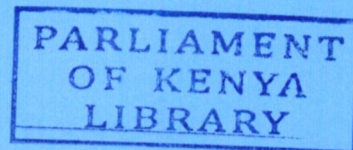


**REPORT**

**OF**



**THE AUDITOR-GENERAL**

**ON**

**MAASAI MARA UNIVERSITY**

**FOR THE YEAR ENDED  
30 JUNE, 2021**





# MAASAI MARA UNIVERSITY

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING  
30 JUNE, 2021



ISO 9001:2015 CERTIFIED

*[www.mmarau.ac.ke](http://www.mmarau.ac.ke)*



**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**CONTENTS**

|                                                                                                 |    |
|-------------------------------------------------------------------------------------------------|----|
| KEY INFORMATION AND MANAGEMENT .....                                                            | 3  |
| MAASAI MARA UNIVERSITY COUNCIL MEMBERS.....                                                     | 9  |
| KEY MANAGEMENT .....                                                                            | 13 |
| CHAIRMAN'S STATEMENT.....                                                                       | 15 |
| REPORT OF THE VICE-CHANCELLOR/CHIEF EXECUTIVE OFFICER.....                                      | 19 |
| CORPORATE GOVERNANCE STATEMENT.....                                                             | 24 |
| MANAGEMENT DISCUSSION AND ANALYSIS .....                                                        | 29 |
| CORPORATE SOCIAL RESPONSIBILITY STATEMENT.....                                                  | 33 |
| REPORT OF THE UNIVERSITY COUNCIL.....                                                           | 34 |
| STATEMENT OF COUNCIL'S RESPONSIBILITIES .....                                                   | 35 |
| REPORT OF THE INDEPENDENT AUDITORS .....                                                        | 36 |
| STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021 .....                        | 37 |
| STATEMENT OF FINANCIAL POSITION AS AT 30 <sup>TH</sup> JUNE 2021.....                           | 38 |
| STATEMENT OF CHANGES IN NET ASSETS AS AT 30 <sup>TH</sup> JUNE 2021 .....                       | 39 |
| STATEMENT OF CASH FLOWS AS AT 30 JUNE 2020 .....                                                | 40 |
| STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD<br>ENDED 30 JUNE 2021 ..... | 41 |
| NOTES TO THE FINANCIAL STATEMENTS .....                                                         | 43 |
| APPENDIX I: PROGRESS ON FOLLOW – UP OF AUDITORS RECOMMENDATIONS .....                           | 64 |
| APPENDIX II: INTER-ENTITY TRANSFERS.....                                                        | 65 |





# MAASAI MARA UNIVERSITY

## OFFICE OF THE VICE-CHANCELLOR

Email: [vc@mmarau.ac.ke](mailto:vc@mmarau.ac.ke)  
Website: [www.mmarau.ac.ke](http://www.mmarau.ac.ke)

Tel: 0205131400  
P.O. Box 861, NAROK

REF: MMU/VC01/04/2021/VOL.10(111)

DATE: 2nd June, 2022

Director of Audit  
Office of the Auditor General  
P.O. Box 30084-00100  
NAIROBI



Dear Sir,

**RE: SUBMISSION OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2021**

The above subject refers.

Attached please find the signed annual report and financial statements for Maasai Mara University for the year ended 30<sup>th</sup> June, 2021 submitted for the annual audit.

Thank you.

**PROF. JOSEPH S. CHACHA, PhD**  
**AG. VICE-CHANCELLOR**

- cc.**
- |                                                                                                                                                |                                                                                                        |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| 1. Accountant General<br>The National Treasury<br>P.O. Box 30007 – 00100<br>NAIROBI                                                            | 2. The Chief Executive Officer<br>Commission on Revenue Allocation<br>P.O. Box 1310 - 00200<br>NAIROBI |
| 3. The Principal Secretary<br>Ministry of Education<br>State Department of University Education & Research<br>P.O. Box 1310 – 00200<br>NAIROBI | 4. Office of the Controller of Budget<br>Bima House<br>P.O. Box 35606 - 00100<br>NAIROBI               |







**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

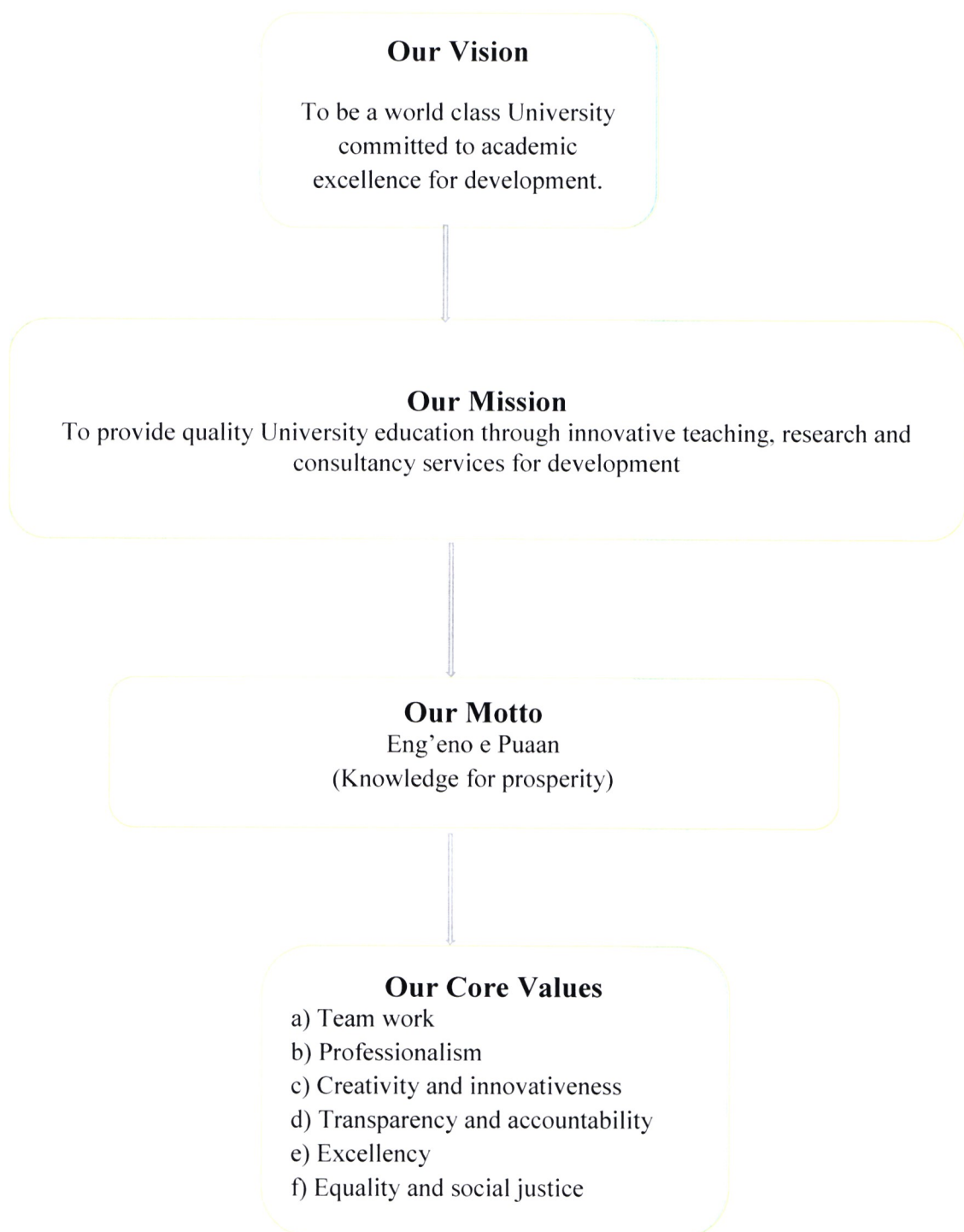
**KEY INFORMATION AND MANAGEMENT**

**a) Background information**

Maasai Mara University is a public body corporate established by Charter as per The Universities Act 2012; the Charter was issued on 11<sup>th</sup> February, 2013. At Cabinet level, Maasai Mara University is represented by the Cabinet Secretary for Education who is responsible for the general policy and strategic direction of the University. Specifically, the University is under the Principal Secretary of University Education and Research. It has five Schools namely: School of Business and Economics, School of Education, School of Science and Information Sciences, School of Arts and Social Sciences and School of Tourism and Natural Resource Management. The University offers recognized academic programmes from Doctor of Philosophy, post graduate, under graduate, diploma, certificate and short training market driven courses. The current student enrolment is about 8,000. The University is located approximately one kilometre off the Narok-Bomet highway, two kilometres from Narok town in Kenya and approximately 150 kilometres northwest of Nairobi City

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**b) Principal Activities**





**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**Functions:**

Maasai Mara University objectives and functions are defined in Part III Sec 19 of the Universities Act 2012. Key of these functions are as follows: -

- a) Provide directly or in collaboration with other institutions of higher learning, facilities for technological, professional and scientific education;
- b) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- c) Promotion of learning in the student body and society generally;
- d) Promotion of cultural and social life of society;
- e) Support and contribution to the realization of national economic and social development;
- f) Promotion of the highest standards in and quality of, teaching and research;
- g) Education, training and retraining higher level professional, technical and management personnel;
- h) Dissemination of the outcomes of the research conducted by the University to the general community;
- i) Facilitation of life-long learning through provision of adult and continuing education;
- j) Fostering of a capacity for independent critical thinking among its students; and
- k) Promotion of gender balance and equality of opportunity among students and employees.
- l) Promotion of equalization for persons with disabilities, minorities and other marginalized groups;
- m) Play a leading role in development and expansion of opportunities for technological and vocational institutions;
- n) Conduct examinations for and grant such academic awards as may be provided for in the statutes and to syndicate examinations for awards at other institutions as may be approved by the Senate;
- o) Participate in commercial ventures and activities that promote the objectives of the institution.

In the discharge of its functions and the exercise of its powers under this Act, Maasai Mara University is guided by the national values and principles of governance set out under Article 10 of the Constitution.

**c) Key Management**

The University's day-to-day management is under the Vice-Chancellor who is also the Secretary to the Maasai Mara University Council. The Council exercises oversight role over policy formulation and implementation. The other key management of the University comprises of the Deputy Vice-Chancellor (Academic and Student Affairs), Deputy Vice-Chancellor (Administration, Finance and Strategy), Registrar Academic Affairs, Registrar Administration and Strategy, Finance Officer, Senior Legal Officer, Librarian, Head, Health Services and Dean of Students.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**d) Fiduciary Management**

The key management personnel who held office during the year ended 30<sup>th</sup> June 2021 and who had direct fiduciary responsibility were:

| <b>No.</b> | <b>Designation</b>                                      | <b>Name of the Staff</b> |
|------------|---------------------------------------------------------|--------------------------|
| 1          | Ag. Vice-Chancellor/Chief Executive Officer             | Prof. Kitche Magak       |
| 2          | Ag. Deputy Vice-Chancellor (Admin., Finance & Strategy) | Prof. James S. Nampushi  |
| 3          | Deputy Vice-Chancellor (Academic, & Student Affairs)    | Prof. Godrick M. Bulitia |
| 4          | Registrar, Administration and Strategy                  | Mr. Samuel K. Partoip    |
| 5          | Registrar, Academic Affairs                             | Dr. Fredrick Otieno      |
| 6          | Ag. Finance Officer                                     | CPA Elkana K. Kimeli     |
| 7          | Head, Health Services Department                        | Dr. Cleophas Serem       |
| 8          | Senior Legal Officer                                    | Ms. Mercylene Njoroge    |
| 9          | Dean of Students                                        | Mr. Mohamed A. Adan      |
| 10         | Acting University Librarian                             | Mrs. Nancy Kimile        |

**e) Fiduciary Oversight Arrangements**

The fiduciary oversight arrangements of the University are by the Council who carry out the oversight duties through the Council Committees. These committees are: Finance, Strategy and Resources, which is charged with the responsibilities of budgetary planning, budget approval, approval of quarterly and annual financial reports, investment policy, resource mobilization and income generation policies. It is also responsible for overall University planning including master and strategic plan; Audit, Risk and Compliance committee is a statutory committee whose responsibilities include reviewing internal controls procedures and policies so as to ensure efficiency and effectiveness, submitting quarterly and annual reports on internal controls to the Council, ensuring proper books of accounts have been maintained, review of internal audit reports and their overall effectiveness, ensuring compliance with statutory guidelines, approval of annual audit work plans and reviewing risk management framework; Academic, Sealing and Honorary Degrees Committee which examines the format and content of the University's statutes, deliberates on all matters pertaining to research and academic activities, co-ordinating fund raising activities for research, advising on consultancies, technology transfers and intellectual property rights, receiving and reviewing academic board papers, recommending to the Council for award of honorary degrees and recommending to the Council on number of certificates to be sealed. This committee also receives and recommends to the Council academic policies; Human Resource Committee is charged with reviewing and recommending to the Council staff establishment and organization structure, developing and reviewing Human Resource Policies, reviewing and recommending to the Council career progression for all staff, reviewing and recommending terms and conditions of service, reviewing and recommending Collective Bargaining Agreements in consultation with Finance, Strategy and Resources committee, recommending staff promotions and handling disciplinary matters.



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Other oversight activities of the University are carried out by the Commission for University Education which performs quality assurance audits, Kenya Bureau of Standards who carry out ISO audits to ensure compliance with relevant ISO standards. The University is ISO 9001:2015. The Office of the Auditor General carries out both continuous and final audits of the University while the Internal Audit function of the University ensures that the control environment is working with minimal risk exposure.

