

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY

REPORT

DATE: 17 APR 2024

WEN

Hon Naom Wago, mp
Deputy majority whip

Parlays

TABLE

MEMBERS OF THE TABLE

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

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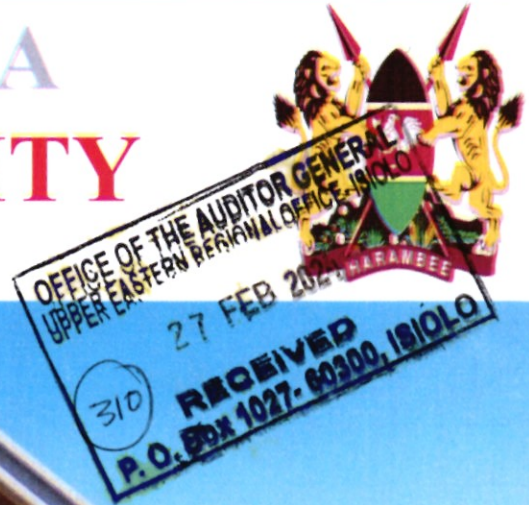
LAIKIPIA UNIVERSITY

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





LAIKIPIA UNIVERSITY



Annual Report & Financial Statements for the Year Ended 30th June 2023

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

(SEPTEMBER, 2023)



Laikipia University is ISO 9001:2015 and ISO/IEC 27001:2013 Certified



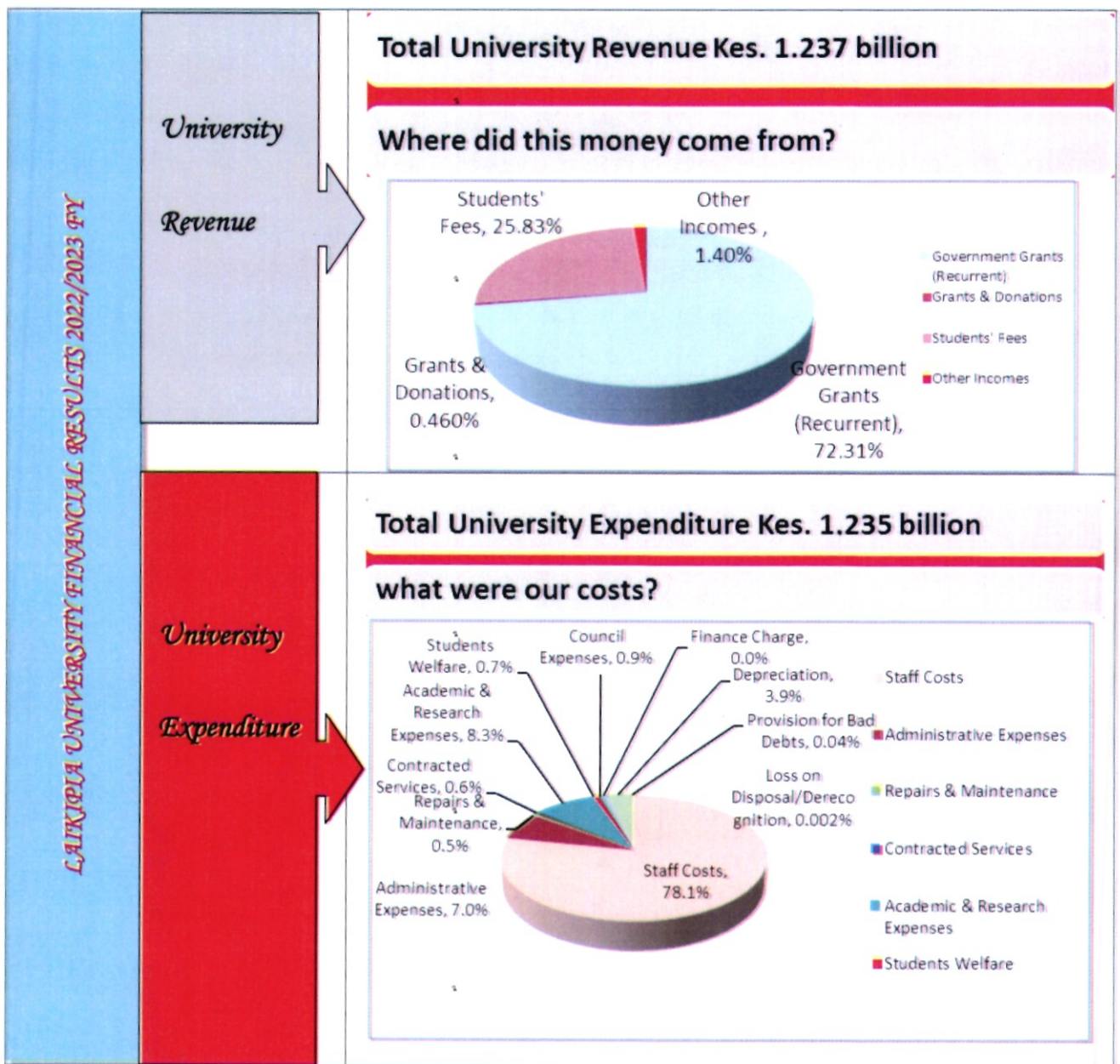
LAIKIPIA UNIVERSITY
P.O. BOX 10500 - 20100 NAIROBI
KENYA



FOREWORD

Laikipia University (LU) is a body corporate established through the Laikipia University Charter of 19th February 2013. As the University continues to grow in leaps and bounds, there is need to give full disclosures to the Government, staff and other stakeholders in line with principles of good governance and statutory mandate.

This Annual Report highlights major achievements in the programmes and activities in line with the core mandate of research, education, scholarship, training, innovation, outreach and consultancy. The Report provides a factual presentation of the University’s activities for the year ended 30th June, 2023. The Report also contains financial statements of the University and discloses the most important items within Income, Expenses, Assets, Liabilities and Reserves.



ABOUT US

Laikipia University was founded in 1929 as a primary school by William Thomas Alfred Levet. Between 1965 and 1970, the Institution served as a Large-Scale Farmers Training College (LSFTC). The LSFTC was administered by the Ministry of Agriculture and Animal Husbandry. In October 1979, it was converted into an Animal Husbandry and Industry Training Institute (AHITI) offering a two-year course leading to a Certificate in Animal Health. In 1990, Laikipia University was established as a Campus of Egerton University. It remained a campus of Egerton University between 1990 till 2010 offering BEd. Arts courses. In 2011 it became a Constituent University College of Egerton University until 19th February, 2013.

Laikipia University was awarded Charter on 19th February, 2013 by the then President of the Republic of Kenya; his Excellency Hon. Mwai Kibaki. This made the institution be a fully-fledged University.



Award of Charter (19th February, 2013)

Currently, the University has four (4) schools offering various programmes. The schools are;

- ❖ School of Education (SoE),
- ❖ School of Science and Applied Technology (SSAT),
- ❖ School of Business and Economics (SoBE) and
- ❖ School of Humanities and Development Studies (SHDS)

FUNDAMENTAL UNIVERSITY STATEMENTS

FUNDAMENTAL UNIVERSITY STATEMENTS

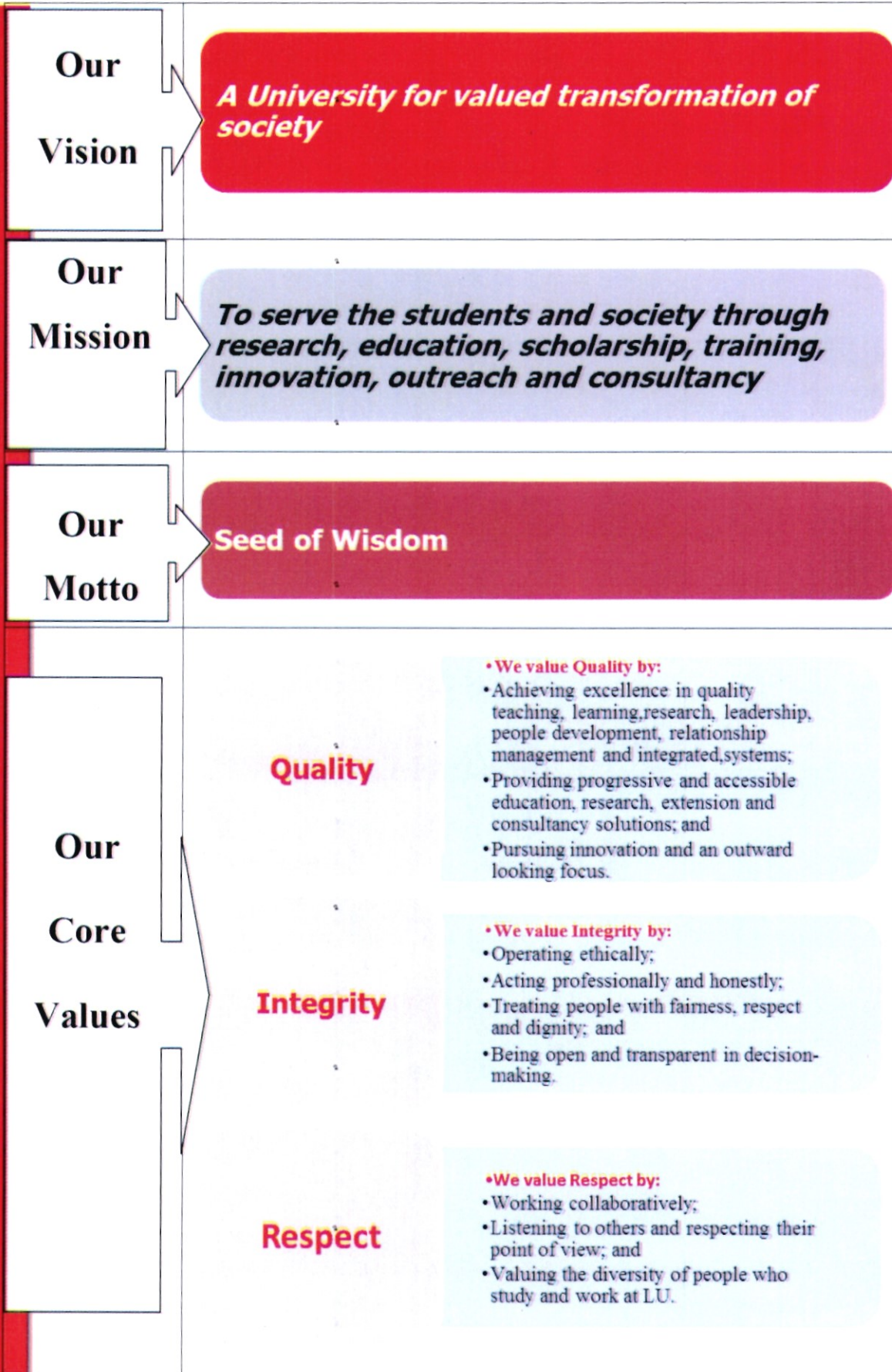


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ACRONYMS, ABBREVIATIONS AND GLOSARY OF TERMS

a. Acronyms and abbreviations

AHITI	Animal Husbandry and Industry Training Institute
AIA	Appropriation-In-Aid
AMPATH	Academic Model Providing Access to Healthcare
BBA	Bachelor of Business Administration
BECF	Basic Education Curriculum Framework (BECF).
BMI	Body Mass Index
CA	Current Assets
CBC	Competency Based Curriculum
CBK	Central Bank of Kenya
CBS	Chief of the Order of the Burning Spear
CDC	Centers for Disease Control and Protection
CEO	Chief Executive Officer
CIAT	Alliance for Biodiversity and International Centre for Tropical Agriculture
CIFA	Certified Investment and Financial Analysts
CL	Current Liabilities
CPA	Certified Public Accountant
CPS	Certified Public Secretaries
CSR	Corporate Social Responsibility
DVC (AFP)	Deputy Vice Chancellor, Administration, Finance & Planning
DVC (ARSA)	Deputy Vice Chancellor, Academic Research and Students Affairs
EBS	Elder of the Order of the Burning Spear
ECDE	Early Childhood Development Education
ERP	Enterprise Resource Planning
FY	Financial Year
GIS	Geographical Information Systems
GNSS	Global Navigation Satellite Systems
GSSP	Government Sponsored Students Programme
HR	Human Resource
ICPAK	Institute of Certified Public Accountants of Kenya
ICRAF	International Council for Research in Agroforestry
ICT	Information & Communications Technology
IEC	International Electro-technical Commission



IGUs	Income Generating Units
IMS	Integrated Management System
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
IPUCCF	Inter-Public Universities Council Consultative Forum
ISMS	Information Security Management System
ISO	International Organization for Standardization
JKUAT	Jomo Kenyatta University of Agriculture & Technology
KBC	Knowledge Based Curriculum
KCB	Kenya Commercial Bank of Kenya
KEBS	Kenya Bureau of Standards
KIM	Kenya Institute of Management
KNEC	Kenya National Examinations Council
KRA	Kenya Revenue Authority
LAN	Local Area Network
LSFTC	Large-Scale Farmers Training College
LU	Laikipia University
LUSA	Laikipia University Students Association
MBA	Master of Business Administration
MBS	Moran of the Order of the Burning Spear
MoE	Ministry of Education
MPIDO	Mainyoito Pastoralists Integrated Development Organization
MSc	Master of Science
NACOSTI	National Commission for Science, Technology and Innovation
NCDS	Non-Communicable Diseases
NG-CDFs	National Government-Constituency Development Funds
NGO	Non-Government Organization
NSSF	National Social Security Fund
OAG	Office of the Auditor General
OP	Office of President
OPAC	Online Public Access Catalog
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PhD	Doctor of Philosophy



PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
PSSP	Privately-Sponsored Students Programme
QMS	Quality Management System
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
SCAC	State Corporation Advisory Committee
SDGs	Sustainable Development Goals
SDHE&R	State Department for Higher Education and Research
SHDS	School of Humanities and Development Studies
SoBE	School of Business and Economics
SoE	School of Education
SSAT	School of Science and Applied Technology
STI	Science, Technology & Innovation
TNT	The National Treasury
TVET	Technical, Vocational education and training
UK	United Kingdom
UNEP	United Nations Environment Programme
UNV	United Nations Volunteers
UoN	University of Nairobi
USA	United States of America
VC	Vice Chancellor

b. Glossary of Terms

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

Comparative Year- Means the prior period.

The University - Refers to Laikipia University

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KEY ENTITY INFORMATION

a) Background Information

Laikipia University is a body corporate established through the Laikipia University Charter of 19th February, 2013. The University is located in Laikipia County, along the Nyahururu-Nakuru Highway. It is situated approximately 11KM from Nyahururu town and 50KM from Nakuru town. Laikipia University has one Campus, with a total enrolment of approximately 6,000 students

b) Principal Activities

The principal activity of the University is as stipulated in the Laikipia University Charter of 19th February, 2013 Part II Sec 7(1) which provide directly, or in collaboration with other institutions, integration of teaching, research and effective application of knowledge and skills.

c) Key Management

Laikipia University organs and their functions are anchored in the University Charter of 2013. The main management organs of the University are;

1. University Council
2. Vice Chancellor
3. University Management Board
4. University Senate

d) Fiduciary Management

The key management personnel who held office during the financial period ended 30th June, 2023 and who had direct responsibility were;

S/No.	Designation	Name
1	Vice Chancellor	Prof. Kibett Rotich, PhD
2	Ag. Deputy Vice Chancellor (ARSA)	Prof. Jacinta Ndambuki, PhD
3	Ag. Deputy Vice Chancellor (AF&P)	Prof. Nicholas Kamau, PhD
4	Registrar, Academics Affairs	Prof. Robert Mwebi, PhD
5	Registrar (A&HC)	Dr. Hezron N. Nyamwega, PhD
6	Finance Officer	CPA. Geoffrey K. Langat
7	Ag. Senior Procurement Officer	Ms. Violet Mideva

e) Fiduciary Oversight Arrangements

Laikipia University has the following fiduciary oversight arrangements;

(i) Internal Audit Function

Functions of Internal Audit include and not limited to verification and review of periodic financial statements and expressing an opinion on whether they represent the

true financial position of the University before the accounts are submitted to other users.

(ii) Audit, Governance & Risk Management Committee of Council

The Committee reviews financial statements before submission to the University Council focusing on changes of accounting policies, compliance with legal requirements and strengthening the effectiveness of the internal audit function.

(iii) Public Investment Committee (PIC) of National Assembly

The University submits annual audited financial statements to the Public Investment Committee of National Assembly for deliberation and oversight on whether the funds were applied to the intended purpose.

f) Entity Headquarters

Laikipia University
P. O. Box 1100-20300
Nyahururu
Along Nyahururu -Nakuru Road

g) Entity Contacts

TEL: +254-(0) 20 2696596;
Cell: +254 713-552761/ (0)736-299961
www.laikipia.ac.ke

h) Laikipia University Bankers

- | | | |
|--|--|--|
| (i) KCB Bank Kenya Limited
Nyahururu Branch
P.O.Box 64-20300
NYAHURURU | (ii) KCB Bank Kenya Limited
Nakuru Branch
P.O. Box 18-20100
NAKURU | (iii) Equity Bank
Nyahururu Branch
P.O. Box 1048-20300
NYAHURURU |
| (iv) Co-operative Bank of Kenya
Nyahururu Branch
P.O.Box 307-20300
NYAHURURU | (v) Co-operative Bank of Kenya
Nakuru Branch
P.O.Box 2982-20100
NAKURU | |

i) Independent Auditors

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

j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
NAIROBI

LAIKIPIA UNIVERSITY COUNCIL



Name: Dr. Ken Nyaundi
Position: Chairman of Council

DoB: 03/01/1967

Date of

Appointment:
10/03/2017 to
09/03/2023

Key Responsibilities

Served as Chairperson of the University Council and Staff Appointment Committee of Council.

Qualification

Dr. Ken Nyaundi is a holder of PhD in International Law from the University of Cape Town in South Africa; Master of Laws in Public International Law from University of Cape Town in South Africa; Bachelor of Laws from University of Nairobi (UoN) and Legal Practice from the Kenya School of Law.

Work Experience

Dr. Nyaundi works as a Partner in the Marende and Nyaundi Associate and as an Advocate of the High Court of Kenya. Also served in the Chief Justice's Mediation Accreditation Committee; Director at a leading arbitration centre in South Africa; Member of the National Land Commission's Task Force; Commissioner with the defunct Interim² Independent Electoral Commission; Auditor of the results of Kenya's 2013 election results; Member of the South-South Centre taskforce; Chairman of Kituo Cha Sheria and the International Commission of Jurists, Kenya Chapter.



Name: Dr. Moses Siruri Marwa,
Position: Independent Member

DoB: 15/02/1984

Date of

Appointment:
10/03/2017 to
09/03/2023

Key Responsibilities

Served as Chairman of the Finance, Investment and General Purposes and a member to Human Resource Management Committee of Council.

Qualification

Dr. Moses Marwa is a holder of PhD from Kenyatta University; Master of Science (MSc) in Human Resource Management from Jomo Kenyatta University of Agriculture and Technology and Bachelor of Science in Agricultural Education and Extension from University of Nairobi.

Work Experience

Dr. Marwa served as a Corporate Relationship Manager in the Manufacturing Sector at Kenya Commercial Bank of Kenya (KCB); Corporate Banker (Managerial Level) at KCB Corporate Division and Lecturer and Marketer at Skynet Business College Nairobi.



Name: Ruth Adhiambo Okowa

Position: Independent Member

DoB: 04/02/1971

Date of Appointment: 10/03/2017 to 09/03/2023

Key Responsibilities

Served as Chairperson of the Human Resource Management and a member of the Finance, Investment and General Purposes and Academic and Research Committees of Council.

Qualification

Ms. Ruth Okowa is a holder of Master of Arts in Demography from the University of Nairobi (UoN) and Bachelor of Arts in Demography from the University of Nairobi (UoN).

Work Experience

Served as Regional Director, Africa for BRAC International; a member, MRAC International Board; Regional Vice-President, Africa Living Water International and Country Director, SOS Children's Village Kenya.



Name: CPA. David Namu Kariuki

Position: Independent Member

DoB: 15/08/1966

Date of Appointment: 10/03/2017 to 09/03/2023

Key Responsibilities

Served as Chairperson of the Audit, Governance and Risk Management and a member of the Academic and Research Committees of Council.

Qualification

CPA. David Kariuki is a holder of Master of Business Administration (MBA) in Strategic Management from the University of Nairobi; Bachelor of Commerce from University of Nairobi; Certified Public Accountant, CPA(K) and Certified Public Secretary, CPS(K).

Work Experience

Mr Namu served at the Director in charge of Finance and Administration at Assured Management Solutions Limited; a Financial Controller at Agro-Chemicals and Food Company Limited and a Financial Controller at Nairobi Safari Club and Sarova Hotels.



Name: Mr. Sammy Oleku

Position:
Independent Member

DoB: 22/11/1970

Date of

Appointment:

24/04/2019 to

09/03/2023

Key Responsibilities

Served as a member of the Audit, Governance and Risk Management and Human Resource Management Committees of Council.

Qualification

Mr. Sammy Oleku is a holder of Master of Business Administration in Strategic Management from Moi University; Bachelor of Business Administration (BBA) from Moi University; Bachelor of Arts from Moi University; Higher Diploma in Business Administration and Management from Kenya National Examinations Council (KNEC); Diploma in Management of NGOs from Kenya Institute of Management (KIM) and Diploma in Business Administration and Management from KNEC.

Work Experience

Mr. Oleku worked as the Chief Executive Officer (CEO) with Pastoralists for Water and Environmental Research; Project Coordinator for Holistic Management Project, World Vision - Kenya; Project Coordinator, Rain Water Harvesting – UNEP/ICRAF and Food Relief Coordinator – MPIDO.



Name: Dr. Margaret Maimba

Position:
Independent Member

DoB: 22/11/1970

Date of

Appointment:

04/11/2020 to

23/05/2023

Key Responsibilities

Served as Chairperson of the Academic and Research and member of the Audit, Governance and Risk Management Committees of Council.

Qualification

Dr. Margaret Maimba is a holder of PhD in Planning from the University of Nairobi (UoN); Master of Science in Geochemistry from University of Leeds-United Kingdom; Bachelor of Science in Geology and Chemistry from the University of Nairobi.

Work Experience

Dr. Margaret served as Head of Environment and Earth Science Schedule in the National Commission for Science, Technology and Innovation (NACOSTI); Head of Environment and Earth Science Schedule in the Ministry of Education, National Council for Science and Technology (NCST); Chief Science Secretary in Ministry of Education; Geologist in Ministry of Environment and Natural Resources and Geochemist in Ministry of Energy.



Name: Dr. Lemein Korei,
PhD

Position: Chairman of
Council

DoB: 27/12/1971

Date of Appointment:
15/12/2023

Key Responsibilities

Serving as Chairman of Council.

Qualification

Dr. Lemein Korei, PhD is a holder of PhD in Business (Entrepreneurship Development) from Kenyatta University; Master of Science (Entrepreneurship and Innovations Management) from University of Nairobi; Masters in Business Administration (Finance Option) from Canadian School of Management, South Asia; Master of Commerce Business Studies from Shivaji University and Bachelor of Commerce from Karnatak University.

Work Experience

Dr. Lemein Korei served as Member of Parliament in Narok South Constituency, Kenya National Assembly; Member of Parliament Committees; Lecturer at Moi University; Financial Controller at Moi Teaching and Referral Hospital; FOSA Manager in Narok Teachers Savings and Credit Cooperative.



Name: Dr. CPA.
Charles Anyanga
Malalah

Position:
Independent Member

DoB: 28/01/1966

**Date of
Appointment:**
23/05/2023

Key Responsibilities

Serving as Chairman of the Finance, Investment and General Purposes and a member of Human Resource Management Committees of Council.

Qualification

Dr. CPA. Charles Anyanga Malalah is a holder of Doctorate of Jurisprudence (Law), North Carolina Central University – USA; MBA from North Carolina Central University- USA; BSc in Accounting from William Paterson University – USA; Diploma in Law from Kenya School of Law and a Certified Public Accountant (CPA), Licensed in the Commonwealth of Virginia.

Work Experience

Dr. CPA. Malalah serves as a Professional Law Practitioner at Malalah and Company Advocates. He also served as Director – Corporate Communication and Legal Affairs at Mt. Kenya University; Director, Mt. Kenya University; Academic Registrar at Mt. Kenya University Parklands School of Law Campus; acting Vice Chancellor, International University of Professional Studies (IUPS); Deputy Vice Chancellor (Finance and Administration), IUPS; Senior Lecturer at Mt. Kenya University; General Manager/CEO at Sururban Maryland Water and Sanitation Commission; Director (Finance, Administration and Legal Affairs) Sururban Maryland, Water and Sanitation Commission; Finance Controller (Accounting and Revenue/Chief Internal Auditor), GTSI, Inc. Chantilly, VA; Director (Accounting, Revenue and Reporting) XM Satellite Radio, Inc. Washington, DC; Senior Accountant (International GL Accountant) World Space Management Corporation, Washington, DC and Revenue Accountant at The Nasdaq Stock Market, Inc. Princeton.



Name: Mr. Paul Kiplagat Bore

Position: Independent Member

DoB: 01/01/1965

Date of Appointment: 23/05/2023

Key Responsibilities

Serving as Chairman of the Audit, Governance, Compliance and Risk Management and a member of Academic and Research Committees of Council.

Qualification

Mr. Paul Kiplagat Bore is a holder of Master of Business Administration from Cavendish University, Zambia; Master of Science in Appropriate Technology from Kenyatta University and Bachelor of Science in Technology from University of Eastern Africa, Baraton.

Work Experience

Mr. Bore served as Transport Supervisor/Manager – Kenutco Llc, Fort Worth, Texas; General Manager, Family Distributors Limited, Lusaka Zambia; Sales and Marketing Director, Natural Valley Limited, Lusaka Zambia; Director (Marketing and Operations), Kobil Zambia Limited; Business Development Manager, Kobil Petroleum Limited; Operations Manager, Mid-Oil Africa Limited; Retail Sales Supervisor, Kobil Petroleum Limited; Sales Representative, Kobil Petroleum Limited and Lecturer at Rift Valley Technical Training Institute – Eldoret.



Name: Ms. Marie Njeri Mugo

Position: Independent Member

DoB: 17/06/1967

Date of Appointment: 23/05/2023

Key Responsibilities

Serving as Chairperson of the Academic and Research and a member of Audit, Governance, Compliance and Risk Management Committees of Council.

Qualification

Ms. Marie Njeri Mugo is a holder of Master of Arts from University of Nairobi (Gender and Development); Bachelor of Arts from Kenyatta University and Diploma in Education, Kenyatta University.

Work Experience

Ms. Mugo served as Gender Technical Advisor, Mepserve Africa Limited; Chief Officer, Youth Affairs, Sports and Communication - County Government of Kiambu; Youth, Women and Persons with Disabilities Enterprise Development Fund Administrator - County Government of Kiambu.



Name: Ms. Sereya Beatrice Maitoyo

Position: Independent Member

DoB: 07/06/1977

Date of Appointment: 23/05/2023

Key Responsibilities

Serving as Chairperson of the Human Resource Management and a member of Finance, Investment and General Purposes Committees of Council.

Qualification

Ms. Sereya Beatrice Maitoyo is a holder of Master of Arts in Intercultural Studies MAICS, Fuller Theological Seminary, Pasadena, California, USA and Bachelor of Arts in Community Development and Business Administration, Daystar University.

Work Experience

Ms. Maitoyo served as Gender Specialist Consultant for Mainyoto Pastoralist Integrated Development Organisation (MPIDO); Vice Chairperson, Plan Implementation Committee, Maasai Mara National Reserve; Independent Trustee, Kenya Wildlife Services (KWS) Board of Trustees; Independent Consultant, Kenya; Consultant, Advocacy and Child Protection, World Vision, South Africa; Life Skills Trainer at Oasis South Africa (Green Light Project); Research Assistant, Fuller Theological Seminary, Children at Risk Department, Los Angeles, California; Part time Consulting at World Vision International, Policy and Advocacy Department, Los Angeles, California; Community Capacity Building Manager, Child Fund International, Kenya; Programme Officer, Mainyoto Integrated Development Organisation (MPIDO), Kenya and UNV Electoral Observer, UNDP, Kenya.



Name: Dr. Frank Ndakala

Position: Alternate Director - PS, SDHE&R- Ministry of Education

DoB: 1974

Date of Appointment: 01/10/2021

Key Responsibilities

Serving as a member of the Finance, Investment and General Purposes, Human Resource Management and Risk Management Committees of Council.

