proof and build competitive advantage.
- iii) Risk and resilience for minimizing vulnerabilities and anticipating upcoming issues, such as new regulations.
- iv) Reputation and brand for stronger relationships with customers and an enhanced license to operate through better relationships with regulators, non-profits, and other stakeholders.

The Center developed the following sustainability plan as the project is heading toward the end of Phase one.

1.1 Upscaling of products and commercialization

- The Center has developed a business plan to enhance the scaling of product development and commercialization. The Center has already registered JUSTER FOOD as the brand for the product and obtained KEBS certification.
- The Center successfully installed a temperature-controlled room to facilitate mass production of cricket for commercialization purposes.

The Center, in collaboration with JOOUSTES, is working on the commercialization of the products, and the following were undertaken within the financial year;

- ***Renewal of KEBS standardization mark permit***

The Centre renewed the Standardization Mark Permit for six cricket-based biscuit flavours (Jouster Foods) in compliance with KEBS standards.

- ***Repair and maintenance of the temperature-controlled room***



The Center conducted maintenance and minor repairs for the temperature-controlled room for rearing crickets.

- **Research Utilization**

The Center initiated engagement with the UBJ USAID team to explore the use of cricket-enriched porridge in addressing child malnutrition. Developed and shared a concept note for collaborative implementation.

- **Short Course Development**

The Center initiated development of online, self-paced short courses on cricket and BSF farming and value addition in partnership with CIIS, focused on revenue generation.

1.2 Proposal writing

- The Ministry of Education Directorate of Higher Education and the Kenya Africa Center of Excellence (ACE II) met in Kisumu from 10th to 14th February 2025 to review the Phase II proposal and respond to the National Treasury letter of approval and develop further supporting documentations required for approval of the proposal, including;
 - Terms of Reference
 - Selection Criteria
 - Feasibility Studies
 - Cabinet Memorandum
- The Center submitted a full proposal to the DAAD Host University Program for a five-year MSc program in Food Security and Sustainable Agriculture. Results are expected by June 2025.
- The Center led the development and submission of a research proposal titled *Sustainable Agro-Processing of Insects-Based Food and Feed for Improved Food Security in Kenya and Uganda (SAPIFF)*. The proposal is under review.
- The Center collaborated with Kisumu Young Agripreneurs CBO on a proposal titled *Integrating Black Soldier Fly Larvae Agro-Processing into Circular Aquaculture (IBLAC)* under the INCiTIS call. Submission deadline: 20 March 2025.

1.3. Fee payment

- The Center continues to advertise its programs to attract fee-paying students and supported students to obtain an admission letter to apply for the IUCEA scholarship to study at JOOUST.

1.4. Academia-industry collaboration

- The Center is in the process of seeking sustainable collaboration with industries.



1.5. Community engagement

- The Center conducted farmers' follow-ups for those who were trained and supported to start cricket farming within Siaya County. These farmers are potential outgrowers who have been and will be supplying the University with cricket. This approach helps in technological transfer and economic empowerment of farmers to earn a livelihood through cricket farming.

1.6. Institutionalization of the Center in the University Status

- The Center is institutionalized within the University Statutes to facilitate its sustainability.

ii. Environmental performance

The Center has an approved Environmental and Social Monitoring Plan that clearly outlines the management of environmental-related issues. The summary of the plan is indicated below for the year under review



Instruction: Provide updates and rate conformity to ESMP requirements.

- Refer to your approved ESMP.

KEY (Rating conformity)

Status	Color code	Interpretation
Conforming (C)	C	Compliance with requirements; no corrective action required.
Partially conforming (PC)	PC	Partial compliance with specific requirement; corrective action needed to ensure full compliance.
Non-conforming (NC)	NC	Non-compliance with specific requirement; corrective or remedial action is essential.
Not Applicable (NA)	NA	Not in the ESMP.
Observations	None	These are negative findings that do not represent any specific breach of legislation but have the potential to lead to adverse impacts in the absence of deliberate interventions/corrective actions.

S/N	Activity (as applicable)	Parameter/Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
0	General Conditions	Notification and worker Safety	<ul style="list-style-type: none"> ▪ Presence of Official communication letter/disclosure/notifications in media/accessible site/areas ▪ Availability of all approvals/permits ▪ Availability of Workers PPE. ▪ Availability of signage-with key rules and regulations. 			



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S/N	Activity (as applicable)	Parameter/ Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
A	General Rehabilitation and /or construction Activities.	Air Quality	<ul style="list-style-type: none"> ▪ Presence of debris chutes. ▪ Availability of dust management plan (manage all issues of dust generation) ▪ Availability of incinerators (no open-air burning). ▪ Evidence of regularly serviced vehicles. 		The site has hoarding that encompasses the whole to mitigate against dust circulation to nearby facilities and Environmental, Health and safety plan to guide in facets of that nature	
		Noise	<ul style="list-style-type: none"> ▪ Presence of construction schedules. ▪ Availability of noise management plan. 		Activities limited to working hours between, 8am and 5pm with machinery properly greased and oiled to reduce friction and possible noise emission.	
		Water Quality	<ul style="list-style-type: none"> ▪ Presence of hay bales and/or silt fences. ▪ Availability of a Water resource protection plan. 		Use of existing wastewater treatment plant to manage its liquid waste	
		Waste Management	<ul style="list-style-type: none"> ▪ Presence of records of waste disposal. ▪ Availability of a Waste Management Plan. 		The contractor uses a solid management system in the disposal of waste	
B	Individual wastewater treatment system.	Water Quality	<ul style="list-style-type: none"> ▪ Presence of Approvals from Authorities. ▪ Presence of discharge effluent permits. 		The Institution has a water treatment plant in place	



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S/N	Activity (as applicable)	Parameter/Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
			<ul style="list-style-type: none"> ▪ Availability of a wastewater monitoring plan. 			
C	Historic building (s)	Cultural Heritage	<ul style="list-style-type: none"> ▪ Presence of approvals/permits from local Authorities. ▪ Availability of chance finds procedures/ management measures. 			
D	Acquisition of Land.	Land Acquisition Plan/Framework	<ul style="list-style-type: none"> ▪ Presence of Resettlement Action Plans. ▪ Presence of Offers/voluntary land contribution letters. ▪ Availability of certificate of Titles. 			
E	Toxic Materials	Asbestos Management.	<ul style="list-style-type: none"> ▪ Presence of sealed asbestos containers. ▪ Availability of the Asbestos Management Plan. 		We don't have asbestos in our facility	
		Toxic/hazardous waste management.	<ul style="list-style-type: none"> ▪ Presence of labeled safe containers of hazardous waste. ▪ Availability of license/licensed waste handlers. 		Labeling done on tins concerning the nature of waste to be placed inside them. -No licensed handlers/collectors.	