**f) University Headquarters**

Maasai Mara University,  
P. O. Box 861 – 20500,  
Narok County,  
Narok, Kenya

**g) University Contacts**

Tel: (254) 020-5131400  
Fax: 020-2066041  
E-mail: [info@mmarau.ac.ke](mailto:info@mmarau.ac.ke)  
Website: [www.mmarau.ac.ke](http://www.mmarau.ac.ke)

**h) University Bankers**

For the year ended 30<sup>th</sup> June 2021 the following were the University bankers:

1. National Bank of Kenya,  
Narok Branch,  
P. O. Box 238,  
**NAROK**
2. Equity Bank Ltd.  
Narok Branch  
P. O. Box 1023-20500,  
**NAROK**
3. Kenya Commercial Bank,  
Narok Branch,  
P. O. Box 406-20500,  
**NAROK**
4. ABSA Bank,  
Narok Branch  
P. O. Box 1073-20500,  
**NAROK**
5. SBM Bank Kenya Limited  
Narok Branch,  
P.O Box 66049 - 00800  
**NAIROBI**

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

6. Jamii Bora Bank  
P.O Box 22741-00400  
**NAIROBI**

7. Co-operative Bank of Kenya,  
Narok Branch  
P. O. Box 632-20500,  
**NAROK**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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



MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021  
MAASAI MARA UNIVERSITY COUNCIL MEMBERS



Dr. Kennedy Kerei  
*Chairman of the Council*

- ♣ DOB: 20<sup>th</sup> July, 1972
- ♣ PhD (Educational Research and Evaluation)
- ♣ M.Ed. (Economics and planning of education)
- ♣ B.Ed. (Math)
- ♣ Former County Secretary (Kajiado County)



FCS Kinuthia Wamwangi - EBS  
*Independent Council Member – Chairperson  
Finance, Resources and Strategy Committee*

- ♣ DOB: 1950
- ♣ LLM
- ♣ LLB
- ♣ MSC (HRM)
- ♣ FCS, FIHRM, FKIM
- ♣ Chairman Emeritus - Transition Authority



Mr. Hassan Duale - HSC  
*Executive Council Member and alternate to  
PS State Department of University  
Education and Research*

- ♣ DOB: 1<sup>st</sup> January, 1977
- ♣ MBA
- ♣ M.ED (Management and Administration)
- ♣ B. ED (Chemistry and Biology)

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021



- ♣ DOB: 23<sup>rd</sup> November, 1959
- ♣ MA (International Studies)
- ♣ BA (Political Science)

Ms. Dorothy N.O. Kimeu - MBS  
*Independent Council Member – Chairman  
Audit, Risk and Compliance Committee*



- ♣ DOB: 28<sup>th</sup> December, 1958
- ♣ Executive MBA
- ♣ PGD (International Relations)
- ♣ BA
- ♣ Certificate – Public Service Commissions:  
Professionalism, Performance – Excellence
- ♣ Former Vice chair Public Service Commission

Amb. Peter O. Nkuraiya  
*Independent Council Member – Chairman  
Human Resource Committee*



Dr. Benson Momanyi  
*Independent Council Member – Chairman  
Academic, Sealing and Honorary Degrees  
Committee*

- ♣ DOB: 1<sup>st</sup> June, 1961
- ♣ PhD (Business Administration –  
strategic management)
- ♣ MBA
- ♣ Bachelor of Business Administration  
(Accounting)
- ♣ Certified Public Accountant of Kenya  
(CPAK)
- ♣ Diploma in Cooperative Management  
and Administration
- ♣ Diploma in Microfinance and Income  
Generating Projects



MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021



Prof. Kitchemagak  
*Ag. Vice-Chancellor and Secretary to  
Council*

- ♣ DOB: 27<sup>th</sup> July 1965
- ♣ PhD (WIU)
- ♣ PGD (UoN).
- ♣ MA (UoN)
- ♣ BA (UoN)
- ♣ Dip. Action Research, DSE, Germany
- ♣ Cert. in Art and Culture in Conflict Management and Peace Building, Juniata College, USA
- ♣ Chair, Department of Literature, Maseno University
- ♣ Associate Professor of Literature, Maseno University
- ♣ Professor of Literature, Maasai Mara University

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Council Committees Membership**

|                                                                              |                                  |             |
|------------------------------------------------------------------------------|----------------------------------|-------------|
| Finance, Strategy and<br>Resources Committee                                 | 1. FCS Kinuthia Wamwangi, EBS    | Chairman    |
|                                                                              | 2. Mr Hassan Duale, HSC          | Member      |
|                                                                              | 3. Dr. Benson Momanyi            | Member      |
|                                                                              | 4. Representative to PS Treasury | Member      |
|                                                                              | 5. Prof. Kitche Magak            | Secretary   |
| Academic, Sealing and Honorary<br>Degrees Committee<br>(Technical Committee) | 1. Dr. Benson Momanyi            | Chairman    |
|                                                                              | 2. Ms. Dorothy, N. O. Kimeu, MBS | Member      |
|                                                                              | 3. Mr. Hassan Duale, HSC         | Member      |
|                                                                              | 4. Prof. Kitche Magak            | Secretary   |
| Audit, Risk and Compliance<br>Committee                                      | 1. Ms. Dorothy N.O. Kimeu, MBS   | Chairman    |
|                                                                              | 2. Amb. Peter O. Ole Nkuraiya    | Member      |
|                                                                              | 3. Mr. Hassan Duale, HSC         | Member      |
|                                                                              | 4. PS to the National Treasury   | Member      |
|                                                                              | 5. Head of Internal Audit        | Secretary   |
| Human Resource Committee                                                     | 1. Amb. Peter O. Ole Nkuraiya    | Chairperson |
|                                                                              | 2. FCS Kinuthia Wamwangi, EBS    | Member      |
|                                                                              | 3. Dr. Benson Momanyi            | Member      |
|                                                                              | 4. Mr. Hassan Duale, HSC         | Member      |
|                                                                              | 5. Prof. Kitche Magak            | Secretary   |



MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

KEY MANAGEMENT



Prof. Kitche Magak  
*BA, MA, PGD Dip. Mass Com (UoN), PhD (WIU)*  
Ag.Vice-Chancellor/Chief Executive Officer



Prof. James S. Nampushi  
*BTM (Moi), MSc, PhD (Clemson)*  
Ag.Deputy Vice-Chancellor (Admin., Finance  
& Strategy)



Prof. Bulitia Godrick Mathews  
*BEd (UoN), MBA (UoN), PhD (Maseno)*  
Deputy Vice-Chancellor (Academic & Student  
Affairs)



Dr. Fredrick Otieno  
*BSc (KU), MSc (UoN), PhD (JKUAT)*  
Registrar, Academic Affairs



Mr. Samuel K. Partoip  
*BEd, MSc (Moi), HND*  
Registrar, Administration & Strategy

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021



CPA Skamo Loltianya  
*BCom- Banking & Finance (Egerton),  
MBA (UON), CPA<sub>K</sub>, CISA, CFA II*  
Finance Officer



Dr. Cleophas Serem  
*Md (Vitebsk State Medical University)*  
Ag. Head Health Services Department



Ms. Mercylene Njoroge  
*LLB (Moi), Dip. Law (KSL)*  
Senior Legal Officer



Ms. Nancy Kimile  
*BSc., MPhil. (Moi)*  
Ag. University Librarian



Mr. Mohammed Adan  
*BED(KU), MIIRM(Moi), HND (HR) – KNEC*  
Dean of Students

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021  
CHAIRMAN'S STATEMENT



**Dr. Kennedy Kerei**  
**Chairman of the Council**

*“To address funding gaps, the University will continue sourcing more funds from development partners especially for infrastructural development and prudently apply it.”*

I am delighted to present the Maasai Mara University (herein referred to the “University”) Annual Report and Financial Statements, on behalf of the University Council for the year ended 30<sup>th</sup> June 2021.

**Key Activities**

During the year 2020/2021, the University fared on quite well despite the challenge of the Covid-19 pandemic, achieving most of her mandate supported by timely release of Government capitations for both recurrent and development use. This was bolstered by the University’s quest for increased strategic partnerships and collaborations. With this and other key activities, I am pleased to outline a number of milestones achieved during the year under review as follows:

During the year the University continued to grapple with the ravaging effects of the Covid-19 pandemic where the University was closed for the better part of the year under review. However, the university had to switch and utilize online learning platforms to deliver learning which helped to minimise the disruptions to the academic calendar. As a result of this the university managed to have its graduation as scheduled.

On infrastructural development, I am pleased to report that Phase II and III of tuition block constructions were finalised in August 2021. This will go a long way in helping the University to have additional learning and teaching facilities of which there was a critical shortage prior to the completion of the tuition block. The need for social distancing made the shortage of the facilities dire, the new building will greatly mitigate the existing shortage.



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

During the year, the University was allocated Two Thousand Two Hundred and Thirty-Four students (2,234) Government Sponsored Students by the Kenya Universities and Colleges Central Placement Services (KUCCPS) for the academic year 2020/2021. The 1<sup>st</sup> year students reported in February 2021 for their studies.

The March – July 2021 semester was suspended in April 2021 due to the presidential directive to close all institutions of higher learning due to the Covid-19 pandemic containment measures. The closure resulted in cost savings relating to direct expenses like electricity, stationery, water, transport, travelling costs among other expenses. Further, closure of the University greatly affected fee collection from students. As a result, the University was not able to collect all our revenues as had been expected. From the foregoing, the University will continue to undertake austerity measures in order to realize savings to cover for the lost income from students.

The integration between the University Enterprise Resource Planning (ERP) and the banking system is on course. By close of the year, both Equity Bank and Co-operative bank had been fully integrated. The integration process is essential in managing student's fees collection which will lead to real time updating of students' statements. The University management continues to engage ABNO software to ensure full utilization of the ERP system. The University as well has put in place a cashless payment system which enables an online direct payment system for all its transactions via iBank platform from the KCB bank. This will limit cash withdrawals and enhance audit trails for accountability.

On corporate social responsibility front, during the year the University signed up a declaration to end teen pregnancies during the launch of a campaign to end teenage pregnancy, officiated by the National Council for Population & Development (NCPD) at the University held in March 2021. University staff drawn from the directorates of Gender, Equity & Culture and Linkages, Collaborations, Marketing & Public Relations, represented the University at an event to mark the International Women's Day. The event was held at Lemek-Maasai Mara, Narok County.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021



*The Ag. VC Prof. Kitche Magak signs a declaration to end teenage pregnancy at the launch of the campaign to end teenage pregnancy at the University.*

### **Challenges**

Firstly, as indicated above the student enrolment has been dwindling mainly caused by reduced privately sponsored students due to the lower number attaining the minimum University entry point at the Kenya Certificate of Secondary Education. The Kenya Universities and Colleges Central Placement Services (KUCCPS) shares this small number among both private and public universities.

Second challenge is funding. Whereas, the University is grateful for the support received from the Government through the Ministry of Education and timely release of funds, our needs as a young University far outstretches the income received. For instance, the University doesn't have a library and an administration block.

Lastly, the University continues to have an imbalance in staffing which is skewed towards administrative staff resulting to lower ratio of teaching staff vis-a vis the student enrolment with approximately 8,000 students against about 150 teaching staff. The ratio is far below Commission for University Education (CUE) recommendation.

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

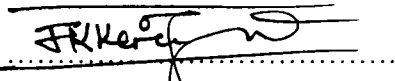
**Way forward**

To surmount the above challenges, the University rationalized her academic programmes and provided strategies to revamp the existing ones. A clearer programme niche has been developed awaiting implementation. This will enable the University to realize her potential.

To address funding gaps, the University will continue sourcing more funds from development partners especially for infrastructural development which has faced significant reductions from the Government. Also, the University will fast track completion of ongoing projects before commencement of new ones. University will endeavour to develop staff capacity in writing funding proposals and use of innovative ways to control energy costs.

The University will also review the staff establishment especially the administrative staff in line with activities carried so as to manage her payroll costs. Enhanced training on leadership and corporate governance has been planned for both staff and Council members

In conclusion, I urge the entire Maasai Mara University family, to keep up the hard work which will spur the University to greater heights. May God bless you.



Dr. Kennedy Kerei  
Chairman



MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021  
REPORT OF THE VICE-CHANCELLOR



**Prof. Kitche Magak**  
**Ag. Vice-Chancellor**

*“In line with the University mandate of producing qualified graduands, during the year the University held her 8<sup>th</sup> graduation ceremony on 23<sup>rd</sup> December 2021 with a total of Two Thousand and sixteen (2,016) graduands”*

**Introduction**

It is my pleasure to present to you the Maasai Mara University (hereafter referred to as the “University”) Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2021. The University has recorded tremendous improvement both in strategic direction and operational areas albeit with challenges, which I wish to highlight as follows:

**Key Activities**

The University carried out her activities during the year in compliance with relevant laws, Acts of parliament, regulations and procedures. The objectives of these activities were centred around achievement of the University strategic plan 2019-2024 and core mandate of teaching, research and consultancy services.

***a) Academic Services***

In line with the University mandate of producing qualified graduands, during the year the University held her 8<sup>th</sup> graduation ceremony on 23<sup>rd</sup> December 2021 with a total of Two Thousand and sixteen (2,016) graduands being awarded with degree and diploma certificates. This number being slightly lower than 2019/2020 graduands who were about 2,300.

The University officially received the new Scania bus bought at a cost of **Kshs. 14.25 million** on Monday 22<sup>nd</sup> March 2021. This was internally financed and will significantly improve the University fleet through enhanced efficiency.