Qualification

Dr. Frank Ndakala is a holder of PhD from University of Nairobi; Masters of Science from the University of Nairobi and a Postgraduate Diploma from of Edinburgh, Scotland.

Work Experience

Dr. Ndakala served as an Assistant Director, State Department for Higher Education and Research (SDHE&R), Ministry of Education (MoE); Project Lead and Principal Investigator for Pfizer Quality Improvement project on hospital treatment programmes in Kenya; Researcher at National, regional and international levels; Board of Management in three (3) National Public Institutions and one University Council.



Name: Mr. Joseph Kiarri

Position: Alternate Director - PS., National Treasury and Economic Planning

DoB: 29/09/1966

Date of Appointment: 30/09/2019

Key Responsibilities

Serving as a member of the Finance, Investment and General Purposes, Audit, Governance and Risk Management Committees of Council.

Qualification

Mr. Joseph Kiarri is a holder of Bachelor of Commerce in Accounting Option from the University of Nairobi (UoN) and a Certified Investment and Financial Analysts (CIFA).

Work Experience

Mr. Kiarri served as a Director Portfolio Management and Public Investments, The National Treasury and Economic Planning and worked as a Certified Investment and Financial Analyst.



Name: Prof. Kibett Rotich

Position: Vice Chancellor and Council Secretary

DoB: 11/02/1958

Date of Appointment: 12/06/2018

Key Responsibilities

Secretary to the Council and following Committees of Council: Finance, Investment and General Purposes; Human Resource Management; Academic and Research.

Qualification

Prof. Kibett Rotich is a holder of: PhD in Mathematics from Shanghai University of Science and Technology; Master in Business Administration from Jomo Kenyatta University of Science and Technology; Post Doctorate in Medical Informatics from Indiana University – USA; Master of Science in Statistics from the University of Southampton – UK and Bachelor of Science in Mathematics and Statistics from University of Nairobi.

Work Experience

Prof. Rotich is the Vice Chancellor, Laikipia University. Prior, he served as the Deputy Vice Chancellor (Administration and Finance) at Masinde Muliro University of Science and Technology; Deputy Principal (Academic and Student Affairs) at Rongo University College; acting Principal Garissa University College; acting Principal at Kabianga Campus; Dean, School of Public Health at Moi University; Professor of Biostatistics at Moi University; Statistician CDC Entebbe Uganda and a consultant Biostatistician for Academic Model for Providing Access to Health Care (AMPATH).

UNIVERSITY MANAGEMENT BOARD



Name: Prof. Joseph

Kibett Rotich

Position: Vice
Chancellor and Council
Secretary

DoB: 11/02/1958

Date of Appointment:
12/06/2018

Key Responsibilities

Serving as the University Chief Executive Officer/Vice Chancellor and the Chairman of the University Management Board and University Senate.

Qualification

Prof. Kibett Rotich is a holder of: PhD in Mathematics from Shanghai University of Science and Technology; Masters in Business Administration from Jomo Kenyatta University of Science and Technology; Post Doctorate in Medical Informatics from Indiana University – USA; Master of Science in Statistics from the University of Southampton – UK and Bachelor of Science in Mathematics and Statistics from University of Nairobi.

Work Experience

Prof. Rotich is the Vice Chancellor, Laikipia University. Prior, he served as the Deputy Vice Chancellor (Administration and Finance) at Masinde Muliro University of Science and Technology; Deputy Principal (Academic and Student Affairs) at Rongo University College; acting Principal Garissa University College; acting Principal at Kabianga Campus; Dean, School of Public Health at Moi University; Professor of Biostatistics at Moi University; Statistician CDC Entebbe Uganda and a consultant Biostatistician for Academic Model for Providing Access to Health Care (AMPATH).



Name: Prof. Felicia
Yieke

Position: Acting
Deputy Vice-
Chancellor (Academic
Research & Student
Affairs)

DoB: 03/07/1963

Date of Appointment:
01/01/2022 to
31/12/2022

Key Responsibilities

Served as acting Deputy Vice-Chancellor (Academic, Research and Student Affairs).

Represented the academic division in Academic and Research Committee of Council.

Qualification

Prof. Felicia Yieke is a holder of PhD in Applied Linguistics from University of Vienna, Austria; MPhil. English from Moi University and Bachelor of Education in English, Linguistics and Literature from Kenyatta University.

Work Experience

Prof. Yieke served as Director Graduate School; Dean, School of Humanities and Development Studies; Senior Lecturer, Department of Literary and Communication Studies at Laikipia University; Lecturer, Department of Languages and Linguistics in Egerton University; and Assistant Lecturer, Department of Languages and Linguistics at Egerton University.



Name: Prof. Jacinta Ndambuki

Position: Acting Deputy Vice-Chancellor (Academic Research and Student Affairs).

DoB: 25/01/1970

Date of Appointment: wef 01/01/2023

Key Responsibilities

Serving as the acting Deputy Vice-Chancellor (Academic, Research & Student Affairs).

Representing the Academic and Research Division in Academic and Research Committee of Council.

Qualification

Prof. Jacinta Ndambuki is a holder of PhD in Applied English Language Studies from University of the Witwatersrand (Wits), South Africa; Master of Arts (MA) in English Language and Linguistics, Egerton University and Bachelor of Arts in English Language and Linguistics/Sociology degree.

Work Experience

Prof. Jacinta is acting Deputy Vice-Chancellor (Academic Research and Student Affairs). Served as acting Dean School of Humanities and Development Studies; Director, Board of Postgraduate Studies; Associate Professor, Department of Literary and Communication Studies; Senior Lecturer, Egerton University - Laikipia Campus; Director in the Research, Extension and Consultancy in Laikipia University; and Assistant Lecturer, Egerton University - Laikipia Campus.



Name: Prof. Albert Rutere

Position: Acting Deputy Vice-Chancellor (Administration, Finance and Planning)

DoB: 01/09/1961

Date of Appointment: 01/01/2022 to 31/12/2022

Key Responsibilities

Served as acting Deputy Vice-Chancellor (Administration, Finance and Planning).

Represented the Administration, Finance and Planning Division in Finance, Investment and General Purposes Committee of Council.

Qualification

Prof. Albert Rutere is a holder of PhD from Morgan State University, Baltimore Maryland – USA; Master of Science (MSc.) in Applied Linguistics (University of Edinburgh, Scotland, UK); Bachelor of Arts in English, Literature, Linguistics and Education.

Work Experience

Prof. Rutere served as Director and member of Board of Graduate Studies, Teaching Practice and Field Attachments; Director, Nakuru Campus; Senior Lecturer in the Department of Literacy and Communication Studies at Laikipia University; Senior Lecturer in the Department of Humanities and Languages at Karatina University, Itiati Campus; acting Head of English Department in Catholic University of Eastern Africa; Senior Lecturer in the Department of English, Catholic University of Eastern Africa.



Name: Prof. Nicholas Kamau

Position: Acting Deputy Vice-Chancellor (Administration, Finance and Planning)

DoB: 16/11/1963

Date of Appointment: wef 01/01/2023

Key Responsibilities

Serving as acting Deputy Vice-Chancellor (Administration, Finance and Planning).

Representing the Administration, Finance and Planning Division in Finance, Investment and General Purposes Committee of Council.

Qualification

Prof. Nicholas Kamau is a holder of Doctor of Philosophy from Egerton University; Master of Arts in Literature from University of Nairobi and Bachelor of Arts, University of Nairobi.

Work Experience

Prof. Kamau is the acting Deputy Vice-Chancellor (Administration, Finance and Planning).

Prior, he served as Director, Directorate of Research, Consultancy and Extension at Laikipia University; associate Professor, Department of Literary and Communication Studies, Laikipia University; Senior Lecturer, Department of Literary and Communication Studies, Laikipia University and Lecturer, Department of Literature, Egerton University.



Name: Dr. Raphael Kiugu

Position: Registrar (Academics Affairs)

DoB: 23/11/1962

Date of Appointment: 16/05/2011 to 23/11/2022

Key Responsibilities

Served as Registrar (Academic Affairs) and secretary to the University Senate.

Qualification

Dr. Raphael Kiugu is a holder of PhD from State University, New York; Master of Science in Education Administration and Policy from State University, New York; MEd. Economics and Planning from Kenyatta University; and Bachelor of Education from Kenyatta University.

Work Experience

Dr. Kiugu served as Registrar (Academic Affairs) at Laikipia University; Registrar (Academic Affairs) at African Nazarene University; Lecturer at the University of Nairobi and an Assistant Lecturer at Egerton University.



Name: Prof. Robert Mwebi

Position: Registrar (Academics Affairs)

DoB: 12/03/1978

Date of Appointment: wef 01/02/2023

Key Responsibilities

Serving as Registrar (Academic Affairs) and secretary to the University Senate.

Qualification

Prof. Robert Mwebi is a holder of PhD in Education from University of Pune; Masters of Business Administration from Sikkim Manipal University; Master of Education from University of Pune; Bachelor of Education, Egerton University.

Work Experience

Prof. Mwebi is the Registrar (Academics Affairs). Prior, he served as Director Quality Assurance and Standards; Senior Lecturer at Laikipia University; Lecturer at Laikipia University; Departmental Examination Officer; Teaching Practice Coordinator; Tutor at Kabete Technical Training Institute and a teacher at Kisii High School.



Name: Dr. Hezron Nyamwega

Position: Registrar (Administration and Human Capital)
DoB: 13/06/1970
Date of Appointment: 02/11/2020

Key Responsibilities

Serving as Registrar (Administration and Human Capital) and secretary to the University Management Board.

Qualification

Dr. Hezron Nyamwega is a holder of PhD from Catholic University of Eastern Africa; Master of Business Administration from University of Nairobi; Master in Education Psychology from Moi University and Bachelor of Education Arts from Moi University.

Work Experience

Dr. Nyamwega is the Registrar (Administration and Human Capital) at Laikipia University. Prior, he served as: An Assistant Director Human Resource (Remuneration) at Salaries and Remuneration Commission; Human Resource (HR) and Capacity Building Advisor Government of South Sudan; Principal HR and Development Officer at the Ministry of Environment, Water and Irrigation; Chief HR Management and Development Officer in the Office of the President and a teacher at Paul Boit Kaplong Secondary school.



Name: CPA. Geoffrey K. Langat

Position: Finance Officer

DoB: 10/10/1968
Date of Appointment: 16/12/1991

Key Responsibilities

Serving as the Finance Officer and secretary to University Budget Implementation Committee.

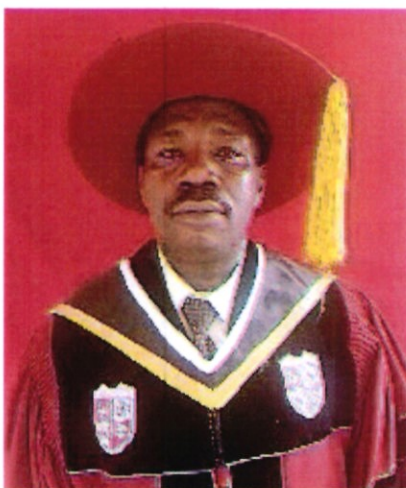
Qualification

CPA. Geoffrey K. Langat is a holder of Certified Public Accountant CPA(K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK); Master in Business Administration (MBA) from Egerton University and Bachelor of Business Administration from Kenya Methodist University.

Work Experience

CPA. Langat is the Finance Officer at Laikipia University. Prior, he served as Deputy Finance Officer at Laikipia University; Senior Accountant at Egerton University – Laikipia Campus and Assistant Accountant at Egerton University.

DEANS OF SCHOOLS



Prof. Enos Barasa Mukadi
Dean, School of Education,
B. Ed. (Maseno), M.Ed. (Egerton), Ph.D.
(Kabarak)



Dr. Sheila Pamela Wandera-Simwa
Dean, School of Humanities and Development
Studies,
B.Ed. (Moi), M.A. (Egerton), Ph.D. (Laikipia)



Dr. Poti O. Abaja,
Dean, School of Science and Applied
Technology,
B.Sc., M.Sc. (Egerton), Ph.D. (Kabarak)



Dr. Peter Mwaura
Dean, School of Business and Economics,
B. Com. (UoN), MBA (Egerton), Ph.D.
(JKUAT)

CORE BUSINESS OF LAIKIPIA UNIVERSITY

The main objectives of the University are stipulated in the Laikipia University Charter of 19th February, 2013. Part II Sec 7(1) of the Charter provides the functions and objectives of the University which are;

- a) To provide directly, or in collaboration with other institutions, integration of teaching, research and effective application of knowledge and skills;
- b) Participate in scholarly work, discovery, transmission, utilization, preservation and enhancement of knowledge with a view to stimulating intellectual participation of students in the economic, social, cultural, scientific and technological development of Kenya;
- c) Establish centers of excellence, colleges, schools, faculties, institutes, departments, and other resource and administrative units as may be appropriate;
- d) Facilitate student and staff mobility between programmes of study at local, regional, and international universities and institutions;
- e) Participate in commercial ventures and activities that promote the objectives of the institutions;
- f) Foster the general welfare of staff and students;
- g) Develop and provide educational, cultural and professional services that foster corporate social responsibility in the University and collaborating institutions;
- h) Promote equity and social justice;
- i) Offer continuing professional development opportunities;
- j) Conduct examinations for and to grant and confer such academic awards as may be provided for in the Act and the Statutes;
- k) Establish a High Altitude International Sports Training Centre for training, teaching, research, and recreation;
- l) Contribute to sustainable development of Arid, and Semi-Arid Lands resources of Kenya;
- m) Engage in action research, extension and outreach; and
- n) Establish an Information, Communication and Technology hub in teaching, research, training, innovation, outreach and consultancy in the region and globally.



STATEMENT FROM THE CHAIRMAN OF COUNCIL

On behalf of the Council, I am pleased to present to you the 2022/2023 financial year annual financial report of Laikipia University. This is a demonstration of the commitment to transparency, accountability and the pursuit of excellence in higher education by the University. This report encapsulates performance over the past year, reflecting the dedication and collaborative efforts of the entire University community.



In a year marked by both challenges and opportunities, the University is proud to share remarkable strides that it made.

Key Activities

The University achieved a number of milestones among them; 5th Biennial International Conference, two graduation ceremonies, certification to Integrated Management System (IMS) based on ISO 9001:2015 and ISO/IEC 27001:2013, 8th Environmental Week, career mentorship forum, placement of youth on internship programme, commissioned the Enterprise Resource Planning (ERP) system, formulation and review of University policies. These achievements formed pillars of the positive performance recorded by the University in the year.

Overall Financial Performance

To achieve these activities, the University was majorly funded through the Government Capitation at 72.31% and Appropriation-In-Aid (AIA) at 27.69% for its recurrent expenditure. The University recorded a positive performance in the year under review by recording a cumulative surplus, thus reversing the negative financial performance registered in prior years. This set a trajectory for the University to strengthen its financial muscle, amidst various challenges. The University recorded net assets amounting to Kes. 2.1 billion and total liabilities amounting to Kes. 534 million.

Challenges

During the year under review, the University experienced various challenges. Among them; high cost of operations, low enrolment of students, inadequate funding, and inadequate tuition facilities. Albeit these challenges, the University has put in place mechanisms to mitigate and alleviate the effects of the challenges, key among them; resource mobilization strategies.

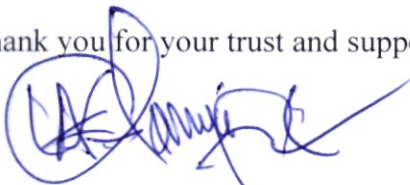
University Strategic Focus and Way Forward

Looking ahead, the University recognizes the reforms and the rapid evolution of higher education landscape in the Country, presenting both challenges and opportunities. As a forward-looking institution, the University is committed to adapting to these changes and harnessing them to elevate the quality of education. To address the high cost of operations, the University has in place mechanisms to ensure efficiency in operations. The University shall capitalize on marketing and leverage on technology to attract more students. Further, a roadmap to complete the construction of tuition facilities has been put in place. Of importance, the University has focused on; resource mobilization and investment, through revamping Income Generating Units (IGUs), and development and review of curricula.

Appreciation

On behalf of the Council, it's a pleasure to look ahead to a progressive University; we would like to congratulate all University stakeholders for their dedication during the year 2022/2023. I wish to specifically thank the Government of Kenya through the Ministry of Education for its unwavering support. The commitment and participation of these stakeholders made the University a pivotal hub in service to humanity.

Thank you for your trust and support.

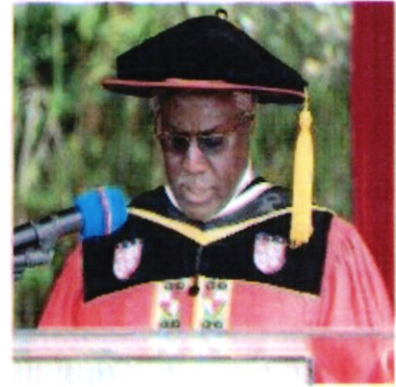


Dr. Lemein Korei, PhD.

CHAIRPERSON, UNIVERSITY COUNCIL

STATEMENT FROM THE VICE CHANCELLOR

The ability to valuably transform society underscores the vision of Laikipia University. In this spirit, it is with great pleasure and a sense of accomplishment that the University presents the Annual Report and Financial Statements for the year ended 30th June, 2023. This report summarizes the financial performance, achievements, and challenges faced by the University during the past year.



In a time of unprecedented global and national challenges and uncertainties, the University demonstrated its resilience and adaptability. Towards this end, the focus of the University remained on enhancing quality of the academic programmes, innovation and research output. The commitment to; financial responsibility, strategic planning and the pursuit of academic excellence has enabled the University to navigate the complexities in the higher education sector. Through this, the University achieved a number of milestones as recorded in the performance for the 2022/2023 financial year.

1. Overall Performance

a. Operational Performance

The University held the 9th and 10th graduation ceremonies in July and December, 2022 where 1509 and 740 students graduated respectively.

In awake of Competency Based Curriculum (CBC), the University conducted training for the academic staff. The training acquainted academic staff with prerequisites to foster smooth transition into the new system dispensation. Before then, the University presented a memorandum on education reforms to the Presidential Working Party on Education during the Laikipia County Education Stakeholders forum held in Nanyuki.

The University continued to play agency in combating Climate Change. Effectively, the University held its 5th Biennial Conference in May, 2023. The theme of the conference was: '*Climate Change Conversation: From Realities to Transformative Actions*'. The conference attracted 83 research participants from within and outside Kenya.

In order to improve on institutional quality assurance and service delivery to customers, the University was re-certified to Integrated Management System (IMS). This was an integration process of the two systems; Quality Management System (QMS) - ISO 9001:2015) and Information Security Management System (ISMS) - ISO/IEC27001:2013. The integration of the systems reduced the cost associated to the administration of the two systems separately.

In cognizance of the government commitment to conservation of the environment, the University held its 8th Environmental Week in June 2023. The theme was '*Plugging into the National Tree Planting initiative*'. During the exercise, 5,000 seedlings were planted while 1000 seedlings were donated to the community for planting.

The University in partnership with Old Mutual and Faulu Microfinance Bank held a Financial Education and Career Mentorship forum. The forum equipped staff and students with skills on financial management. The event was attended by over 500 members of staff and students.

To automate the University processes and upon implementation of the Enterprise Resource Planning (ERP) System, the University and ABNO Softwares International Limited, commissioned a University-wide ERP System in June 2023.

As part of fostering National Cohesion and Diversity, the University held a Cultural Week event in November 2022. The theme of the event was '*Fostering National Cohesion and Diversity through Culture and Talent Exposition*'. Students showcased their cultural diversity through participation in various events among them traditional songs and dances.

To actualize the outreach as part of the University vision, a sensitization forum on National Values and Principles of Governance held in November, 2022. Further, the University undertook mentorship programme in ten (10) schools in Nakuru County. This programme enriched students, especially the candidates on the available career opportunities after their postsecondary education.

On health front, the University held its 9th Annual Health Week. The theme of the event was '*Understanding Non-Communicable Diseases (NCDS) For Better Health*'. During the event, members of staff, students and the neighboring community were tested and screened on various conditions and diseases among them; blood pressure, diabetes, cancer and HIV.

In contribution to the holistic well-being of the students and improving students' welfare as part of student support, a number of students participated in seven (7) events organized by the Kenya Universities Sports Association tournaments at national and conference levels. Further, to address counseling service needs, more than forty (40) students were trained as student peer counselors.

The University strategic focus on its mandate remained steadfast. Based on this backdrop and upon the expiry of the 2017/2018 to 2022/2023 Strategic Plan, the University embarked on the development of the 2023/2024 to 2027/2028 Strategic Plan. This was in line with the guidelines issued by The National Treasury.

b. Highlights on Financial Performance

During the period under review, the University reported a cumulative surplus of Kes. 8,138,386 by 30th June, 2023. Total revenue increased by 0.5% to Kes. 1,237,352,615 from Kes. 1,231,792,977 for similar period ended 30th June, 2022. The University incurred a total expenditure of Kes. 1,235,265,467 at the close of period ended 30th June, 2023.

The University recorded net assets amounting to Kes. 2.1 billion at the close of period ended 30th June, 2023. On the other hand, a trend analysis on University liabilities indicates a decreasing trend from Kes. 424 million in 2018/2019 financial year to Kes. 390 million in 2019/2020 with a sharp increase to Kes. 519 million in the period ended 30th June 2021. The sharp increase in liabilities in 2019/2020 was as a result of University's inability to pay its debts due to shortage of funds. The University recorded total liabilities amounting to Kes. 534 million at the close of financial period ended 30th June, 2023.

2. Challenges

Despite the University recording positive performance, it experienced challenges in equal measure. Among these challenges are: high cost of operation; insufficient funding, inadequate tuition facilities and the low number of teaching staff. Notwithstanding these challenges, the commitment of the University towards academic excellence remained unwavering.

3. University Strategic Focus and Way Forward

Going forward, no doubt there are imminent challenges and uncertainties in the wider higher education sector. To a great extent, the University has leveraged on technology and integrated technological solutions into its operations. Strategic partnerships are being forged to have in place mutually benefiting collaborations. Moreover, the University shall embrace diversification of funding sources to supplement funding from the government. To address inadequate funding, the University has focused on resource mobilization and investment for generation of additional resources. Importantly, participatory governance shall be advanced for better decision making processes and ultimate robust management.

Appreciation

I extend my gratitude to members of staff, students, alumni, partners and stakeholders for their dedication and collaborative support. I bank on your concerted effort for the exploitation of the University's potential towards achievement of its mandate. Thank you for your trust and believe in Laikipia University.



Prof. Kibett Rotich, PhD
Professor of Biostatistics and Informatics
VICE CHANCELLOR

STATEMENT OF UNIVERSITY PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2022/2023

The Strategic Plan FY 2018/2019-2022/2023 informed the University Performance Contract in generation of annual targets and activities as required by the Performance Contracting Guidelines. The Strategic Plan is hence one of the requisite documents during the performance contracting negotiation and vetting process.

Laikipia University had Nine (9) strategic issues and objectives within the Strategic Plan for the FY 2018/2019-2022/2023.

These strategic issues are as follows:

Strategic Issue 1: Student Enrolment;

Strategic Issue 2: Academic Services;

Strategic Issue 3: Research, Innovation and Consultancy;

Strategic Issue 4: Governance;

Strategic Issue 5: Human Capital;

Strategic Issue 6: Physical Infrastructure;

Strategic Issue 7: Financial Management, Investment and Resource Mobilization;

Strategic Issue 8: Quality Assurance and Standards; and

Strategic Issue 9: Technical Vocational Education and Training.

Laikipia University develops its Annual Work Plans based on the above Nine (9) Strategic Issues. Assessment of the Council’s performance against its Annual Work Plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2022/2023 period for its Nine (9) Issues as indicated in the table below;

Strategic Issue	Strategic Objective	Strategy	Activity	Key Performance Indicators	Achievement/Remarks
Academic Services	To review and develop market driven academic programmes	Review existing programmes and develop market driven programmes	Develop new market driven programmes	Number of new programmes developed	Three (3) new academic programmes developed
	To automate the student admission and registration	Implement ERP modules for admission and registration	Implement ERP modules	ERP modules on admissions and registration operationalized	ERP commissioned and modules on admissions and



	process				registration operationalized
Research, Innovation and Consultancy	To increase research, innovation and consultancy activities	Enhance funding for research, activities	Increase number of scientific publications	Number of scientific publications	93 scientific publications
Financial Management, Investment and Resource Mobilization	To explore alternative sources of revenue investment and resource mobilization	Diversify sources of revenue *	Commercialize health services at a fee	Income Generated	Kes. 982,000 Generated
			Generate revenue from farm activities	Income Generated	Kes. 4,700,000 Generated
Quality Assurance and Standards	To strengthen Quality Assurance and Standards	Conform to applicable standards	Maintain QMS based on ISO 9001:2015 standard and ISMS based on ISO 27001:2013 standard	ISO Certificate	ISO Recertification
Technical Vocational Education and Training	To widen and increase access to technical and vocational education	Establish and operationalize a TVET Institute *	Implement TVET programmes	Number of students enrolled on TVET	267 students enrolled in TVET programmes
		Develop short professional courses	Mount professional short courses	Number of professional short courses mounted	Five (5) short courses mounted



CORPORATE GOVERNANCE STATEMENT

The following information describes the governance and legal structure of the University. These governance arrangements are for the most part set out in the; Universities Act 2012, University Charter, Statutes, University Council Charter and other Regulations.

University Council

The University Council presided by a Chairperson is an organ established to govern the University and to assist in promoting its foundational and educational aims. The University Council is the supreme organ that oversees the running of the University through the University Management Board and the Senate. The Council provides facilities necessary for carrying out the academic and administrative mandate of the University in accordance with the Charter and Statutes. The Council is responsible for the governance of the University and is accountable to the citizens of the country for ensuring that the University complies with the relevant laws and maintains the highest standard of corporate governance, academic standards and ethics. Accordingly, the Council attaches great importance to the generally accepted corporate governance practices and the need to conduct the activities and operations of the University with integrity, quality and respect. The Council defines the; University strategies, objectives and values and ensures that procedures and practices are set in place to guarantee effective financial controls, strategic and operational efficiency.

The appointment and succession planning of the Council members is guided by the Ministry of Education. Their remunerations are guided by the Guidelines on Terms and Conditions of Service for State Corporations 2004 and Government circulars as issued from time to time. The Council Performance Evaluation is conducted annually by the State Corporation Advisory Committee (SCAC) and the results presented to respective members during a Council meeting.

The University has functional governance organs and structures. Laikipia University Council oversees the execution of its mandate. This mandate is executed through various functional Committees established by the Council as guided by; Council Charter, the Code of Conduct, *Mwongozo* among others.

Conflict of Interest Policy and Disclosures

Laikipia University is committed to the highest standards of transparency, probity and accountability. It seeks to conduct its affairs in a responsible manner considering the requirements of the law and the human standards fostered by the University. Guided by a conflict of interest policy, all members of the University community, from the University Council to the Management



Board, all teaching and non-teaching staff are bound by this policy. The University perceives conflict of interest to be wherever there is personal, professional, and commercial or financial interests of activities outside of the University.

Council Meetings

The University Council holds scheduled meetings on a quarterly basis as per the approved Council Calendar and guidelines by the State Corporation Advisory Committee (SCAC). On the other hand, special meetings are held when necessary as need arises. In the meeting, the Council members; sign the attendance register, declare and sign conflict of interest register.

Provided below is the analysis of the respective Committee meetings as held during the 2022/23 financial year and as guided by enlisted key.

Key:

1. ✓ Means member attended the meeting
2. * Means member did not attend the meeting

During the period under review, the University Council held eight (8) meetings as indicated below:

Council Member	Date of Meeting							
	15/07/2022	22/07/2022	29/09/2022	14/10/2022	09/12/2022	27/01/2023	09/02/2023	07/03/2022
Dr. Ken Nyaundi - Chairperson	✓	✓ [*]	✓	✓	*	✓	✓	✓
Dr. Moses Siruri Marwa	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Ruth Adhiambo Okowa	*	✓	✓	✓	✓	✓	✓	✓
Mr. David Namu Kariuki	✓	✓ [*]	✓	✓	✓	✓	✓	✓
Dr. Margaret Maimba	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sammy Oleku	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Joseph Kiarri	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Frank Ndakala	✓	✓ [*]	✓	✓	✓	✓	✓	✓
Prof. Kibett Rotich – VC/Council Secretary	✓	✓	✓	✓	✓	✓	✓	✓

Note

As guided by *Mwongozo* and a circular from the Office of the President referenced OP/CAB.9/1A dated 11th March, 2020, Council should hold a maximum of six (6) meetings in a financial year.