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S/N	Activity (as applicable)	Parameter/ Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
E	Affects forests and/or protected areas.	Protection.	<ul style="list-style-type: none"> ▪ Presence of an inventory of forests/wetlands in the area. ▪ Availability of regulations for management of natural habitats, wetlands, and forests. 			
G	Disposal of medical.	Infrastructure for medical waste management.	<ul style="list-style-type: none"> ▪ Presence of incinerators ▪ Availability special facilities for segregated waste. ▪ Availability of appropriate storage facilities for medical waste. 		Health Unit has tins for temporary storage and once they are full, they are transported to the Usigu Sub-county hospital for incineration	
H	Traffic and Pedestrian Safety.	Direct or indirect hazards to public traffic and pedestrians by construction activities.	<ul style="list-style-type: none"> ▪ Presence of the traffic and transport management plan. ▪ Presence of signage and warning signs. 		Transport management plan	



iii. Employee welfare

The Center is institutionalized within JOOUST status. It therefore caters for staff and family welfare based on the University policy frameworks. Some of the policies in place include: Staff performance review, recruitment policy, overtime policy, payroll management policy, compensation and benefit policy, ethics and integrity policy, communication policy, codes of ethics policy, and HIV & AIDS workplace policy.

iv. Marketplace practices-

The organization should outline its efforts to:

a) Responsible Supply chain and supplier relations-

The Center is institutionalized within the Universities and therefore works in compliance with the Institution's policies, which are in line with PPRA.

b) Responsible ethical practices

The Center is institutionalized within the Universities and therefore works in compliance with the University policies in relation to ethical practices.

c) Regulatory impact assessment

The institution works in compliance with the Environmental and Social Safeguards.

v. Community Engagements

JOOUST ACE II INSEFOODS' priority is to contribute to food security and improve household nutritional quality in the targeted focus areas at both national and regional levels. Priority is given to small-scale farmers who suffer greatly from the consequences of food insecurity. The project has therefore developed strategic mechanisms to achieve its goals of improving food security.

The University has established a staff and student exchange program that promotes reskilling and sharing of ideas, as well as equipment sharing. The exchange program has also provided a platform for collaborative research proposal development for suitability.

a. Faculty and Student Exchange

The University has established a staff and student exchange program that promotes reskilling and sharing of ideas, as well as equipment sharing. The exchange program has also provided a platform for collaborative research proposal development for suitability.

During the financial year, two (2) incoming students from sister ACEII; Lilongwe University of Agriculture and Natural Resources (LUANAR) in Malawi and Eduardo Mondlane University, Centre of Excellence in Agri-food Systems and Nutrition (CE-AFSN) in Mozambique, participated in a month-long exchange program at JOOUST.

b. INSEFOODS Key Partners stakeholder review meeting

Similarly, the Center has identified supervisors from most of those partners' institutions who are part of the supervisory team for the students in the Center.

Among the outputs from the exchange, activities are:-



- Taught part of the graduate seminar units
- Presentation on possible areas of joint research and student supervision
- Identified joint externally funded research opportunities and proposals
- Participated in learning, teaching, and research activities, including community engagement
- Drafting a research article and a collaborative publication with JOOUST researchers

c. Exhibition

The Center participated in different exhibitions and shows;

- Nyanza investment forum Kisumu from 6th to 8th February 2025.
- 4th Gem Agri-Expo Odera Akango Campus of Maseno University in Yala town, Siaya County on 20th March 2025.

d. Conferences

Africa Higher Education Centers of Excellence celebrated the achievement of the ACE program, a regional event titled *ACE@10: African Higher Education Centers of Excellence: A Decade of Impact, Innovation, and Excellence*, held in Accra, Ghana, on 7-9 April 2025. The Event was co-organized by the Association of African Universities (AAU) and the Inter-University Council of East Africa (IUCEA) with the support of the World Bank and the AFD. The JOOUST ACE II INSEFOODS was led by Vice Chancellor, Prof Emily Akuno, with a plenary presentation on how women are shaping the future of STEM research, innovation, and university leadership; focusing on Women in STEM and leadership: Breaking barriers, Driving change.

e. Technical Advisory Meetings

The Center participated in the Technical Advisory Meeting TAM held in Lilongwe Malawi 28th to 30th October 2024. The purpose of the meeting was to review the ACE II program and identify strategies to enhance project performance. Additionally, it allowed ACEs to share experiences and discuss the future of higher education in East and Southern Africa, focusing on enhancing institutional capacity to improve the quality of education and research.