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021



*LEFT TO RIGHT: Prof Kitche Magak, FCS Kinuthia Wamwangi – Chair of Finance Resource and Strategy Committee, Dr. Kennedy Kerei – the Chair of Council, Ms. Dorothy N.O Obara – Chair of Risk and Audit Committee of Council, Dr. Benson Momany – Chair of Academic and Sealing Committee of Council and Amb. Peter Ole Nkuraiyia – Chair of Human Resource Committee of Council when they officially received the new bus on 23<sup>rd</sup> March 2021.*

***b) Collaborations and linkages***

The University received donation of 10 sewing machines from Bedi Investments for use in the manufacture of the reusable sanitary pads for needy girls. The machines are valued at **Kshs. 3,000,000.00**



**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**



Ms. Peris Mbuthia-Corporate Affairs Manager, Bedi Investments handed over sewing machines equipment to the University Council led by Chairman Dr. Kennedy Ole Kerei from Bedi Investments for use in the manufacture of the reusable sanitary pads.

***c) Corporate Social Responsibility***

On Corporate Social Responsibility front, during the year the University participated in the launch of a campaign to end teenage pregnancy, officiated by the National Council for Population & Development (NCPD). The University signed up in the campaign to end teenage pregnancy after media highlighted Narok county as a high-risk area with one of the highest number of teenage pregnancies.



**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**



*University staff participating in the campaign to end teenage pregnancies*

**d) Financial operations**

**i) Revenue**

The total revenue realized by the University during the year was **Kshs 1,205,470,052**, this was a decline from **Kshs. 1,481,385,900** in 2019/2020 – a drop of **Kshs 275,915,848** year to year revenue. The drop can be attributed to the closure of the University due to the covid-19 containment measure which greatly affected revenue realization

**ii) Expenditure**

The total expenditure of the University was **Kshs 1,326,136,445** against budgeted **Kshs 1,331,690,556.00** for the year 2020/2021. This year's expenditure was lower as compared to **Kshs 1,501,733,799** spent in 2019/2020 financial year, the lower expenditure is attributed to the austerity measures adopted by the University and the covid-19 closure of the University. The University absorbed **100%** of the allocated funds together with internally generated revenue. Employee costs remain the highest expenditure item at **Kshs 1,022,131,725** being **77%** of total expenses.

**Challenges**

The University is facing a number of challenges key of them being: student enrolment, lack of adequate facilities, inadequate funding and fewer numbers of teaching staff.

The pass rate for Kenya Certificate of Secondary Education (KCSE) has been low in the last three years leading to reduced number of students who score grade C plus and above which is the cut off mark for direct University entry. This compels KUCCPS to under-allocate the students leaving unutilized capacity in many Universities. Maasai Mara University was no exception.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

The University lacks most of essential facilities thereby posing a challenge to discharge fully her mandate of teaching and research. For instance, the completed tuition block can only serve 1,200 students. There is no modern library or Science complex laboratory. These are very essential facilities to enable effective teaching and research.

Inadequate funding is one of key challenges of the University. Reduction in Government funding especially development vote has affected timely completion of infrastructural projects. Reduced student enrolment exacerbates this shortage.

**Way forward**

To address funding gaps, the University will encourage her academic staff to double the efforts in writing funding proposals aimed at getting adequate research grants for both technical and administrative functions of the University. Already this is yielding fruits with an amount of over Kenya Shillings Twenty Million only research grant agreement made this year courtesy to one of our researchers.

We have already started building strong alliances and partnerships with international Universities in the United Kingdom and United States. These relationships will result in better exposure and funding arrangements. This year, the university senior management have made such engagements, it is anticipated that this will result to signing of memoranda of understanding.

The University will fast track completion of ongoing projects before commencement of new ones. Other sources of internally generated funds will be explored with a possibility of establishing an enterprise charged with creation of income.

The University has already developed her niche programmes in the current Strategic Plan 2019-2024. This will therefore enable us to refocus our energies towards these niche programmes with a view of obtaining market concentration hence more students. The content delivery to our students has changed with more emphasis on experiential learning.

**Appreciation**

This financial year has been quite a success and I thank the almighty God for having brought us this far. Secondly, I thank the Government of Kenya for recurrent capitations which has gone along away to alleviate our challenges. I also thank the University Council for their dedication and guidance on policy matters. The University Management Board, Senate and entire fraternity have put in a lot of effort in implementing policy matters; I thank them for this dedication. Lastly, I thank the local community for providing conducive environment suitable for advancement of learning. God bless you.



Prof. Joseph Sarima Chacha

**Ag. VICE-CHANCELLOR**  
**MAASAI MARA UNIVERSITY**



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**CORPORATE GOVERNANCE STATEMENT**

Maasai Mara University has engrained the principles of Corporate Governance in its institutional framework and is committed to consistently promoting the highest standards of governance which takes into cognizance the interests of all stakeholders, strengthens the Council, Board of Management and Senate accountability while building public trust in the University. The Council is responsible for appropriate strategic advice and direction to the University and is accountable to the Government, Stakeholders and the Kenyan Public at large through the Ministry of Education.

In implementing the Corporate Governance tenets, the Council seeks to add value through constructive dialogue and engagement with stakeholders as well as management with a strong focus on the University's strategic agenda. The Council embraces and recognizes the benefits of diversity in skills and experience in its compositions and this engenders the effective discharge of the Council's strategic oversight function. The testament to this is seen through diversity of skills of Council members.

As at 30th June 2021, the Council was made up to seven (7) members comprising of a non-executive Chairman, the Principal Secretary, Ministry of Education, the Vice-Chancellor and four (4) independent members of various backgrounds. The non-executive Council members are independent of management.

The University Council as guided by the State Corporations Act and the Universities Act 2012 meets at least four times a year with special meetings held on a need basis. The meetings are held in accordance with the Council almanac. The Vice-Chancellor and Secretary of the University Council and University management are delegated by the Council to run the day-to-day affairs of the University.

For the year ended 30<sup>th</sup> June 2021, the council achieved several governance milestones such as: training of the council members on governance, board evaluation, financial reorganization of the university operations and finance department, conduct of virtual graduation in December 2020, roll-out of online classes and integration of the university's ERP and the banking systems of the banks.

**Appointment and removal of Council Members:**

The appointment and removal of Council members is guided by the State Corporations Act 446 Part III Section 6.

**Council Committees**

The Council has established four Committees with specific terms of reference to exercise delegated responsibilities. The Committees are namely Finance, Strategy and Resources, Academic, Sealing and Honorary degrees, Audit, Risk and Compliance and Human Resources Committee.

**i) Finance, Strategy and Resources Committee**

The committee is charged with the responsibilities of budgetary planning, budget approval, approval of quarterly and annual financial reports, investment policy, resource mobilization



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

and income generation policies. It is also responsible for overall University planning including master and strategic plan. It arranges for construction of new buildings once the finances have been made available and receives reports on performance contracts. It advises Council on income generation activities and makes proposals to the Council on ways of raising funds for the University both internally and externally. The members are:

- |                              |           |
|------------------------------|-----------|
| 1. FCS Kinuthia Wamwangi EBS | Chairman  |
| 2. Dr. Benson Momanyi        | Member    |
| 3. Mr. Hassan Duale HSC      | Member    |
| 4. Prof. Kitche Magak        | Secretary |

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**ii) Audit, Risk and Compliance Committee:**

This is a statutory committee whose responsibilities include reviewing internal controls procedures and policies so as to ensure efficiency and effectiveness. It submits quarterly and annual reports on internal controls to the Council while ensuring proper books of accounts have been maintained. The committee also reviews internal audit reports and their overall effectiveness, ensuring compliance with statutory guidelines and approve annual audit work plans. It further reviews risk management framework, ensuring effective co-ordination between management, the internal audit function and external auditors, ensuring statutory guidelines for Universities and State Corporations are fully complied with. It also reviews management reports from external auditors concerning deviations and weaknesses in accounting and operational controls. The membership of this committee comprises of:

- |                                |           |
|--------------------------------|-----------|
| 1. Ms. Dorothy N.O. Kimeu MBS  | Chairman  |
| 2. Amb. Peter O. Ole Nkuraiya  | Member    |
| 3. Mr. Hassan Duale HSC        | Member    |
| 4. PS to the National Treasury | Member    |
| 5. Head of Internal Audit      | Secretary |

**iii) Academic, Sealing and Honorary Degrees Committee (Technical Committee)**

This committee examines the format and content of the University's statutes, deliberates on all matters pertaining to research and academic activities, co-ordinates fund raising activities for research, advises on consultancies, technology transfers and intellectual property rights. It receives and reviews academic board papers, recommends to the Council for award of honorary degrees and recommends to the Council on number of certificates to be sealed. This committee also receives and recommends to the Council academic policies. It co-ordinates all fund raising activities for research. The members are:

- |                                 |           |
|---------------------------------|-----------|
| 1. Dr. Benson Momanyi           | Chairman  |
| 2. Ms. Dorothy, N. O. Kimeu MBS | Member    |
| 3. Mr. Hassan Duale HSC         | Member    |
| 4. Prof. Kitche Magak           | Secretary |

**iv) Human Resource Committee**

This committee is charged with reviewing and recommending to the Council staff establishment and organization structure, developing and reviewing Human Resource Policies, reviewing and recommending to the Council schemes of service for all staff. It also reviews and recommends terms and conditions of service and Collective Bargaining Agreements in consultation with Finance, Strategy and Resources committee. It recommends staff promotions and handles disciplinary matters. The members are:

- |                               |             |
|-------------------------------|-------------|
| 1. Amb. Peter O. Ole Nkuraiya | Chairperson |
| 2. FCS Kinuthia Wamwangi EBS  | Member      |
| 3. Dr. Benson Momanyi         | Member      |
| 4. Mr. Hassan Duale HSC       | Member      |
| 5. Prof. Kitche Magak         | Secretary   |

**Council Expenses**

The remuneration and expenses of the Chairperson and Members of the Council are guided by the State Corporations Act Cap. 446 and the provisions of the Universities Act 2012.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**Council Meetings**

During the year there were eighteen full council meetings including special meetings. The Council Committee meetings were as follows:

| <b>Name of Committee</b>                         | <b>Membership</b>               | <b>Role</b>        | <b>No of Meetings</b> |
|--------------------------------------------------|---------------------------------|--------------------|-----------------------|
| Finance, Strategy and Resources Committee        | 1. FCS. Kinuthia Wamwangi, EBS  | <b>Chairman</b>    | 6                     |
|                                                  | 2. Mr. Hassan Duale, HCS        | Member             |                       |
|                                                  | 3. Dr. Benson Momanyi           | Member             |                       |
|                                                  | 4. Prof. Kitche Magak           | Secretary          |                       |
| Academic, Sealing and Honorary Degrees Committee | 1. Dr. Benson Momanyi           | <b>Chairman</b>    | 6                     |
|                                                  | 2. Mr. Hassan Duale, HCS        | Member             |                       |
|                                                  | 3. Ms. Dorothy N. O. Kimeu, MBS | Member             |                       |
|                                                  | 4. Prof. Kitche Magak           | Secretary          |                       |
| Audit, Risk and Compliance Committee             | 1. Ms. Dorothy N. O. Kimeu      | <b>Chairperson</b> | 7                     |
|                                                  | 2. Amb. P.O. Ole Nkuraiyia, CBS | Member             |                       |
|                                                  | 3. Mr. Hassan Duale, HCS        | Member             |                       |
|                                                  | 4. Head - Internal Audit        | Secretary          |                       |
| Human Resource Committee                         | 1. Amb. P.O. Ole Nkuraiyia, CBS | <b>Chairman</b>    | 4                     |
|                                                  | 2. Mr. Hassan Duale, HCS        | Member             |                       |
|                                                  | 3. FCS. Kinuthia Wamwangi       | Member             |                       |
|                                                  | 4. Dr. Benson Momanyi           | Member             |                       |
|                                                  | 5. Prof. Kitche Magak           | Secretary          |                       |
| Appeals (Adhoc) Committee                        | 1. Dr. Kenedy Ole Kerei         | <b>Chairman</b>    | 0                     |
|                                                  | 2. FCS. Kinuthia Wamwangi       | Member             |                       |
|                                                  | 3. Ms. Dorothy N.O. Kimeu, MBS  | Member             |                       |
| Full Council                                     | 1. Dr. Kennedy Ole Kerei        | <b>Chairman</b>    | 9                     |
|                                                  | 2. FCS. Kinuthia Wamwangi, EBS  | Member             |                       |
|                                                  | 3. Mr. Hassan Duale, HCS        | Member             |                       |
|                                                  | 4. Dr. Benson Momanyi           | Member             |                       |
|                                                  | 5. Ms. Dorothy N.O. Kimeu, MBS  | Member             |                       |
|                                                  | 6. Amb. P.O. Ole Nkuraiyia, CBS | Member             |                       |
|                                                  | 7. Prof. Kitche Magak           | Secretary          |                       |
| <b>Total</b>                                     |                                 |                    | <b>32</b>             |



**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**The Role of Senate in Governance**

The Senate forms part of the overall governance framework of the University. Its mandate is derived from the Universities Act (2012) 35 (1) and the University Charter. The Senate is responsible to Council and the Management Board for all academic matters of the University. The Senate exercised the following powers and duties during the year: -

- a) Satisfied itself regarding the content and academic standard of courses offered at the University;
- b) Classified students for graduation by vetting their results and ensuring due process was followed.

**The Role of Management Board and the Vice-Chancellor in Governance**

As the Chief Executive Officer of the University, the Vice- Chancellor is both the chief academic officer and the chief administrator of the University. Indeed, she chairs both the Management Board and Senate for purposes of smooth governance of the University. The functions of the Vice Chancellor are set out in the Universities Act (2012), the Public Procurement and Asset Disposal Act (2015), the Public Financial Management Act (2012), and the Charter of the University.