In the year under review, eight (8) Council meetings were held. The University sought approval from the Ministry of Education to hold extra meetings. The following is the justification of the extra two (2) meetings that were held during the 2022/2023 financial year:

S/No.	Date of the Meeting	Justification
1.	09/12/2022	The meeting was held to: <ol style="list-style-type: none"> a. Approve recommendations of the 11th Human Resource Management Committee meeting held on 11th November, 2022 b. Approve recommendations of the 2nd Special Academic and Research Committee meeting held on 28th November, 2022; c. Receive Council Self-Evaluation Performance Report for the 2021/2022 financial year from State Corporations Advisory Committee (SCAC).
2.	07/03/2023	The meeting was held to approve: <ol style="list-style-type: none"> a. Recommendations of the Audit, Governance and Risk Management Committee meeting held on 21st February, 2023 on Financial Appraisal of Science Laboratory Block. b. Renewal of contract for the Vice Chancellor.

Committees of the University Council

The University Council works through Committees. There are four (4) Committees that assist in execution of the Council mandate. The establishment of the Council Committees is guided by *Mwongozo*, the code of governance for State Corporations. Occasioned by this guidance, the Council set up four (4) Committees namely;

1. Audit, Governance and Risk Management Committee,
2. Finance, Investment and General Purposes Committee,
3. Human Resource Management Committee,
4. Academic and Research Committee.

The Council has the prerogative to establish *Ad-Hoc* Committees to deal with emerging issues that require focused attention and which do not fall in the domain of the regular Council Committees. Such *Ad-Hoc* Committees should have clear terms of reference and a limited lifespan.

Ordinary University Council Committee meetings are held every quarter, and their reports are thereafter discussed at the University Council meetings.

A. Audit, Governance and Risk Management Committee

The committee assists the University Council to fulfill its corporate governance responsibilities and in particular to:

1. Review financial statements before submission to the University Council focusing on changes of accounting policies, compliance with the International Public Sector Accounting Standards and legal requirements and the going concern assumption.
2. Strengthen the effectiveness of the internal audit function.
3. Maintain oversight on internal control systems
4. Review and make recommendations regarding the University’s budgets, financial plans and risk management.

During the period under review, the Audit, Governance and Risk Management Committee held three (3) meetings as indicated below:

Council Member	Date of Meeting		
	06/10/2022	12/01/2023	21/02/2023
Mr. David Namu Kariuki - Chairperson	√	√	√
Mr. Joseph Kiarrii	√	*	√
Dr. Margaret Maimba	√	√	√
Mr. Sammy Oleku	√	√	√

B. Finance, Investment and General Purposes Committee

Laikipia University has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. This covers systems for obtaining authority for all transactions and ensuring compliance with the laws and regulations that have significant financial implications. In reviewing the effectiveness of the internal control system, the University Council takes into account the results of work carried out to audit and review the University activities. The University Council also considers the management accounts for each quarter, reports from each council committee, annual budgetary proposals, major issues and strategic opportunities for the University.

The Finance, Investment and General Purposes Committee of Council held four (4) meetings during the year as shown below:

Council Member	Date of Meeting			
	14/07/2022	28/09/2022	13/10/2022	13/01/2023
Dr. Moses Siruri Marwa - Chairperson	√	√	√	√
Ms. Ruth Adhiambo Okowa	*	√	√	√
Mr. Joseph Kiarrii	√	√	*	√
Dr. Frank Ndakala	√	√	√	√
Prof. Kibett Rotich - VC/Council Secretary	√	√	√	√



C. Human Resource Management Committee

The Committee reviews and recommends on issues relating to training needs, staff recruitments, promotions, discipline and staff welfare. The Human Resource Management Committee held three (3) meetings during the year as indicated below:

Council Member	Date of Meeting		
	01/09/2022	11/11/2022	24/01/2023
Ms. Ruth Okowa - Chairperson	√	√	√
Dr. Moses Marwa	√	√	√
Mr. Sammy Oleku	√	√	√
Dr. Frank Ndakala	√	√	√
Prof. Kibett Rotich - VC/Council Secretary	√	√	√

D. Academic and Research Committee

The Committee reviews and recommends on issues relating to academic and research. The Committee provides direction on scholarly work; establish centres of excellence, Schools, Faculties, Institutes and Academic Departments as may be appropriate. The Academic and Research Committee held two (2) meeting during the 2022/2023 financial year as indicated below:

Council Member	Date of Meeting	
	21/07/2022	28/11/2022
Dr. Margaret Maimba – Chairperson	√	√
Ms. Ruth Okowa	√	√
Mr. David Kariuki	√	√
Dr. Frank Ndakala	√	*
Prof. Kibett Rotich - Vice Chancellor/Council Secretary	√	√

Additionally, in the year under review, the following meetings and activities were undertaken by the Council:

S/No.	Date	Meeting
1.	07/07/2022	Appeals and Grievances Handling <i>Ad-Hoc</i> Committee
2.	29/07/2022	9 th Graduation Ceremony
3.	30/07/2022	Negotiations of the Laikipia University Council Performance Contract for the 2022/2023 financial year
4.	08/09/2022	Training Workshop for Audit Committee members
5.	19/09/2022	Chairman of Council attended an annual conference organised by the Ministry of Education
6.	11/10/2022	Evaluation of the Laikipia University Council Performance Contract for the 2022/2023 financial year

7. 19/10/2022 Staff Appointment Committee
8. 08/11/2022 Chairman of Council attended IPUCCF meeting
9. 16/12/2022 10th Graduation Ceremony
10. 20/01/2023 Appeals and Grievances Handling *Ad-Hoc* Committee
11. 23/01/2023 Staff Appointment Committee
12. 06 to 10/02/2023 Council Retreat to approve University Policies.
13. 20/04/2023 Induction of Council members
14. 30/06/2023 5th Biennial International Conference at Laikipia University

University Management Board

The Vice Chancellor is the Chairperson of the University Management Board. The Vice Chancellor is also the head of administrative and academic divisions of the University assisted by two Deputy Vice Chancellors (Academic, Research and Student Affairs) and Deputy Vice Chancellor (Administration, Finance and Planning). The UMB is responsible for implementing University policies and management of day-to-day activities of the University.

University Senate

The Vice Chancellor is the Chairperson of the Senate. The University has four (4) Schools (Education, Humanities and Development Studies, Science and Applied Technology and Business and Economics). The Schools offer both undergraduate and postgraduate studies. The School Deans are the academic heads in their respective Schools supported by Chairpersons of Departments. Other members of the University Senate include; full professors and the Directors of various Directorates in the University. The Senate is responsible for academic matters of the University.



ENVIRONMENTAL AND SUSTAINABILITY REPORTING

In an era where global environmental challenges are becoming increasingly evident, the importance of environmental and sustainability reporting has grown exponentially. Environmental and sustainability reporting goes beyond traditional financial reporting, extending its focus to the environmental and social impacts of an organization's activities.

(i) Sustainability strategy and profile

The University is committed to adopting sustainable efforts to protect the environment, promote social responsibility, and achieve economic viability. It operates in a dynamic social-economic and political landscape, making an understanding of broader trends essential for identifying successes and areas of improvement.

(ii) Environmental performance

Laikipia University responsibly manages environment and social risks associated with its operations to minimize negative impacts on the environment and its stakeholders. In pursuit of this objective, the University formulated an Environmental Management and Sustainability Policy that guides its actions in all aspects, particularly in implementing best practice related to environmental sustainability.

During the year, a tree planting initiative dubbed “*Plugging into the National Tree Planting Initiative*” was launched where about 6000 tree species were planted by staff, students, surrounding community and other institutions.

(iii) Employee welfare

The University is guided by the Employment Acts and the University's Human Resource Management Policies and Procedures Manual (2020), in matters relating to employees. The University is dedicated to incorporating gender and equality concerns in accordance to the National Gender and Equality Commission Act of 2011. This commitment is realized through its operations under the Directorate of Human Rights and Gender, as guided by the Gender Mainstreaming Policy. In the year under review, the University had four hundred and sixty-four (464) staff members, with gender distribution ratio of 60:40 for male and female respectively.

During the recruitment process, the University involves stakeholders from various categories. For example, when forming staff appointment committees, representation is provided for the staff unions and University Senate representatives. The University is committed to staff development across all levels. A staff training committee is responsible for coordinating training needs, offering successful individuals tuition fee waivers. Annual employee

performance appraisals are conducted through an established mechanism. Additionally, a Reward and Recognition Policy outlines staff appreciation methods. Safety and health measures align with Occupational Safety and Health Act of 2007 by maintaining a secure work environment and ensuring employees take responsibility for safety during duties.

(iv) Market place practices

(a) Responsible competition practice

Laikipia University conducts its business in a fair, ethical and legal manner. It engages in healthy competition that benefits both consumers and the market as a whole, while avoiding practices that harm competitors, consumers and the overall market ecosystem. Some of the key aspects that the institution adheres to include:

- ❖ Fair play: Competing based on merits such as quality, innovation and pricing other than unfair tactics, misinformation and deception.
- ❖ Transparency: LU is committed to open communicating on its product features, pricing and terms to consumers and competitors on our website and ERP thus fostering a transparent market environment.
- ❖ Legal compliance: Adheres to antitrust and competition laws that prohibit anti-competitive practices such as price-fixing, bid-rigging, monopolistic behavior and unfair trade practices.
- ❖ Co-operation and collaboration: Finding opportunities for collaboration and partnerships that can mutually benefit businesses, rather than solely focusing on aggressive competition.
- ❖ Ethical behavior: Following ethical principles in all competitive activities, avoiding actions that could damage a competitor's reputation or undermine the trust of customers.

(b) Responsible supply chain and supplier relations

The University ensures that ethical and sustainable practices are employed to ensure that the sourcing of materials, components and services is conducted in a manner that respects human rights and social values. Laikipia University maintains a positive relationship with suppliers while focusing on transparency, fairness and responsible conduct through the supply chain.

(c) Responsible marketing and advertisement

In promotion of products and services, LU advocates for ethical and transparent practices in a manner that respects consumer rights, fosters trust and complies with relevant regulation. This therefore contributes to building consumer trust, fostering long-term customer

relationships and enhancing the reputation of the University. Some of the key principles that the University adhered to included:

- ❖ Honesty and truthfulness: Presenting truthful and accurate information about products and services and avoiding exaggerations, false claims as well as misleading statements.
- ❖ Transparency: Provision of easily understandable information about pricing, terms and conditions.
- ❖ Ethical messaging: Creating advertisements that uphold moral and cultural values.

(d) Product stewardship

The University has developed and utilizes policies geared towards protecting consumers and their rights. These include;

- ❖ Turnitin Anti-plagiarism software which ensures originality of student's work.
- ❖ Research, Innovation and Consultancy policy that Guarantees fair treatment of all researchers, members of staff and students.
- ❖ Service Charter that communicates the University's commitment to its stakeholders and their basic rights in regard to provision of services.

Moreover, the University Institutional Ethics Review Committee evaluates and promotes ethical issues in research. Disposal of products is done in accordance with Public Procurement and Asset Disposal Act, to minimize negative effects in the environment as well as safeguard consumer rights.

(e) Corporate Social Responsibility (CSR)

LU, in discharge of its mandate, undertakes CSR activities to enhance positive interaction with the community. It strives to make significant contribution to the community's social, intellectual, economic and cultural development. During the year under review, the University undertook various CSR activities as follows;

- ❖ Conducted annual health week which involved testing and screening for Cancers, HIV/AIDS, Diabetes Mellitus, Hypertension, BMI among others, to staff, students and the neighboring community.
- ❖ Academic mentorship to fifteen (15) high schools in Nakuru County.
- ❖ In support of the less fortunate students, the University awarded bursaries amounting to Kes. 1.0M and placed needy students on a Work Study Programme amounting to Kes. 1.86M.
- ❖ Environmental week: To conserve the environment, the University held its environmental week where 5,000 tree seedlings were planted within the University and another 1000 trees were distributed to staff, students and the community for planting.

REPORT OF THE COUNCIL

The University Council submits this report for the year ended 30th June, 2023 together with the audited financial statements for the year ended 30th June, 2022 that shows the state of Laikipia University's affairs.

a. Principal activities

The principal activities of Laikipia University continue to be teaching, training, innovation, research and outreach

b. Results for the Year

The results of Laikipia University for the year ended 30th June, 2023 are set out on pages 68-72.

c. Directors

The members of the University Council who served during the year are shown on page 12.

d. Auditors

The Auditor General is responsible for the statutory audit of Laikipia University in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended 30th June, 2023.

By Order of the University Council



Vice Chancellor/Council Secretary

Laikipia University

Date: 23/02/2024



STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES ON THE FINANCIAL STATEMENTS

The Laikipia University Council members are responsible for the preparation and presentation of the financial statements set out on pages 68 to 72 which comprise the statement of financial position, statement of financial performance, statement of cash flow, statement of changes in reserves for the year ended 30th June, 2023, and a summary of significant accounting policies and other explanatory notes.

The Council members responsibility includes: determining that the basis of accounting described in note 2, is an acceptable basis for preparing and presenting the financial statements in the circumstances; designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Laikipia University Charter requires the University Council to prepare statements for each financial year, which give a true and fair view of the state of affairs of the University at the end of the financial year and its operating results for that year. It also requires the council to ensure that the University keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the University. The University Council is also responsible for safeguarding the assets of the University.

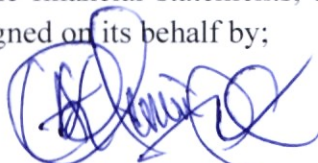
The University Council accepts the responsibility for the financial statements, which have been prepared using appropriate accounting policies described in note 3, supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards. The University Council is of the opinion that the statements give a true and fair view of the state of the financial affairs of the University as at 30th June, 2023 and of its operating results.

The University Council further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statement, as well as adequate systems of Internal Financial Controls.

The Council has made an assessment of the University's ability to continue as a going concern and nothing has come to their attention to indicate that the University will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The financial statements, as indicated above were approved by the University Council and were signed on its behalf by;



Dr. Lemein Korei, PhD.

CHAIRPERSON OF COUNCIL



Prof. Kibett Rotich, Ph.D

VICE CHANCELLOR

MANAGEMENT DISCUSSION AND ANALYSIS

Section A: Laikipia University's Operational and Financial Performance

Laikipia University is a body corporate established through the Laikipia University Charter of 19th February 2013. The University mandate is teaching, research and innovation. The University's main source of funds is the Government through the Ministry of Education and fees from students.

Laikipia University has a responsibility to ensure a valued transformation of society through research, education, scholarship, training, innovation, outreach and consultancy. The University's ongoing sustainability is dependent upon the generation of a sufficient surplus to invest in the maintenance, renewal and replacement of the infrastructure to support academic endeavor, such as libraries, tuition rooms, laboratories, ICT infrastructure and research equipment.

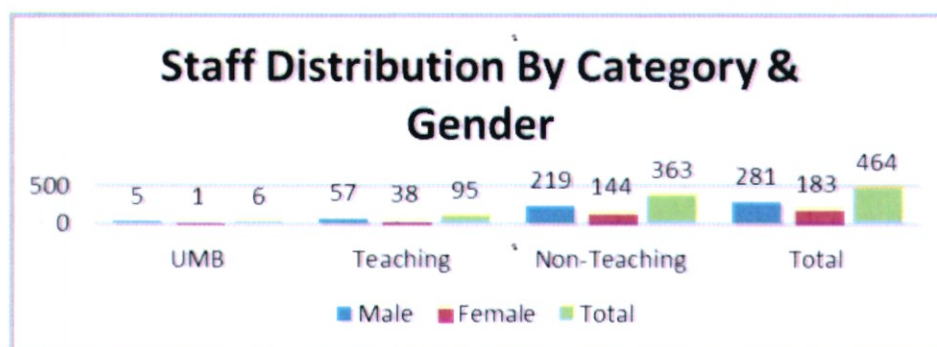
This section of the report therefore highlights our operational and financial performance in support of the core business of the University; Academic and Research. This overview provides some highlights of the University as follows;

1. Operational Highlights

The University is committed to achieving its core mandate of transforming the society by providing quality education and experience which equips students with the values, skills and intellectual discipline that will enable them to make a positive contribution to society. The University seeks to equip all its students with the skills and knowledge to succeed in future study or employment. To support this noble course, the University budgeted a total of Kes. 1.42 billion in 2022/2023 FY which was later revised to Kes. 1.38 billion. Operational highlights for the year are as indicated below;

i) Staff Statistics

At the close of period ended 30th June, 2023, the University had 464 staff members comprising of 6 members of University Management Board, 95 teaching staff and 363 non-teaching staff. Staff costs were the highest expenditure representing 78.1% of total recurrent expenditure for the period ended 30th June, 2023. Staff distribution by category and gender are as indicated below;



ii) Students Statistics

The University admitted 1,918 first year students in August, 2022 in various schools of which 1,644 were on Government Sponsored Students Programme (GSSP) and 274 were on Privately-Sponsored Students Programme (PSSP). During the year under review, the University students' statistics stood at 5,390 students distributed across the four schools. Out of the total number of students, 2,802 were male while 2,588 were female. It is worth noting that the University is gender compliant with a gender ratio of 52:48 respectively.

2022/2023 Students' Statistics by Gender and Category

	Gender	Male			Female			Total
		GSSP	PSSP	Total	GSSP	PSSP	Total	
1	School of Education	1174	45	1219	1426	57	1483	2702
2	School of Business & Economics	339	36	375	219	51	270	645
3	School of Humanities & Development Studies	507	8	515	554	28	582	1097
4	School of Science & Applied Technology	657	36	693	213	40	253	946
	Total	2677	125	2802	2412	176	2588	5390

iii) University Graduation

During the year under review, the University held its 9th and 10th Graduation ceremonies in July, 2022 and December, 2022 respectively at a cost of Kes 9,866,701. The ceremonies witnessed the conferment of degrees and award of diplomas to 2,249 graduands out of which 1,115 were male and 1,134 were female giving a gender ratio of 50:50 respectively. The University also presented the award of Doctor of Humane letters (Honoris causa) Degree to Alhaj Dr. Mohammed Husein Abdulla Jaffer, CBS, EBS, MBS. The University graduands statistics was as given below;

2022 Graduands Statistics per Category and Gender

Category	Male	Female	Total
1 Doctor of Humane letters (Honoris Causa)	1	0	1
2 Doctorate (PhD)	12	8	20
3 Masters	9	11	20
4 Postgraduate Diploma	11	9	20
5 Bachelors	1005	1075	2080
6 Diploma	43	65	108
Total	1,081	1,168	2,249

2022 Graduands Statistics per School and Gender

School	Male	Female	Total
1 School of Education	375	592	967
2 School of Business & Economics	254	184	438
3 School of Humanities & Development Studies	238	231	469
4 School of Science & Applied Technology	248	127	375
Total	1,115	1,134	2,249



Justice Isaac Lenaola- Judge of the Supreme Court of Kenya signing the Visitors Book during the 9th Graduation Ceremony on 29th July, 2022 and Alhaj Dr. Mohamed Husein Abdulla Jaffer being awarded the Honorary Degree by the Ag. Chancellor- Dr. Ken Nyaundi during the 10th Graduation Ceremony on 16th December, 2022.

iv) Research, Innovation and Consultancy Activities

In the year under review, the University developed and implemented Science, Technology & Innovation (STI) Strategy undertaking research and technology innovation, technology transfer, disseminating research findings/recommendations, and technology innovations thus strengthening one of the University's strategic pillars through conferences and seminars, Innovation forum, workshops as highlighted below;

- (a) The University held its 5th Biennial International Conference in May, 2023. The theme of the Conference was *Climate Change Conversation: From Realities to Transformative Actions*. The Conference attracted 83 research presenters from within and outside Kenya. Laikipia University is at the forefront in combating climate change by engaging in tree planting in the University and within the community. It was also noted that the Conference took into account Sustainable Development Goals (SDG) as per the national agendas in Climate Change Action.



A section of participants at the 5th Biennial International Conference held in May 2023

- (b) The University also held Research and Innovation forum in March, 2023 that provided an opportunity for University fraternity to demonstrate their creativity and innovation that aimed at addressing societal needs. The University community was encouraged to use creativity to transform the society. The theme for the year's Research and Innovation Day was: "*Innovation and Commercialization*".
- (c) The University held Bioinformatics Workshop in January, 2023 that targeted students taking Biomedical Science and Technology course. The students were able to learn Introduction to Shell, Git and Git Hub, R and R-Studio, and Bioinformatics.
- (d) The University ensured an increase of ninety-three (93) publications in refereed journals during the year under review.

v) Enhancement of Quality of Education

In the year under review, Laikipia University increased the number of activities to enhance quality of education as outlined;

- (a) Sensitized the University students on University Academic services, complaints and access to information handling mechanisms.
- (b) The University in June 2023 introduced two short courses through the School of Science and Applied Technology namely: Certificates in Geographical Information Systems (GIS) and Global Navigation Satellite Systems (GNSS).
- (c) The University Acquired 46 text book titles in the University Academic Programmes. In order to automate Library services, the University also acquired additional computers to enhance library automation of KOHA and Online Public Access Catalog (OPAC) systems.
- (d) The University also organized training on Competency Based Curriculum (CBC) in May 2023 that targeted the academic members of staff to acquaint themselves with how CBC for University Education works. The training focused on the key areas in CBC execution, major difference in Knowledge Based Curriculum (KBC) – the current curriculum and the Competency Based Curriculum, Core Competencies for Basic Education and Implications of Basic Education Curriculum Framework (BECF).
- (e) The University organized a career mentorship forum for students taking Bachelor of Education – Early Childhood Development Education (ECDE) course from Laikipia University and Karlstad University, Sweden with an aim of improving quality of education. The Karlstad University students were in the University on an exchange programme in February 2023. The students shared more about course requirements in the two countries.
- (f) The University also participated at the Huawei ICT Global Final Competition in China in three categories namely; Innovation, Networking and Cloud Tracking. The University was



awarded with Prestigious Excellent Instructor Award on Innovation, Networking and Cloud Tracking in Kenya. The University further produced best students in cloud track and Network track in Kenya.



Participants at the Huawei Competition 2022-2023 Global Final in China.

vi) Accessibility to technical and vocational Education

Laikipia University introduced Technical Education Vocational Training (TVET) programmes in order to align itself to the emerging needs of the world of work. One of the most important features of TVET is orientation towards the world of work and acquisition of relevant skills. In line with the government of Kenya's Medium-Term Plan III, Laikipia University recognized Technical and Vocational Education and Training (TVET) as an important vehicle for the country's development. This was premised on the realization that there is a growing demand for technicians, technologists and diploma graduates in technical training. The University enrolled 258 students in various TVET programmes.

vii) Institutional Quality Assurance and Standards

During the year under review, the University underwent recertification Audit by the Kenya Bureau of Standards (KEBS) in September 2022 to determine conformity to ISO Standards, level of implementation of requirements and adherence to legal and regulatory requirements. The University achieved the Recertification to Integrated Management Systems (IMS) of ISO 9001:2015 and ISO/IEC 27001:2013.

viii) Improvement of Students' Welfare.

Laikipia University recognizes that our students' education goes well beyond coursework, and by facilitating extracurricular student activities, we are promoting a vital part of our holistic student experience. The University value student voice and constantly strives to incorporate students' hopes, wishes and opinions into the University's growth strategy through their Students Association. Our student engagement programmes seek to foster student success and lifelong learning by facilitating inclusive activities, services, traditions, and events that invigorate the ambitions and support the various talents of our students. The office of the Dean

of Students, through the Laikipia University Students Association (LUSA) and University Clubs and Societies played an integral role in enhancing students' welfare.

The following activities improved the student's welfare during the year under review;

a) Games & Sports

Laikipia University understands the importance of balancing the rigors of academics with other activities, and sport is an area the University has invested in. During the period under review, the University participated in seven (7) Kenya Universities Sports Association Tournaments at a cost of Kes. 1,383,000.

b) Clubs and Societies

Laikipia University has various clubs, associations and societies that serve different interests to students including performing arts, languages among others. The clubs and societies give students an opportunity to interact, enhance personal development and serve the society. They include;

- ✓ Drama Club/ Laikipia Traveling Theater
- ✓ President's Award
- ✓ Catholic Association
- ✓ Agricultural Economics Club
- ✓ Chama Cha Wanafunzi Wa Kiswahili Vyuu Vikuu Afrika Mashariki (CHAWAKAMA)
- ✓ Christian Union
- ✓ Computer Students Association
- ✓ Economic Students Association of Laikipia University (ESALU)
- ✓ Environmental Science Club; among others

c) Financial Support to needy students

During the year under review, the University enhanced student financial support assistance programme through; award of Laikipia University Bursaries at a cost of Kes. 1,000,000.00; and placed needy students on Work Study Programme at a cost of Kes. 1,857,450.

d) Enhanced Students Counseling Services

The University trained 40 Student Peer Counselors on mental health awareness, HIV/AIDS Prevention, prevention on Alcohol and Drug Abuse, Disability Mainstreaming and General Psychic Counseling in order to be equipped with necessary skills and provide counseling services to their peers.

e) Organized Mental Health Training to students

The University also held Mental Health Awareness Training in September, 2022 due to increased mental health concerns especially among young people in the University. The training was informed by the need to ensure that students enjoy the best mental health and the University's dedication to make it happen. The training attracted 150 students that comprised of student leaders, club and association officials and class representatives.

f) Promoted talents, Cohesion and Diversity through culture and talent exposition.

The University sponsored Cultural event in November 2022 for the students to showcase their talents, culture and diversity. The theme of the event was: *"Fostering National Cohesion and Diversity through Culture and Talent Exposition"*.



Presentations during the Cultural Week Event

g) Participation at the President's Award Induction

Laikipia University was privileged to host a 2-day induction process for the leaders and the participants from Laikipia University in the President's Award-Kenya in March 2023. This equipped the youth with the aspect of global competitiveness through empowering them to find their purpose, passion and a place in the world. Laikipia University is proud to have incredible and committed students who are well equipped for global market through having skills required for the 21st Century earned through the President's Award which is a global framework for non-formal education.



Participants of the President's Award Team

ix) Community Outreach Programmes

To promote community outreach programmes, the University held its 8th Annual Environmental Week in June 2023 by planting 5,000 tree seedlings and donated 1,000 tree seedlings to the surrounding communities and selected institutions. The theme for the Environmental Week was *‘‘Plugging into the National Tree Planting initiative’’*. The initiative launched by His Excellency the President of Kenya targeting to plant 15 billion trees in Kenya by 2032 a move that will work towards reducing greenhouse gas emissions, stopping and reversing deforestation.



Tree planting exercise during the Environmental Week led by the Vice-Chancellor

In addition, the University carried out Career placement High School Students Mentorship Forum with students from Matindiri and Rumuruti Day Secondary Schools among others in March 2023. The students had a chance to interact with peer mentor members from I Choose Life (ICL) – Africa which is a partner with the University in carrying out mentorships in schools within Laikipia County and beyond.

The University also conducted an awareness walk to staff, students and the community to create awareness on prevention of ADA Abuse, HIV/AIDS, Mental and suicidal issues, road safety, gender awareness and disability mainstreaming.

x) Promoting affordable Health through enhanced Medical Services

During the year, the University enhanced medical services by holding its 9th Annual Health Week in June 2023 that was attended by our partners, students, staff and community at large. The theme for the year was *‘‘Understanding Non-Communicable Diseases (NCDs) For Better Health’’*. The staff, students and the Community benefited from Cancer screening services for Breast, Cervix and Prostate; Random Blood Sugar check; Blood pressure monitoring; BMI Assessment and Nutritional counseling; Sensitization on persons living with disability; HIV/AIDS counseling and testing; Physiotherapy; Eye checkups and Dental services; Ultra sound; Fertility services; Mental health education; NHIF sensitization and registration among others.