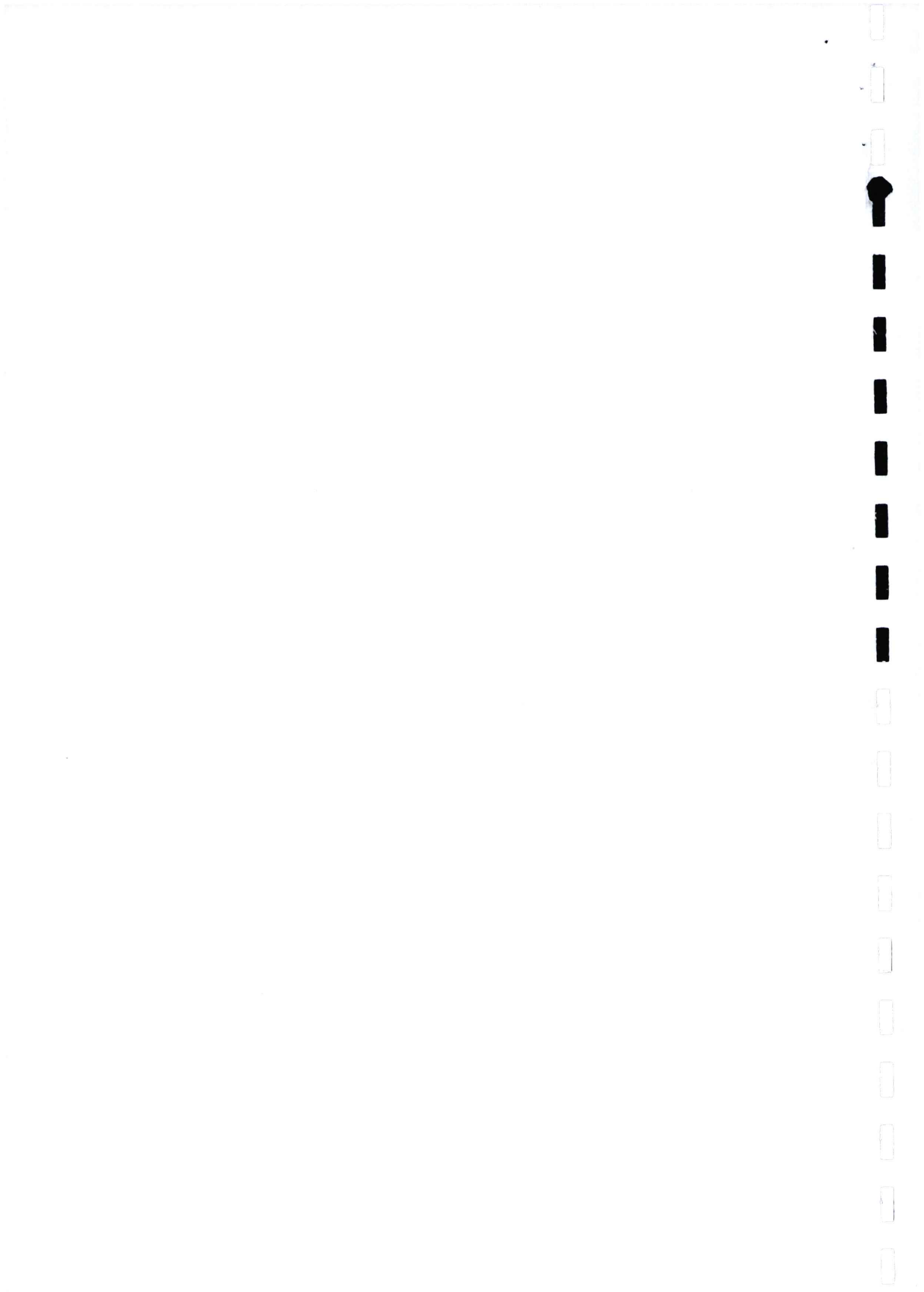
f. Strategic meeting

Participated in the ACE II IUCEA Scholarship Center Leaders Meeting in Nairobi (16–17 September 2024):

- Shared best practices in scholarship management.
- Developed a framework linking fund disbursement to academic milestones.
- Formulated strategies for timely thesis completion.

g. IUCEA Communication Training

The Center facilitated three JOOUST staff members to participate in the final IUCEA Communication Training Workshop held in Nairobi from June 2–6, 2025. The workshop improved institutional capacity in strategic communication, knowledge dissemination, and ACE II branding standards.



h. Audit and Procurement

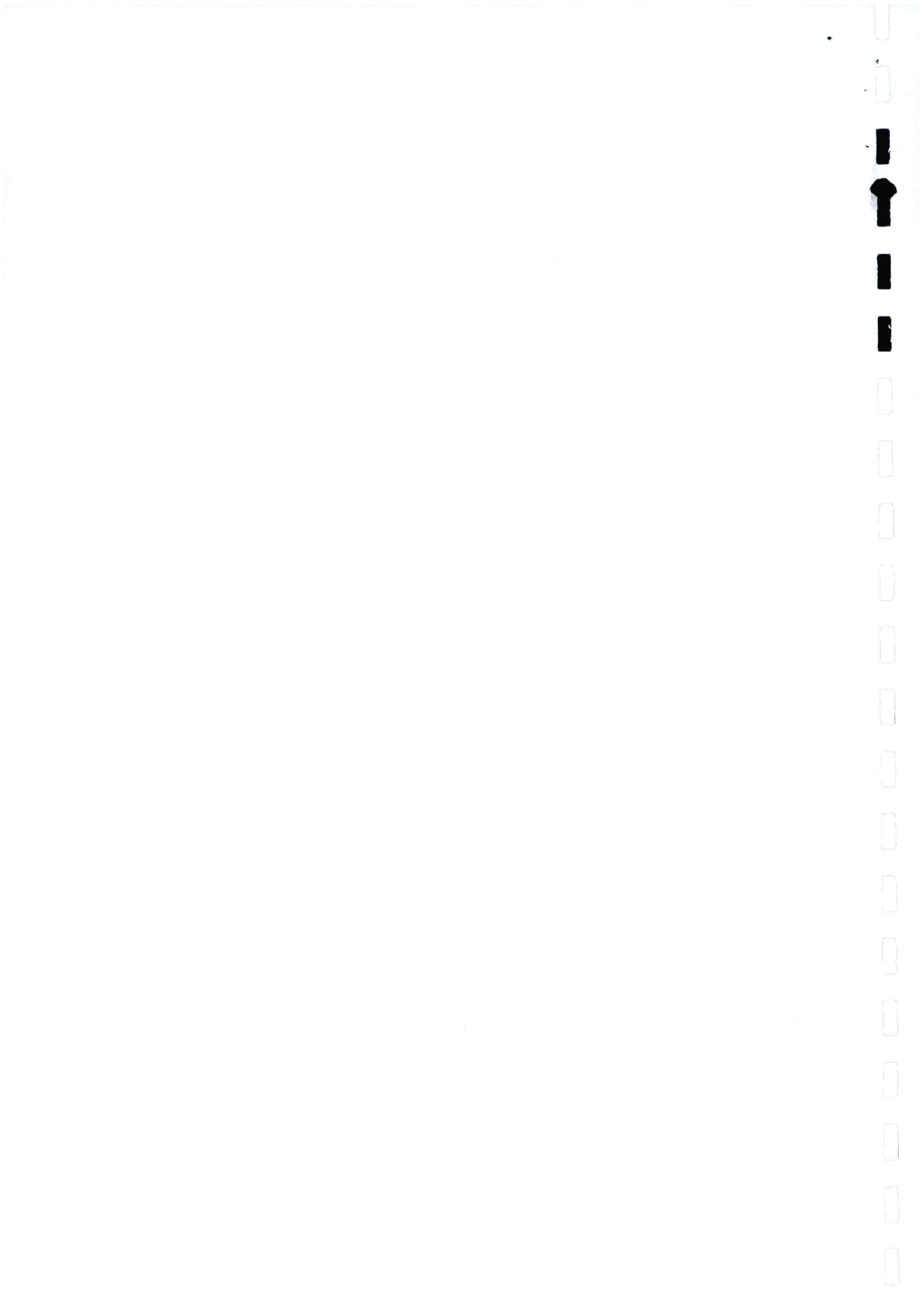
- **Audit:**

Responded to audit queries raised during the KENAO Audit for FY 2023/2024.