The Vice-Chancellor provides progress reports to Council on policy implementations. The Vice-Chancellor is the Secretary to Council. Council has delegated widespread powers and responsibilities to the Vice- Chancellor. The Management Board assists the Vice-Chancellor on both academic and administrative issues of the University.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**a) The University's operational and financial performance:**

The operational and financial performance of the University is set out on page 35 to page 39.

**b) University's compliance with statutory requirements:**

The University's financial statements have been prepared in accordance with Section 83 of the PFM Act. The financial statements are in consonance with the Public Sector Accounting Standards Board of Kenya (PSASB-K) approved templates for annual reporting by National Government Entities of 30<sup>th</sup> June 2020. The annual report contains financial and non-financial information as stipulated under Section 83 2 (a) and (b) in the form and format that complies with the standards prescribed and published by the PSASB-K.

**Total Exposure**

The University's going concern is not in doubt. Whereas the University has on-going court cases, it is the judgement of both the Council and management that these cases do not expose the University with regards to going concern. The University is in full compliance with all its statutory obligations and requirements. Further, the financial statements have been prepared on a going concern basis and management does not have significant concerns about the University's ability to continue as a going concern as required by IPSAS 1.

**Reporting framework**

There is consistency in the presentation and classification of items in the financial statements which has been retained from the previous periods in conformity with IPSAS 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis [IPSAS 1 (13)].

**c) Key projects and investment decisions the University is planning/implementing**

**1) Tuition block phase I to III (Co-joined with the University gate and road works)**

|                              |                                      |
|------------------------------|--------------------------------------|
| Cost of the project:         | Kshs. 564,712,500                    |
| Commencement date:           | 17th February 2016                   |
| Proposed date of completion: | 30 <sup>th</sup> November 2021       |
| Percentage of completion:    | 100% phase two and 100% phase three. |

|                                                          |                                       |
|----------------------------------------------------------|---------------------------------------|
| Project Name:                                            | Tuition Block                         |
| Project geographic location:                             | Narok County (Maasai Mara University) |
| Project purpose:                                         | Office space and lecturer rooms       |
| <b>Brief description of the project/Project summary:</b> |                                       |

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

The construction of the tuition block project Phase II and Phase III together with the Main gate was completed in August 2021. The project was officially handed over to the University Council on 23<sup>rd</sup> August 2021.

The completion of the project will be very handy in providing extra office space and additional lecturer rooms which will help in easing the inadequacy of office and learning space in the university as follows:

**Phase I:** Six floor building each floor having two lecture rooms with capacity of 100 students and seven offices. Total student capacity being 1,200 and 42 offices.

**Phase II:** Three floor building with six lecture theatres, two per floor each having capacity of 200 students. Total students served will be 1,200.

**Phase III:** Six floor building. Each floor with four lecture rooms with capacity of 250 students. Total students being 1,500. Additionally, there are 13 door washrooms.

**Outline economic and social benefit:**

- This is a Vision 2030 flagship project that is in line with National Government strategic objectives and policies as anchored in the vision's social pillar on education.
- Employment opportunities during and after construction
- Construction has low level of imports so the stimulus spending stays within the national economy

**Outline source of financing:** Government of Kenya

**Viability of the project:** The tuition block is viable since it is Vision 2030 project and the Government undertook to fund it.

**Sustainability of the project:** The relevant Government regulatory authorities approved the construction of tuition block especially National Environment Management Authority. An environmental impact assessment was carried out.

With the completion of the three phases of the tuition block, the University will now urgently need to work towards the construction of a modern library. The library project was to start in 2019 but was affected by government policy that put a freeze on new projects until the ongoing ones are completed.

**d) Major risks facing the University:**

The University is facing the following risks which can affect attainment of overall objectives and achievement of her mandate:

- i) Liquidity risk: This is caused by reduced Government development funding, reduced student numbers, covid-19 containment measures resulting to closure of the University and student debtor balances arising from inability of students to pay full fees in a timely manner. The effect of this risk is inability of the University to complete her development projects in time and lack of sufficient funds for operational activities.



MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

- ii) Operational risks: This mainly relates to inadequate teaching staff compliment. Fewer teaching staff leads to inability of the University to effectively discharge her teaching, research and consultancy services. The University assets have been valued and now waiting for the valuation report then insurance process will commence. Before this is done there is a risk of inadequate compensation in case of loss of the assets.
- iii) Reputational risk: This can arise from pending payments to suppliers who can decline to do business with the University until they are paid which can portray the University in bad faith. The pending court cases can also put the University in bad repute and financial distress. The risks can be addressed through enhancing funding and minimizing legal cases.

**e) Material arrears in statutory/financial obligations:**

The following were outstanding obligations by end of the year:

- i) Staff pension remittance relating to 2011 to 2021 amounting to Ksh. 95,322,101 which is made up of the principal Kshs 21,669,569 and interest of Kshs 73,652,532.
- ii) Contractors payable - Kshs 39,172,770
- iii) Part time lecturers – Kshs. 135,515,839
- iv) Suppliers of goods and services, (Trade Creditors) - Kshs 127,809,966
- v) Staff payroll creditors for the month of June 2021 – Kshs 52,709,906
- vi) Students payables – Kshs 137,235,023

The University council and management has made great strides in lowering the pending bills by ensuring that the current obligations are fully settled as and when they are incurred to avoid accumulation of additional unsettled bills. Progressive settlement of the bills will ensure the university's image is restored on the face its creditors.

The court cases and their potential financial impact facing the University are as follows:

- i) Nakuru Employment and Labour Relations Court Case No.249 of 2013
- ii) Nakuru Employment and Labour Relations Court Case No.523 of 2014.
- iii) Kericho Employment and Labour Relations Court Case No.22 of 2015
- iv) Nakuru Employment and Labour Relations Court Cases NO.506/507 of 2014
- v) Nakuru Employment and Labour Relations Court Judicial Review No.4 of 2016
- vi) Kisumu Employment and Labour Relations Court Case No.346 of 2016 claiming Kshs 575,000
- vii) Nyeri Employment and Labour Relations Court Case No .87 of 2016. Claiming Kshs 199,080
- viii) Engineer S.R.M'S Court Case No.174 of 2016 claiming Kshs 1,200,000.
- ix) Nairobi High Court Civil Case No.294 of 2015 claiming Kshs 76,380,000.
- x) Nairobi Employment and Labour Relations Court Case No. 2234 of 2017: Claiming Kshs.87,000,000.
- xi) Nairobi Civil Appeal No. 256/2018
- xii) Nakuru Employment and Labour Relations Court Case No.70 of 2019:
- xiii) Kisii HCCC No 5 of 2019: Claiming Kshs. 24,000,000/=
- xiv) Nakuru Employment and Labour Relations Court Case No: E9 of 2020.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Since the outcome of these court cases is uncertain, they have not been included in the financial statements.

The University has complied with Article 159 (2)(c) of the Constitution of Kenya, 2010, which advocates for alternative forms of dispute resolution including reconciliation, mediation, arbitration and traditional dispute resolution mechanisms shall be promoted.

Many cases that had been instituted against the University have been settled in out of court settlement in adherence to Chapter 10 of the Constitution, guided by Article 159 (2)(c). The University is also in talks with the Plaintiffs in the above stated court cases levied against the University, in a bid of settling them through mediation and arbitration

**f) The University's financial probity and serious governance issues**

Other than the ongoing court case on alleged financial improbity's relating to financial mismanagement and abuse of office, there were no major financial improbity's known to management which were reported by oversight organs or other National Government Agencies charged with oversight. Additionally, the University is not aware of any governance issues among its members of the Council and top management including conflict of interest. However, the University is yet to get the Auditor General reports for 2018/2019 and 2019/2020 occasioned by the prolonged vacancy in the office of the Auditor General's office. Further, the University Council inherited a **suspense account of Kshs. 215,175,241** which is still under **Court case NAKURU CM ANTI CORRUPTION NO. 2 OF 2020**. The University council has greatly restructured the banking arrangements by eliminating cash transactions and the use of cheques in order to make financial transactions more transparent.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

Maasai Mara University was founded for public benefit, to promote education and knowledge, and to provide an institution open to all, irrespective of race, creed or political belief. It is a pioneering institution of higher learning in making university education available to the communities living in the South Rift Valley of Kenya.

The University's Corporate Social Responsibility (CSR) policy sets out the guiding principles by which the University is run in order to fulfil its core mission. This policy brings together the ways in which the University ensures, at corporate level, that its activities are carried out ethically, sustainably and for the public benefit.

The CSR Policy is made up of three central pillars:

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

During the year the University was involved in the following Corporate Social Responsibility activities:

On Corporate Social Responsibility front, during the year the University signed up a declaration to end teen pregnancies this was during the launch of a campaign to end teenage pregnancy, officiated by the National Council for Population & Development (NCPD) at the University held in March 2021.

University staff drawn from the directorates of Gender, Equity & Culture and Linkages, Collaborations, Marketing & Public Relations, represented the University at an event to mark the International Women's Day. The event was held at Lemek-Maasai Mara, Narok County.



**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021  
REPORT OF THE UNIVERSITY COUNCIL**

The Council submits this report together with the financial statements for the year ended June 30, 2021 which show the state of the University's affairs.

**Principal activities of the University**

The University is mandated to provide quality education through innovative teaching, research and consultancy services for development. It does this through inter alia:

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realization of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Education, training and retraining higher level professional, technical and management personnel;

**Results**

The results of the University the year ended June 30, 2021 are set out on page 39 to page 45.

**Council Members**

The Council Members who served during the year are shown on page 9 to page 11 in accordance with the Universities Act 2012 (18). During the year Ms. Annete Okello exited and she is yet to be replaced. Dr. Kennedy Ole Kerei, Dr. Benson Momanyi, Ms. Dorothy N. O. Kimeu MBS, FCS Kinuthia Wamwangi EBS, Mr. Hassan Duale HSC and Amb. Peter Ole Nkuraiya were gazetted as Council Members with effect from 10th March 2020.

**Auditors**

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

By Order of the Council.

  
.....

Prof. Joseph Sarima Chacha

Acting Vice-Chancellor/ Chief Executive Officer & Secretary

**MAASAI MARA UNIVERSITY COUNCIL**

Date... 02/06/2022 .....

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**STATEMENT OF COUNCIL'S RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and Section 14(3) of the State Corporations Act, require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for the year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2021. This responsibility includes:

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

The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012, the State Corporations Act 2012 and the Universities Act 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2020, and of the University's financial position as at that date. Council members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

As at 30<sup>th</sup> June 2021, nothing has come to the attention of the Council to indicate that the going concern of the University is in doubt for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The University's financial statements were approved by the Council on 29<sup>th</sup> September 2021 and signed on its behalf by:

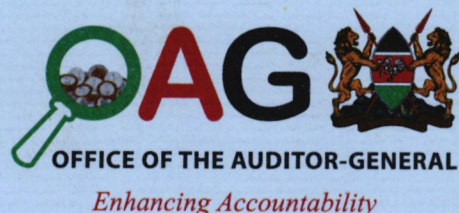
  
Dr. Kennedy Kerei  
Council Chairman

  
Prof. Joseph Sarima Chacha  
Ag. Vice-Chancellor / Council Secretary



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON MAASAI MARA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2021

---

### PREAMBLE

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

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

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Adverse Opinion

I have audited the accompanying financial statements of Maasai Mara University set out on pages 37 to 64, which comprise of the statement of financial position as at 30 June, 2021 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual



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

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Maasai Mara University as at 30 June, 2020, 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 do not comply with the University Act, 2012 and the Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

#### **1. Inaccuracies in the Financial Statements**

Review of Maasai Mara University's financial statements reflects several balances and amounts not supported with sufficient and appropriate records as detailed below:-

##### **1.1 Transfer from Ministry - Recurrent Capitation**

The statement of financial performance reflects revenue grants amount of Kshs.1,012,877,264. However, Note 5 to the financial statements reflects an amount of Kshs.1,138,735,773 resulting to an unexplained variance of Kshs.125,858,509. Further, Note 6 to the financial statements reflects CBA-2017-2021 recurrent grants brought forward amount of Kshs.125,886,000 which differs with the actual receipt of Kshs.125,848,872 resulting to an unexplained excess receipt of Kshs.37,128. In addition, the statement of transfers from Ministry summary on page 63 reflect comparative year as 2018/2019 instead of 2019/2020.

##### **1.2 Student Accommodation**

The statement of financial performance reflects rental revenue from facilities and equipment amount of Kshs.12,577,194 as disclosed in Note 8(1) to the financial statements. Included is student's accommodation expenditure of Kshs.12,393,464 which differs with the invoiced amount of Ksh.18,989,000 resulting to an unexplained variance of Kshs.6,595,536.

##### **1.3 Interest on Short Term Deposits**

The statement of financial performance reflects interest on short term deposit amount of Kshs.5,419,623 as disclosed in Note 8(ii) to the financial statements. However, the interest income was not supported by the Council approval to deposit funds, fixed deposit receipts, rollover instructions, and fixed deposit register. Further, fixed deposits ledger accounts were not maintained.

##### **1.4 Unsupported Graduation Income**

The statement of financial performance reflects graduation income amount of Kshs.14,119,916 as disclosed in Note 8(iii) to the financial statements. However, the receipts were not supported with the approved list of graduates. Further, the University Council had revised the graduation and convocation fees as indicated in the Council



minutes Referenced MMU/AF027/011/2016/VOL.2(312) dated 18 December, 2020. However, the University charged a higher graduation and convocation fees of Kshs.1,000 per candidate.