Highlights of the activities during the Health Week

The University also enhanced medical services through continued enrolment of students and staff into NHIF as an insurance cover. During the year under review, the University incurred a total of Kes. 2,761,232 for purchase of students' medical supplies.

xi) Automation of University services

The contract signed between Laikipia University and ABNO Software International Limited marked the beginning of a transformative collaboration that aimed to streamline the University's administrative processes and to enhance efficiency. Since the signing of the contract, there has been remarkable progress in the implementation of the ERP System. Together with ABNO Softwares, the University has achieved significant milestones, including detailed system design, customization to suit institution's unique requirements, and seamless data migration.

During the year under review, the University made a major achievement by commissioning the Enterprise Resource Planning (ERP) system after a successful implementation by ABNO Software International Limited. The comprehensive system integrates multiple functions and processes, centralize University operations and enabling seamless communication and data sharing across different departments. University operations in finance, human resource, student management, procurement and other areas are now interconnected, providing the University with real-time visibility and control over its resources. The ERP system has also ensured that University data is managed securely, effectively and that highest standards of data security and privacy are safeguarded thus ensuring University's stakeholder's trust.



Commissioning of ERP System led by the Vice-Chancellor and the CEO – ABNO Softwares.

xii) Expansion of Local Area Network

The University has continued to expand internet connectivity (Local Area Network - LAN and WIFI) within the University compound. Hotspots points have also been increased.



xiii) Increasing Revenue base through alternative sources of revenue investment and resource mobilization

During the year under review, the University invested in a number of farming activities to enhance University revenue in the long run. The University continued investment in Farm activities that saw the Farm generate revenue amounting to Kes. 4,721,592

xiv) Improvement of University Infrastructure

The University has engaged the Contractors to fast-track completion of ongoing capital projects. Once completed, the facilities are expected to ease tuition spaces for the students. During the year under review, the Government disbursed a total of Kes. 31.9 Million to fund the following capital projects;

(a) Construction of Science Complex

The project will expand science and applied technology facilities. During the year under review, University incurred a total cost of Kes. 29,983,717 towards completing the project. Percentage completion was 50.1% for Phase II of the project as at 30th June, 2023. The University has cumulatively incurred a total of Kes. 149,149,523.10 to complete the project.



On-going Construction of Science Complex

(b) Construction of Tuition Block

The continued increase in demand for higher education is as a result of the ever-growing numbers of students' transiting from secondary schools to the University hence the need to expand teaching and learning facilities. The project was terminated in April, 2019 while at 67% to completion. The project was retendered and the works toward completion of the project commenced on March, 2022. The project was at 98% to completion as at 30th June, 2023. The University incurred a total cost of Kes. 75,539,264 during the year under review and a cumulative cost of Kes. 468,159,967 to complete the project.



On-going Construction of Tuition Block

(c) Construction of Library and Administration Block

The University is ensuring completion of Library and Administration project to ensure that staff and students have adequate office spaces and teaching/learning facilities. Once complete shall ease congestion at the University Library and create conducive environment for work and learning. During the year under review, University spent Kes. 1,204,292.00 towards completion of this project. The project is in the final stage of completion at 99.7% with a cumulative cost of Kes. 399,599,684.00.



Ongoing construction of Library and Administration Block

xv) Other Achievements;



During the period under review, the University also achieved the following;

- (a) The University managed to reduce historical pending bills which included payment of prior period suppliers and part-time lecturers by Kes. 38.93 million and Kes. 44.45 million respectively at the close of period ended 30th June 2023.
- (b) The University awarded tenders under the promotion of local content in procurement amounting to Kes. 70.7 million.
- (c) The University achieved a Webometric Ranking of World Universities of 12004 during the period
- (d) On capacity building, the University trained thirty (30) academic staff on online teaching and LMS usage.
- (e) Under Youth Internships/ Industrial Attachments/ Apprenticeships, the University placed fifteen (15) youths on internship and provided external attachment to thirty eight (38) youths from other institutions

2. Financial Highlights

The higher education sector and particularly public Universities have continued to rely heavily on Government funding and student fees for operations and sustainability. This continues to call for great prudence in financial management practices.

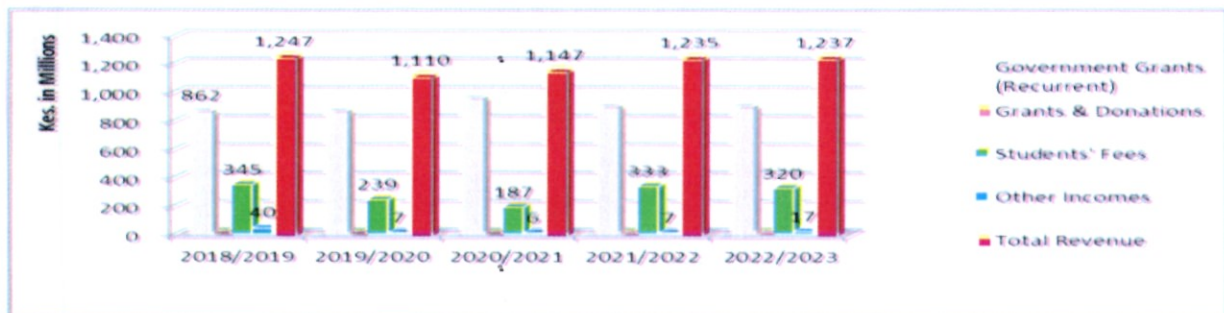
This section highlights the degree to which financial objectives have been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time. The section highlights financial performance for the year ended 30th June, 2023 with comparison to results for the past five years.

During the period under review, the University registered a cumulative surplus of Kes. 8,138,386 for the year ended 30th June, 2023 compared to Kes. 8,621,628 in similar period ended 30th June, 2022 resulting to a decline by 5.6%. Reserves also increased by 1.77% from Kes. 2.06 billion in 2021/2022 to Kes. 2.10 billion in 2022/2023 FY. The total assets of the institution grew by 2.84% compared to results of last financial year ended 30th June 2022. The management of cash-flows and our budget remains a critical component of the Finance Committee and the Finance Department if the University is to remain solvent in these turbulent times. There were few infrastructure projects including the science complex and Tuition block among other capital projects during the year.

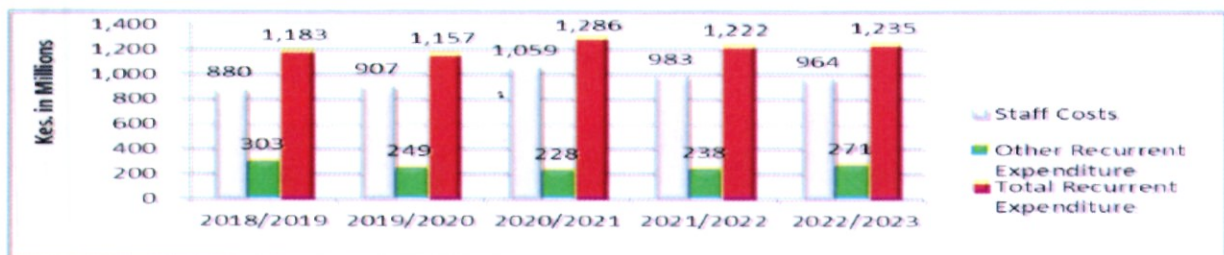
Detailed analysis of the 2022/2023 FY with comparative analysis for the past five years are as follows;

Five Year Summary of Key Statistics

University Revenue 2018/2019 -2022/2023



University Expenditure 2018/2019 -2022/2023



Five Years Statement of Financial Performance

REVENUE	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
	(30.06.2023)	(30.06.2022)	(30.06.2021)	(30.06.2020)	(30.06.2019)
	Kes.	Kes.	Kes.	Kes.	Kes.
Revenue from Non-exchange Transactions					
Government Grants (Recurrent)	894,695,904	893,749,307	953,402,997	863,236,998	861,921,103
Grants & Donations	5,693,229	837,780	40,000	118,617	323,830
	900,389,133	894,587,087	953,442,997	863,355,615	862,244,932
Revenue from Exchange Transactions					
Students' Fees	319,625,060	333,349,073	187,479,717	239,252,345	344,780,879
Other Incomes	17,338,422	6,601,237	6,310,697	7,352,420	40,222,388
	336,963,482	339,950,310	193,790,414	246,604,765	385,003,267
Total Revenue	1,237,352,615	1,234,537,397	1,147,233,411	1,109,960,380	1,247,248,200
EXPENDITURE					
Staff Costs	964,139,821	983,360,407	1,058,791,260	907,330,144	879,832,268
Administrative Expenses	85,922,807	69,578,551	50,407,603	65,062,522	73,922,463
Repairs & Maintenance Expenses	6,560,739	8,506,247	7,939,245	8,281,891	7,595,057
Contracted Services	7,101,926	3,999,537	5,311,163	3,136,442	2,667,644
Academic & Research Expenses	102,754,404	91,858,101	113,316,980	118,445,906	181,082,677
Students Welfare	8,958,304	7,846,197	4,819,224	8,740,078	14,096,133
Council Expenses	10,938,033	11,534,134	9,505,033	11,478,799	9,522,411
Finance Charge	0	0	0	0	0
Depreciation	48,329,609	43,778,557	37,487,318	34,782,057	14,933,740
Provision for Bad Debts	535,374	(881,333)	(1,121,933)	(739,826)	(2,490,052)
Loss on Disposal/De-recognition	24,450	1,979,600	0	0	1,492,763
Total	1,235,265,467	1,221,559,998	1,286,455,893	1,156,518,012	1,182,655,105
Operating Surplus/(Deficit)	2,087,148	12,977,398	(139,222,482)	(46,557,632)	64,593,095
Other Service Units					
Farm Surplus/(Deficit)	4,721,592	(3,777,952)	(1,186,753)	11,666	(744,707)
Catering Surplus/(Deficit)	1,050,087	(991,207)	(127,034)	923,607	(503,705)
Bookshop Surplus/(Deficit)	279,560	413,390	191,652	0	0
Total Other Service Units	6,051,238	(4,355,770)	(1,122,136)	935,273	(1,248,412)
Total Surplus/(Deficit)	8,138,386	8,621,628	(140,344,618)	(45,622,359)	63,344,683

Five Years Statement of Financial Position

DETAILS	2022/2023 (30.06.2023)	2021/2022 (30.06.2022)	2020/2021 (30.06.2021)	2019/2020 (30.06.2020)	2018/2019 (30.06.2019)
ASSETS	Kes.	Kes.	Kes.	Kes.	Kes.
Current Assets					
Cash & Cash Equivalents	90,175,164	102,782,903	42,263,023	38,604,328	22,292,890
Receivables from Exchange Transactions	181,983,404	177,165,038	185,097,033	195,194,426	201,852,859
Receivables from Non-exchange Transactions	11,688,825	0	0	0	77,269,549
Inventories	15,671,678	15,077,444	17,019,907	19,392,081	17,676,910
Total Current Assets	299,519,070	295,025,385	244,379,964	253,190,835	319,092,208
Non- Current Assets					
Property, Plant and Equipment	2,294,765,068	2,216,372,567	2,119,595,133	2,093,677,951	2,030,723,264
Library Books	3,189,419	5,566,490	7,050,166	7,623,994	8,782,306
Intangible Assets (ERP Software)	29,693,140	34,525,620	30,406,820	28,502,460	15,125,700
Biological Assets	3,804,600	6,920,326	6,640,000	5,391,000	5,624,500
Total Non- Current Assets	2,331,452,227	2,263,385,002	2,163,692,120	2,135,195,405	2,060,255,770
Total Assets	2,630,971,297	2,558,410,387	2,408,072,083	2,388,386,240	2,379,347,978
LIABILITIES					
Current Liabilities					
Overdrawn Cashbooks	0	0	0	1,624,468	6,861,147
Accounts Payables	533,782,434	497,747,009	519,346,661	388,395,325	417,876,902
Total Current Liabilities	533,782,434	497,747,009	519,346,661	390,019,793	424,738,049
Non-Current Liabilities					
Long Term Liabilities	0	0	0	0	0
Total Non- Current Liabilities	0	0	0	0	0
Total Liabilities	533,782,434	497,747,009	519,346,661	390,019,793	424,738,049
NET ASSETS	<u>2,097,188,863</u>	<u>2,060,663,378</u>	<u>1,888,725,422</u>	<u>1,998,366,447</u>	<u>1,954,609,930</u>
Financed By:					
Capital Reserve	1,860,441,989	1,832,054,890	1,667,834,564	1,637,130,971	1,547,752,095
Revenue Reserves (Surplus/(Deficit))	(260,695,749)	(285,657,677)	(310,198,850)	(186,677,774)	(157,878,957)
Revaluation Reserve (Unrealized Gain)	497,442,624	514,266,166	531,089,708	547,913,250	564,736,792
Total	<u>2,097,188,863</u>	<u>2,060,663,378</u>	<u>1,888,725,422</u>	<u>1,998,366,447</u>	<u>1,954,609,930</u>

a) Financial Performance Analysis

Financial analysis involves the use of financial statements. Its purpose is to convey an understanding of some financial aspects of a business firm. Financial performance analysis includes analysis and interpretation of financial statements in such a way that it undertakes full diagnosis of the profitability and financial soundness of the business. The University’s financial analysis for the period ended 30th June, 2023 was as follows;

i) Statement of Financial Performance Analysis

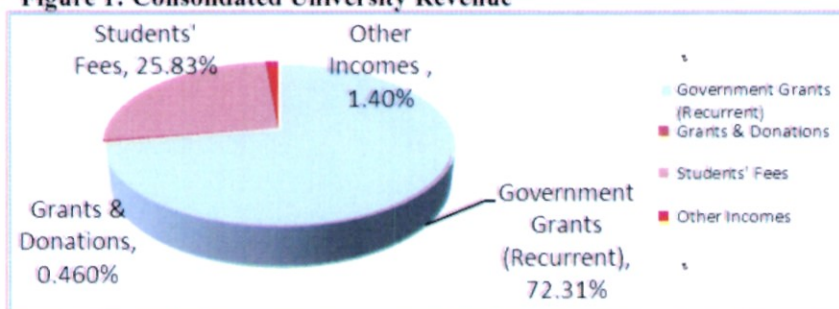
An analysis of financial performance indicates an improving trend on University surpluses in 2021/2022 and 2022/2023 financial years. The deficits on financial performance recorded in 2019/2020 and 2020/2021 was as a result of COVID-19 pandemic which led to closure of the University, thus affecting income.

During the financial year under review, the University registered a cumulative surplus of Kes. 8,138,386 by 30th June, 2023 compared to Kes. 8,621,628 in similar period ended 30th June, 2022. This led to growth of accumulated revenue reserve to Kes. (260.7) million in 2022/2023 financial year compared to accumulated revenue reserve Kes. (285.66) million in the 2021/2022 financial year.

a) Revenue Analysis

During the period under review, the University reported total revenue of Kes. 1,237,352,615 compared to Kes. 1,234,537,397 for similar period ended 30th June 2022 in 2021/2022 financial year. Total Revenue for current period was composed of recurrent government grants at Kes. 894,695,904, grants & donations at Kes. 5,693,229, students’ fees at Kes. 319,625,060 and other income at Kes. 17,338,422. Government grants were the highest contributor to revenue at 72.31% of the total revenue. Revenue composition percentages are as highlighted in the diagram below;

Figure 1: Consolidated University Revenue



A comparison of the current period ended 30th June 2023 with similar period ended 30th June 2022 for the financial 2021/2022 indicates an overall increase in total revenue by 0.2%. Government grants increased by 0.1% to Kes. 894.7 million from Kes. 893.7 million in a

similar period for 2021/22. Students' fees decreased by 4.1% to Kes. 319.6 million from Kes. 333.3 million in similar period last financial Year 2021/2022. Grants & Donations had the highest increase by 579.6% from Kes. 837,780 to Kes. 5,693,229 in the current 2022/2023 financial year. Other incomes also increased by 162.4% compared to a similar period of 2021/2022 due to recognition of sale of trees at Kes. 12 million and compensation from insurance for the lost tractor at Kes. 1.6 million. Revenue comparisons for the two periods are highlighted as follows;

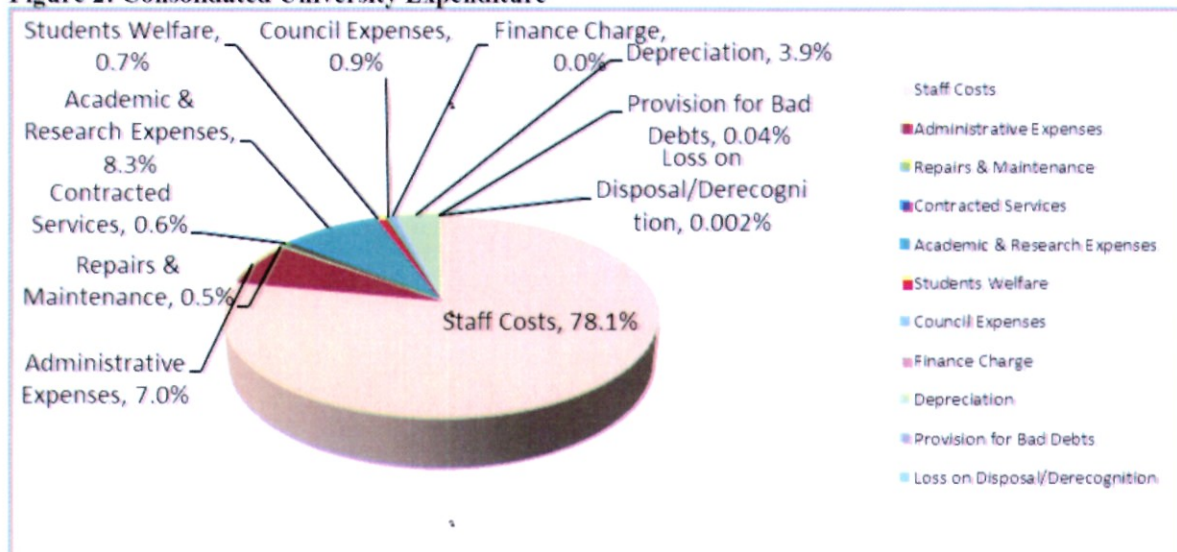
Revenue Comparison

Revenue Category	2022/2023 (30.06.2023) Kes.	2021/2022 (30.06.2022) Kes.	% Change %
Government Grants (Recurrent)	894,695,904	893,749,307	0.1%
Grants & Donations	5,693,229	837,780	579.6%
Students' Fees	319,625,060	333,349,073	-4.1%
Other Incomes	17,338,422	6,601,237	162.7%
Total Revenue	1,237,352,615	1,234,537,397	0.2%

b) Expenditure Analysis

The University incurred a total expenditure of Kes. 1,235,265,467 at the close of the period ended 30th June 2023. Staff cost had the highest expenditure of Kes. 964,139,821 translating to 78.1% of the total recurrent expenditure. Academic and research expenses took Kes. 102.8 million (8.3%) while administrative expenses took Kes. 85.9 million (7.0%) of the total expenditure. Depreciation on Property, Plant and Equipment (PPE) was Kes. 48.3 million translating to 3.9% of the total expenditure. The University did not incur any expenditure on finance charge as there was no long term liability to incur loan interests. Council expenditure for the period ended 30th June 2023 was Kes. 10.94 million translating to 0.9% of the total expenditure. Provision for bad & doubtful debts increased by Kes. 0.54 million (0.04%) during the period as a result of increase in receivables. The total recurrent expenditure is as highlighted in the following diagram;

Figure 2: Consolidated University Expenditure



A comparison of recurrent expenditure for the period ended 30th June 2023 with similar period for 2021/2022 FY indicates an overall increase in total expenditure by 1.1%. Staff costs decreased by 2.0% from Kes. 983.4 million in the period ended 30th June 2022 to Kes. 964.1 million for the period ended 30th June 2023. Administrative expenses increased by 23.5% as a result of heightened activities on review of strategic plan, re-certification of ISO and Performance contracting activities which took major expenditure in quarter 2 of the 2022/2023 financial year. In addition the activities involved compensation of staff leading to increase on subsistence expenditure. Academic & research expenses increased by 12.2% from Kes. 91.6 million in 2021/2022 financial year to Kes. 102.8 million in the current financial year 2022/2023. Contracted services increased by 77.6 % due to on-going court cases and outsourcing of cleaning services. Council expenses decreased by 7.2% from Kes. 11.79 million to Kes. 10.94 million while provision for bad and doubtful debts increased by 160.7% as a result of increase in receivables compared to similar period last financial year 2021/2022. Comparison of recurrent expenditure for similar periods of the two financial years is highlighted as follows;

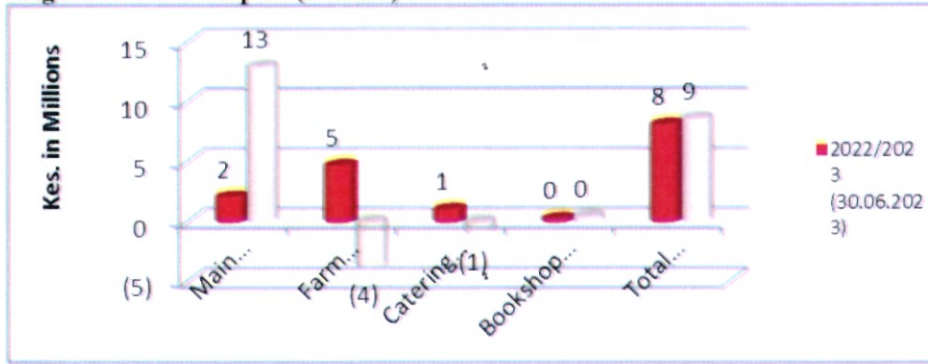
Recurrent Expenditure Comparison

Expenditure Category	2022/2023	2021/2022	Percentage Change
	(30.06.2023)	(30.06.2022)	
	Kes.	Kes.	%
Staff Costs	964,139,821	983,360,407	-2.0%
Administrative Expenses	85,922,807	69,578,551	23.5%
Repairs & Maintenance	6,560,739	8,506,247	-22.9%
Contracted Services	7,101,926	3,999,537	77.6%
Academic & Research Expenses	102,754,404	91,858,101	11.9%
Students Welfare	8,958,304	7,846,197	14.2%
Council Expenses	10,938,033	11,534,134	-5.2%
Finance Charge	0	0	***
Depreciation	48,329,609	43,778,557	10.4%
Provision for Bad Debts	535,374	(881,333)	-160.7%
Loss on Disposal/De-recognition	24,450	1,979,600	-98.8%
Total	1,235,265,467	1,221,559,998	1.1%

c) University Surplus/(Deficit)

The University reported a cumulative surplus of Kes. 8,138,386 in the period ended 30th June 2023. Included in total surplus is Kes. 2,087,148 from University operations, Surpluses from service units of Kes. 4,721,592, Kes. 1,050,087 and Kes. 279,560 from Farm, Catering and Bookshop operations respectively. This is as highlighted in the figure below;

Figure 3: Total Surplus/(Deficits)



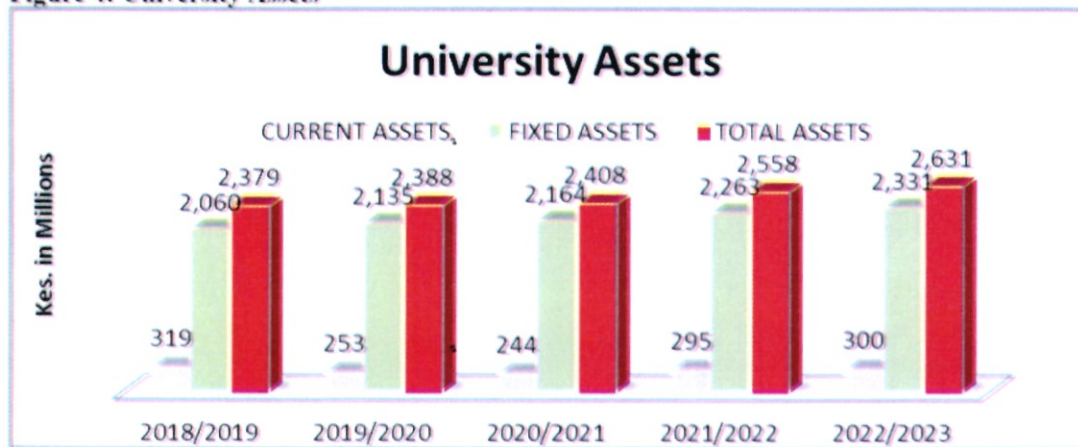
ii) **Statement of Financial Position**

An analysis of the statement of financial position for the past 5 years shows that the University Net Assets have grown by approximately 7% from Kes. 1.95 billion in 2018/2019 to Kes. 2.10 billion as at 30th June 2023. An analysis of Financial Position items is as follows:

a. **University Assets Analysis**

In order to achieve the objective of improving teaching and learning, the University has invested heavily in physical facilities. This is shown by consistent increase in total asset from Kes. 2.38 billion in 2018/19 fiscal year to Kes. 2.63 billion as at 30th June 2023 in 2022/2023 fiscal year. This represents 11% growth since 2018/19 FY. Assets trend is as shown below:

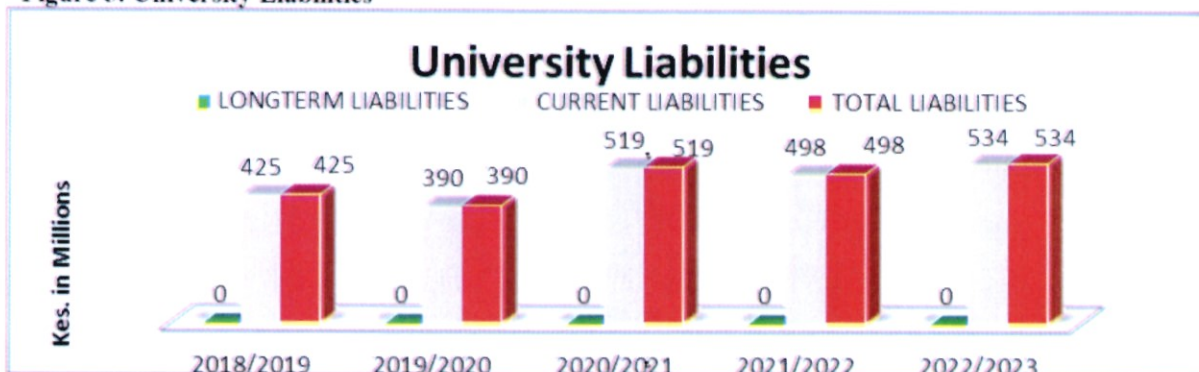
Figure 4: University Assets



b. **University Liabilities Analysis**

The University recorded total liabilities amounting to Kes. 533.8 million at the close of financial period ended 30th June 2023. Cumulatively, University liabilities have increased by 25.7% since 2018/2019 FY. The increase in liabilities was due to shortage of funds to meet financial obligations resulting from the effects of COVID-19 in the 2019/2020 and 2020/2021 financial years where the University remained closed for the better part of the two years. Trend analysis on University liabilities is as indicated in the following figure:

Figure 5: University Liabilities



c. Ratio Analysis

An analysis of university financials ratios indicates weak liquidity for the period ended 30th June 2023 of the 2022/2023 financial year. An ideal position should have a liquidity ratio of 2:1 and a quick ratio of 1:1. Due to the weak liquidity ratios, the University is not able to meet its financial obligations as they fall due. Currently, the University is able to meet 53% of its financial obligations compared to 56% at the close of the period ended 30th June 2022 as indicated by the quick ratio. The inability of the University current assets to fully cover its current liabilities has led to a high level of payables to suppliers of goods & services and part-time teaching costs. Ratio analysis is as shown below;

Balance Sheet Ratio Analysis

Item	2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
Assets	Kes.	Kes.
Current Assets (CA)	299,519,070	295,025,385
Fixed Assets (FA)	2,331,452,227	2,263,385,002
Total Assets	2,630,971,297	2,558,410,387
Liabilities		
Current Liabilities (CL)	533,782,434	497,747,009
Long-term Liabilities	0	0
Total Liabilities	533,782,434	497,747,009
Inventory	15,671,678	15,077,444
Liquidity Ratio (CA/CL)	0.56	0.59
Quick Ratio (CA- Inventory)/CL)	0.53	0.56
Working Capital Changes		
(Increase)/(Decrease) in Working Capital)	18,934,001	(11,725,194)

Cash & Cash Equivalents decreased by 12.27% from Kes. 102.8 million in 2021/2022 FY to Kes. 90.2 million in 2022/2023 FY. The decrease in Cash & Cash Equivalents affected the University’s Cash flow position to meet its obligations.