- **Procurement:**

Commenced processing of contracts for the purchase of three vehicles:

- Minibus (25–30 pax)
- Microbus (14-seater)
- Microbus Ambulance



4. Statement of Project Management Responsibilities

The University Management and the Project Centre Coordinator **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** are responsible for the preparation and presentation of the project’s financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial period ended on June 30, 2025.

This responsibility includes (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparations and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies and (vi) making accounting estimates that are reasonable in the circumstances.

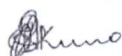
The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** accepts responsibility for the Project’s financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** are of the opinion that the Project Financial statements give a true fair view of the state of Project’s transactions during the financial period ended June 30, 2025, and of the Project’s financial position as at that date. The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial controls.

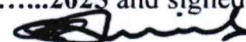
The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements.

The Project financial statements were approved by The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** on.....2025 and signed by them.



Prof. Emily A. Akuno
Vice Chancellor



Prof. Darius O. Andika
Project Coordinator



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REPORT OF THE AUDITOR-GENERAL ON AFRICA CENTER OF EXCELLENCE IN SUSTAINABLE USE OF INSECTS AS FOOD AND FEEDS PROJECT (IDA CREDIT NO.5798-KE) FOR THE YEAR ENDED 30 JUNE, 2025 - JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Africa Center of Excellence In Sustainable Use of Insects as Food and Feeds Project (IDA Credit No.5798-KE) set out on pages 1 to 23, which comprise of the statement of financial position as at 30

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Africa Center of Excellence In Sustainable Use of Insects as Food and Feeds Project(IDA Credit No.5798-KE) as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) the Financing Agreement dated 4 July, 2016 between International Development Association and the Subsidiary Grant Agreement between Jaramogi Oginga Odinga University of Science and Technology and the Government of the Republic of Kenya dated 27 October, 2016, and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unreconciled Movements in Deferred Income

The statement of financial position and as disclosed in Note 15 to the financial statements reflects deferred income balance of Kshs.66,834,329 and comparative balance of Kshs.68,906,240. However, no explanation has been given for the movements in deferred income balances of Kshs.2,071,911.

In the circumstances, the accuracy and completeness of the deferred income balance of Kshs.66,834,329 could not be confirmed.

2. Unconfirmed Depreciation & Amortization Expenses

The statement of financial performance and as disclosed in Note 10 to the financial statements reflect an amount of Kshs.19,597,356 in respect of depreciation & amortization expenses. However, Management has not disclosed under summary of significant policies the applicable depreciation rates for the various classes of assets.

In the circumstances, the accuracy and completeness of the depreciation & amortization expenses of Kshs.19,597,356 could not be confirmed.

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

Emphasis of Matter

Budget Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects final receipts budget and actual amounts on comparable basis of Kshs.242,122,771 and Kshs.51,188,642 respectively resulting to an under-funding of Kshs.190,934,129 or 79% of the budget. Similarly, the Center spent Kshs.37,473,746 against actual receipts of Kshs.51,188,642 resulting to an under-expenditure of Kshs.13,714,896 or 27%% of the receipts.

The under-funding and under-expenditure affected implementation of the planned Project activities and programs and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources, and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of their implementation status during the current period audit revealed the following matters remained unresolved.

No.	Financial Year	Audit Issue
1	2023/2024	Unsupported Field Activities under Research Expenses
2	2023/2024	Budgetary Control and Performance
3	2023/2024	Low Absorption of Public Funds
4	2023/2024	Purchase of Goods and Services Expenditure
5	2023/2024	Non-Project Related Expenditure
6	2023/2024	Non-Compliance with Procurement Procedures on Request for Quotation
7	2023/2024	Irregular Use of Direct Procurement Method
8	2023/2024	Cash Procurements Beyond Allowable Limits
9	2023/2024	Failure to Surrender Imprests in Due Time
10	2023/2024	Irregular Engagement of Casual Employees Beyond the Stipulated Period

Other Matter

Sustainability of the Project after the end of Donor Funding

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects an amount of Kshs.300,403 in respect of miscellaneous revenue, which includes sales of goods and services amounting to Kshs.246,903 in respect of sale of biscuits and rental income. The statement also reflects Project expenditure Kshs.8,447,770 and Kshs.17,609,633 in respect of employee costs and use of goods and services respectively totalling to Kshs.26,057,403. The Project was envisaged to officially close on 31 December, 2023. Although the Management has made concerted effort including registering “**Juster Food**” the brand for the product and the installation of a temperature-controlled room to facilitate mass production of cricket for commercialization purposes, the revenue reported in the financial statements remains low compared to the operating expenses being incurred casting doubt on the future sustainability of the Project without donor funding.

Further, Management stated that they have initiated development of on line self-paced short courses on cricket and black soldier flies farming and value addition in partnership with other donors, focused on revenue generation. However, no revenue was reported from this activity.

Without immediate action to address the financial gaps, there is a significant risk that the projects positive impacts will diminish over time.

My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information set out on page iv to xxxv which comprise of Project Information and Overall Performance, Statement of Performance against Project's Predetermined Objectives, Environmental and Sustainability Reporting and the Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project'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.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matters described in the Basis for Conclusion

Report of the Auditor-General on Africa Center of Excellence in Sustainable Use of Insects as Food and Feeds Project (IDA Credit No.5798-KE) for the year ended 30 June, 2025 - Jaramogi Oginga Odinga University of Science and Technology

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

Delay in Delivery of Project Motor Vehicles

The statement of financial position and as disclosed in Note 13 to the financial statements reflect a balance of Kshs.10,771,343 in respect of prepayments made for purchase of Toyota Hiace high roof bus and the ambulance as part of improving the infrastructure of the University.

However, review of the payment records and supporting documents revealed the following anomalies:

- a) On 15 May, 2025, a contract was signed between Jaramogi Oginga Odinga University of Science and Technology and M/S Isuzu for supply and delivery of an Isuzu minibus (diesel) 25-29 passenger at a contract price of Kshs.6,343,000. According to the negotiation minutes dated 4 March, 2025 between the University Management and the Contractor, it was agreed that an upfront payment of 50% be made by the procuring entity to initiate the body building aspect. It was also indicated that the minibus would be ready for collection after two (2) months once the LPO is issued and 50% payment made.

However, review of the payment records revealed that the Project took long to make the down payment after signing the contract agreement that is one and a half months later. No explanation was given to support the delay.

The advance payment of Kshs.3,117,801 or 50% was made on 4 July, 2025. During the audit exercise carried out on 17 September, 2025, it was noted that the van had not been delivered two months after the down payment was made.

- b) On 15 May, 2025, a contract was signed between Jaramogi Oginga Odinga University of Science and Technology and M/S CFAO Motors Kenya Limited for supply and delivery of a microbus ambulance 2400-2800cc at a contract price of Kshs.8,772,920 and the supply of microbus diesel 14 passengers at a contract price of Kshs.6,802,712.