In addition, the University collected Kshs.10,931,000 against approved amount of Kshs.8,919,000 resulting to overcharged graduation and convocation fees by Kshs.2,012,000. No explanation was provided for overcharging the graduation and convocation fees.

### **1.5 Cafeteria Revenue**

The statement of financial performance reflects cafeteria revenue amount of Kshs.6,691,311 as disclosed in Note 9 to the financial statements which varies with the supporting documents amount of Kshs.4,750,980 resulting to an unexplained variance of Kshs.1,940,331.

### **1.6 Tuition Related Income**

The statement of financial performance reflects tuition related income amount of Kshs.153,568,965 as disclosed in Note 10 to the financial statements which varies with the invoiced and general ledger amount of Kshs.175,247,820 and Kshs.184,735,781, respectively resulting to an unexplained variance of Kshs.21,678,855 and Kshs.31,166,816, respectively.

### **1.7 Security Surveillance and Minor Security Equipment**

The statement of financial performance reflects general expenses amount of Kshs.90,800,957 as disclosed at Note 11 to the financial statements. Included in the security surveillance and minor security equipment amount of Kshs.2,655,526 is an amount of Kshs.1,885,763 applied as facilitation expenditure for ten (10) University Police Post Security Personnel. However, the contract for the provision of security services to the University was not provided for audit.

### **1.8 Travel and Subsistence - Internal**

The statement of financial performance reflects general expenses amount of Kshs.90,800,957 as disclosed in Note 11 to the financial statements which includes travel and subsistence amount of Kshs.3,392,042. Included in the expenditure is an unsupported amount of Kshs.1,025,455.

### **1.9 General Expenses**

The statement of financial performance reflects general expenses amount of Kshs.90,800,957 as disclosed in Note 11 to the financial statements which varies with the supporting documents amount of Kshs.87,199,165 resulting to unexplained variance of Kshs.3,601,792.

### **1.10 Unsupported Graduation Expenses**

Included in the graduation expenses amount of Kshs.5,774,782 is an expenditure of Kshs.897,661 incurred in the form of imprest which were directly expensed. However, the surrender documents were not provided for audit. Further, expenditure



of Kshs.620,000 paid to various staff as honoraria was not approved and PAYE deductions not done. In addition, the payments of Kshs.4,718,123 paid to suppliers of goods and services were not supported with procurement records such as user requisition, quotations, inspection and acceptance committee reports, goods receive notes and bin cards.

### **1.11 Teaching Practice/Industrial Attachment**

The statement of financial performance reflects school direct expenses amount of Kshs.64,954,622 as disclosed in Note 14 to the financial statements which includes teaching practice and attachment amount of Kshs.17,311,210. However, the general ledger reflects an amount of Kshs.17,845,170 resulting to an unexplained variance of Kshs.533,960. Further, review of documents provided revealed that, the expenditure in respect of imprest was directly expensed.

### **1.12 Examinations Materials**

The statement of financial performance reflects an amount of Kshs.64,954,622 in respect of school direct expenses as disclosed in Note 14 to the financial statements which includes examination materials expenditure of Kshs.3,746,690. Included is expenditure of Kshs.1,650,640 incurred on purchase of examination materials. However, procurement documents and stores records such as user requisition, quotations, evaluation minutes, inspection and acceptance committee minutes and goods received notes were not provided for audit.

### **1.13 Accreditation of Programs**

The statement of financial performance reflects an amount of Kshs.64,954,622 in respect of school direct expenses as disclosed in Note 14 to the financial statements which includes accreditation of programs amount of Kshs.5,273,000. However, the general ledger reflects an amount of Kshs.812,000 resulting to an unexplained variance of Kshs.4,461,000. Further, the expenditure was not supported with request to the Commission for University Education for accreditation of new academic programs, needs assessment report on the proposed academic programs, Senate approval of the proposed programs, a list of existing academic programs, student enrolment, available learning facilities; and a comprehensive report on availability, adequacy, appropriateness and accessibility of the academic resources to the support of the proposed academic programme.

### **1.14 Unsupported Part Time Teaching Expenses**

The statement of financial performance reflects an amount of Kshs.64,954,622 in respect of school direct expenses as disclosed in Note 14 to the financial statements which includes part time teaching expenses for the year of Kshs.29,603,250. However, the general ledger reflects an amount of Kshs.28,513,449 resulting to an unexplained variance of Kshs.1,089,801.

Further, the part time teaching expenses of Kshs.29,603,250 was paid outside the payroll, not supported with teaching timetable, appointment letters to part time lecturers and attendance register.



In addition, included in the external examiners amount of Kshs.4,015,135 is an expenditure of Kshs.3,002,635 incurred in form of imprest which were directly expensed to facilitate external examiners during moderation of examination scripts, review of examination results and draft question papers. Further, the expenditure was not supported with signed list of beneficiaries, appointment letters and evidence of work reviewed.

### **1.15 Compensation of Employees**

The statement of financial performance reflects compensation of employees amount of Kshs.1,022,131,725 as disclosed in Note 19 to the financial statements. However, the payroll reflects an amount of Kshs.908,676,937 resulting to an unexplained variance of Kshs.113,454,788.

Further, included in the employee costs is car allowance expenditure of Kshs.4,740,000 paid to four (4) officers in Grade 15 at the rate of Kshs.115,000 per month instead of Kshs.16,000 payable to officers in Grade 15 resulting to an unexplained overpayment of Kshs.3,972,000.

### **1.16 Council Expenses**

The statement of financial performance reflects Council expenses of Kshs.20,833,227 as disclosed in Note 20 to the financial statements. Included in the expenditure is Kshs.17,481,520 in respect of Council sitting, travelling and accommodation allowances which varies with the supporting documents amount of Kshs.9,718,391 resulting to an unexplained and unreconciled variance of Kshs.7,763,129. The expenditure was in respect of imprest directly expensed. Further, the expenditure includes Kshs.4,661,383 which was paid to Non-Council members.

In addition, Note 20 to the financial statements reflects rent amount of Kshs.900,000 incurred on rent for the Chancellor's offices in Nairobi. However, the authority by Ministry of Education to incur rent outside the precincts of the University was not provided for audit. Further, the University continues to incur rent for the office of the Chancellor while the office was vacated on 12 February, 2018. The explanation by the Management that the office is used by the Council members for some of the meetings which contravenes executive circular OP/CAB.9/1A dated 03 April, 2020 that directed meetings to be held at the Corporation's registered Offices or Principal's Office through physical and tele/videoconferencing.

In the circumstances, the accuracy, completeness and presentation & disclosure of the financial statements for the year ended 30 June, 2021 could not be confirmed.

## **2. Property, Plant and Equipment**

### **2.1 Inaccuracies in the Property, Plant and Equipment**

The statement of financial position reflects prior year balance of Kshs.1,344,120,665 in respect of property, plant and equipment as disclosed in Note 25 to the financial statements which vary with the general ledger balance of Kshs.901,586,944 resulting to an unexplained variance of Kshs.442,533,721 as detailed below:-

| No. | Component              | General Ledger<br>(Kshs.) | Financial Statements<br>(Kshs.) | Variance<br>(Kshs.)  |
|-----|------------------------|---------------------------|---------------------------------|----------------------|
| 1   | Plant and Equipment    | 16,196,998                | 36,815,137                      | (20,618,139)         |
| 2   | Buildings              | 831,201,619               | 1,231,113,326                   | (399,911,707)        |
| 3   | Furniture and Fittings | 21,785,842                | 20,142,492                      | 1,643,350            |
| 4   | Motor Vehicles         | 12,839,334                | 10,121,506                      | 2,717,828            |
| 5   | Computer               | 6,631,215                 | 6,736,434                       | (105,219)            |
| 6   | Library Books          | 7,667,936                 | 33,927,770                      | (26,259,834)         |
| 7   | Land                   | 5,264,000                 | 5,264,000                       | 0                    |
|     | <b>Total</b>           | <b>901,586,944</b>        | <b>1,344,120,665</b>            | <b>(442,533,721)</b> |

Further, the University valued its assets as reported in the valuation report dated 20 May, 2020. However, the value of the assets was not updated as per the valuation report.

## 2.2 Unvalued Land

The statement of financial position reflects a balance of Kshs.1,631,856,517 in respect of property, plant and equipment as disclosed in Note 25 to the financial statements which includes land balance of Kshs.5,264,000. However, the value of land excludes three (3) parcels of land measuring about 111.35 (Ha) of unknown value owned by the University.

Management did not provide explanation for failure to disclose the three parcels of land owned by the University.

## 2.3 Fully Depreciated Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.1,631,856,151 as disclosed in Note 25 to the financial statements. Included are items with a cost of Kshs.107,070,675 whose net book values were nil. Management did not explain why the University has not adopted the valuation report in conformity to Paragraphs 43 and 44 of the International Public Sector Accounting Standards (IPSAS) 17.

Further, the University does not have an Asset Management Policy that ought to define the useful life of an asset, guidelines on the disposal of assets after a specified time, or after consumption of a specified proportion of the future economic benefits or service potential embodied in the asset.

## 2.4 Inaccurate Transfer on Revaluation

Note 25 to the financial statements reflects transfers and adjustments on revaluation amounting to Kshs.267,321,810 while the statement of changes in net assets reflects an amount of Kshs.317,707,104 resulting to an unexplained variance of Kshs.50,385,294.

In the circumstances, the valuation, existence, ownership accuracy and completeness of the property, plant and equipment balance of Kshs.1,631,856,151 could not be confirmed.

## 3. Unconfirmed Enterprise Resource Planning (ERP)

The statement of financial position reflects work in progress balance of Kshs.575,284,134 as disclosed in Note 26 to the financial statements. Included is ERP software balance of



Kshs.19,796,093 which is an increase of Kshs.1,165,000 from the previous year balance of Kshs.18,631,093. However, the increase on the ERP software work in progress was not supported by an interim certificate and the payment was made two (2) years after the expiry of the contract in January, 2018. Further, the University made payments totalling Kshs.10,619,051 to the vendor (between 2018 and June, 2020) after the expiry of the contract without contract extension.

In the circumstances, the regularity, accuracy and completeness of ERP software balance of Kshs.19,796,093 could not be confirmed.

#### **4. Receivables from Exchange Transactions**

The statement financial position reflects receivables from exchange transactions balance of Kshs.101,051,981 as disclosed in Note 29 to the financial statements. The following anomalies were noted:-

##### **4.1 Uncleared Fees Arrears**

Included is students' debtors balance of Kshs.90,978,895 which includes outstanding fees balances of Kshs.3,995,155 for two hundred and forty-three (243) students who were allowed to graduate before clearing their fees arrears contrary to Regulation 13.5 of the University Rules Regulations, 2016. Further, the students' debtors balance of Kshs.90,978,895 vary with the general ledger balance of Kshs.79,185,196 resulting to an unexplained variance of Kshs.11,793,600.

##### **4.2 Inaccurate Provision for Doubtful Debts**

Included in the receivables from exchange transactions balance of Kshs.101,051,981 is provision for doubtful debts of Kshs.4,821,903 (or 5%) of the receivables, which vary with the recomputed amount of Kshs.5,293,694 resulting to an unexplained variance of Kshs.471,791.

##### **4.3 Unsupported Deposits**

Note 29 to the financial statements reflects cafeteria sales debtors, rent deposit, fuel deposit, department of nomadic education balance of Kshs.70,911, Kshs.150,000, Kshs.1,208,094 and Kshs.250,000, respectively totalling Kshs.1,679,005. However, the ledger accounts were not provided.

In the circumstance, the validity, accuracy, completeness and existence of receivables from exchange transactions balance of Kshs.101,051,981 could not be confirmed.

#### **5. Cash and Cash Equivalents**

The statement financial position reflects cash and cash equivalents balance of Kshs.229,740,447 as disclosed in Note 30 to the financial statements. The following anomalies were noted:-

##### **5.1 Inaccuracies in the Cash and Cash Equivalents**

Included in the balance is Government sponsored students programme bank account balance of Kshs.104,398,972. However, bank reconciliation statement reflects



bank balance of Kshs.104,398,972 which vary with the certificate of bank balance of Kshs.36,119,777 resulting to an unexplained variance of Kshs.68,279,195.

Further, the previous audited financial statements reflected nine (9) bank accounts with Nil closing balances. However, no records such as bank reconciliation statements, certificate of bank balances and bank closure instructions were provided.

In addition, Equity PSSP bank account and unspecified Equity Bank account with opening balance of Kshs.1,678,444 and Kshs.120,000,000, respectively totalling Kshs.121,678,444 were omitted in the financial statements for both comparative and closing balances as at 30 June, 2021.

## **5.2 Omitted Bank Balance**

The statement of financial position reflects cash and cash equivalents balance of Kshs.229,740,447 excludes bank balance of Kshs.13,000,000 held at the Co-operative Bank. Further, bank balance of Kshs.90,993,836 and Kshs.4,002,791 maintained at the National Bank and KCB fees collection accounts respectively had rejected salary payments of Kshs.718,048 dated 2 August, 2019 and reversed direct credit on bulk payments of Kshs.22,239 dated 29 June, 2021 respectively that are long outstanding without being investigated and cleared. No explanation was provided for not clearing the long outstanding bank reconciliation items.

## **5.3 Unconfirmed Fixed Deposit Account**

Included in the cash and cash equivalent balance of Kshs.229,740,447 is short term deposits balance of Kshs.3,000,000. However, bank reconciliation statement, certificate of deposit, cash book, interest schedule and board approval minutes for the fixed deposit account were not provided for audit.