Gearing Ratio- Also referred to as Debt Equity ratio. This ratio highlights how a company’s capital structure is tilted either toward debt or equity financing. During the period under review, the University recorded a gearing ratio of 25% compared to 24% in 2021/2022 FY.



This implies that for every shilling in equity, the University has 25 cents in leverage. A ratio of one (1) would imply that creditors and investors are on equal footing in the company's assets. Computation of University gearing ratio is as indicated below;

Gearing Ratio (Total Debts to Equity)	2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
Total Liabilities	533,782,434	497,747,009
Total Equity	2,097,188,863	2,060,663,378
Gearing Ratio	0.25	0.24

iii) Statement of Cash Flow

The statement of cash flows shows reconciliation between the opening and closing cash balances. The reconciling items are classified under cash generated from operations, investing and financing activities. Cash flows from the various activities for the period ended 30th June 2023 are as summarized below;

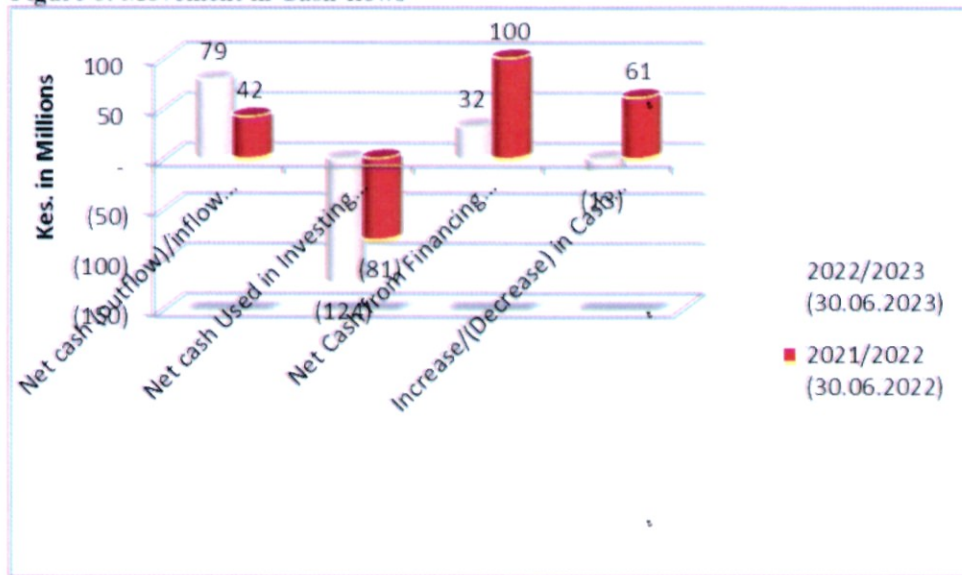
Cash Flows	2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
Net cash (out-flow)/inflow from Operating Activities	78,978,172	41,530,267
Net cash Used in Investing Activities (Capital Expenditure & other Non-current Assets)	(123,524,736)	(81,010,388)
Net Cash from Financing Activities (Capital Grants & Long-term Loans)	31,938,825	100,000,000
Increase/(Decrease) in Cash & Cash Equivalents	(12,607,739)	60,519,880

The University generated net cash inflows from operation of Kes. 78.98 million during the period ended 30th June, 2023 compared to Kes. 41.53 million in similar period ended 30th June 2022. The 2022/2023 FY cash inflows comprises of total University Surplus for Kes. 8,138,386, loss on disposal /de-recognition at Kes. 24,450, Unrealized capital loss on Biological Assets at Kes. 3,551,726 and net changes in working capital at Kes. 18,934,001 during the year. Depreciation being a non-cash item amounting to Kes. 48,329,609 was added back to reduce operation deficit during the 2022/2023 FY.

On investing activities, the University used Kes. 123.5 million during the 2022/2023 FY compared to Kes. 81.01 million in similar period of 2021/2022 FY. The current investing expenditure included Kes. 110.9 million on the ongoing capital projects and Kes. 8.7 million on purchase of plant and equipment. Under the Capital expenditure, the University incurred Kes. 75.5 million on the on-going Tuition block, Kes. 29.98 million on Science complex and Kes. 3.7 million on construction of a modern Zero Grazing Unit to revitalize the University Farm among other capital projects. Expenditure on plant and equipment included purchase of assorted equipment at Kes. 3.1 million, computers and accessories at Kes. 4.8 million, library books at Kes. 0.38 million and acquisition of Fuel Tracking Management Software at Kes. 0.35 million.

On financing cash-flows, the University received Kes. 31.9 million from the National Government through the Ministry of Education to finance the ongoing capital projects. The cash flow results are presented graphically as shown in the following figure;

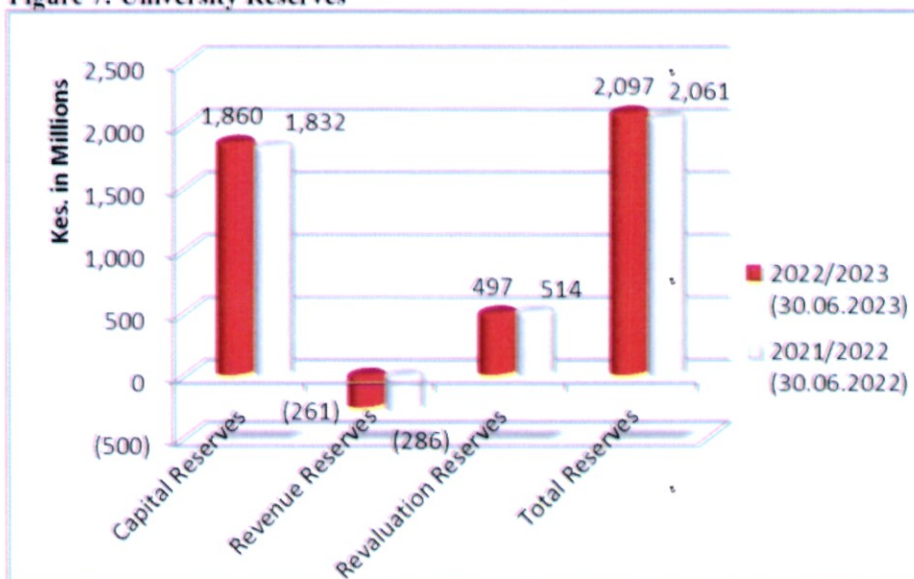
Figure 6: Movement in Cash-flows



iv) Statement of Changes in Reserves

Laikipia University maintains three types of reserves, i.e. capital, revenue and revaluation reserves. The total reserves as at 30th June, 2023 were Kes. 2.1 billion compared to Kes. 2.06 billion at the close of 2021/2022 financial year. Total Reserves comprised of capital reserves at Kes. 1,860,441,989, revenue reserve at Kes. (260,695,749) and revaluation reserve at Kes. 497,442,624. Revaluation reserve is amortized annually by transferring excess depreciation on revaluation through revenue reserve at Kes. 16,823,542. An analysis of University reserves for period ended 30th June, 2023 was as indicated below;

Figure 7: University Reserves



Section B: Compliance with Statutory Requirements

Section 82 of the Public Finance Management Act, 2012, requires that an Accounting Officer for a National Government owned Entity to prepare annual report of the financial year in respect of the entity. Laikipia University complies with this statutory requirement on submission of reports to the Ministry of Education, the National Treasury & Planning and Office of the Auditor General.

The University financial statements have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) accrual basis.

Section C: Key Projects and Investment Decisions

The on-going development projects at the University are Tuition Block, Science Laboratories Complex and Library & Administration Block among others.

Section D: Major Risks Facing Laikipia University

The outlook for risks related to Universities indicates that risks will continue to increase in type and number in the coming years. The University continuously monitors high-risk areas and implements a programme of activities to mitigate risks and cushion their impact through a holistic approach that builds risk management into its structures and processes with a framework comprising governance, a defined risk appetite and an underlying policy and control environment.

The University's activities expose it to a variety of risks, which include credit risk, liquidity risk, compliance risk and commodity price risk among others.

Section E: Material Arrears in Statutory/Financial Obligations

Pending bills at the close of financial year ended 30th June, 2023, amounted to Kes. 533,782,434. This includes part time teaching cost at Kes. 165.67 million, trade payables at Kes. 49.65 million, pension fund accruing at Kes. 35.06 million, KRA taxes payable at Kes. 26.98 million and accrued salary deductions for the month of June 2023 amounting to Kes. 49.9 million. The University is committed to clearing pending bills but its affected by shortage of funds.

Section F: Financial Probity and Serious Governance Issues

The University has no financial probity and governance issues.

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REPORT OF THE AUDITOR-GENERAL ON LAIKIPIA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Laikipia University set out on pages 68 to 122 which comprise the statement of financial position as at 30 June, 2023

Report of the Auditor-General on Laikipia University for the year ended 30 June, 2023

and the statement of financial performance, statement of changes in reserves, 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 the Laikipia University as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unsupported Property, Plant and Equipment

As previously reported, the statement of financial position and Note 26 to the financial statements reflects property, plant and equipment balance of Kshs.2,294,765,068 as at 30 June, 2023 which includes an amount of Kshs.547,088,000 representing the value of eighteen (18) parcels of land measuring a total of 375.88 hectares. According to the ownership documents presented for audit verification, sixteen (16) of these parcels of land were still registered in the name of Egerton University.

In the circumstances, the ownership, accuracy and completeness of property, plant and equipment balance of Kshs.2,294,765,068 could not be confirmed.

2.0 Long Outstanding Receivables from Exchange Transactions

As previously reported, the statement of financial position reflects receivables from exchange transactions balance of Kshs.181,983,404 as disclosed in Note 24 to the financial statements. Included in this balance is long outstanding receivables totalling Kshs.65,449,305 which has been outstanding for more than six years with some relating to closed down campuses of the University.

In addition, the balance of Kshs.181,983,404 includes Kshs.443,353 in respect to un-surrendered imprest which was advanced to staff members who have since left the University.

In the circumstances, the accuracy and collectability of receivables from exchange transactions amounting to Kshs.65,892,658 could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Laikipia University Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical

responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

1.0 Budgetary Control and Performance

During the year under review, the Management over spent in the following three components against the approved budget;

Component	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Variance (%)
Academic and Research Expenses	93,282,000	102,754,404	(9,472,404)	10.15%
Contracted Services	6,035,584	7,101,926	(1,066,342)	17.67%
Student welfare	10,482,550	8,958,304	1,534,246	(14.54%)

There was no evidence provided for audit review to show that the Management obtained approval through supplementary budget on the excess expenditure.

In the circumstances, Management did not adhere to the approved budget.

2.0 Uncertainty on Sustainability of Services

The statement of financial position reflects current assets and current liabilities of Kshs.299,519,070 and Kshs.533,782,434 respectively, resulting in negative working capital of Kshs.234,263,364. Therefore, the University may be unable to meet its financial obligations as and when they fall due and may, therefore, be technically insolvent on the basis of the negative working capital position.

In the circumstances, the sustainability of services delivery and the going concern as a University is in doubt.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several paragraphs were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, although the unresolved prior year issues are disclosed as resolved under the progress on follow up of auditor's recommendations section of the financial statements, all issues remain unresolved as no reports from the National Assembly oversight committees were provided for review on those matters.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Non-Compliance with the Law on Fiscal Responsibility - Wage Bill

The statements of financial performance reflects an expenditure of Kshs.964,118,821 on employees costs representing 78% of the total revenue of Kshs.1,237,352,615. This is contrary to the provisions of Regulations 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which puts a cap at 35% of the total receipts.

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

2.0 Irregular Acting Appointments

Review of the personnel records revealed that four (4) positions fell vacant and had officers appointed on acting capacity for more than six (6) months. This is contrary to Section C.14 of Human Resource Policies and Procedures Manual for the Public Service, 2016 which provides that acting allowance would not be payable to an officer for more than six (6) months. In addition, Section 26 of Laikipia University charter subsections (3) and (4) on performance of functions in absence of office holders gives a maximum of three (3) months for acting appointments.

In the circumstances, the Management was in breach of the human resources policies and the University Charter.

3.0 Un-Remitted Statutory Deductions

Note 30 to the financial statements reflects payables totalling Kshs.533,782,434 which includes Kshs.26,464,829 in respect to unremitted pension deductions that have been outstanding for a period of more than 3 years.

No explanation was given as to why the University had not remitted the deductions to the relevant authorities against the requirements of Section 19(4) of the Employment Act, 2007 which requires that an employer who deducts an amount from an employee's remuneration in accordance with Section 1 (a), (f), and (h) shall pay the amount so deducted in accordance with the time period and other requirements specified in the law, agreement, court order, or arbitration as the case may be.

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

4.0 Delay in Completion of Projects

The statement of financial position and as disclosed in Note 26 to the financial statements reflects property, plant and equipment balance of Kshs.2,294,765,068. Included in the balance, is work in progress of Kshs.1,116,728,057 out of which projects worth Kshs.649,279,659 have gone past their completion date. These include: -

- a. The gate whose cumulative payments is Kshs.31,129,169 and fully paid for but 98% complete. The project was supposed to have been completed in December, 2016.
- b. Science Complex Building whose cumulative payments is Kshs.149,149,523 and which is 81% complete but was supposed to be completed in June, 2022.
- c. Tuition Blocks whose cumulative payments is Kshs.468,159,967 and which is 80% complete but was supposed to have been completed in June, 2018.
- d. The administration block which stalled after payment of Kshs.841, 000.

Further, there was an un-explained material variance of Kshs.7,497,594 between total payments made for the construction of the gate of Kshs.31,129,169 and contract sum of Kshs.23,631,575 as per the contract signed on 26 February, 2015. The variation has not been justified.

In the circumstances, efficiency and effectiveness in use of public resources and value for money amounting to Kshs.649,279,659 could not be confirmed.

5.0 Irregular Expenditure on Research Activities

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects academic and research expenses amounting to Kshs.102,754,404. Included in this balance are expenses of Kshs.2,846,467 and Kshs.2,110,050 relating to internal research grant and external research grant expenses, respectively. Included in

the expenditure are two payments for research activities of Kshs.2,110,050 and Kshs.500,000 paid vide two imprest warrants to a lecturer to facilitate fieldwork activities. However, the following observations were made;

- a. One of the imprest was applied for and approved on 20 December, 2022. However, the attached supporting documentation indicates that the payments were made between 15 August, 2022 and 10 November, 2022 i.e one to four months before the application and approval of the imprest. The expenditure, therefore, was incurred before being authorized. This is contrary to Regulations 52(1)(a) of the Public Finance Management Regulations (National Government), 2015 which states that no public officer can spend or commit funds until he or she has been properly authorized by means of an Authority to Incur Expenditure.
- b. The other imprest was applied for and approved on 9 May, 2023 with the payment being made on 15 May, 2023. However, Kshs.210,000 of the supporting expenditure returns relates to payments made at least one month before the application and approval of the imprest. No justification was provided on how the officer was able to fund the expenses out of pocket before approval and payment of the imprest.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1.0 Lack of an Approved Risk Management Policy

The University Management had not put in place risk management policy, strategies, and risk register to mitigate against risk. It was, therefore, not clear how the management manages risk exposures. This is contrary to Section 165 (1) of Public Finance

Management Act (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the national government entity develops risk management strategies, which include fraud prevention mechanism; and the national overnment entity develops a system of risk management and internal control that builds robust business operations.

In the circumstances, the existence of effective risk management measures could not be confirmed.

2.0 Reliability of ABNO Enterprise Resource Planning (ERP) System

Review of the ABNO enterprise resource planning system and a test run on management reports revealed the following inconsistencies:

- a. Note 30 to the financial statements reflects a closing balance of Kshs.47,765,665 as fee prepayments. However, upon running the status report on fee prepayments during audit the system gave a different report with a balance of Kshs.32,208,894 giving rise to a variance of Kshs.15,556,771.
- b. Note 24 to the financial statements reflects a balance of Kshs.127,236,515 as student debtors. However, upon running a status report on student debtors during the audit the system gave a report with a balance of Kshs.122,842,905 resulting to a variance of Kshs.4,393,610
- c. Service level agreement for the system was not provided to show the terms of engagement with the vendor after commissioning the system.

In the circumstances, the integrity, efficiency and effectiveness of the system could not be confirmed.

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

Responsibilities of the Management and the University Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 March, 2024

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE, 2023**

REVENUE	Notes	Page	2022/2023 (30.06.2023) Kes.	2021/2022 (30.06.2022) Kes.	Percentage Change %
Revenue from Non-exchange Transactions					
Government Grants (Recurrent)	5	90	894,695,904	893,749,307	0.1%
Grants & Donations	6	91	5,693,229	837,780	579.6%
Sub-Total			900,389,133	894,587,087	0.6%
Revenue from Exchange Transactions					
Students' Fees	7	91	319,625,060	333,349,073	-4.1%
Other Miscellaneous Incomes	8	93	17,338,422	6,601,237	162.7%
Sub-Total			336,963,482	339,950,310	-0.9%
Total Revenue			1,237,352,615	1,234,537,397	0.2%
EXPENDITURE					
Staff Costs	9	94	964,118,821	983,360,407	-2.0%
Administrative Expenses	10	96	85,943,807	69,578,551	23.5%
Repairs & Maintenance Expenses	11	97	6,560,739	8,506,247	-22.9%
Contracted Services	12	97	7,101,926	3,999,537	77.6%
Academic & Research Expenses	13	98	102,754,404	91,858,101	11.9%
Students Welfare Expenses	14	99	8,958,304	7,846,197	14.2%
Council Expenses	15	99	10,938,033	11,534,134	-5.2%
Finance Charge	16	101	0	0	**
Depreciation & Amortization	17	101	48,329,609	43,778,557	10.4%
Provision for Bad Debts	18	101	535,374	(881,333)	-160.7%
Loss on Disposal/De-recognition	19	102	24,450	1,979,600	-98.8%
Total Expenditure			1,235,265,467	1,221,559,998	1.1%
Operating Surplus/(Deficit)			2,087,148	12,977,398	-83.9%
Other Service Units					
Farm Surplus/(Deficit)	20	103	4,721,592	(3,777,952)	-225.0%
Catering Surplus/(Deficit)	21	103	1,050,087	(991,207)	-205.9%
Bookshop Surplus/(Deficit)	22	103	279,560	413,390	-32.4%
Total Other Service Units			6,051,238	(4,355,770)	-238.9%
Total Surplus/(Deficit)			8,138,386	8,621,628	-5.6%

The notes set out on pages 74 to 117 form an integral part of these Financial Statements. The Financial Statements set out on pages 68 to 72 were signed on behalf of the University Council by:

Dr. Lemein Korei, PhD.

CHAIRPERSON OF COUNCIL

Prof. Kibett Rotich, PhD.

VICE CHANCELLOR

CPA Geoffrey K. Langat

ICPAK No. 4980

FINANCE OFFICER

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2023

DETAILS	Notes	Page	2022/2023 (30.06.2023) Kes.	2021/2022 (30.06.2022) Kes.	Percentage Change %
ASSETS					
Current Assets					
Cash & Cash Equivalents	23	104	90,175,164	102,782,903	-12.27%
Receivables from Exchange Transactions	24(i)	105	181,983,404	177,165,038	2.72%
Receivables from Non-exchange Transactions	24(ii)	105	11,688,825	0	0.00%
Inventories	25	107	15,671,678	15,077,444	3.94%
Total Current Assets			299,519,070	295,025,385	1.52%
Non- Current Assets					
Property, Plant and Equipment	26	108	2,294,765,068	2,216,372,567	3.54%
Library Books	27	111	3,189,419	5,566,490	-42.70%
Intangible Assets (ERP Software)	28	112	29,693,140	34,525,620	-14.00%
Biological Assets	29	113	3,804,600	6,920,326	-45.02%
Total Non- Current Assets			2,331,452,227	2,263,385,002	3.01%
Total Assets			2,630,971,297	2,558,410,387	2.84%
LIABILITIES					
Current Liabilities					
Accounts Payables	30 (i)	114	533,782,434	497,747,009	7.24%
Total Current Liabilities			533,782,434	497,747,009	7.24%
Non-Current Liabilities					
Long Term Liabilities	30(ii)	114	0	0	0.00%
Total Non- Current Liabilities			0	0	0.00%
Total Liabilities			533,782,434	497,747,009	7.24%
NET ASSETS			2,097,188,863	2,060,663,378	1.77%
Financed By:					
Capital Reserve			1,860,441,989	1,832,054,890	1.55%
Revenue Reserves - Surplus/(Deficit)			(260,695,749)	(285,657,677)	-8.74%
Revaluation Reserve			497,442,624	514,266,166	-3.27%
Total			2,097,188,863	2,060,663,378	1.77%

The notes set out on pages 74 to 117 form an integral part of these Financial Statements. The Financial Statements set out on pages 68 to 72 were signed on behalf of the University Council by:

Dr. Lemein Korei, PhD.

CHAIRPERSON OF COUNCIL

Prof. Kibett Rotich, PhD.

VICE CHANCELLOR

CPA Geoffrey K. Langat

ICPAK No. 4980

FINANCE OFFICER

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30TH JUNE, 2023

Details	Capital Reserve	Revenue Reserve	Revaluation Reserve	Total Reserves
	Kes.	Kes.	Kes.	Kes.
2021/2022				
As at 1st July, 2021	1,667,834,564	(310,198,850)	531,089,708	1,888,725,422
Government Development Grants	100,000,000	0	0	100,000,000
Adjustment for Opening Reserves	0	(903,998)	0	(903,998)
Capital Assets Donation (Land)	64,000,000	0	0	64,000,000
Revaluation Gain during the year	0	0	0	0
Excess Depreciation on Revaluation	0	16,823,542	(16,823,542)	0
Capital Gain on Biological Assets	220,326	0	0	220,326
Funds used during the year	0	0	0	0
Total Surplus/(Deficit)	0	8,621,628	0	8,621,628
As at 30th June, 2022	1,832,054,890	(285,657,677)	514,266,166	2,060,663,378

Details	Capital Reserve	Revenue Reserve	Revaluation Reserve	Total Reserves
	Kes.	Kes.	Kes.	Kes.
2022/2023				
As at 1st July, 2022	1,832,054,890	(285,657,677)	514,266,166	2,060,663,378
Government Development Grants	31,938,825	0	0	31,938,825
Adjustment for Opening Reserves	0	0	0	0
Capital Assets Donation (Land)	0	0	0	0
Revaluation Gain during the year	0	0	0	0
Excess Depreciation on Revaluation	0	16,823,542	(16,823,542)	0
Capital Gain on Biological Assets	(3,551,726)	0	0	(3,551,726)
Funds used during the year	0	0	0	0
Total Surplus/(Deficit)	0	8,138,386	0	8,138,386
As at 30th June, 2023	1,860,441,989	(260,695,749)	497,442,624	2,097,188,863

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2023

Details	Notes	Page	2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
			Kes.	Kes.
Operating Activities:				
Surplus/(Deficit)			8,138,386	8,621,628
Adjustment for Opening Reserves			0	(903,998)
Gain/(Loss) on Disposal of Assets			(24,450)	(1,979,600)
Unrealized Capital Gain/(Loss) on Biological Assets			(3,551,726)	220,326
Adjustment for Depreciation & Amortization			48,329,609	43,778,557
Operating surplus before working capital changes			60,044,171	53,255,461
Changes in Working Capital				
Increase/(Decrease) in Receivables	31(i)	116	(16,507,191)	7,931,995
Increase/(Decrease) in Inventories	31 (ii)	116	(594,233)	1,942,463
Increase/(Decrease) in Payables	31 (iii)	116	36,035,425	(21,599,653)
Net changes in Working Capital			18,934,001	(11,725,194)
Net cash generated from operating Activities			78,978,172	41,530,267
Cash flows from Investing Activities				
Purchase of Non-Current Assets	32	117	(8,707,543)	(18,465,032)
Work in Progress	33	119	(110,905,517)	(62,727,732)
Capital Gain on Biological Assets			(3,551,726)	220,326
Purchase of Biological Assets			(436,000)	(60,000)
Proceeds from sale of Non-Current Assets			76,050	22,050
Net cash used in investing Activities			(123,524,736)	(81,010,388)
Cash Flows from Financing Activities:				
Government Development Grants			31,938,825	100,000,000
Proceeds from Long Term Liabilities			0	0
Repayments of Long Term borrowings			0	0
Net cash generated from Financing Activities			31,938,825	100,000,000
Increase/(decrease) in cash and Cash Equivalents			(12,607,739)	60,519,880
Cash & Cash Equivalents at Beginning of the Year			102,782,903	42,263,023
Cash & Cash Equivalents at the end of the period			90,175,164	102,782,903

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30TH JUNE, 2023**

DETAILS	Approved Budget 2022/2023 Kes.	Virement (Adjustments) 2022/2023 Kes.	Revised Budget 2022/2023 Kes.	Actual on Comparable Basis 2022/2023 Kes.	Performance Difference 2022/2023 Kes.	Notes
REVENUE						
Government Grants (Recurrent)	894,695,904	0	894,695,904	894,695,904	0	
Grants & Donations	2,500,000	4,000,000	6,500,000	5,693,229	(806,771)	
Students' Fees	356,000,000	0	356,000,000	319,625,060	(36,374,940)	i
Other Incomes	6,570,000	13,935,850	20,505,850	17,338,422	(3,167,428)	ii
Total	1,259,765,904	17,935,850	1,277,701,754	1,237,352,615	(40,349,139)	
EXPENDITURE						
Staff Costs	1,057,362,772	(87,145,806)	970,216,967	964,118,821	6,098,146	iii
Administrative Expenses	72,906,000	5,976,743	78,882,743	85,943,807	(7,061,064)	iv
Repairs & Maintenance Expenses	10,500,000	(3,300,000)	7,200,000	6,560,739	639,261	
Contracted Services	4,000,000	2,035,584	6,035,584	7,101,926	(1,066,342)	
Academic & Research Expenses	76,250,000	17,032,000	93,282,000	102,754,404	(9,472,404)	v
Students Welfare	11,550,000	(1,067,450)	10,482,550	8,958,304	1,524,246	
Council Expenses	12,000,000	(100,000)	11,900,000	10,938,033	961,967	
Finance Charge	0	0	0	0	0	
Depreciation & Amortization	23,000,000	0	23,000,000	48,329,609	(25,329,609)	vi
Provision for Bad Debts	7,000,000	0	7,000,000	535,374	6,464,626	vii
Loss on Disposal/ De-recognition	0	0	0	24,450	(24,450)	
Total	1,274,568,772	(66,568,929)	1,207,999,844	1,235,265,467	(27,265,624)	
Operating Deficit	(14,802,868)	84,504,779	69,701,910	2,087,148	(13,083,515)	
Other Service Units						
Sales						
Farm	20,000,000	0	20,000,000	13,824,210	(6,175,791)	
Catering	16,000,000	0	16,000,000	8,678,284	(7,321,716)	
Bookshop	3,000,000	0	3,000,000	1,578,435	(1,421,565)	
Total Sales	39,000,000	0	39,000,000	24,080,928	(14,919,072)	
Expenses						
Farm	8,830,000	0	8,830,000	9,102,618	272,618	
Catering	11,195,000	0	11,195,000	7,628,197	(3,566,803)	
Bookshop	1,480,000	0	1,480,000	1,298,875	(181,125)	
Total Expenses	21,505,000	0	21,505,000	18,029,690	(3,475,310)	
Total Surplus/(Deficit) for Service Units	17,495,000	0	17,495,000	6,051,238	(11,443,762)	
Total Surplus/(Deficit)	2,692,132	84,504,779	87,196,910	8,138,386	(24,527,277)	
ADD: Other Receipts						
Government Grants (Capital)	81,000,000	(49,061,175)	31,938,825	31,938,825	0	
Receipts from Debtors	62,950,000	(7,035,655)	55,914,345	12,759,144	(43,155,201)	viii
	143,950,000	(56,096,830)	87,853,170	44,697,969	(43,155,201)	
LESS: Other Payments						
Plant & Equipment	14,800,000	(1,906,400)	12,893,600	8,707,543	4,186,058	ix
Capital Development	86,200,000	(48,745,757)	37,454,243	110,905,517	(73,451,274)	x
Debt Management	45,642,132	79,060,106	124,702,238	126,761,502	(2,059,265)	xi
	146,642,132	28,407,949	175,050,081	246,374,562	(71,324,481)	
Surplus/(Deficit) for the Year	0	0	0	(193,538,207)	(193,538,207)	

EXPLANATORY NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

IPSAS 24 requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts. During the period under review, there were performance differences between the actual and budgeted amounts which are explained as follows:

- i. Students Fees – The variance on this line item is as a result of lower number of students admitted in September 2022 than previously anticipated.
- ii. Other Incomes – The positive variance on this item was due to recognition of sale of trees at Kes. 12 million and compensation from insurance of Kes. 1.6 million for lost tractor.
- iii. Staff Costs – This is as a result of decrease in staff numbers due to retirements with no replacements. The University had also anticipated employing two (2) DVCs during the financial year 2022/2023 but the process is still pending.
- iv. Administrative Expenses- The variance is as a result of activities on ISO re-certification, Review of strategic plan and Performance Contracting activities in the 2022/2023 financial year which spent more than anticipated. In addition, there was a general increase in cost of operations due to rising cost of fuel and inflation thereby increasing the expenditure.
- v. Academic & Research Expenses – The variance on this line item arose from recognition of part-time teaching claims for TVET and other programmes that had not been included in the initial budget. The revised budget allocated Kes. 25 million to part time teaching cost but the actual was Kes. 35.9 million leading to a variance of Kes. 10.9 million under-budgeting.
- vi. Provision for Depreciation – The variance arose as a result of a lower provision during budgeting due to Budget capping.
- vii. Provision for Bad Debts – The variance in this line item was as a result of low increase in receivables than previously anticipated.
- viii. Receipts from Debtors – The University did not receive the targeted receipt from students' debtors.
- ix. Plant and Equipment – The University did not acquire the targeted plant and equipment due to shortage of funds.
- x. Capital Development Expenditure – The University has engaged the Contractors to fast-track completion of ongoing capital projects leading to higher expenditure than previously planned.
- xi. Debt Management – The University managed to surpass the planned debt management in compliance with the National Treasury guidelines to prioritize and clear pending bills.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2023

1. General Information

Laikipia University is a body corporate established through the Laikipia University Charter of 19th February, 2013. The University is established and derives its authority and accountability from the Universities Act 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activities are; research, education, scholarship, training, innovation, outreach and consultancy.