According to the negotiation minutes dated 5 March, 2025 between the University Management and the Contractor it was agreed that an upfront payment of 50% be made by the procuring entity to commence assembling the ambulance structure. It was also indicated that it takes 45 days to put up an ambulance structure. The upfront payment of Kshs.4,310,831 or 50% was made on 4 July, 2025 and the forty-five days lapsed on 19 August, 2025. During the audit, one month later after the lapse of forty-five (45) days, it was noted that the ambulance and the microbus van had not been delivered. No explanation was given to justify the delay.

In the circumstances, value for money has not been realized from the down payments while management was in breach of the contract agreement.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by International Development Association (IDA), I report, based on my audit, that:

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

Basis for Conclusion

The Financing Grant Agreement requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

23 October, 2025

6. Statement of Financial Performance for the Year Ended 30th June 2025.

	Notes	2024-2025
		Kshs
Revenue		
Revenue Transfers	6	4,354,239
Miscellaneous Revenue	7	300,403
Total revenue		4,654,642
Expenses		
Employee costs	8	8,447,770
Use of goods and services	9	17,609,633
Depreciation & Amortization Expenses	10	19,597,356
Total expenses		45,654,759
Surplus/ (deficit)		(41,000,117)


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



Prof. Emily A. Akuno
 Vice Chancellor



Prof. Darius O. Andika
 Project Coordinator



CPA Maureen Bichii
 Ag. Chief Finance Officer
 ICPAK No: 8484



7. Statement of Financial Position as at 30th June 2025

	Note	2024-2025	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	11	208,203,667	241,022,771
Staff Imprest Debtors	12	-	2,071,912
Prepayments	13	10,771,343	
Total Current Assets		218,975,010	243,094,683
Non-Current Assets			
Property, Plant & Equipment	14	63,901,427	82,853,783
Total Non- Current Assets		63,901,427	82,853,783
Total Assets (a)		282,876,437	325,948,466
Liabilities			
Current Liabilities			
Deferred Income	15	66,834,329	68,906,240
Total Current Liabilities		66,834,329	68,906,240
Total Liabilities (b)		66,834,329	68,906,240
Net Assets (a-b)		216,042,108	257,042,225
Represented By:			
Accumulated Surplus		257,042,225	73,700,513
Deficit for the year		(41,000,117)	183,341,712
Total Net Assets		216,042,108	257,042,225

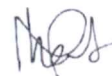
The financial statements were approved on 23rd September 2025 and signed by:



Prof. Emily A. Akuno
Vice Chancellor



Prof. Darius O. Andika
Project Coordinator



CPA Maureen Bichii
Ag. Chief Finance Officer
ICPAK No: 8484

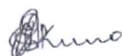


8. Statement of Changes in Net Assets

Description	Accumulated Surplus
	Kshs
As at 30th June 2024 (Cash Basis)	243,094,682
Adjustments:	
Asset Recognition	82,853,783
Liabilities recognition	(68,906,240)
As at 1st July 2024	257,042,225
Surplus/(Deficit) for the year	(41,000,117)
As at 30th June 2025	216,042,108

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

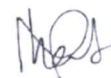
The financial statements were approved on 23rd September 2025 and signed by:



Prof. Emily A. Akuno
 Vice Chancellor



Prof. Darius O. Andika
 Project Coordinator



CPA Maureen Bichii
 Ag. Chief Finance Officer
 ICPAK No: 8484



9. Statement of Cashflow for the year ended 30th June 2025

Description	2024-2025	
	Note	KShs
Cash flow from operation activities		
Proceeds from domestic and foreign grants	6	4,354,239
Miscellaneous Revenue	7	300,403
Total Receipts		4,654,642
Payments for operating activities		
Compensation of employees	8	8,447,770
Purchase of goods and services	9	17,609,633
Total Payments		26,057,403
Net cash flow from operating activities		(21,402,761)
Cash flow from investing activities		
Acquisition of non-financial assets	14	(645,000)
Deposit for Motor Vehicle	13	(10,771,343)
Net Cash flows from Investing Activities		(11,416,343)
Net increase/Decrease in cash and cash equivalents		(32,819,104)
Cash and cash equivalent at 1st July 2024		241,022,771
Cash and cash equivalent at 1st July 2025	11	208,203,667



10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods		241,022,771	241,022,771	46,534,000	194,488,771	19%
Receipts						
Revenue Transfers	1,000,000	-	1,000,000	4,354,239	(3,354,239)	435%
Miscellaneous Revenue	100,000	-	100,000	300,403	(200,403)	300%
Total Revenue	1,100,000	241,022,771	242,122,771	51,188,642	190,934,129	21%
Payments						
Employee costs	31,747,568	-	31,747,568	8,447,770	23,299,798	27%
Use of goods and services	171,222,854	-	171,222,854	17,609,633	153,613,221	10%
Acquisition of non-financial assets	39,152,350	-	39,152,350	11,416,343	27,736,007	29%
Total Payments	242,122,772	-	242,122,772	37,473,746	204,649,026	15%
Surplus	(241,022,771)	241,022,771	0	13,714,896	(13,714,896)	

Explanation

1. The final budget figure on transfers from Government entities of Kshs. 242,122,771 is made up of Kshs. 241,022,771 brought forward from the previous financial year and Kshs 1,100,000 that had been projected to be received during the financial year.
2. The Center received more foreign grants as a result of more MOUs that had been signed in the previous year but whose funds were remitted in the current financial year. Other funded grants receive the funds in tranches and amounts reflected is the tranches received in the year.
3. The farm Manager was absorbed by the University thus his remunerations being catered for by the University. This resulted to low expenditure on the employee compensation.
4. The Center only did 50% down payment for the purchase of Toyota Hace High roof, 4*2 bus and Toyota Hace Ambulance.



11. Notes to the Financial Statements

1. General Information

Africa Center of Excellence in Sustainable Use of Insects as Food & Feeds is established by and derives its authority and accountability from Public Finance Management Act. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity’s principal activity is Research and Innovation.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33, and therefore these 1st year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the Center has taken advantage of the transition provisions outlined in IPSAS 33. The Center of Excellence is transitioning to comply with its reporting from Cash Basis to Accrual reporting.