## **5.4 Inaccurate Statement of Cash Flows**

The statement of cash flows reflects increase/(decrease) in receivables and purchase of property, plant and equipment amount of Kshs.140,410,846 and Kshs.30,319,599, respectively while the statement of financial position reflects changes in receivables from exchange and non-exchange and Note 25 to the financial statements on property, plant and equipment amounts of Kshs.139,560,320 and Kshs.24,798,308, respectively resulting to an unexplained variance of Kshs.850,526 and Kshs.5,521,291, respectively. In the circumstances, the validity, accuracy, completeness and existence of cash and cash equivalents balance of Kshs.229,740,447 could not be confirmed.

## **6. Unsupported Suspense Account**

The statement of financial position reflects suspense balance of Kshs.215,175,241. However, no evidence in support of the suspense balance was provided.

In the circumstances, the validity, accuracy and existence of suspense balance of Kshs.215,175,241 could not be confirmed.

## **7. Unsupported School Direct Expenses**

The statement of financial position reflects school direct expenses payables balance of Kshs.135,515,839 as disclosed in Note 32 to the financial statements which relates to



part time teaching payables. However, supporting documents such as appointment letters, timetables, attendance register, approved claims, list of claimants, ledger accounts and aging analysis were not provided. Further, part time pending bills balance of Kshs.40,282,669 were reported to have been paid during the year. However, payment vouchers supporting the payments were not provided for audit and the payments exceeded the budget of Kshs.38,580,000 resulting to unauthorized expenditure of Kshs.1,702,669.

In the circumstances, the completeness, accuracy and existence of school direct expenses payables of Kshs.135,515,839 could not be confirmed.

#### **8. Unsupported Contractors Payables**

The statement of financial position reflects contractors payables balance of Kshs.39,172,770 as disclosed in Note 36 to the financial statements. However, the balance was not supported with interim or completion certificates, invoices and creditors' statement.

In the circumstances, the completeness, accuracy and existence of contractor's payables of Kshs.39,172,770 could not be confirmed.

#### **9. Unsupported Contractors Retention**

The statement of financial position reflects contractors retention – Work-In-Progress (WIP) balance of Kshs.35,803,948 as disclosed in Note 39 to the financial statements. However, the balance was not supported with retention fee register, schedule of retention fee creditors, interim/completion certificates, invoices and aging analysis.

In the circumstances, the completeness, accuracy and existence of contractor's retention - WIP balance of Kshs.35,803,948 could not be confirmed.

#### **10. Material Uncertainty Related to Going Concern**

The University registered a loss of Kshs.120,651,768 (2019/2020 - Kshs.19,136,207) thereby reducing the revenue reserves from Kshs.6,763,673 to negative Kshs.113,888,095 as at 30 June, 2021. Further, the current liabilities balance of Kshs.647,776,764 exceeded the current assets balance of Kshs.564,534,555 resulting to negative working capital of Kshs.83,242,209. In addition, the total revenue reduced by Kshs.276,960,249 or 19% to Kshs.1,205,484,677 from Kshs.1,482,444,926 recorded in 2019/2020. The University's financial performance is therefore on a downward trend. This is an indication of the existence of material uncertainty which may cast significant doubt on the University's ability to continue to sustain its services and to meet its maturing obligations as and when they fall due.

The existence of the University is therefore dependent on the assumption that the it will continue to receive financial support from the Government, banks and its creditors.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Maasai Mara University Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit



evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

### **Key Audit Matters**

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

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

### **Conclusion**

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

The statement of financial performance reflects an amount of Kshs.8,532,723 in respect of casual wages as disclosed in Note 13 to the financial statements. Included in the expenditure is casual wages amounting to Kshs.8,274,758.40 paid to seventy (70) casual employees in various departments. The casuals worked continuously for a period of more than twelve (12) months contrary to Section 37(b) of the Employment Act, 2007. Further, sixty-six (66) casual employees were engaged during the year. However, it was not confirmed whether the casual employees were competitively engaged in the absence of advertisements, application letters, database in support of the recruitment process nor submission of the request to staff establishment committee by the DVC (A and F) for consideration and approval.

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

#### **2. Non-Compliance with the One Third of Basic Salary Rule**

During the year ended 30 June, 2021, five hundred and seventy-eight (578) employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section 19(3) of the Employment Act, 2007. The Management did not provide explanation for failure to comply with the policy. This may expose staff to pecuniary embarrassment.

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

#### **3. Lack of Substantive Chancellor and Vice Chancellor**

The University has been without a substantive Chancellor for four (4) years following the expiry of the term of the former Chancellor on 12 February, 2018. The chairperson of the Council has been performing functions of the Chancellor for over three (3) years in breach of Section 38 of the Universities Act, revised 2016 which states that in the absence or



incapacity of the Chancellor, the chairperson of the Council shall perform the functions of the Chancellor for a period not exceeding three (3) months. Further, the University has been without a substantive Vice Chancellor for more than two (2) years. This effect may lead to substantive policy decisions as well as guiding the Council and the staff members on their responsibilities. The appointment of a substantive holder would facilitate delegation of duties.

Lack of substantive top Management may lead to stalling of policy decisions as well as guiding the Council and the staff members on their responsibilities. Further it exposes the University to possibility of mismanagement due to lack of full responsibility and commitment of employees.

#### **4. Irregular Recruitment of Contractual Staff**

During the year under review, the University recruited twenty-four (24) permanent and temporary employees. Included in the employees is, one (1) resource mobilization and fundraising consultant officer with a remunerative salary and allowances equated to Grade 15 which is outside the staff establishment. Further, all the vacancies were filled without Human Resource Plans contrary to Clause B.2(1) of the Human Resource Policies and Procedures Manual, 2016 that requires the University to prepare human resource plans based on comprehensive job analysis and be reviewed every year to address emerging issues and needs.

Further, review of the recruitments records revealed that twenty-two (22) of the contractual positions filled had not been advertised or communicated to staff. This is contrary to Article 232(g) of the Constitution 2010 which requires fair competition and merit as the basis of appointments and promotions and Clause B.4 of the Human Resource Policies and Procedures Manual, 2016 for the Public Service which provides for advertisement of all vacant post.

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

#### **5. Irregular Promotion of Staff**

During the year under review, a total of thirty-five (35) staff were promoted to various job grades. Although the Appointments and Promotion Committee approved all the names for promotion, the committee did not conduct any interviews to assess the suitability of the candidate's contrary to Article 232(g) of the constitution 2010 which requires fair competition and merit as the basis of appointments and promotions. Further, there was no evidence that the Appointments and Promotion Committee applied the harmonized criteria and guidelines of qualification, work experience, research and publication, quality teaching and learning, administration and responsibility and community engagement as the basis of promotion of the thirty-four (34) academic staff as issued by the Commission for University Education on 27 October, 2014.

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

#### **6. Irregular Payment of Acting Allowance**

The statement of financial performance reflects compensation of employees amount of Kshs.1,022,131,725 as disclosed in Note 19 to the financial statements. Included in the expenditure is acting allowance of Kshs.3,355,308 paid to eighteen (18) employees



appointed to higher positions in various departments. However, the officers continued acting in the positions for more than the stipulated six (6) months contrary to Clause C.14(1) of the Human Resource Policies and Procedures Manual, 2016 which states that acting allowance will not be payable to an officer for more than six (6) months.

In the circumstances, Management was in breach of law.

#### **7. Council Meetings Beyond the Approved Limit**

The statement of financial performance reflects Council expenses of Kshs.20,833,227 as disclosed in Note 20 to the financial statements. Included in the expenditure is sitting, travelling and accommodation allowances of Kshs.17,481,520 incurred by the Council members. However, review of attendance register and related records in support of the expenses revealed that the Council held a total of fifty-eight (58) full Council and committee meetings against approved maximum number of thirty-four (34) meetings resulting to an excess of twenty-four (24) meetings which were not authorized by the Ministry of Education contrary to Public Service Circular OP/CAB.9/1A of 11 March, 2020 on guidelines for the Management of State Corporations.

In the circumstances, Management was in breach of law.

#### **8. Irregular Appointment of Inspection and Acceptance Committee**

The statement of financial performance reflects compensation of employees amount of Kshs.1,022,131,725 as disclosed in Note 19 to the financial statements. Included in the expenditure is inspection and acceptance committee allowance of Kshs.300,000 paid to five(5) officers appointed by the Vice Chancellor as inspection and acceptance committee on 18 November, 2015. This is contrary to Section 48(i) of the Public Procurement and Asset Disposal Act, 2015 which require an accounting officer of a procuring entity to establish an ad hoc committee known as the inspection and acceptance committee.

In the circumstances, Management was in breach of law.

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

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

#### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 overall governance were not effective.



## **Basis for Conclusion**

### **1. Under Staffing**

Review of personnel records reflects that the University has five hundred and seventy one (571) employees against an approved establishment of one thousand six hundred and eighty-one (1,681) staff resulting to an understaffing of one thousand, one hundred and ten (1,110) staff. Further, the University had established seventy (70) positions for Senior Management at Grades 13 to 18. However, only eighteen (18) or 26% had substantive posts. The rest were either vacant or had other serving officers in acting capacity.

In the circumstances, the University cannot effectively carry out its core function optimally and effectively in ensuring adequate effective assessment, evaluation of internal controls systems and governance.

### **2. Obsolete Assets in the Asset Register**

Review of the Asset Register 2020/2021 revealed two(2) unserviceable motor vehicles which had not been reported to the disposal committee through the head of the procurement function. This is Contrary to Section 163 and 164 of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, Management was in breach of law.

### **3. Unrecovered Rent Deposit**

The statement financial position reflects receivables from exchange transactions balance of Kshs.101,051,981 as disclosed in Note 29 to the financial statements. Included is rent deposits (Oltalel) balance of Kshs.5,538,960. Review of records indicated that the University leased Oltalel Mall effective 1 August, 2014 with an expiry date of 31 July, 2020 and a deposit of Kshs.5,538,960. However, the lease was terminated vide letter Ref No. ADV/TPS/464 dated 02 October, 2017. The University has not made any efforts to recover the deposit paid.

In the circumstances, the recoverability of rent deposit is doubtful and may lead to loss of funds.

### **4. Long Outstanding Trade Creditors**

The statement financial position reflects trade creditors balance of Kshs.127,809,966 as disclosed in Note 31 to the financial statements. Included in the balance are liabilities totalling Kshs.68,807,386 which have remained outstanding for over 90 days contrary to The Treasury Circular No.10 dated 16 June, 2020 on prioritization of pending bills. No explanation was provided for not paying the long outstanding liabilities as directed by The National Treasury.

Failure to settle the long outstanding bills may lead to costly litigations.

### **5. Non-Prioritization of Pending Bills Payroll Creditors**

The statement of financial position reflects payroll creditors balance of Kshs.96,371,850 as reflected in Note 35 to the financial statements which have remained unpaid for a



period of over 90 days contrary to Treasury Circular No.10 of 2020 which requires prioritization of pending bills by State Corporations. No verifiable explanation was provided for failure to pay the creditors.

In the circumstances, failure to honor the obligations may result into legal litigations against the University which could be costly.

## **6. Lack of a Risk Management Policy**

During the year under review, the University Council failed to implement Management Policy for the Institution contrary to Regulation 165(1) of the Public Finance Management Regulations, 2015 that requires a National Government entity to develop effective management strategies, which include fraud prevention mechanism; and a system of effective management and internal controls that builds robust business operations.

In the circumstances, it was not clear how the Management manages risk exposures.

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

## **Responsibilities of Management and 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

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

  
CPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**06 September, 2022**



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021**

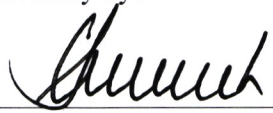
|                                                     | Notes  | Jun-21<br>Kshs       | Jun-20<br>Kshs       |
|-----------------------------------------------------|--------|----------------------|----------------------|
| <b>REVENUE</b>                                      |        |                      |                      |
| <b>Revenue From Non-Exchange Transactions</b>       |        |                      |                      |
| Recurrent Grants                                    | 5      | 1,012,877,264        | 1,012,848,348        |
| CBA 2017-2021 Recurrent Grants                      | 6      | -                    | 125,886,000          |
| Research Income                                     | 7      | 230,403              | 1,425,650            |
| <b>Total Revenue From Non-Exchange Transactions</b> |        | <b>1,013,107,667</b> | <b>1,140,159,998</b> |
| <b>Revenue From Exchange Transactions</b>           |        |                      |                      |
| Rental Revenue from Facilities & Equipment          | 8 (i)  | 12,577,194           | 20,696,850           |
| Finance Revenue- Interest on Short term Deposit     | 8 (ii) | 5,419,623            | 7,750,919            |
| Other Income                                        | 8(iii) | 14,119,916           | 29,962,264           |
| Cafeteria Revenue                                   | 9      | 6,691,311            | 10,244,125           |
| Tuition related Income                              | 10     | 153,568,965          | 273,630,770          |
| <b>Total Revenue From Exchange Transactions</b>     |        | <b>192,377,009</b>   | <b>342,284,928</b>   |
| <b>Total Revenue</b>                                |        | <b>1,205,484,677</b> | <b>1,482,444,926</b> |
| <b>EXPENDITURE</b>                                  |        |                      |                      |
| General Expenses                                    | 11     | 90,800,957           | 119,326,705          |
| Rent and Rates                                      | 12     | -                    | 900,000              |
| Casual Wages                                        | 13     | 8,532,723            | 11,165,544           |
| Schools Direct Expenses                             | 14     | 64,954,622           | 84,074,564           |
| Research Expenses                                   | 15     | -                    | -                    |
| Catering & Accommodation Expenses                   | 16     | 11,588,231           | 13,976,871           |
| Medical Costs                                       | 17     | 16,741,054           | 10,497,850           |
| Water & Electricity                                 | 18     | 13,095,059           | 16,120,554           |
| Employee Costs                                      | 19 (i) | 1,022,131,725        | 1,001,374,255        |
| CBA Expenditure                                     | 19(ii) | -                    | 125,886,000          |
| Council Expenses                                    | 20     | 20,833,227           | 19,397,927           |
| Repairs & Maintenance                               | 21     | 8,799,009            | 23,264,424           |
| Contracted Services                                 | 22     | 867,007              | 12,520,000           |
| Endowment Projects Costs                            | 23     | 672,112              | -                    |
| Financial Expenses                                  | 24     | 1,041,534            | 1,381,888            |
| Depreciation and Amortization Expense               | 25     | 66,079,184           | 61,694,551           |
| <b>Total Expenditure</b>                            |        | <b>1,326,136,445</b> | <b>1,501,581,133</b> |
| <b>SURPLUS/(DEFICIT)</b>                            |        | <b>(120,651,768)</b> | <b>(19,136,207)</b>  |