2. Statement of Compliance and Basis of Preparation

a. Compliance

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) Accrual. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the *Entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4 of these financial statements.

The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

b. Adoption of New and Revised Standards

i) First time Adoption of IPSAS Accrual

IPSAS 33 grants transitional exemptions to entities adopting accrual basis IPSASs for the first time adoption. It allows first-time adopters three years to recognize specified assets and liabilities. Laikipia University adopted IPSAS in the year ended 30th June 2014 and therefore these provisions of first time adoption of accrual basis IPSAS do not apply to the University.



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

ii) Adoption of New and Revised Standards

New and revised standards in issue and effective 30th June 2023 in relation to financial statements of the University are as follows;

i) IPSAS 41: Financial Instruments

The objective of the standard is to establish new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29. The standard establishes the principle for financial reporting of financial assets and liabilities, relevant and useful to users of financial statements in assessment of amounts, timing and uncertainty of an entity's future cash flows

Although cash and cash equivalents at 30th June 2023 are subject to the expected credit loss requirements as guided by IPSAS 41, no loss allowance has been recognized because the estimated loss allowance for credit losses is trivial.

On receivables, an allowance for credit losses are recognized only when there is objective evidence of impairment that the amount due would not be fully collected based on calculated credit risk. The University receivables as computed under the credit risk analysis are zero impaired and therefore the expected credit loss will also be immaterial.

ii) IPSAS 42: Social Benefits

The objective of the standard is to provide guidance on accounting for social benefits expenditure. Social benefits are defined as cash transfers paid to specific individuals or households to mitigate the effect of social risks. To accomplish the standard the entity is required to recognize an expense and a liability for social benefit, present information about social benefits in the financial statements and disclose to users of financial statements the nature and financial effects of the social benefits. The Standard improves the relevance, faithful representativeness and comparability of the information that a reporting entity provided in its financial statements. Examples of social programs include school feeding programmes and cash assistance for the elderly among others.

Laikipia University did not report any contribution to social benefit program in the year under review

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

iii) Amendments to other IPSAS resulting from IPSAS 41; Financial Instruments

- a) IPSAS 5 – Borrowing costs. Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. The objective of the amendment is to add non-authoritative material to IPSAS 5 and to provide guidance for determining the extent to which borrowing costs can be explained. It also adds implementation guidance and illustrative examples which IPSAS 5 does not contain currently.

The University did not have any loan to attract borrowing cost therefore will not be affected by changes in IPSAS 5 on amendment of IPSAS 41.

- b) IPSAS 30 - Financial Instruments: Disclosures

The standard requires entities to provide disclosures in their financial statements that enable users to evaluate, the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks. The objective of the amendment is to give guidance for accounting for financial guarantee contracts and to give illustrative examples on hedging and credit risk

iv) Other improvements to IPSAS

- a) IPSAS 22 - The disclosure requirement is to present information about the general government sector in consolidated financial statements, for better understanding of the relationship between market and non-market activities of the government. When this Standard was issued, it referred to the SNA 1993, in developing improvements to IPSAS; the IPSASB noted that IPSAS 22 referred to an older edition of the SNA. Therefore, the IPSASB amended the Standard to refer to the latest edition of the SNA which is SNA 2008. The improvement does not affect Laikipia University reporting on IPSAS 22 since it's the referencing that changed.



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

- b) IPSAS 39 – Employee Benefits This IPSAS was amend by deleting the word “composite” from the term composite social security benefits as it is no longer an IPSAS defined term. By deletion of the section on Composite Social Security Programs to Social Security Programs, the government has made it mandatory to contribute to a social security program by securing a funded plan governed by the NSSF Act that guarantees lifetime payments for retirees. The amendment is applicable to Laikipia University and deductions towards NSSF for all staff affected.
- c) IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

iii) Early adoption of standards

Early adoption of standards applies to new and revised standards in issue and not yet effective in the year ended 30th June 2023. The University did not early-adopt any new or amended standards in financial year 2022/2023. New and revised standards in issue and not yet effective in the year under review included the following;

i) IPSAS 43: Leases

The objective of this standard is to ensure that lessors and lessees provide relevant information in a manner that users of financial statements are able to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. The standard sets out a comprehensive model for the identification of lease arrangements and the treatment in the financial statements of both lessees and lessors where the lessee and lessor accounting models are asymmetrical.

The standard is not applicable to Laikipia University since we do not hold any leases.

ii) IPSAS 44: Non-current assets held for sale and discontinued operations

The standard specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It 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 depreciation on such assets to cease; and Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

Laikipia University does not hold assets for sale hence the standard is not applicable

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

3. Summary of Significant Accounting Policies

The principle accounting policies applied in the preparation of the University's financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the University's activities. Revenue is shown net of rebates and discounts. The University recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and when specific criteria have been met for each of the University's activities as described below. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue has been accounted for using the accrual concept of accounting. Income is recognized in the period in which it is earned. The revenue recognition is as follows:

i) Revenue from non-exchange transactions

IPSAS 23 prescribes requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination. The Standard deals with issues that need to be considered in recognizing and measuring revenue from non-exchange transactions including the identification of contributions from owners.

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

The University's revenue from non-exchange transactions are recognized as follows:

- ❖ **Government Grants** – These are recognized as income in the period they are received. Accrued Government grant is recognized only when there is a reasonable assurance that the entity will comply with any condition attached to the grant and that the grant will be received.
- ❖ **Other Grants & Donations** - Grants and donations in form of research grants and donations from National Government-Constituency Development Funds (NG-CDFs) are recognized as income in the period it is received. The entity does not accrue un-received grants and donations unless there is a reasonable assurance to receive the funds.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

ii) Revenue from exchange transactions

IPSAS 9 prescribe the accounting treatment of revenue arising from exchange transactions and events. Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Revenue from exchange transactions for the University are accounted for as follows:

- ❖ **Tuition and Fees** - Revenue from tuition and fees are recognized prorata over the relevant period. The entity applies accrual concept in relation to tuition and fees receivable in a particular year. Revenue from tuition fees are accounted for over the period in which they relate. Fees paid in advance are carried forward under trade and other payables as fees prepayment.
- ❖ **Other Miscellaneous incomes** - Revenues from other sources are recognized when the amount of revenue can be measured reliably.

b. Budget Information

IPSAS 24 requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities which are required to, or elect to, make publicly available their approved budget(s) and for which they are, therefore, held publicly accountable. Compliance with the requirements of this standard ensures that public sector entities discharge their accountability obligations and enhance the transparency of their financial statements by demonstrating compliance with the approved budget(s) for which they are held publicly accountable and, where the budget(s) and the financial statements are prepared on the same basis, their financial performance in achieving the budgeted results.

c. Reserves

Laikipia University maintains three types of reserves as indicated on the Statement of changes in reserves of the financial statements. The reserves are capital, revenue and revaluation reserves.



Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

d. Property, Plant and Equipment

IPSAS 17 stipulates that an entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment.

In cost model, after recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Under revaluation model, an item of property, plant and equipment shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

The standard allows revision of estimated useful life which is accounted for prospectively. The change in the estimate is reported in the current and prospective periods. Previously reported statements and opening balances do not need to be adjusted to reflect the change in the useful life estimate. The reasons prior periods don't need to be restated are as follows:

- Change in the useful life estimate does not represent an accounting error.
- Estimate changes are an inherent and continual part of the estimation process.

The University revalued all assets at the close of 2018/2019 financial year. Basic calculation process of depreciation remains unchanged between revaluation model and cost model. Under cost model depreciation is calculated on the basis of cost less residual value over the useful life of asset. Under revaluation model depreciation is calculated on the basis of revalued amount less residual value over the remaining useful life. Under both models depreciation for the period is charged in the income statement.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- Restate accumulated depreciation proportionately with the change in the gross carrying amount of the asset (so that the carrying amount of the asset after revaluation equals its revalued amount); or
- Eliminate the accumulated depreciation against the gross carrying amount of the asset.

Land is not depreciated as it is deemed to have an infinite life. Depreciation on other property is charged so as to write off the assets during the estimated useful life, using the straight line method. Assets acquired during the year will attract full year depreciation while assets disposed during the year will not be charged the depreciation. The annual depreciation rates used are as follows:-

Buildings	-	2.5%
Office Equipment	-	20%
Furniture & Fittings	-	12.5%
Plant, Machinery & Tractors	-	10%
Motor Vehicles & Motor Bikes	-	25%
Computer & Accessories	-	20%
Library Books	-	20%

Reserves transfer

The depreciation charge on the revalued asset will be different to the depreciation that would have been charged based on the historical cost of the asset. As a result of this, a transfer is made of an amount equal to the excess depreciation from the revaluation reserve to retained earnings.

Disposal of Assets

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

e. Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Costs associated with maintaining computer software programmes are recognized as an expense as incurred. These costs are amortized on the basis of the expected useful lives. Software is amortized on a straight line basis over the expected/estimated useful life. The University amortizes intangible assets at a rate of 20% per year.

f. Biological Assets

Livestock are valued at the prevailing market rates. Crops are valued at fair value less estimated point of sale costs. Formula for calculating the value of crops in the field is as follows:

$$V_c = \frac{D \times A \times YP \times SP}{MP}$$

Where:

V_c – Value of crop **YP** – Yield Potential of the crop
D – Age in Days **SP** – Selling Price per 90 Kg Bag
A – Area in Acres **MP** – Maturity Period

g. Cash & 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 various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term petty cash imprests and money orders with post office not cleared at the end of the financial year.

h. Inventories

Inventories are stated at the lower of cost or net realizable value. Costs of issues are calculated using 'First in First Out' (FIFO) method. Net realizable value represents the estimated selling price less any estimated cost of disposal. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

i. 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.

j. Contingent liabilities

The University 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.

k. Contingent assets

The University does not recognize a contingent asset, but discloses details of any contingent asset in the notes to financial statements 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. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l. Related Parties

IPSAS 20 requires an entity to disclose the existence of related party relationships where control exists, and the disclosure of information about transactions between the entity and its related parties in certain circumstances. The principal issues in disclosing information about related parties are (a) identifying which parties control or significantly influence the reporting entity, and (b) determining what information should be disclosed about transactions with those parties.

Parties are considered to be related if one party has the ability to (a) control the other party, or (b) exercise significant influence over the other party in making financial and operating decisions. The University's related parties include the members of University Council, Management Board and the Government.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

Laikipia University Council is the governing body of the University and therefore a related party to the University. Remuneration to University Council members is analyzed on Note 15 of the financial statements.

In addition, Members of the University Management Board (UMB) are the key management personnel in the University and regarded as related parties. The UMB comprise of the Vice Chancellor, Deputy Vice Chancellor (AF&P), Deputy Vice Chancellor (ARSA), Registrar (Administration & Human Capital), Registrar (Academic Affairs) and Finance Officer. IPSAS 20 stipulates that remuneration of key management personnel falls under related party transactions and therefore shall be disclosed in the financial report for the year.

Remuneration of key management personnel is any consideration or benefit derived directly or indirectly by key management personnel from the reporting entity for services provided in their capacity as members of the governing body, or otherwise as employees of the reporting entity. Significant influence (for the purpose of this Standard) is the power to participate in the financial and operating policy decisions of an entity. Remuneration of University Management Board is indicated under staff costs in Note 9 of the financial statements.

The Government of Kenya is also a related party to the University especially in terms of financing and policies. Government financing through Ministry of Education is analyzed in appendix 4 of the financial statements.

m. Employee Benefits (Retirement Benefit Costs)

Laikipia University, jointly with Egerton, Kisii and Chuka Universities operates a contributory pension scheme for eligible employees. The assets of the scheme are held separately in a trustee administered fund that is funded by both employees and the University.

The University obligation to the scheme is the contribution of 20% of basic Salary whereas the employees contribute 10% of their basic Salary.

The University also contributes to the National Social Security Fund (NSSF) for staff in all cadres as guided by the new NSSF act effective February 2023. Under the provisions of this Act, Employees earning above Kes. 18,000 were divided into two levels of contributions called tier I and tier II. Employees and employers under the tier II category (those above the lower limit) are required to contribute each Kes. 720 monthly to attain a total of Kes. 1,440 per month from both parties. On the other hand, those under tier I are required to contribute Kes. 360 per month, and their employers should match the same.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

The University contributions to the above schemes are charged to the Statement of Financial Performance in the year to which they relate. The University has no further obligation once the contributions have been remitted to the pension fund. The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The University's contributions to the defined contribution schemes are recognized as an employee benefit expense in the year which it relates.

All employees are expected to take their annual leave as and when it matures during the year, otherwise, forfeit it. Hence there is no accrued annual leave at the statement of financial position date.

Employee's entitlements to gratuity are recognized when they accrue to contractual employees. A provision is made for the liability for such entitlements as a result of services rendered by employees up to the statement of financial position date. Such employees become entitled to the gratuity at the end of every financial year in their contracts and the payments out of this are charged to the accrued gratuity account.

n. Risk Management in Laikipia University

The University's activities expose it to a variety of financial risks. Effective risk management and control are essential pillars for the sustainable growth of the University. The University has put in place the Integrated Management Systems (IMS) in all functional areas on risk management to evaluate, respond to and monitor risks in the execution of our strategy. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The University's financial risk management types and exposures are detailed below;



Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

(i) Credit Risk Management

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the University. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposures to students, and other outstanding receivables. The University's credit risk is primarily attributable to its receivables. To mitigate the credit risk the University provides provision for doubtful debts at 10% and ensures implementation of fee payment policy as per the Financial Management Policies and Procedure Manual. The amounts presented in the statement of financial position are net of allowances for doubtful receivables.

The University's policy is payment on invoicing and reporting and thus students' receivables are categorized as either past due or impaired. The amount that best represents the University's maximum exposure to credit risk is made up as follows;

Details	Total Kes.	Fully Performing Kes.	Past due Kes.	Impaired Kes.
As at 30th June, 2023				
Students Receivables	114,512,863		114,512,863	
Other Receivables	67,470,540		67,470,540	
GOK Capitation Receivable	11,688,825		11,688,825	
Bank Balances	<u>90,175,164</u>	<u>90,175,164</u>	<u>0</u>	<u>0</u>
	<u>283,847,393</u>	<u>90,175,164</u>	<u>193,672,229</u>	<u>0</u>
As at 30th June, 2022				
Students Receivables	105,748,625		105,748,625	
Other Receivables	71,416,413		71,416,413	
Bank Balances	<u>102,782,903</u>	<u>102,782,903</u>	<u>0</u>	<u>0</u>
	<u>279,947,941</u>	<u>102,782,903</u>	<u>177,165,038</u>	<u>0</u>

(ii) Liquidity risk management

Prudent liquidity risk management includes maintaining sufficient cash to meet the University's obligations. Ultimate responsibility for liquidity risk management rests with the University Management Board, which has built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The risk exposes the University to litigations and denial of services. To mitigate the risk the University Management Board prepares and reviews the cash forecasts regularly and determines the University's cash requirement. The table below analyses the University's financial liabilities into relevant maturity period based on the remaining period at the end of reporting period to the contractual maturity date.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

Liquidity risk Analysis

Details	Less than one Month Kes.	Between 1-12 Months Kes.	Over 12 Months Kes.	Total Kes.
As at 30th June, 2023				
Trade Payables	5,912,883	28,082,019	15,652,949	49,647,851
Contractors	0	39,804,859	75,112,098	114,916,956
SSP Claims	10,989,860	26,716,128	127,968,889	165,674,877
Prepaid Fees		47,765,665		47,765,665
Other Payables	74,446,666	10,177,809	50,413,145	135,037,620
Caution Money	-	<u>3,288,000</u>	<u>17,451,464</u>	<u>20,739,464</u>
	<u>91,349,409</u>	<u>155,834,480</u>	<u>286,598,545</u>	<u>533,782,434</u>
As at 30th June, 2022				
Trade Payables	4,680,974	33,823,505	18,556,871	57,061,350
Contractors	295,000	7,580,863	75,046,825	82,922,688
SSP Claims	0	24,228,926	155,572,417	179,801,343
Prepaid Fees	0	25,081,594	16,961,536	42,043,130
Other Payables	49,770,013	13,122,185	52,517,121	115,409,319
Caution Money	0	<u>3,893,160</u>	<u>16,616,020</u>	<u>20,509,180</u>
	<u>54,745,987</u>	<u>107,730,233</u>	<u>335,270,789</u>	<u>497,747,009</u>

(iii) Compliance risks

These are risks that institutions governing bodies are expected to remain compliant with statutory, regulatory, and regulations. Failure to meet compliance requirements can expose the University to consequences ranging from loss of funding, loss of accreditation of academic programmes by the Commission on University Education and, Technical and Vocational Training Authority, or, in extreme cases, lawsuits and/or criminal charges against the University. To mitigate compliance risks the University ensures compliance with statutory, regulatory, and regulations requirements.

(iv) Governance risk

These are risks that might arise from unethical management of an organization by its leaders in accordance with approved business plans and strategies. If not well managed, the University can be exposed to the risk of high cost of operation; ineffective leadership across all aspects of governance; reduced visibility into risks, threats and vulnerabilities; unprotected and unfavorable internal audits, financial penalties and litigations and lastly increased risks across the entire organization including financial risks, operational risks, security risks and compliance risks. To mitigate the adverse effects of governance risk the University has developed and implemented policies, put in place strong internal control mechanisms and strengthened the internal audit department unit.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

(v) Market risk

(i) Foreign exchange risk - Foreign exchange risk arises from recognized assets and liabilities. The University operates wholly within Kenya and its assets and liabilities are denominated in Kenya shillings. The University therefore believes there is no risk of significant losses due to exchange rate fluctuations.

(ii) Price risk - The University does not hold any financial instruments subject to price risk

(vi) Comparative figures

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

o. Research and Development Costs

Research and development expenditure is charged to income statement in the year it is incurred.

p. Interest on Loans

Interest on loan has been charged as expenses in the year they have been incurred. The policy is to accrue all un-paid interest relating to the year under review.

q. Tax Exemption

All public Universities are classified under Not-for-Profit Organizations (NPOs) and they enjoy tax exemptions and incentives from Government because they provide services that positively influence social welfare. These services should be provided free of charge, below cost or at the very minimum cost. The NPQs include Charities/NGOs/Trusts, Churches/Religious Organizations, Hospitals, Schools/Universities among others.

For NPOs to be exempt from Income Tax, they must have been established solely to;

- Relief poverty or distress of the Public
- Advance religion or education.



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

4. Significant Judgments and Sources of Estimation Uncertainty

The preparation of financial statements, in conformity with IPSAS, requires management to make estimations, assumptions and judgments that affect the reported amounts of revenues, expenses, assets and liabilities, as well as disclosure of contingent liabilities. Estimates and judgments are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The 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. The following are judgments, estimates and assumptions made:

(a) Estimates and assumptions

The University makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below;

i. Going concern

The Council has made an assessment of the University's operations and nothing has come to their attention to indicate that the University will be liquidated or forced to discontinue for any reason. The Council is therefore confident the University will remain a going concern and its operations will continue in the foreseeable future, for at least the next twelve months from the date of this statement

ii. Useful lives and Residual Value

The estimation of the useful life of the asset is a matter of judgment and is based on the experience of the entity with similar assets. Based on judgment, the University's PPEs have a finite useful life and are depreciated to their residual values.

iii. Contingent liabilities

The University estimates and discloses other claims and liabilities that may arise from normal course of business in the financial statements. In the case of pending and threatened litigation claims, management has formed a judgment as to the likelihood of ultimate liability. In the year under review, the University did not have any contingent liability for disclosure.

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

(b) Provisions

Laikipia University faces exposure to claims and other liabilities arising from the normal course of business. These claims and other liabilities normally take time to be determined and therefore significant judgment is required in assessing the likely outcome and the potential liability for such matters. The management therefore, estimates a provision based on exposure precedents and industry best practice. University has provided for the following provisions:

- (i) Provision for bad debts – University policy on provision for bad debts is to provide for 10% of receivables for bad and doubtful debts.
- (ii) Provision for Depreciation & Amortization - The University policy is to apply full year depreciation in the year of purchase with no depreciation on disposal of an asset.

5. Government Grants

IPSAS 23 prescribe requirements for the financial reporting of revenue arising from non-exchange transactions. Transfers from government entities are classified under revenue from non-exchange transactions as there are no services expected in return. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

During the year under review the University received a total of Kes. 894,695,904 in 2022/2023 FY compared to Kes. 893,749,307 in 2021/2022 FY as recurrent capitation. This was an increase by 0.1% during the year and accounted for as revenue in the statement of financial performance. The Government through Ministry of Education (MoE) remained the highest financier of the University at 72.31% of the total revenue. Excluded in recurrent revenue was Kes. 31.9 million for development expenditure which were accounted for in the accumulated reserves under the capital fund (See Appendix IV).

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

		2022/2023	2021/2022
		(30.06.2023)	(30.06.2022)
Code	Description	Kes.	Kes.
40-01-001	GOK Recurrent	894,695,904	893,749,307
	Sub-Total	894,695,904	893,749,307

6. Grants & Donations

The University registered grants and donations totaling to Kes. 5,693,229 in 2022/2023 FY compared to Kes. 837,780 recorded in 2020/2021 financial year. This comprises research grants recognized at 100% as per University policy. Donations to students by Higher Education Loans Board (HELB) and National Government-Constituency Development Funds (NG-CDFs) are posted directly to students accounts to reduce receivables but not revenue to the University. Grants and donations to the University during the year were as follows;

		2022/2023	2021/2022
		(30.06.2023)	(30.06.2022)
Code	Description	Kes.	Kes.
40-01-002	Research Grants	5,693,229	757,450
40-01-003	Other Grants & Donations	0	80,330
	Sub-Total	5,693,229	837,780

7. Students' Fees

IPSAS 9 (revenue from exchange transactions), prescribe the accounting treatment of revenue arising from exchange transactions and events. The primary issue in accounting for revenue is determining when to recognize revenue. Revenue is recognized when it is probable that future economic benefits or service potential will flow to the entity and these benefits can be measured reliably. The Standard identifies the circumstances in which these criteria will be met and, therefore, revenue will be recognized.

Revenue from students' fees is classified under revenue from exchange transaction and is accounted for over the period in which they relate. Fees paid in advance are carried forward as excess/prepayments under trade and other payables. During the period under review, the University recorded students' fees amounting to Kes. 319,625,060 in 2022/2023 FY compared to Kes. 333,349,073 in the last financial year 2021/2022, resulting to a decline by 4.1%. Contribution of students' fees to total revenue was registered at 25.83% during the year.



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

Students' Fees		2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
Code	Description	Kes.	Kes.
40-02-001	Tuition	128,392,102	151,008,112
40-02-002	Application Fee	215,000	240,500
40-02-003	Students ID	1,186,500	1,069,500
40-02-004	Registration	18,285,100	16,657,000
40-02-005	Examination Fee	18,924,000	17,016,500
40-02-006	Material Development	18,898,500	16,341,000
40-02-007	Activity Fee	19,394,500	16,335,200
40-02-008	Students Medical Fee	13,074,300	10,876,000
40-02-009	Library Fee	13,189,800	11,058,500
40-02-010	Students Supervision Fee	37,722,500	49,634,900
40-02-011	Laboratory Charges	14,768,500	12,154,000
40-02-012	Convocation Fee	10,047,000	8,448,480
40-02-013	Computer Charges	16,539,850	13,840,000
40-02-014	Accommodation	3,896,500	3,054,200
40-03-001	Retakes & Supplementary Exams	3,714,500	4,493,260
40-03-002	Examination Remarking fees	7,000	14,000
40-03-006	Certificates Late Collection	263,500	224,500
40-03-007	Academic Transcripts	1,091,900	883,421
40-03-032	Academic Field Trips Charges	14,008	0
	Sub-Total	319,625,060	333,349,073



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

8. Other Miscellaneous Income

The University recorded a total of Kes. 17,338,422 translating to 1.4% of the total income during the 2022/2023 financial period. This was an increase by 162.7% compared to 2021/2022 FY which recorded a total of Kes. 6,601,237 in miscellaneous income. An analysis of other incomes for the year is as follows;

Other Sundry Income		2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
Code	Description	Kes.	Kes.
40-03-004	Library Fines	45,758	96,043
40-03-005	Students' Damages	58,500	0
40-04-001	Campuses/Collaboration Income	0	2,218,500
40-04-003	Medical Charges - Guests	328,838	279,582
40-04-004	NHIF Rebates	653,570	884,640
40-04-009	Hire of Transport	286,612	36,960
40-04-014	Conference Charges	216,500	0
40-04-016	Rent & Leasehold Income	778,636	1,261,893
40-04-017	Insurance Claim	1,600,000	0
40-04-019	Sale of Detergents	11,689	15,000
40-04-021	Other Sundry Income	122,959	123,513
40-04-022	Hire of Gowns	23,000	363,500
40-04-023	Sale of Trees	12,000,000	0
40-04-025	Inter-Faculty Transfers	162,000	214,000
40-04-026	Guest House Income	283,500	10,000
40-04-029	Sale of Mineral Water	136,760	162,160
40-04-030	Ethics Review Charges	42,000	7,000
40-04-031	Receipts in Lieu of Notice	500,100	808,446
40-04-032	Online Journal Publications	88,000	120,000
	Sub-Total	17,338,422	6,601,237



Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

9. Staff Costs

The average number of employees during the period was 464 with a composition of 6 members of the University Management Board, 95 teaching staff and 363 non-teaching staff. The University incurred a total of Kes. 964,139,821 translating to 78.1% of total expenditure to cater for staff salaries and benefits for the financial year ended 30th June, 2023 compared to Kes. 983,360,407 for similar period ended 30th June, 2022. Included in staff costs is compensation to University Management Board amounting to Kes. 52,793,747 in 2022/2023 FY compared to Kes. 50,741,090 for 2021/2022 FY as detailed below;

Name	Designation	2022/2023 Kes.	2021/2022 Kes.
Prof. Kibett Rotich	Vice Chancellor	15,914,446	13,142,076
Prof. Jacinta Ndambuki	Ag. Deputy Vice Chancellor - ARSA	4,079,836	0
Prof. Vicky Khasandi	Former Ag. Deputy Vice Chancellor - ARSA	0	4,051,974
Prof. Felicia Yieke	Former Ag. Deputy Vice Chancellor - ARSA	4,437,576	4,487,867
Prof. Nicholas Kamau	Ag. Deputy Vice Chancellor – AF&P	4,079,836	0
Prof. Albert Rutere	Former Ag. Deputy Vice Chancellor - AF&P	3,883,172	3,901,698
Prof. Isaac Ochieng	Former Ag. Deputy Vice Chancellor - AF&P	0	3,674,434
Prof. Robert Mwebi	Registrar A&R	2,333,291	0
Dr. Raphael Kiugu	Former Registrar A&R	3,018,316	7,727,670
Dr. Hezron Nyamwenga	Registrar (A&HC)	7,573,011	6,694,489
CPA. Geoffrey K. Langat	Finance Officer	7,474,264	7,060,881
	Total	52,793,747	50,741,089

There were no other related party transactions by the University Management Board members such as loans or advances or any other item described under IPSAS 20.