These financial statements were authorized for issue by the accounting officer on 3rd September, 2025

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees</p>



Standard	Effective date and impact:
	<p>and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>(The Center does not have any leases hence this standard has no impact on its financial statements)</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>(The Center does not hold any non-current assets for sale hence this standard has no impact on its financial statements).</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>(The Center does not have heritage assets hence this standard has no impact on its financial statements)</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>



Standard	Effective date and impact:
	<p>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>(The Center shall apply the standard as and when it becomes applicable)</i></p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>(The Center shall apply the standard as and when it becomes applicable)</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>(The Center shall apply the standard as and when it becomes applicable)</i></p>



Standard	Effective date and impact:
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>(The Center does not have Retirement Benefit Plans hence this standard has no impact on its financial statements)</i></p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>(The Center does not have mineral resources hence this standard has no impact on its financial statements)</i></p>

iii) Early adoption of standards

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



4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

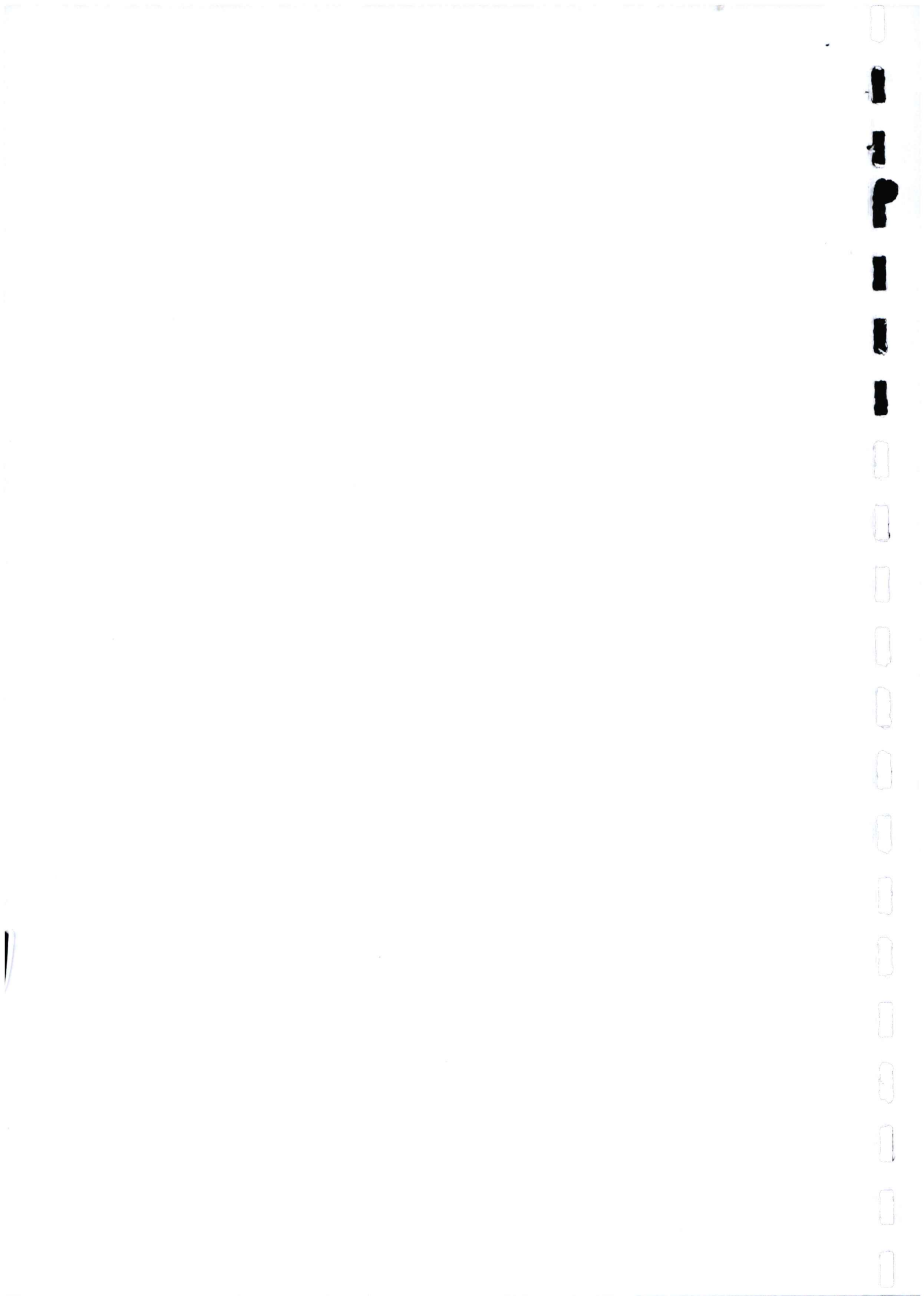
ii) Revenue from exchange transactions

Sale of Goods

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

b) Budget information

The original budget for FY 2024/2025 was approved by the Council or Board on *30th May, 2025*. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals to conclude the final budget. Accordingly, the entity did not record additional appropriations. The entity's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for



differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

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 or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Research and development costs

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

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

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



Notes to the financial statements

e) Financial instruments

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

Financial assets

Classification

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



Notes to financial statement

Subsequent measurement

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

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

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



Notes to the financial statements

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

f) Provisions

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

Contingent liabilities

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

Contingent assets

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

g) Changes in accounting policies and estimates

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



Notes to the financial statements

h) Foreign currency transactions

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

i) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

k) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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



Estimates and assumptions.