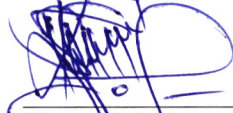
The notes set out on pages 43 to 62 form an integral part of the Financial Statements

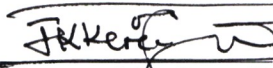
**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2021**

|                                               | Notes | Jun-21<br>Kshs       | Jun-20<br>Kshs       |
|-----------------------------------------------|-------|----------------------|----------------------|
| <b><u>NON-CURRENT ASSETS</u></b>              |       |                      |                      |
| Property, Plant and Equipment                 | 25    | 1,631,856,151        | 1,344,120,666        |
| Biological Assets                             |       | 240,000              | -                    |
| Work in Progress                              | 26    | 575,284,134          | 483,363,436          |
| <b>Total non-current assets</b>               |       | <b>2,207,380,286</b> | <b>1,827,484,102</b> |
| <b><u>CURRENT ASSETS</u></b>                  |       |                      |                      |
| Inventories                                   | 27    | 18,566,886           | 9,399,413            |
| Receivables from Non-Exchange Transactions    | 28    | -                    | 125,886,000          |
| Receivables from Exchange Transactions        | 29    | 101,051,981          | 114,726,301          |
| Cash and Cash Equivalents                     | 30    | 229,740,447          | 345,178,425          |
| Suspense                                      |       | 215,175,241          | 218,069,224          |
| <b>Total current assets</b>                   |       | <b>564,534,555</b>   | <b>813,259,362</b>   |
| <b>TOTAL ASSETS</b>                           |       | <b>2,771,914,841</b> | <b>2,640,743,464</b> |
| <b><u>CAPITAL FUNDS &amp; LIABILITIES</u></b> |       |                      |                      |
| <b><u>CAPITAL FUNDS</u></b>                   |       |                      |                      |
| Accumulated Capital Fund                      |       | 1,881,413,580        | 1,881,413,580        |
| Revaluation Reserve                           |       | 320,808,644          | 3,101,540            |
| Revenue Reserve                               |       | (113,888,095)        | 6,763,673            |
| <b>Total capital funds</b>                    |       | <b>2,088,334,129</b> | <b>1,891,278,793</b> |
| <b><u>CURRENT LIABILITIES</u></b>             |       |                      |                      |
| Trade Creditors                               | 31    | 127,809,966          | 138,424,684          |
| School Direct expenses                        | 32    | 135,515,839          | 146,195,258          |
| Students' Payables                            | 33    | 137,235,023          | 90,445,708           |
| Employee Obligation/Pension Obligation        | 34    | 95,322,101           | 84,593,525           |
| Payroll Creditors                             | 35    | 96,371,850           | 74,172,367           |
| Contractors Payables                          | 36    | 39,172,770           | 26,173,886           |
| Research grants Payable                       | 37    | 16,349,215           | 23,888,252           |
| CBA Expense payable                           | 38    | -                    | 125,886,000          |
| <b>Total current liabilities</b>              |       | <b>647,776,764</b>   | <b>709,779,680</b>   |
| <b><u>LONG TERM LIABILITIES</u></b>           |       |                      |                      |
| Contractors Retention - WIP                   | 39    | 35,803,948           | 39,684,991           |
| <b>TOTAL LIABILITIES</b>                      |       | <b>683,580,712</b>   | <b>749,464,671</b>   |
| <b>TOTAL FUNDS &amp; LIABILITIES</b>          |       | <b>2,771,914,841</b> | <b>2,640,743,464</b> |

The financial statements set out on pages 37 to 42 were signed on behalf of Maasai Mara University by:

  
 Ag. Vice -Chancellor  
 Prof. Joseph S. Chacha  
 Date 02/06/2022

  
 Finance Officer  
 CPA Skamo Loltianya  
 ICPAK Member No. 8278  
 Date 02/06/2022

  
 Chairman of the Council  
 Dr. Kennedy Kerei  
 Date 02/06/2022



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**STATEMENT OF CHANGES IN NET ASSETS AS AT 30<sup>TH</sup> JUNE 2021**

|                                     | Accumulated Fund     | Revaluation Reserve | Revenue Reserve      | Total                |
|-------------------------------------|----------------------|---------------------|----------------------|----------------------|
|                                     | Fund                 | Reserve             | Reserve              |                      |
|                                     | Ksh                  | Ksh                 | Ksh                  | Ksh                  |
| Balance as at 1st July, 2017        | 1,507,601,305        | 3,101,540           | (35,761,512)         | 1,474,941,333        |
| Government Capital Grants           | 54,072,000           | -                   | -                    | 54,072,000           |
| Surplus/Deficit for the Period      | -                    | -                   | 52,080,576           | 52,080,576           |
| <b>Balance as at 30th June 2018</b> | <b>1,561,673,305</b> | <b>3,101,540</b>    | <b>16,319,064</b>    | <b>1,581,093,909</b> |
| Balance as at 1st July, 2018        | 1,561,673,305        | 3,101,540           | 16,319,064           | 1,581,093,909        |
| Government Capital Grants           | 276,238,140          | -                   | -                    | 276,238,140          |
| Surplus/Deficit for the Period      | -                    | -                   | 8,702,267            | 8,702,267            |
| <b>Balance as at 30th June 2019</b> | <b>1,837,911,445</b> | <b>3,101,540</b>    | <b>25,021,331</b>    | <b>1,866,034,316</b> |
| Balance as at 1st July, 2019        | 1,837,911,445        | 3,101,540           | 25,021,331           | 1,866,034,316        |
| Government Capital Grants           | 43,502,135           |                     |                      | 43,502,135           |
| Surplus/Deficit for the Period      |                      |                     | (18,257,658)         | (18,257,658)         |
| <b>Balance as at 30th June 2020</b> | <b>1,881,413,580</b> | <b>3,101,540</b>    | <b>6,763,673</b>     | <b>1,891,278,793</b> |
| Balance as at 1st July, 2020        | 1,881,413,580        | 3,101,540           | 6,763,673            | 1,891,278,793        |
| Revaluation Gain                    | -                    | 317,707,104         | -                    | 317,707,104          |
| Government Capital Grants           | -                    | -                   | -                    | -                    |
| Surplus/Deficit for the Period      |                      |                     | (120,651,768)        | (120,651,768)        |
| <b>Balance as at 30th June 2021</b> | <b>1,881,413,580</b> | <b>320,808,644</b>  | <b>(113,888,095)</b> | <b>2,088,334,129</b> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**STATEMENT OF CASH FLOWS AS AT 30 JUNE 2021**

|                                                      | Notes   | Jun-21<br>Ksh        | Jun-20<br>Ksh        |
|------------------------------------------------------|---------|----------------------|----------------------|
| <b>Cash flow from Operating Expenses:</b>            |         |                      |                      |
| Surplus/(Deficit)                                    |         | (120,651,768)        | (21,398,755)         |
| <b>Adjustment for:</b>                               |         |                      |                      |
| Depreciation                                         | 23      | 66,079,184           | 61,694,551           |
| Increase /(Decrease) in Provision for doubtful debts | 8(iii)  | (850,526)            | 1,203,522            |
|                                                      |         | <b>(55,423,110)</b>  | <b>41,499,318</b>    |
| <b>Changes in Working capital</b>                    |         |                      |                      |
| (Increase) / Decrease in stocks/inventories          | 27      | (9,167,473)          | (2,273,926)          |
| (Increase)/ Decrease in Receivables                  | 28 - 29 | 140,410,846          | (77,576,887)         |
| Increase/ (Decrease) in Payables                     | 31-38   | (62,002,916)         | 285,226,302          |
| Increase/ (Decrease) in retention                    | 39      | (3,881,043)          | (3,365,049)          |
| <b>Total Changes in working capital</b>              |         | <b>65,359,413</b>    | <b>202,010,440</b>   |
| <b>Net cash fom Operating Activities (a)</b>         |         | <b>9,936,303</b>     | <b>243,509,758</b>   |
| <b>Investing Activities</b>                          |         |                      |                      |
| Property, Plant and Equipment                        | 25      | (30,319,599)         | (10,099,075)         |
| Biological Assets                                    |         | (240,000)            | 0                    |
| Work in Progress                                     | 26      | (91,920,698)         | (108,250,746)        |
| <b>Cash from Investing Activities (b)</b>            |         | <b>(122,480,297)</b> | <b>(118,349,821)</b> |
| <b>Financing Activities</b>                          |         |                      |                      |
| Government Grants - Capital                          |         | -                    | 43,502,135           |
| Grants from Development Partners                     |         | -                    | -                    |
| <b>Cash from Financing Activities (c )</b>           |         | <b>-</b>             | <b>43,502,135</b>    |
| <b>Net Increase in Cash &amp; Cash Equivalents</b>   |         | <b>(112,543,994)</b> | <b>168,662,072</b>   |
| Suspense                                             |         | (2,893,983)          | (112,649,679)        |
| Net Cash & Cash Equivalents - Bal b/f                | 30      | 345,178,425          | 289,166,032          |
| <b>Net Cash &amp; Cash Equivalents - Bal c/d</b>     | 30      | <b>229,740,447</b>   | <b>345,178,424</b>   |



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2021**

|                                                 | Original Budget |               | Adjustments |      | Final Budget  |               | Actual on Comparable Basis |      | Performance Difference |  | Variance % | Notes |
|-------------------------------------------------|-----------------|---------------|-------------|------|---------------|---------------|----------------------------|------|------------------------|--|------------|-------|
|                                                 | Kshs            | Kshs          | Kshs        | Kshs | Kshs          | Kshs          | Kshs                       | Kshs | Kshs                   |  |            |       |
| a) RECURRENT BUDGET                             |                 |               |             |      |               |               |                            |      |                        |  |            |       |
| REVENUE                                         |                 |               |             |      |               |               |                            |      |                        |  |            |       |
| Recurrent Grants                                | 1,012,886,901   | -             | -           | -    | 1,012,886,901 | 1,012,877,264 | (9,637)                    |      |                        |  | 0%         |       |
| CBA 2017-2021 Recurrent Grants                  | -               | -             | -           | -    | -             | -             | -                          |      |                        |  | -          |       |
| Research Income                                 | 220,000         | -             | -           | -    | 220,000       | 230,403       | 10,403                     |      |                        |  | 5%         |       |
| Rental Revenue from Facilities & Equipment      | 23,100,000      | (9,300,000)   |             |      | 13,800,000    | 12,577,194    | (1,222,806)                |      |                        |  | -9%        |       |
| Finance Revenue- Interest on Short term Deposit | 4,500,000       | -             |             |      | 4,500,000     | 5,419,623     | 919,623                    |      |                        |  | 20%        | [a]   |
| Other Income                                    | 61,457,000      | (5,105,000)   |             |      | 56,352,000    | 14,119,916    | (42,262,084)               |      |                        |  | -75%       | [b]   |
| Cafeteria Revenue                               | 13,131,040      | (5,800,000)   |             |      | 7,331,040     | 6,691,311     | (639,729)                  |      |                        |  | -9%        |       |
| Tuition Income                                  | 300,000,000     | (128,000,000) |             |      | 172,000,000   | 153,568,965   | (18,431,035)               |      |                        |  | -11%       | [c]   |
| Total Revenue                                   | 1,415,324,941   | (148,205,000) |             |      | 1,267,119,941 | 1,205,484,677 | (61,635,264)               |      |                        |  | -5%        |       |
| EXPENDITURE                                     |                 |               |             |      |               |               |                            |      |                        |  |            |       |
| General Expenses                                | 130,750,900     | (39,276,000)  |             |      | 91,504,900    | 90,800,957    | (703,943)                  |      |                        |  | 1%         |       |
| Rent and Rates                                  | 9,107,000       | -             |             |      | 9,107,000     | 8,532,723     | (574,277)                  |      |                        |  | 0%         |       |
| Schools Direct Expenses                         | 64,114,250      | 1,574,000     |             |      | 65,688,250    | 64,954,622    | (733,628)                  |      |                        |  | 1%         |       |
| Research Expenses                               | 2,000           | (1,980)       |             |      | 20            | -             | 20                         |      |                        |  | 0%         |       |
| Catering & Accommodation Expenses               | 12,665,000      | (1,000,000)   |             |      | 11,665,000    | 11,588,231    | (76,769)                   |      |                        |  | 1%         |       |
| Medical Costs                                   | 44,144,000      | (13,700,000)  |             |      | 30,444,000    | 16,741,054    | (13,702,946)               |      |                        |  | 45%        | [d]   |
| Water & Electricity                             | 17,055,000      | (3,900,000)   |             |      | 13,155,000    | 13,095,059    | (59,941)                   |      |                        |  | 1%         |       |
| Employee Costs                                  | 1,023,023,586   | -             |             |      | 1,023,023,586 | 1,022,131,725 | (891,861)                  |      |                        |  | 0%         |       |
| CBA Expenditure                                 | -               | -             |             |      | -             | -             | -                          |      |                        |  | 0%         |       |
| Council Expenses                                | 17,935,000      | 3,349,000     |             |      | 21,284,000    | 20,533,227    | (750,773)                  |      |                        |  | 2%         |       |
| Repairs & Maintenance                           | 15,398,800      | (6,350,000)   |             |      | 9,048,800     | 8,799,009     | (249,791)                  |      |                        |  | 3%         |       |
| Contracted Services                             | 5,500,000       | (4,000,000)   |             |      | 1,500,000     | 867,007       | (632,993)                  |      |                        |  | 42%        | [e]   |
| Endowment Projects Costs                        | 3,150,000       | (450,000)     |             |      | 2,650,000     | 672,112       |                            |      |                        |  |            |       |
| Depreciation and Amortization Expense           | 26,570,000      | -             |             |      | 26,570,000    | 66,079,184    | (39,509,184)               |      |                        |  | -149%      | [f]   |
| Financial Expenses                              | 2,100,000       | -             |             |      | 2,100,000     | 1,041,534     | (1,058,466)                |      |                        |  | 50%        | [g]   |
| TOTAL EXPENSES                                  | 1,371,575,536   | (63,754,980)  |             |      | 1,331,690,556 | 1,326,136,445 | (5,554,111)                |      |                        |  | -2%        |       |
| SURPLUS (LOSSES)                                |                 |               |             |      |               |               |                            |      |                        |  |            |       |
|                                                 | 43,749,405      | (84,450,020)  |             |      | (64,570,615)  | (120,651,768) | (41,291,487)               |      |                        |  |            |       |