The University together with Egerton, Kisii and Chuka Universities operates a defined contribution staff provident scheme. The University contributes 20% of basic salary to pensionable staff in grade 5-15 which amounted to Kes. 67,870,347 in 2022/2023 FY compared to Kes. 68,736,194 in 2021/2022 financial year. The University has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Employees on contract are entitled to service gratuity annually. Gratuity to staff on contract and those retiring from grade I-IV is payable at 31% of basic salary for every year worked. The University incurred gratuity amounting to Kes. 24,216,516 in the year ended 30th June, 2023 compared to Kes. 26,450,777 in the last financial year ended 30th June, 2022.



Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

All employees are expected to take their annual leave as and when it matures during the year, otherwise, forfeit it. Hence there is no accrued annual leave at the statement of financial position date. Detailed breakdown of staff costs during the 2022/2023 financial year is as follows:

Staff Costs		2022/2023	2021/2022
Code	Description	(30.06.2023)	(30.06.2022)
		Kes.	Kes.
50-01-001	Basic salary	439,072,270	455,918,846
50-01-002	House Allowance	172,325,398	178,340,352
50-01-003	Hardship Allowance	77,150,578	79,757,256
50-01-004	Medical Allowances	11,739,301	12,206,541
50-01-005	Commuting Allowance	62,789,440	69,875,902
50-01-006	NSSF (Employer)	1,776,440	456,200
50-01-007	Pension (Employer)	67,870,347	68,736,194
50-01-008	Leave Travel	4,932,542	5,153,417
50-01-009	Gratuity	24,216,516	26,450,777
50-01-010	Other Personal Allowances	42,218,107	40,761,977
50-02-001	Passage & Baggage	338,839	263,133
50-02-002	Staff (Dental & Optical) Expenses	1,246,244	1,419,045
50-02-003	Staff Med. Expenses (Hospitalization)	23,720,066	23,291,718
50-02-004	Casual Labour	3,197,821	2,934,510
50-02-005	Group Life insurance	14,972,788	8,801,823
50-02-006	Internship	1,030,833	518,333
50-02-007	Locum Salary	1,917,284	808,963
50-02-008	Staff Development/Training	6,627,853	4,073,617
50-02-009	Tuition Fee Waiver	365,000	585,700
50-02-010	Staff Welfare	108,523	10,500
50-02-011	Staff Funeral Expenses	663,500	162,000
50-02-013	Staff Uniforms	482,950	833,200
50-02-014	Sabbatical Expenses	4,220,310	0
50-02-015	Book Allowance	16,150	0
50-02-016	NITA	283,550	276,050
50-02-017	Overtime & Leave Payment	726,571	1,724,351
50-02-018	Subscription to Professional Bodies	109,600	0
	Total Staff Costs	964,118,821	983,360,407



Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

10. Administrative Expenses

The University incurred a total of Kes. 85,922,807 as administrative expenses in 2022/2023 compared to Kes. 69,578,551 in 2021/2022 FY as itemized below;

Administrative Expenses		2022/2023	2021/2022
Code	Description	(30.06.2023)	(30.06.2022)
		Kes.	Kes.
50-03-001	Travel & Subsistence	34,059,491	23,221,482
50-03-002	Transport Operating Expenses	5,472,514	4,527,930
50-03-003	Electricity Expenses	15,006,580	15,179,034
50-03-004	Office Stationery	1,840,684	2,346,733
50-03-005	Audit Fees	696,000	696,000
50-03-006	Security Infrastructure	2,108,192	1,163,750
50-03-007	Advertising & Publicity	1,602,597	1,203,516
50-03-008	Publishing & Printing	373,710	245,750
50-03-009	Postage & Telephone	1,218,548	1,237,405
50-03-010	Photocopying Expenses	10,500	0
50-03-011	Computer charges & Stationery	2,377,651	2,683,812
50-03-012	Bank Charges	797,239	854,293
50-03-013	Mpesa Charges	232	0
50-03-014	Public Celebrations	0	28,000
50-03-015	Revaluation of Assets	5,000	430,500
50-03-016	General Licenses	186,050	219,528
50-03-017	Rents & Rates	0	100
50-03-018	Fluctuations in Foreign Exchange Rates	220,943	138,487
50-03-019	Tendering Expenses	238,000	356,570
50-03-020	Quality Assurance	263,000	506,238
50-03-021	Strategic Plan/Charter Launch	2,443,201	160,400
50-03-022	Maintenance of water & Sewerage	0	133,400
50-03-023	ISO Expenses/Launch	1,412,910	1,466,958
50-03-024	Performance Contracting	2,545,510	1,048,843
50-03-025	Software Maintenance Expenses	793,630	900,004
50-03-026	Health Week	143,000	570,791
50-03-027	Subscription to University Memberships/Regulatory Bodies	1,293,500	1,200,433
50-03-028	Cleaning Materials	290,475	216,570
50-03-029	Meeting Expenses	4,852,599	3,461,620
50-03-030	Detergent Expenses	177,619	62,120
50-03-031	Accommodation/Guest House Expenses	37,243	0
50-03-032	Office Operating Expenses	1,238,809	1,185,801
50-03-034	Students' Registration Exp.	624,000	588,400
50-03-036	Students' ID Cards Expenses	2,195,500	2,026,000
50-03-038	Corporate Affairs & Marketing	0	76,000
50-03-039	Ethics Review Expenses	45,000	97,640
50-03-040	Disability Mainstreaming	206,920	67,600
50-03-041	HIV Aids Control Unit Expenses	0	164,621
50-03-042	Resource Mobilization Expenses	522,983	586,988
50-03-044	Complaints Resolution Exp.	17,500	65,400
50-03-045	Disaster Management & Emergency Response	36,400	114,590
50-03-046	Rental Income Tax	356,085	345,244
50-03-047	Gender Mainstreaming	44,100	0
50-03-048	Water Bottling Expenses	22,185	0
50-03-049	Environmental Conservation	167,708	0
	Sub Total	85,943,807	69,578,551



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

11. Repairs & Maintenance Expenses

An analysis on repairs and maintenance expenses indicated that the University incurred a total of Kes. 6,560,739 in 2022/2023 FY compared to Kes. 8,506,247 in 2021/2022 FY. Included in the current expenditure is Kes. 3,713,300 on general repairs, Motor vehicle repairs at Kes. 2,037,247 while computer repairs took Kes. 786,693 as indicated below;

Repairs & Maintenance Expenses		2022/2023	2021/2022
		(30.06.2023)	(30.06.2022)
Code	Description	Kes.	Kes.
50-04-001	General Repairs	3,713,300	5,398,280
50-04-002	Motor Vehicle repairs & Maintenance	2,037,247	880,490
50-04-003	Machinery repairs	786,693	1,492,540
50-04-004	Internal Fencing/Repairs	23,500	168,772
50-04-005	Computer Repairs & Maintenance	0	566,166
	Sub Total	6,560,739	8,506,247

12. Contracted Services

The University contracted various companies and organizations to offer various services during 2022/2023 FY. The services included insurance, legal services and cleaning and sanitary. During the period under review, the University incurred a total of Kes. 7,101,926 on various contracted services compared to Kes. 3,999,537 in the 2021/2022 financial year. Included in current expenditure is Kes. 3,573,845 for legal services and Kes. 1,417,480 for vehicle insurance during the year. The following is the breakdown for contracted services;

Contracted Services		2022/2023	2021/2022
		(30.06.2023)	(30.06.2022)
Code	Description	Kes.	Kes.
50-05-001	Legal Charges	3,573,845	2,439,460
50-05-002	Cleaning & Sanitary Services	1,417,480	192,720
50-05-003	General Insurance -Property	470,138	411,753
50-05-004	Vehicles Insurance	915,870	865,879
50-05-006	Other Contracted Professional Services	724,593	89,726
	Sub Total	7,101,926	3,999,537

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

13. Academic & Research Expenses

The University's core mandate is teaching and research. During the period under review, a total of Kes. 102,754,404 was incurred compared to Kes. 91,607,101 in similar period of 2021/2022 FY. Included in academic and research expenses was Kes. 35,914,062 for part time lecturers and Kes. 9,866,701 for graduation expenses. In addition the University paid Kes. 16,399,125 on teaching practice and industrial attachment during the period. Detailed breakdown on academic and research expenses are as follows:

Academic & Research Expenses		2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
Code	Description	Kes.	Kes.
50-06-001	Part-time Teaching Costs	35,914,062	29,582,936
50-06-002	Graduation Expenses	9,866,701	3,537,292
50-06-003	Teaching Materials	468,700	0
50-06-004	Laboratory Materials & Reagents	157,089	3,396,028
50-06-005	Teaching Practice & Industrial Attachment	16,399,125	24,797,731
50-06-006	Academic Field Trips	2,642,734	3,514,134
50-06-007	Internal Research Grant Expenses	2,846,467	1,441,200
50-06-008	External Research Grants Expenses	2,110,050	0
50-06-009	Internet Services	7,270,567	6,907,200
50-06-010	Subscription to e-Journals	1,015,000	755,000
50-06-011	Academic Exhibitions	174,855	0
50-06-012	Conference & Seminars	9,423,797	4,585,403
50-06-014	Senate Expenses	554,000	258,450
50-06-015	International Travel	1,552,060	1,252,207
50-06-016	KUCCPS Expenses	156,000	2,800,500
50-06-017	CUE Expenses	3,481,000	0
50-06-018	Examination Stationery	3,330,269	4,172,598
50-06-019	Graduation Gowns	62,280	260,810
50-06-020	External Examiners (Exam Moderation)	3,686,830	3,537,210
50-06-021	Library Expenses	0	0
50-06-022	Open & Distance Learning	681,283	37,730
50-06-023	Endowment Fund	0	0
50-06-025	Mentorship Programme	136,000	0
50-06-027	Newspapers, Journals & Videos	311,685	288,000
50-06-028	Botanical Garden Expenses	0	47,122
50-06-029	Curriculum Review & Development	513,850	686,550
	Sub Total	102,754,404	91,858,101

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

14. Students Welfare Expenses

Over the years, the University Management Board has made a deliberate decision to improve students' welfare through a number of ways, among them, Students' bursaries and work-study programmes. During the period under review, the University incurred a total of Kes. 8,958,304 compared to Kes. 7,846,197 in similar period 2021/2022 fiscal year. Current expenditure includes Kes. 1.86 million for Students' Work-study and Kes.1 million for students' bursaries in support of needy students in the University during the year. Detailed students' welfare expenses are as follows;

Students Welfare		2022/2023	2021/2022
		(30.06.2023)	(30.06.2022)
Code	Description	Kes.	Kes.
50-07-001	Students Medical Supplies	2,554,399	2,613,014
50-07-002	Students Work-study	1,857,450	1,376,950
50-07-003	Games & Sports Expenses	1,383,000	1,268,475
50-07-004	Students Choir/Drama Festivals	667,100	101,750
50-07-005	Cultural Week	200,000	240,900
50-07-006	LU Marathon	0	0
50-07-007	Students' Counseling Expenses	337,650	367,250
50-07-008	Students' Bursaries	1,000,000	642,484
50-07-009	Students Miscellaneous A/c	813,850	1,001,374
50-07-010	Subscription to DSTV	144,855	234,000
	Sub Total	8,958,304	7,846,197

15. Council Expenses

The University approves formal and transparent remuneration policies to Council members. These policies clearly stipulate remuneration elements such as sitting allowance, transport reimbursements and honorarium to the Chancellor and members of Council in line with the industry. All Council members are paid a taxable sitting allowance of Kes.20,000 for every meeting attended. During the period under review, the University Council held various meetings in line with their mandate as stipulated in the University statutes and the Charter. During the period under review, the University incurred a total of Kes. 10,956,753 on compensation to Council members compared to Kes. 11,785,134 in similar period of 2021/2022 FY as detailed below;

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

		2022/2023	2021/2022
		(30.06.2023)	(30.06.2022)
Council Expenses		Kes.	Kes.
Code	Description		
50-08-001	Council Sitting Allowance	3,660,000	4,540,000
50-08-002	Council Mileage Allowance	2,571,775	2,259,734
50-08-003	Council Honoraria	721,258	1,044,000
50-08-004	Council Accommodation Allowance	3,731,000	3,494,400
50-08-005	Council Lunch Allowance	254,000	196,000
	Sub Total	10,938,033	11,534,134

The University registered a lower expenditure on Council expenses in the 2022/2023 FY with a decline of 7.2% after the term of the previous council members expired in March 2023 but there was a delay to replace the Council.

IPSAS 20 requires an entity to disclose the existence of related party relationships where control exists, and the disclosure of information about transactions between the entity and its related parties in certain circumstances. During the year under review, remuneration to Council members was the main related party transactions where the members were remunerated based on meetings attendance. Details of council remuneration to individual council members are as indicated below;

Payee	Sitting Allowance	Mileage Allowance	Lunch Allowance	Accommodation	Honora rium	ross Earnings
Dr. Ken Nyaundi	340,000	202,649	20,000	345,800	721,258	1,629,707
CPA. David N. Kariuki	520,000	386,377	34,000	582,400	0	1,522,777
Dr. Frank Ndakala	480,000	320,479	36,000	491,400	0	1,327,879
Mr. Joseph Kiarri	400,000	312,479	32,000	418,600	0	1,163,079
Dr. Margaret Maimba	460,000	367,511	32,000	509,600	0	1,369,111
Dr. Moses S. Marwa	480,000	104,887	36,000	473,200	0	1,094,087
Ms. Ruth Okowa	440,000	246,581	32,000	345,800	0	1,064,381
Ms. Sammy Oleku	540,000	630,812	32,000	564,200	0	1,767,012
Total	3,660,000	2,571,775	254,000	3,731,000	721,258	10,938,033

In addition the University policy on information assets (Laptops & Ipads) allows an officer leaving the University to leave with the information asset they have been using subject to payment of a charge of a percentage on cost as stipulated in the policy. During the period under review, the term for University Council members expired and were allowed to leave with the information assets as per the policy.



Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

16. Finance Charge

Finance charge is any fee representing the cost of credit, or the cost of borrowing. It is interest accrued on, and fees charged for, some forms of credit. It includes not only interest but other charges as well, such as financial transaction fees. The University had no outstanding loan balance in 2022/2023 FY hence no expenditure was incurred.

17. Depreciation & Amortization

The University policy is to apply full year depreciation at the year of purchase with no depreciation on disposal of an asset. The University provided a total of Kes. 48,329,609 as depreciation and amortization on University assets in the 2022/2023 FY compared to Kes. 43,778,557 in the 2021/2022 financial year. Included in the 2022/2023 FY provisions for depreciation and amortization was Kes. 40,391,078 on PPE, Kes. 2,756,051 on library books and amortization on ERP at Kes. 5,182,480 for intangible assets. The increase on amortization was as a result of capitalization of ABN software during the period. Break down of depreciation and amortization expenses are as detailed below;

Depreciation & Amortization		2022/2023	2021/2022
Code	Description	(30.06.2023)	(30.06.2022)
		Kes.	Kes.
50-10-001	Depreciation on PPE	40,391,078	40,948,302
50-10-002	Depreciation on Library Books	2,756,051	2,680,255
50-10-003	Amortization of Intangible Assets	5,182,480	150,000
	Sub Total	48,329,609	43,778,557

18. Bad Debts & Provisions

Bad debt is an expense that a business incurs once the repayment of credit previously extended to a customer is estimated to be uncollectible. Bad debt is a contingency that must be accounted for by all businesses that extend credit to customers, as there is always a risk that payment will not be received. As a result, a provision for bad and doubtful debts needs to be included in the income statement. Laikipia University made a general provision for bad and doubtful debts on receivables from exchange transaction at the close of 2022/2023 FY. Irrecoverable debts are also written off as an expense in the income statement. Details of this line item are as follows;



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

Bad Debts & Provisions

	2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
Bad Debts	Kes.	Kes.
(i) Provision for Bad Debts		
Receivables from Exchange Transactions	202,203,782	196,850,042
Less Provision for Bad & Doubtful Debts @ 10%	20,220,378	19,685,004
Net Receivables from Exchange Transactions	181,983,404	177,165,038
Receivables from Non- Exchange Transactions	11,688,825	0
Total Net Receivables	193,672,229	177,165,038
Increase/(Decrease) in Provision for Bad Debts	535,374	(1,121,933)
	2022/2023	2021/2022
(ii) Bad Debts Written-off	(30.06.2023)	(30.06.2022)
Item	Kes.	Kes.
Farm Dues	0	0
Bookshop Dues	0	0
Medical Dues	0	0
Imprests	0	0
Total Debts Written off	0	0

19. Loss on Assets Disposal/De-recognition

The University policy on information assets (Laptops & Ipads) allows an officer leaving the University to leave with the information asset they have been using subject to payment of a charge of a percentage on cost as stipulated in the policy. During the period under review, the term for University Council members expired and were allowed to leave with the information assets as per the policy. The University de-recognized two (2) Ipads at Kes. 76,050 from two council members with net book value of Kes. 100,500 leading to a loss on de-recognition of Kes. 24,450 as indicated below

Gain/Loss on Assets Disposal/De-recognition

Computers & Accessories	Cost	Accumulated Depreciation	Net Book Value	Sale/ Receipt	Gain/Loss On De-recognition
Asset Description	Kes.	Kes.	Kes.	Kes.	Kes.
Ipad 2020 8th Generation	81,499	32,599	48,900	24,450	(24,450)
Samsung Galaxy Tab S7	85,999	34,399	51,600	51,600	0
Total	167,498	66,998	100,500	76,050	(24,450)

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

20. Farm Financial Operations

The University is in the process of revitalizing the Farm. During the period under review, Farm incurred a total of Kes. 8.98 million as cost of inputs. The University farm recorded a surplus of Kes. 4,721,592 compared to a deficit of Kes. 3,777,952 in similar period of the 2021/2022 FY as indicated below;

**Farm Financial Performance
For the Year Ended 30th June, 2023**

Details	2022/2023	2021/2022
	(30.06.2023)	(30.06.2022)
	Kes.	Kes.
Sales	13,824,210	3,897,070
Cost of Sales	8,976,402	7,420,001
Operating Expenses	126,216	255,021
Surplus/(Deficit)	4,721,592	(3,777,952)

21. Catering Financial Operations

The University Catering Unit recorded a surplus of Kes. 1,050,087 at the close of the financial period ended 30th June 2023 compared to a deficit of Kes. 991,207 in similar period of the 2021/2022 fiscal year as indicated below;

**Catering Financial Performance
For the Year Ended 30th June, 2023**

Details	2022/2023	2021/2022
	(30.06.2023)	(30.06.2022)
	Kes.	Kes.
Sales	8,678,284	7,632,127
Cost of Sales	7,017,110	7,849,632
Operating Expenses	611,087	773,702
Surplus/(Deficit)	1,050,087	(991,207)

22. Bookshop Financial Operations

The bookshop reported a surplus of Kes. 279,560 during the period as indicated below;

**Bookshop Financial Performance
For the Year Ended 30th June, 2023**

Details	2022/2023	2021/2022
	(30.06.2023)	(30.06.2022)
	Kes.	Kes.
Sales	1,578,435	1,785,394
Cost of Sales	1,260,908	1,324,154
Operating Expenses	37,967	47,850
Surplus/(Deficit)	279,560	413,390

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

23. Cash & Cash Equivalents

Cash and cash equivalents includes, cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less. Public Finance Management regulations of 2015, section 90 (3) states that an Accounting Officers shall ensure any discrepancies noted during bank reconciliation exercise, are investigated immediately and appropriate action taken including updating the relevant cash books.

The University reported cash and cash equivalents of Kes. 90,175,164 at the close of financial period ended 30th June 2023 compared to Kes. 102,782,903 at the close of financial year ended 30th June 2022. Included in cash and cash equivalent for 2022/2023 FY was cash on hand at Kes. 922,594 out of which Kes. 854,090 were receipted money orders held at the post office awaiting clearance. Breakdown of cash and cash equivalents at the close of period ended 30th June, 2023 was as detailed below;

Cash & Cash Equivalents

Bank Account Name	Account Number	2022/2023 (30.06.2023) Kes.	2021/2022 (30.06.2022) Kes.
KCB Main Account	1102161683	84,391,579	76,752,467
KCB Nakuru Account	1101909080	290,897	1,729,486
KCB Development Account	1120980534	211,226	14,740,738
KCB Research Account	1125437723	7,857	910,063
KCB Farm Account	1102161551	34,633	258,551
KCB Catering Account	1102168688	29,632	347,401
KCB Bookshop Account	1102161829	132,255	668,001
KCB - Mararal Fees Account	1135920710	182,982	924,902
KCB - Mararal CDF Account	1134913397	237,606	244,089
Co-operative Fees Account	1129025576702	116,646	361,796
Co-operative Bank Fees Account	1129501778000	222,061	660,952
Co-operative Bank Nyahururu Fees Account	1129037271600	6,637	536,075
Co-operative Bank Naivasha Account	1129037293400	146,098	52,318
Co-operative Bank - Marathon Account	1120036453400	98,533	402,237
Co-operative Bank - Gratuity/Caution Money Account	1100036453400	946,506	946,406
Equity Fees Account	160295840456	900,604	566,339
Equity Chancellors & Alumni Endowment Fund Account	160264998833	1,296,820	999,220
MPESA Pay bill	829850		652,179
Total		89,252,570	101,753,218
Cash in Hand		922,594	1,029,685
Total		90,175,164	102,782,903

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

Excluded in the cash and cash equivalent balances were direct deposits amounting to Kes. 3,721,992 remaining un-receipted at the close of 2022/2023 financial year. The source of the direct deposits were receipts from students and other customers but their details were missing hence we were not able to do the receipting. The deposits therefore forms part of bank reconciliation statement as reconciling items but they disappear once they are receipted. During the year under review, the University managed to reduce the direct deposits by Kes. 3,972,273 from Kes. 7.7 million in 2021/2022 to Kes. 3.7 million in 2022/2023 FY as indicated below;

Bank Account	Account No.	2022/2023	2021/202022
Equity Fees	160295840456	567,379	925,764
KCB Farm	1102161551	484,831	23,855
KCB Main	1102161683	105,048	110,462
KCB Catering	1102168688	161,250	161,250
KCB Fees	1101909080	1,473,629	2,761,110
CO-OP Bank Nyahururu	1129037271600	340,700	1,773,300
CO-OP Bank Fees	1129501778000	589,115	696,736
KCB Maralal Fees	1135920710	0	34,185
KCB Research	1125437723	0	614,184
CO-OP Bank Fees	1129025576702	0	119,050
CO-OP Bank Caution & Gratuity	1100036453400	0	100
CO-OP Bank Marathon	1120036453400	0	15,500
CO-OP Bank Naivasha	1129037293400	0	112,500
Mpesa Paybill	829850	40	346,269
		3,721,992	7,694,265

24. Accounts Receivables

The University recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the University and when specific criteria have been met for each of the University's activities Revenue from exchange transactions for the University includes tuition and related fees which are recognized prorata over the relevant period. Revenue from tuition fees are accounted for over the period in which they relate upon invoicing. Any amount remaining un-received at the close of accounting period is recorded as a receivable.

During the period under review, the University recorded receivables amounting to Kes. 193,672,229 net of provision for bad and doubtful debts. Included in this were students fees balance amounting to Kes. 127,236,515 at the close of financial year ended 30th June, 2023. Deposits and prepayments relate meter deposits held with Kenya Power and Lighting Company at Kes. 1,587,604, Rent Deposits for former satellite campuses in Nairobi, Naivasha and Nyahururu at Kes. 2,045,180 and fuel cards deposits with Oil-Libya at Kes. 1,012,000.



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

In addition, receivables included an amount of Kes. 63,586,482 from former collaborating colleges (Eldoret, Nakuru and Embu) which has been outstanding for a long time due to recoverability challenges. The highest debt was from Embu College collaboration amounting to Kes. 57,005,320. This includes Kes. 52,873,000 for fees receivable and Kes. 4,132,320 for Director's salary. The University has been making follow-up with the Campus but with little progress. The matter was referred for arbitration and an arbitrator appointed by the Chartered Institute of Arbitrators and the process is still on-going.

In addition, receivables include accrued development capitation from the Ministry of Education at Kes. 11,688,825. The University does not accrue Government grants unless there is a reasonable assurance that the entity will comply with any condition attached to the grant and that the grant will be received.

Details of receivables during the period as indicated below;

Accounts Receivable

	2022/2023	2021/2022
	(30.06.2023)	(30.06.2022)
(i) Receivable from Exchange Transactions	Kes.	Kes.
Details		
Students' Fee Balances	127,236,515	117,498,472
Fee Receivable Egerton University	1,862,823	1,862,823
Eldoret Campus (Elgon View) Students' Account	2,794,068	3,566,894
Embu Campus Students' Account	52,873,000	52,873,000
Nakuru Campus Director's Salary Account	3,787,094	3,787,094
Embu Campus Director's Salary Account	4,132,320	4,510,496
General Debtors	1,719,860	633,060
Farm Debtors	353,545	321,177
Bookshop Debtors	13,297	17,539
Medical Debtors	201,926	111,943
Salary Advance	83,448	97,872
Rent & Leasehold	1,974,250	1,982,440
Un-surrendered Imprests	443,353	959,030
Deposits & Pre-payments	4,644,784	8,583,702
Students' Union Receivable	83,500	44,500
Total	202,203,782	196,850,042
Less Provision for Bad & Doubtful Debts @ 10%	20,220,378	19,685,004
Net Receivable from Exchange Transactions	181,983,404	177,165,038
	2022/2023	2021/2022
(ii) Receivable from Non-exchange Transactions	(30.06.2023)	(30.06.2022)
Details	Kes.	Kes.
GoK Capitation Receivable	11,688,825	0
	11,688,825	0
Total Net Receivables	193,672,229	177,165,038

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

25. Inventories

The accounting for inventory involves determining the correct unit counts comprising ending inventory, and then assigning a value to those units. The University conducts a physical count/stock taking on inventories held at the close of each financial year. The resulting costs are then used to record an ending inventory value for recognition in the statement of financial position. The University recorded closing inventory of Kes. 15,671,678 at the close of the year ended 30th June 2023 compared to Kes. 15,077,444 in 2021/2022 FY as follows;

Inventory Stores Summary By Classification as at 30th June, 2023

Code	Inventory Category	2022/2023	2021/2022
		(30.06.2023)	(30.06.2022)
		Kes.	Kes.
10-05-001-01	Office Stationery	1,346,830	1,198,988
10-05-001-02	Computer Stationery	1,530,450	1,227,401
10-05-001-03	Cleaning Materials	295,657	140,762
10-05-001-04	Science Lab. Materials & Reagents	585,979	490,900
10-05-001-05	Motor Vehicle Tools & Spare Parts	391,250	844,360
10-05-002-01	Carpentry Materials	1,332,590	1,046,115
10-05-002-02	Electrical Appliances	853,335	801,530
10-05-002-03	Masonry Materials	982,450	337,815
10-05-002-04	Painting Materials	647,301	1,129,648
10-05-002-05	Plumbing Materials	1,089,206	646,801
10-05-002-06	Welding Materials	1,526,657	1,771,439
10-05-003-01	Medical Drugs & Apparatus	2,343,773	2,136,940
10-05-004-01	Cattle Feeds & Drugs	359,000	271,100
10-05-004-02	Poultry Feeds & Drugs	408,870	498,625
10-05-004-03	Pig Feeds & Drugs	60,040	0
10-05-004-05	Wheat Crop Inputs	959,500	1,429,710
10-05-004-06	Maize/Silage Inputs	393,600	393,600
10-05-004-08	Horticulture Inputs	0	98,035
10-05-004-09	Harvested Crop/Seeds	307,250	121,990
10-05-005-01	Catering Dry & Perishable Foodstuff	99,182	355,416
10-05-006	Bookshop Inventory	158,757	136,270
	Total	15,671,678	15,077,444

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

26. Property, Plant & Equipment (PPE)

The University policy on recognition and measurement of Property, Plant and Equipment (PPE) is to initially report them at cost. Subsequently PPEs are shown at revalued amounts, based on periodic, but at least every five years valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The University conducted a revaluation in May 2019 leading to a revaluation gain on our assets by Kes. 564 million. Valuations were made on the basis of the recent market transactions on arm's length terms (i.e. open market value). The book values of the properties were adjusted to the revaluations and the resultant surplus was treated as un-realized gain and recognized in the revaluation reserve under university reserves /accumulated fund. A transfer is made for excess depreciation amounting to Kes. 16,823,542 as a result of un-realized gain on revaluation and amortized annually between revaluation and revenue reserves.