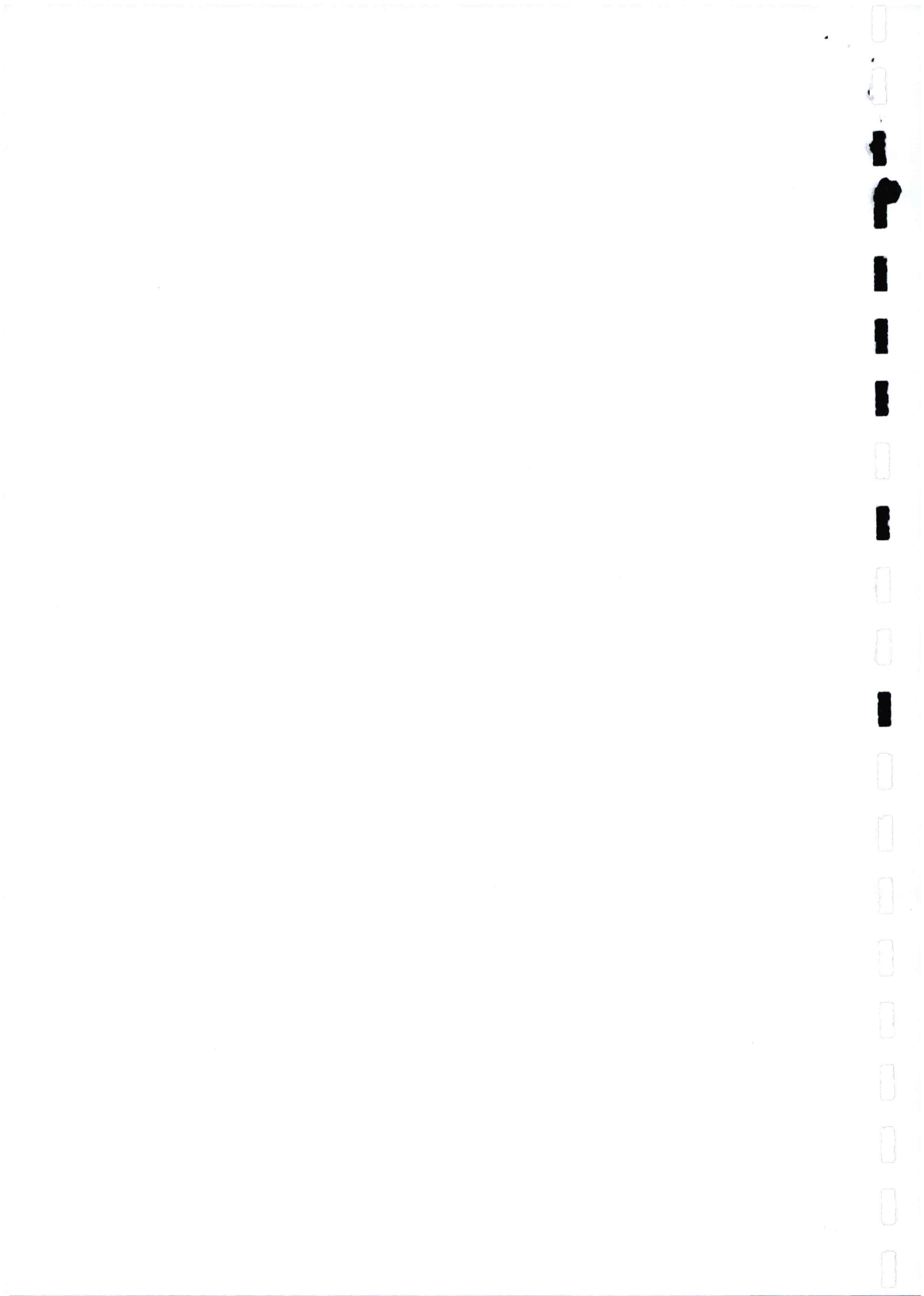
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Notes to the financial statements

Useful lives and residual values

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

- The condition of the asset based on the assessment of experts employed by the *Entity*.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset



6. Revenue Transfers

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred	Amount moved to Capital fund	Total transfers (Current FY)
	Kshs	Kshs	Kshs	Kshs
The Michael J. Fox Foundation	3,603,525	3,603,525	-	3,603,525
Goteborgs University	212,014	212,014	-	212,014
Goteborgs University	538,700	538,700	-	538,700
Subtotal	4,354,239	4,354,239	-	4,354,239
Deferred Income realized	-	-	-	-
Transfers in Kind	-	-	-	-
Total	4,354,239	4,354,239	-	4,354,239

7. Miscellaneous revenue

Description	FY 2024/25
	Kshs
Sale of goods and services	246,903
Other Tuition Fees Charges	50,000
Application fees	3,500
Total	300,403

8. Employees Costs

Description	FY 2024/25
	Kshs
Basic salaries of permanent employees	8,146,630
Basic wages of temporary employees	259,205
Compulsory national social security schemes	41,935
Total	8,447,770



9. Use of Goods and Services

Description	FY 2024/2025
	Kshs
Utilities, supplies and services	203,000
Domestic travel and subsistence	4,072,651
Foreign travel and subsistence	1,493,996
Printing, advertising and information supplies & services	135,010
Training expenses	282,000
Exhibition Expenses	493,400
Finance Cost	21,313
Specialized materials and services	1,330,201
Other operating expenses	1,122,050
Research Expenses	8,202,373
Routine maintenance	78,640
Students Research Funds Expenses	170,000
Graduation Expenses	5,000
Total	17,609,634

10. Depreciation and Amortization expense

Description	FY 2024/25
	Kshs
Motor Vehicles	1,248,750
Furnitures & Fittings	632,584
ICT Equipment	7,579,881
Equipments	9,884,761
Textbooks	251,380
Total	19,597,356

11. Cash and Cash Equivalents

Description	2024-2025	1 st July 2024
	Kshs	Kshs
Cash in Bank	208,203,667	241,022,771
Total Cash and Cash Equivalents	208,203,667	241,022,771

Project Bank Accounts

Details	2024-2025	1 st July 2024
	Kshs	Kshs
Local Currency Accounts		
Equity Bank Account No. 0750271748376	208,203,667	241,022,771
Total bank account balances	208,203,667	241,022,771



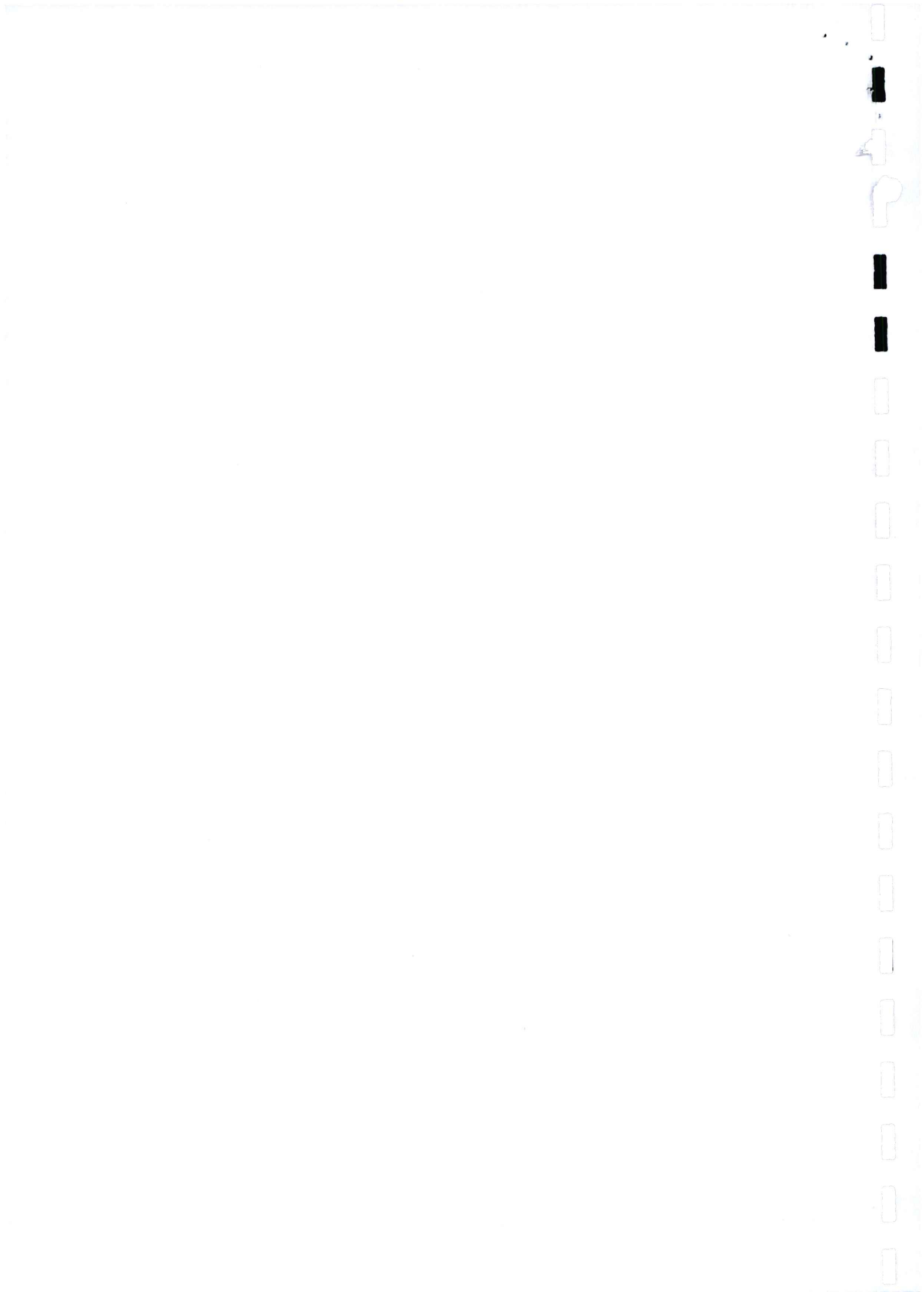
12. Staff Imprest

Description	Insert Current FY	1 st July 2024
	Kshs	Kshs
Outstanding Imprest	-	2,071,912
Total Prepayment	-	2,071,912

13. Prepayments

Description	Insert Current FY	1 st July 2024
	Kshs	Kshs
Motor Vehicle Deposit	10,771,343	-
Total Prepayment	10,771,343	-

The Center paid Kshs 10, 771,343 being 50% down payment for the purchase of Toyota Hiace High roof, 4*2 bus and Toyota Hiace Ambulance.



14. Property, Plant and Equipment

Cost	Motor Vehicles	Furniture & Fittings	ICT Equipment	Equipment	Textbooks	Total (Kshs)
Depreciation Rate	25%	12.5%	33.30%	20%	20%	
As at 1 July 2024	4,995,000	5,060,670	22,117,405	49,423,807	1,256,901	82,853,783
Additions	-	-	645,000	-		645,000
Disposals	-	-	-	-		-
Transfers/Adjustments	-	-	-	-		-
As at 30 June 2025	4,995,000	5,060,670	22,762,405	49,423,807	1,256,901	83,498,783
						-
As at 1 July 2024	-	-	-	-		-
Depreciation Charge for the Year	1,248,750	632,584	7,579,881	9,884,761	251,380	19,597,356
Impairment Loss	-	-	-	-		-
As at 30 June 2025	1,248,750	632,584	7,579,881	9,884,761	251,380	19,597,356
						-
As at 1 July 2024	4,995,000	5,060,670	22,117,405	49,423,807	1,256,901	82,853,783
As at 30 June 2025	3,746,250	4,428,086	15,182,524	39,539,046	1,005,521	63,901,427



Notes to the financial statements

15. Deferred Income

Description	2024-2025
	Kshs
African Population and Health Research Center	10,111,446
University of Gothenburg	1,880,318
National Research Fund-SA	3,352,950
University of Southampton	9,987,334
World Health Organization	1,808,806
National Research Funds	22,319,311
The Michael Fox Foundation	16,250,205
Africa Research Excellence	747,864
University of Warwick	376,095
Total Deferred Income	66,834,329

16. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the *Entity*, both domestic and external. **Events after the Reporting Period**

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

17. Ultimate And Holding Entity

The *Entity* is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of xxx. Its ultimate parent is the Government of Kenya.

18. Currency

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



1. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Unsupported Field activities under research expenses	Requisite requisition letters and the related field registers supporting the expenditures were attached for review	Resolved	N/A
2.	Budgetary Control and Performance	Late receipt of funds thus hindering the center to execute its planned activities: purchase of bus and renovation	Resolved	N/A
3.	Low Absorption of Public Funds	Funds were received late in the financial year and could not be utilized in the current financial year, and hence they were re-budgeted for in the Financial Year 2024/2025.	Resolved	N/A
4.	Non-Project Related Expenditure	The Project Director approved the expenditure and confirmed availability of funds for the exercise vide an email dated 7 th August, 2023	Resolved	N/A
5.	Non-Compliance with Procurement Procedures on Request for Quotation	The Center obtained competitive quotations from various travel agents that formed the basis of the awards for procurement of air tickets (Procurement documents provided). The procurement of air tickets is unique as prices appreciate quite frequently with the approach of the departure date and time.	Resolved	N/A



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Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
6.	Irregular Use of Direct Procurement Method	We have attached the professional opinion on this procurement as evidence that there was no direct procurement.	Resolved	N/A
7.	Cash Procurements Beyond Allowable Limits	The amount of the materials required for the implementation of the project are minimal in amount and hence not able to be supplied under procurement processes necessitating the request for approval to use imprest for such purchases to achieve the project objectives as per the work plans	Resolved	N/A
8.	Failure to Surrender Imprests in Due Time	All the imprests that were outstanding as at the end of the period were all fully surrendered	Resolved	N/A
9.	Irregular Engagement of Casual Employees	The employees cited in the report were given fixed term contracts, which were renewed in accordance with the terms of the contracts that allowed renewals. This is in line with Section 35(1)(c) and 37(3) of the Employment Act, 2007	Resolved	N/A



Prof. Emily A. Akuno
 Vice Chancellor



Prof. Darius O. Andika
 Project Coordinator



Annex 4: Other Support Documents

- i.Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii.Bank Reconciliations statement as at 30th June 2025
- iii.Board of Survey Report
- iv.Special Deposit Account(s) reconciliation statement(s)