Included in the property, plant and equipment is an amount of Kes. 611,088,000 for all University's parcels of land. This comprises two parcels of land L.R. No. 8808/1 (20 acres) with book value of Kes. 12,900,000 and L.R. No.2912/12 (927 acres) with a book value of Kes 503,600,000. The University acquired Title Deeds for the two parcels of land though indicating Laikipia University Council as the owners. The University is in the process of changing the name of owner to Laikipia University. Further, the University has 16 parcels of land in Nyahururu town. However, the sixteen (16) parcels of land are still in the name of Egerton University but the process is underway to amalgamate into one (1) parcel of land in the Name of Laikipia University.

In addition, Laikipia University owns two parcels of land in Rumuruti and Maralal totaling to 396 acres, land reference numbers 30170 and 32376 respectively. This comprises 100 acres allocated by defunct Town Council of Rumuruti and 296 acres allocated by the defunct County Council of Samburu. The two (2) parcels of land were valued by Ministry of Lands and Physical Planning at Kes. 34 million and 30 million for Rumuruti and Maralal land respectively.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

Also included under the Property Plant and Equipment during the year is work-in-progress amounting to Kes. 1,116,728,057 for various capital projects ongoing in the University. Some projects are complete and in use but not capitalized due to lack of completion certificates. The University Management Board is following up the project consultants to finalize on the projects and have completion certificates for capitalization.

The University PPEs as at 1st July, 2022 amounted to Kes. 2,338,197,603 at cost and revaluation. During the year, the University incurred an expenditure of Kes. 118.9 million for additional PPEs.

Included in additional PPEs was Kes. 110.9 million for additional Work-in-Progress on capital projects and Kes.7.98 million on acquisition of other PPEs.

Accumulated depreciation at the close of 2022/2023 financial year was Kes. 162,149,116. Included in this was accumulated depreciation brought forward 1st July, 2022 at Kes. 121,825,036 and depreciation charge for the year on the University assets at Kes. 40,391,078.

Net Book Value on University Property, Plant & Equipment stood at Kes. 2,294,765,068 as indicated on the movement below;



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

Movement on Property, Plant and Equipment

Cost/Valuation	Land Kes .	Buildings Kes .	Work-in- Process Kes .	Plant Machinery & Tractors Kes .	Motor Vehicles Kes .	Equipment Kes .	Furniture & Fittings Kes .	Computers & Accessories Kes .	Total Kes .
As at 1st July, 2021	547,088,000	421,551,548	1,108,957,218	9,121,035	27,710,054	45,284,819	11,535,995	30,095,049	2,201,343,717
Disposal/De-recognition	0	0	0	2,800,000	0	73,500	0	0	2,873,500
Additions	64,000,000	0	62,727,732	3,420,200	0	2,817,050	771,300	5,991,104	139,727,386
Capitalization		165,862,410	(165,862,410)						0
As at 30th June, 2022	611,088,000	587,413,958	1,005,822,539	9,741,235	27,710,054	48,028,369	12,307,295	36,086,153	2,338,197,603
Accumulated Depreciation									
As at 1st July, 2021	0	25,774,760	0	2,523,161	15,546,636	20,838,163	3,591,288	13,474,576	81,748,584
Accumulated Depreciation on Assets Disposed/Derecognized	0	0	0	840,000	0	31,850	0	0	871,850
Depreciation Charge for the Year	0	14,685,349	0	974,124	6,927,514	9,605,674	1,538,412	7,217,231	40,948,302
As at 30th June, 2022	0	40,460,109	0	2,657,284	22,474,150	30,411,987	5,129,700	20,691,807	121,825,036
Net Book Value as at 30th June, 2022	611,088,000	546,953,849	1,005,822,539	7,083,951	5,235,904	17,616,382	7,177,595	15,394,346	2,216,372,567
Cost/Valuation									
As at 1st July, 2022	611,088,000	587,413,958	1,005,822,539	9,741,235	27,710,054	48,028,369	12,307,295	36,086,153	2,338,197,603
Disposal/De-recognition	0	0	0	0	0	0	0	167,498	167,498
Additions			110,905,517	52,400	0	3,079,450	0	4,846,712	118,884,079
Capitalization			0	0	0	0	0	0	0
As at 30th June, 2023	611,088,000	587,413,958	1,116,728,057	9,793,635	27,710,054	51,107,819	12,307,295	40,765,366	2,456,914,183
Accumulated Depreciation									
As at 1st July, 2022	0	40,460,109	0	2,657,284	22,474,150	30,411,987	5,129,700	20,691,807	121,825,036
Accumulated Depreciation on Assets Disposed/Derecognized	0	0	0	0	0	0	0	66,998	66,998
Depreciation Charge for the Year	0	14,685,349	0	979,364	4,813,317	10,221,564	1,538,412	8,153,073	40,391,078
As at 30th June, 2023	0	55,145,458	0	3,636,648	27,287,467	40,633,550	6,668,112	28,777,882	162,149,116
Net Book Value as at 30th June, 2023	611,088,000	532,268,500	1,116,728,057	6,156,987	422,587	10,474,268	5,639,183	11,987,484	2,294,765,068



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

27. Library Books

The University recorded library books at a cost of Kes. 13.4 million at the beginning of 2022/2023 FY. During the year under review, acquisitions of library books amounting to Kes. 0.38 million was recorded raising the new cost of library books to Kes. 13.78 million. The University made a provision for depreciation of Kes. 2.76 million at the rate of 20% as per depreciation policy. Net book value stood at Kes. 3.19 million as at 30th June, 2023 compared to Kes. 5.57 million on 30th June, 2022. Movement in Library books during the year is as recorded below;

Library Books Movement for the Period Ended 30.06.2023

A	B	C	D	E	F	G	H	I	J
Item Description	Cost & Valuation b/f (01.07.2022)	Additions/ Capitalization 2022/2023	Disposal/ De-recognition 2022/2023	Cost & Valuation c/f (30.06.2023)	Cumulative Depreciation b/f (01.07.2022)	Depreciation Charge 2022/2023	Cumulative Depreciation c/f (30.06.2023)	NBV/ Balance c/d 30.06.2023	NBV/ Balance c/d 30.06.2022
Library Books	13,401,275	378,981	0	13,780,256	7,834,785	2,756,051	10,590,837	3,189,419	5,566,490
Totals	13,401,275	378,981	0	13,780,256	7,834,785	2,756,051	10,590,837	3,189,419	5,566,490

Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

28. Intangible Assets

IPSAS 31 prescribes the accounting treatment for intangible assets that are not dealt with specifically in any other IPSAS. It requires an entity to recognize an intangible asset if, and only if, specified criteria are met. The Standard also specifies how to measure the carrying amount of intangible assets and requires specified disclosures about intangible assets. The accounting treatment for an intangible asset is to record the asset as a long-term asset and amortize the asset over its useful life, along with regular impairment reviews. The University policy stipulates that our intangible assets will have a useful life of five (5) years and therefore will be amortized at 20% per annum. Included in the intangible assets were softwares amounting to Kes. 35,325,620 at cost. This comprises ABN Unisol at Kes. 24.8 million, Fuel Tracking Management Software at Kes. 0.35 million, aSc software for Examinations & Timetabling at Kes. 0.75 million and a failed power campus (World span) software at Kes. 9.4 million. The issue of power campus was referred to an arbitrator but the arbitration process is ongoing. Movement on intangible assets is as detailed below;

Intangible Assets Movement for the Period ended 30.06.2023

	Item Description	Cost & Valuation b/f (01.07.2022)	Disposal / De-recognition 2022/2023	Additions 2022/2023	Cost & Valuation c/f (30.06.2023)	Accumulated Amortization b/f (01.07.2022)	Amortization Charge 2022/2023	Accumulated Amortization c/f (30.06.2023)	NBV/ Balance c/d 30.06.2023	NBV/ Balance c/d 30.06.2022
(i)	ERP Software (WIP)									
	Power Campus (World Span)	9,413,220	0	0	9,413,220	0	0	0	9,413,220	9,413,220
	ABN UniSol.	24,812,400	24,812,400	0	0	0	0	0	0	24,812,400
	Total ERP WIP	34,225,620	24,812,400	0	9,413,220	0	0	0	9,413,220	34,225,620
(ii)	ERP Software -Capitalized	Cost & Valuation b/f (01.07.2022)	Disposal / De-recognition 2022/2023	Capitalization 2021/2022	Cost & Valuation c/f (30.06.2023)	Accumulated Amortization b/f (01.07.2022)	Amortization Charge 2022/2023	Accumulated Amortization c/f (30.06.2023)	NBV/ Balance c/d 30.06.2023	NBV/ Balance c/d 30.06.2022
	aSc Software (Exam/Timetabling 2017/18)	750,000	0	0	750,000	450,000	150,000	600,000	150,000	300,000
	ABN UniSol.	0	0	24,812,400	24,812,400	0	4,962,480	4,962,480	19,849,920	0
	Fuel Tracking Management System	0	0	350,000	350,000	0	70,000	70,000	280,000	0
	Total ERP Software -Capitalized	750,000	0	25,162,400	25,912,400	450,000	5,182,480	5,632,480	20,279,920	300,000
	Totals	34,975,620	24,812,400	25,162,400	35,325,620	450,000	5,182,480	5,632,480	29,693,140	34,525,620

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

29. Biological Assets

International Public Sector Accounting Standards (IPSAS) 27 prescribes the accounting treatment of biological assets. The standards generally require biological assets to be measured at fair value less costs to sell. The University recorded a total of Kes. 3,804,600 on biological assets at the close of year ended 30th June 2023 compared to Kes. 6,920,326 in 2021/2022 FY as detailed below;

Biological Assets	2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
Detail	Kes.	Kes.
Cattle	2,382,000	4,919,000
Sheep	700,000	455,000
Poultry	397,600	132,300
Pigs	325,000	0
Silage Maize Crop	0	710,526
Oats in Field	0	73,500
Wheat Crop in Field	0	630,000
Total	3,804,600	6,920,326

Changes in biological assets were as a result new births and growth in value at Kes. 8,578,304. This included value of wheat crop before harvesting at Kes. 4,410,000, Oat in field at Kes. 1,470,000 and Silage maize crop at Kes. 1,539,474.

Reduction in biological assets comprised of harvesting of crop (Wheat, oat and maize silage) value at Kes. 8,833,500, and loss of value due to age and other factors at Kes. 1,290,000. During the period under review, the University also lost 39 cows valued at Kes. 1,290,000, five (5) sheep at Kes. 35,000 and sixty three (63) chicken valued at Kes. 13,880. The University also slaughtered 3 cows for sale of beef valued at Kes. 255,000 during the period.



Notes to the Financial Statements (Continued)
For the Year Ended 30th June, 2023

30. Accounts Payables

Section 93(1) of the Public Finance Management Act, 2012, require that a state organ or other public entity is primarily responsible for foreseeing, identifying, avoiding and resolving financial problems in a state organ, and if a state organ or other public entity encounters a serious financial problem, it shall seek solutions to resolve the financial problem.

During the year under review, the University recorded payables totaling to 533,782,434 at the close of the financial year ended 30th June, 2023. This was an increase in payables by 7.24% from Kes. 497.75 million in 2021/2022 to Kes. 533.78 million in 2022/2023 FY. Included in payables is Kes. 49,647,851 owed to suppliers of goods and services accruing from current and previous periods. In addition, payables include Part-time teaching costs at Kes. 165,674,877, students' caution money at Kes. 20,739,464 and Pre-paid/Excess fees at Kes. 47,765,665. Amount owing to capital contractors for Kes. 114,916,956 is majorly retention monies payable upon completion of the ongoing capital projects.

In addition, the payables include accrued payroll deductions amounting to Kes. 49,947,841 for the month of June 2023 that had not been paid at the close of financial year ended 30th June 2023.

Pension fund include Kes. 25 million accruing from previously implemented Collective Bargaining Agreements (CBAs) and June, 2023 pension amounting to Kes. 8.6 million un-cleared at the close of accounting period. In addition, payables for Kenya Revenue Authority comprises of income tax for part-time lecturers at Kes. 0.6 million and Pay as You Earn (PAYE) for the month of June 2023 amounting to Kes. 15.4 million.

Most of the above payables have been pending for some time due to financial constraints. However, the University is committed to reduce these liabilities and a plan had been put in place to reduce the payables but was affected by COVID-19 pandemic where the University remained closed for the better part of 2019/2020 and 2020/2021 financial years which led to loss of income which would have been used to settle part of the payables.

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

Excluded in Payables are contingent liabilities during the period on pending court cases with estimated financial risk. These can only be included in the liabilities once they are determined by the courts and all avenues of appeal have been exhausted. Details of accounts payables at the close of the accounting period ended 30th June, 2023 are as follows;

Accounts Payables

	2022/2023 (30.06.2023)	2021/2022 (30.06.2022)
	Kes.	Kes.
(i) Short term Payables		
Details		
Trade Payables	49,647,851	57,061,348
Contractors -Capital Projects	114,916,956	82,922,688
Part-time Teaching Costs	165,674,877	179,801,344
Students Caution Money	20,739,464	20,509,180
Excess Fees (Prepaid Tuition)	47,765,665	42,043,130
Laikipia University Students' Association (LUSA)	3,477,957	3,439,331
Alumni Account	5,078,511	4,061,211
HELB Control Account	813,337	804,837
Bursaries Control Account	4,178,988	3,939,034
Accrued Collective Bargaining Agreements (CBAs)	7,889,420	7,889,420
Pension Fund	35,061,671	35,017,334
Kenya Revenue Authority Taxes Payable	26,982,900	33,976,274
Accrued Payroll Deductions	49,947,841	25,516,788
Accrued Net Gratuity	72,180	0
Accrued Security Expenses	133,175	0
Accrued Sabbatical Expenses	295,422	0
Rent Deposits Payables	50,000	50,000
Cash-in-Transit	776,317	624,738
Customer Prepayments	0	90,353
External Examining Bodies	279,900	0
Sub-Total	533,782,434	497,747,009
(ii) Long term Payables		
Bank Loan	0	0
Sub-Total	0	0
Total Payables	533,782,434	497,747,009



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

31. Sustainability of Service and Movement in Working Capital

International Public-Sector Accounting Standards (IPSAS) 1, Paragraph 38 provides that when preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. To measure the ability of an organization to continue as a going concern, an analysis of the working capital for the University is conducted in each accounting period.

Working capital, also called net working capital, is the amount of money an organization has available to pay its short-term expenses. Changes in net working capital are the difference in the working capital from the current year and the previous year. Working capital is a financial metric which represents operating liquidity available to an organization. It is the capital of a business which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities.

Laikipia University financial statements for the year ended 30th June, 2023 have been prepared in accordance with IPSAS accrual reporting framework. The University Management has assessed the University's ability to continue as a going concern and there is no sign of liquidation or ceasing to continue as a going concern. However, The University has been recording negative working capital for an extended period of time indicating that it is struggling to meet some of its financial obligations as they fall due.

During the year under review, the University recorded a negative working capital of Kes. 234,263,364 in the 2022/2023 financial year. The negative working capital has been as a result of low capitation from the government and decreasing students' population leading to low income to meet financial obligations. Computation of net working capital is as indicated below;

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

	2022/2023	2021/2022
Working Capital	(30.06.2023)	(30.06.2022)
Current Assets (CA)	Kes.	Kes.
Cash & Cash Equivalents	90,175,164	102,782,903
Receivables from Exchange Transactions	193,672,229	177,165,038
Inventory	15,671,678	15,077,444
Total Current Assets	299,519,070	295,025,385
Current Liabilities		
Accounts Payables	533,782,434	497,747,009
Total Current Liabilities	533,782,434	497,747,009
Net Working Capital (CA-CL)	(234,263,364)	(202,721,624)

Despite the negative working capital, the University Management Board is committed to bridging the gap by increasing students' enrollment to increase revenue base and establishment of other income generating units.

32. Purchase of Non-current Assets

For purposes of cash flow statement, all assets acquired during the period are accounted for as use of funds under cash flows on investing activities. It is the money paid out to acquire investment in assets. During the period under review, the University incurred a total of Kes. 8,707,543 for purchase of non-current assets. Included in Non-current Assets acquired during the period was assorted equipment at Kes. 3,079,450, Computers & Accessories at Kes. 4,846,712 and Fuel Tracking Management Software at Kes. 350,000 as detailed below;



Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

Purchase of Non-Current Assets

	2022/2023 30.06.2023	2021/2022 (30.06.2022)
Details	Kes.	Kes.
(i) Purchase of Office Equipment		
Office Equipment	2,581,000	828,000
Public Address System	279,000	0
Science Lab Equipment	0	1,160,000
Water Bottling Equipment	49,000	0
Kitchen Equipment	170,450	74,100
Medical Equipment	0	145,000
Communication & Media Equipment	0	227,450
Sports Equipment	0	382,500
Sub-Total	3,079,450	2,817,050
(ii) Plant, Machinery & Tractors	Kes.	Kes.
Farm Machinery	0	0
Tractors	0	3,367,200
Other Machinery	52,400	53,000
Sub-Total	52,400	3,420,200
(iii) Motor Vehicles	Kes.	Kes.
Motor Vehicle	0	0
Sub-Total	0	0
(iv) Furniture & Fittings	Kes.	Kes.
Office Furniture	0	771,300
Sub-Total	0	771,300
(v) Computers & Accessories		
Details	Kes.	Kes.
Computers & Appliances	4,505,350	5,104,650
Local Area Networks (LAN)	341,362	886,454
Sub-Total	4,846,712	5,991,104
(vi) Library Books	Kes.	Kes.
Library Books	378,981	696,578
E-Books	0	500,000
Sub-Total	378,981	1,196,578
(vii) Intangible Assets	Kes.	Kes.
ERP Software	0	4,268,800
Fuel Tracking Management System	350,000	0
Sub-Total	350,000	4,268,800
Total Non-current Assets	8,707,543	18,465,032

Notes to the Financial Statements (Continued)

For the Year Ended 30th June, 2023

33. Additional Work-in-Progress

Work-in-Progress is the total value of the materials and labour for unfinished projects. The University incurred a total of Kes. 110,905,517 in 2022/2023 FY compared to Kes. 62,727,731 in 2021/2022 FY as additional costs to the on-going capital projects. Details of capital expenditure for the period are as shown below;

Additional Work-in-Progress (Capital Expenditure) for 2022/2023

Code	Capital Project Details	2022/2023	2021/2022
		30.06.2023	(30.06.2022)
		Kes.	Kes.
20-02-001	New Library & Admin Block	1,204,292	12,281,650
20-02-002	Tuition Block	75,539,264	40,540,935
20-02-005	University Gate	0	107,242
20-02-006	Science Laboratories	29,983,717	8,663,874
20-02-006	Conversion of C2-Science Lab	0	223,151
20-02-012	Perimeter Fence	333,800	442,360
20-02-015	Renovation of ICT Building	0	222,319
20-02-021	Construction of Zero Grazing Unit	3,729,468	214,400
20-02-022	Business Centre & Science Park	0	31,800
20-02-023	Reading Shades	114,976	0
	Total	110,905,517	62,727,732



*Annual Report & Financial Statements for the Period
Ended 30th June 2023*



**Laikipia University is ISO 9001:2015
and ISO/IEC 27001: 2013 Certified**



**Annual Report and Financial Statements
For The Year Ended 30th June 2022
APPENDICES**

APPENDIX I: Progress on Follow-up of Auditor's Recommendations

The following is the summary of issues raised by the external auditor in 2021/2022 FY, and management comments that were provided to the auditor. The University nominated focal persons to resolve the various issues as shown below with the revised time frame within which the issues will be resolved.

Reference No. on the External Audit Report	Issue/Observation from Auditor	University Management Comment	Focal Point Person to resolve the issue	Status	Timeframe
A1	Non-posting of Direct deposits in the Cash-Book	The direct deposits forms part of reconciling items and they disappear once they are receipted. The University is in the process of integrating our Banks with ERP and this is expected to minimize occurrence of un-receipted deposits.	Finance Officer & In-charge Final Accounts	Ongoing	Ongoing
A2	Title deeds not reflecting ownership	The parcels of land are included in the Asset Register. The UMB is in the process of changing the name of ownership to Laikipia University.	UMB & Legal Officer	Ongoing	30 th June 2024
A3	Long outstanding Receivables from Collaborating Colleges	a) Eldoret Campus Students Account The University is considering writing off the debt as they have proven irrecoverable and due process will be followed. b) Nakuru Campus Collaboration	UMB & Legal Officer	Ongoing	31 st December 2023



		<p><i>This Campus is due for closure and reconciliation to clear all Receivables and Payables arising from the MOA has been done.</i></p> <p><i>c) Embu Campus Collaboration</i> <i>The matter has been heard by an arbitrator appointed by the Chartered Institute of Arbitrators. The claimant and the respondent have filed their submission. The matter is awaiting award.</i></p>	UMB	Ongoing	
B1	Over expenditure of Budgetary allocations	<p><i>Actual expenditure exceeded allocations due to under-budgeting and price changes of key commodities.</i></p>	UMB	Ongoing	Ongoing
C1	Delay in implementation of Capital projects	<p><i>Completion of capital projects is being fast-tracked.</i></p> <p><i>a) Science Complex-There was under-estimation on electrical and mechanical works and this has been addressed.</i></p> <p><i>b) University Gate-The University has taken over after demise and termination of the contractor.</i></p> <p><i>c) Tuition Block-The University retendered this project to speed up completion process and it's in the final stages to completion.</i></p> <p><i>d) Stalled Administration & Education Complex-The University will engage the Ministries of Public Works and Education on the possibilities of reviving the project since it was abandoned at foundation level.</i></p>	UMB	Ongoing	30 th June 2024



C2	External Examiners (Examination Moderation) Guidelines.	The University has draft guidelines awaiting approval by UMB.	UMB	Completed	Done
C3	Delayed Completion of ERP Implementation (ABNO Unisol)	During implementation there were customization challenges. The vendor has addressed almost all issues raised and commissioning of the project has been planned.	UMB	Completed	Done
C4	High employee cost	UMB is appealing to National Government for additional Capitation and improving Income Generating operations.	UMB	Ongoing	Ongoing

The University Management Board is committed to resolve all pending audit issues to improve financial systems and reporting.



Prof. Kibett Rotich, Ph.D
Professor of Biostatistics and Informatics

VICE CHANCELLOR



APPENDIX II: Projects Implemented by the University

a) Donor Funded Projects

There were no donor funded projects in the year under review

b) Government Funded Projects

The following projects funded by the Government of Kenya through Ministry of Education (MoE) are on-going;

- I. Science Complex/Laboratories
- II. Tuition Block
- III. Library & Administration Block

c) Status of Projects

S/No.	Project Title	Total Project Cost	Total Expended to Date	% Completion to Date	Approved/ Revised Budget 2022/2023	Actual 2022/2023	Source of Funds
1	Tuition Block	477,586,196	468,159,967	98.03%	18,138,098	75,539,264	GoK
2	Science Complex Phase II	297,514,943	149,149,523	50.13%	13,800,727	29,983,717	GoK
3	Library & Administration Block	400,762,909	399,599,684	99.71%	0	1,204,292	GoK
4	University Gate	31,472,542	31,129,169	98.91%	0	0	GoK/A-i-A
5	Sports Grounds & Pavilion	105,000,000	4,337,820	4.13%	0	0	GoK/A-i-A



APPENDIX III: Inter-Entity Transfers



OFFICE OF THE FINANCE OFFICER

The following is the breakdown of Transfers from the Ministry of Education, State Department for Higher Education & Research to Laikipia University for 2022/23 Financial Year

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Date Received as per Cash-Book	Receipt Number	Nature: Recurrent / Development / Others	Total Amount - Kes.
Ministry of Education	03.08.2022	14.08.2022	186794	Recurrent	74,557,992
Ministry of Education	09.09.2022	12.09.2022	192560	Recurrent	74,557,992
Ministry of Education	04.10.2022	04.10.2022	194898	Recurrent	74,557,992
Ministry of Education	10.11.2022	14.11.2022	200455	Recurrent	74,557,992
Ministry of Education	09.12.2022	09.12.2022	206748	Recurrent	74,557,992
Ministry of Education	30.12.2022	31.12.2022	207970	Recurrent	74,557,992
Ministry of Education	03.02.2023	06.02.2023	211948	Recurrent	74,557,992
Ministry of Education	17.03.2023	20.03.2023	214717	Recurrent	74,557,992
Ministry of Education	14.04.2023	17.04.2023	218389	Recurrent	74,557,992
Ministry of Education	08.05.2023	09.05.2023	218780	Recurrent	74,557,992
Ministry of Education	09.06.2023	12.06.2023	219354	Recurrent	74,557,992
Ministry of Education	30.06.2023	30.06.2023	219625	Recurrent	74,557,992
Total Received					894,695,904

b. Development Grants

Date received as per bank statement	Amount Transferred Kes.	Relating to Financial Year
30.09.2022	20,250,000	2022/2023
04.07.2023	11,688,825	2022/2023
Total Development Grant	31,938,825	
Total Transfers	926,634,729	

The above amounts have been communicated to and reconciled with the Ministry of Education.

Signed:

Finance Officer
Laikipia University



Head of Accounting Unit
State Department for University Education
& Research
Ministry of Education

Vision: A University for Valued Transformation of Society
Mission: To serve students and society through research, education, scholarship, training, innovation, outreach and consultancy

Laikipia University is ISO 9001:2015 and ISO/IEC 27001:2013 Certified



APPENDIX IV: Transfers from Other Government Entities

Government Grants

LAIKIPIA UNIVERSITY						Where Recorded/recognized				
Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Date Received as per Cash-Book	Receipt Number	Nature: Recurrent / Development / Others	Total Amount - Kes.	Statement of Financial Performance - Kes.	Capital Fund - Kes.	Receivables Kes.	Others - specific -Kes.	Total Transfers during the Year - Kes.
Ministry of Education	03.08.2022	14.08.2022	186794	Recurrent	74,557,992	74,557,992		0	0	74,557,992
Ministry of Education	09.09.2022	12.09.2022	192560	Recurrent	74,557,992	74,557,992		0	0	74,557,992
Ministry of Education	30.09.2022	30.09.2022	194542	Development	20,250,000		20,250,000	0	0	20,250,000
Ministry of Education	04.10.2022	04.10.2022	194898	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	10.11.2022	14.11.2022	200455	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	09.12.2022	09.12.2022	206748	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	30.12.2022	31.12.2022	207970	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	03.02.2023	06.02.2023	211948	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	17.03.2023	20.03.2023	214717	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	14.04.2023	17.04.2023	218389	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	08.05.2023	09.05.2023	218783	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	09.06.2023	12.06.2023	219354	Recurrent	74,557,992	74,557,992				74,557,992
Ministry of Education	30.06.2023	30.06.2023	219625	Recurrent	74,557,992	74,557,992				74,557,992
Total Received					914,945,904	894,695,904	20,250,000	0	0	914,945,904
ADD; Accrued										
Ministry of Education	04.07.2023	07.07.2023	219713	Development	11,688,825		11,688,825			11,688,825
Grand Total					926,634,729	894,695,904	31,938,825	0	0	926,634,729



APPENDIX V: Reporting of Climate Relevant Expenditure

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Environmental Conservation	Tree planting and environmental awareness	1. To increase the University's tree cover and contribute to the National Tree Growing and Restoration Campaign. 2. To enhance awareness on environmental conservation among staff, students and neighboring communities	1. Tree planting 2. Donation of tree seedlings to neighboring schools and community based organizations	-	-	-	167,708.00	University funds 1. University staff and students 2. Community surrounding the University 3. Kenya Forest Service 4. Kenya Forestry Research Institute 5. Laikipia University Primary School 6. Igwamiti Primary School 7. Daring Eagles CBO 8. Laikipia tree growers CBO	





2022/2023 Annual Report & Financial Statements Working Team



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