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Explanation of variances above 10%**

- [a] The University received more revenue from short term deposits due to higher investments on short term placements.
- [b] other incomes were lower than expected due to the effects of the Covid-19 containment measures which led to closure of the university and restrictions of movement resulting in lower accommodation fees and revenue from conferences and hire of facilities
- [c] Tuition income was lower than expected due to closure of the University due to the covid-19 pandemic
- [d] Medical costs was lower than expected due to covid-19 thus students were not in session as had been planned
- [e] Contracted costs were lower than budgeted amounts due to minimal legal fees from the university's ongoing court cases as a result of the closure of courts due to covid-19 containment measures
- [f] Depreciation expenses exceeded budget due to under budgeting
- [f] Financial expenses decreased as a result the University adopting a cashless payment through i-Bank, further the covid-19 breaks resulted to fewer transactions and payments



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. General Information**

The Maasai Mara University is a public body corporate established by Charter as per the Universities Act 2012. The University is the successor of Narok University College constituted under the Narok University College Order (Legal Notice No. 101 of 2008). All rights, liabilities and assets held by anybody on behalf of Narok University College, existing at the commencement of the Charter were automatically and fully transferred to The Maasai Mara University. The University's vision is to be a world Class University committed to academic excellence for development. The mission is to provide quality University education through innovative teaching, research and consultancy services for development.

At Cabinet level the University is represented by the Cabinet Secretary for Education. It is specifically funded under the State Department of University Education and Research. The general policy and strategic direction of the University is provided by the Cabinet Secretary.

**2. Statement of compliance and basis of preparation – IPSAS 1**

The University's financial statements have been prepared on historical cost basis in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University. The accounting policies have been consistently applied to all the years presented. The financial statements have also been prepared in accordance with Public Finance Management Act 2012 and the State Corporation Act 446. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

**3. Adoption of new and revised standards**

The University did not early adopt any new or amended standard in the financial year 2020/2021.

**4. Summary of significant accounting policies**

**a) Revenue recognition**

**i) Revenue from exchange transactions**

The University recognizes revenue from rendering of services (tuition fee) by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to academic semester period incurred to date as a percentage of total academic semesters. Tuition fee revenue from students is recognised as it accrues unless collectability is in doubt. Where fees have been paid in advance such is treated as deferred income since the teaching would not have taken place at close of the financial year.

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

The University also maintains a provision of 5% of all outstanding fee balances due from students.

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**Sale of goods**

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

**Interest revenue**

Interest income is recognized when earned. The University makes short term placements from student's fees received in lump sum at the beginning of the semester to finance its operations for a longer period of time. Such income is therefore not utilized immediately. The rates of interest are negotiated and the amounts are mainly put on call deposits.

**Rental revenue**

Rental revenue arising from operating leases on the University's properties is accounted for on a straight-line basis over the lease terms and included in revenue. This revenue is recognized when earned and is mainly from accommodation of students within the University hostels. This amount is also deferred if paid in advance and hence not earned.

**Other Exchange transactions revenue**

The University realized further income from hire of facilities like halls and pavilion grounds.

**ii) Revenue from non-exchange transactions – transfers from other Government entities**

Non-exchange transactions revenue is mainly from Government grants which are split into recurrent and development. They are recognized on receipt. In cases where the receipt is after year end, the University still recognizes the revenue to the year it applies to and records the same as income receivable.

**b) Budget information**

This Standard requires that the financial statements of public sector entities that make their approved budget(s) publicly available include by proving a comparison of actual amounts with amounts in the original and final budget. This comparison is to be made on the same basis of accounting as adopted for the budget, even if that basis is different from the basis adopted for the financial statements. Actual amount describes the amounts that result from execution of the budget. An explanation of material differences between budget and actual amounts is supposed to be provided.

The Universities statement of comparison of budget and actual performance is on accrual basis since the revenue and expenses are accrued. During the year there were budget virements leading to revised budget. Differences between final budget and actual budget of over 10% were explained.

**c) Taxes**

The University is exempted from Taxation under First Schedule to the income Tax Act (CAP470). However, as a withholding tax agent the University withholds 2% VAT, 3% income withholding tax on construction contracts, 5% income withholding tax on consultancies and



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

10% rental expenses. The University further compiles PAYE tax and remits the same on monthly basis.

**d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Depreciation on assets is charged on reducing balance basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. Full depreciation is charged during the year of acquisition.

The depreciation applied on straight line are as follows:

The annual depreciation rates in use are:

|                        |       |
|------------------------|-------|
| Plant and Equipment    | 20%   |
| Buildings              | 2.5%  |
| Furniture and Fittings | 12.5% |
| Motor vehicles         | 25%   |
| Computer               | 33.3% |
| Library Books          | 25%   |

Buildings that are completed and handed over to the University are capitalized in the year of completion and depreciated during that year.

**e) Inventories**

Inventories are stated at the lower of cost and Net Realisable Value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories purchased by the University are expensed immediately to the various expense classes. At the end of the year, a stock take is carried out to establish the remaining consumable stock. They are valued at historical cost.

As at the closure of 2019/2020 financial year the University had consumable stock valued at **Kshs 9,399,413.**

**f) Provisions**

Provisions are recognized when the University 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

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

be made of the amount of the obligation. During the financial year, the University made a total debtor provision of 5% amounting to **Kshs 5,672,429**.

**g) Contingent assets**

The contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity. The University at the time of preparing the 2018/2019 did not have contingent assets.

**h) Changes in accounting policies and estimates**

Estimates and Judgements are continually evaluated on the basis of historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. During the year, the University did not change her accounting policies.

**i) Employee benefits**

**Retirement benefit plans**

The University operates a defined contribution benefit scheme for all its employees. The scheme is administered by Octagon Pension Services and operates according to provisions of the Retirement Benefits Act (1997). The assets of the scheme are held in a separate trustee administered fund that is funded by both the University and its Employees.

The University also contributes to a statutory defined contribution scheme, The National Social Security Fund (NSSF). The contributions are determined by the National Social Security Fund Act (CAP 258).

The University's contribution to this scheme is charged to the income statement in the year to which they relate.

The University provides gratuity for employees on contract. Such staff do not benefit from the Defined Contribution Benefit Scheme.

**j) Related parties**

Members of key management are regarded as related parties. Key management of the University have been disclosed on pages 11 to 13 of these financial statements. The University is also related to National Government and Council members. During the year, the University Council member's expenses were **Kshs 20,833,227**.

**k) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year. The total cash and cash equivalents during the year was **Kshs 229,740,447**.

**l) Intangible assets**

The University is in the process of installing a new ERP system. Since the modules have not been installed and tested and the system has not been handed over, capitalization process has not taken place.



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**m) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

**n) Financial Risk Management Objectives and Policies**

The University's activities expose it to a variety of financial risks including credit risk and liquidity risk. There exists an Audit, Risk and Compliance committee of the Council charged with overall responsibility of reviewing the risk profile and establishing mitigating measures to manage risks. The University's overall risk management programme focuses on the unpredictability in the markets and seeks to minimize adverse effects on its financial performance.

The University regularly reviews its risk management policies and systems to reflect emerging best practises. Risk management is carried out by the management under the supervision of Council.

**Credit risk Management**

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the University. Most of the credit facilities offered by the University relate to tuition fees.

Accounts receivable from exchange transactions are as follows:

|                      | <b>As at 30<sup>th</sup> June 2021</b> | <b>As at 30<sup>th</sup> June 2020</b> |
|----------------------|----------------------------------------|----------------------------------------|
| Accounts Receivables | Kshs 101,051,981                       | Kshs 114,726,301                       |

**Liquidity Risk Management**

Liquidity risk is the risk that the University will not be able to meet its financial obligations when they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring un acceptable losses or at the risk of damaging the University's reputation. This is done by phasing the University's activities in line with the timing of receipt of Government subventions and tuition fees revenue.

The University ensures that it has sufficient cash on demand to meet expected operational expenses. This is done by ring fencing funds for mandatory expenses including employee emoluments and related expenses payroll deductions. All liquidity policies and procedures are subject to review and approval by Council. All capital investments are funded by Grants from Government.

Accounts payables from exchange transactions are as follows:

|                   | <b>As at 30<sup>th</sup> June 2021</b> | <b>As at 30<sup>th</sup> June 2020</b> |
|-------------------|----------------------------------------|----------------------------------------|
| Accounts payables | Kshs 127,809,966                       | Kshs 138,424,684                       |

**o) Significant judgments and sources of estimation uncertainty**

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

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

- i) The condition of the asset based on the assessment of the University's management.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii) The nature of the processes in which the asset is deployed
- iv) Availability of funding to replace the asset
- v) Changes in the market in relation to the asset

**p) Donations**

Gifts and donations (other than services in-kind) are recognized as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. With gifts and donations, the making of the gift or donation and the transfer of legal title are often simultaneous, in such circumstances, there is no doubt as to the future economic benefits flowing to the entity. The University recognizes gifts and donations as revenue when it is certain of the fair value of the same. The donations which constitute fixed assets are reported as part of the Property, Plant and Equipment and depreciated as per the depreciation policy. Any costs associated with transfer of ownership and carriage is expensed in full.

**q) Contingent liabilities – IPSAS 19**

The University had a number of court cases which had not been determined by the end of the year. These included:

- i) Nakuru Employment and Labour Relations Court Case No.249 of 2013
- ii) Nakuru Employment and Labour Relations Court Case No.523 of 2014.
- iii) Kericho Employment and Labour Relations Court Case No.22 of 2015
- iv) Nakuru Employment and Labour Relations Court Cases NO.506/507 of 2014
- v) Nakuru Employment and Labour Relations Court Judicial Review No.4 of 2016
- vi) Kisumu Employment and Labour Relations Court Case No.346 of 2016 claiming Kshs 575,000
- vii) Nyeri Employment and Labour Relations Court Case No .87 of 2016. Claiming Kshs 199,080
- viii) Engineer S.R.M'S Court Case No.174 of 2016 claiming Kshs 1,200,000.
- ix) Nairobi High Court Civil Case No.294 of 2015 claiming Kshs 76,380,000.

Since the outcome of these court cases is uncertain, they have not been included in the financial statements.



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5 Recurrent Capitation**

| <b>DATE IN BANK<br/>STATEMENT</b>           | <b>AMOUNT</b>           |
|---------------------------------------------|-------------------------|
| 06.07.2020 – CBA 2017-21<br>arears received | 125,848,872.00          |
| 07.08.2020                                  | 84,407,242.00           |
| 31.08.2020                                  | 84,407,242.00           |
| 01.10.2020                                  | 84,407,241.00           |
| 30.10.2020                                  | 84,407,242.00           |
| 07.12.2020                                  | 84,407,242.00           |
| 04.01.2021                                  | 84,407,241.00           |
| 04.02.2021                                  | 84,407,242.00           |
| 10.03.2021                                  | 84,407,242.00           |
| 09.04.2021                                  | 84,407,241.00           |
| 10.05.2021                                  | 84,407,242.00           |
| 16.06.2021                                  | 84,407,242.00           |
| 25.06.2021                                  | 84,407,242.00           |
| <b>TOTAL</b>                                | <b>1,138,735,773.00</b> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

| <b>6 CBA Arrears</b> | <b>Jun-21</b> | <b>Jun-20</b>      |
|----------------------|---------------|--------------------|
|                      | <b>Ksh</b>    | <b>Ksh</b>         |
| July-17              | -             | -                  |
| November-17          | -             | -                  |
| June-20              | -             | 125,886,000        |
| <b>Total</b>         | <b>-</b>      | <b>125,886,000</b> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**NOTES TO THE FINANCIAL STATEMENTS**

| <b>7 Research income/Consultancy</b>            | <b>Jun-21<br/>Ksh</b> | <b>Jun-20<br/>Ksh</b> |
|-------------------------------------------------|-----------------------|-----------------------|
| National Research Fund                          | -                     | -                     |
| Sino-Africa Joint Research Center               | -                     | -                     |
| Teacher Education Sub Sahara Africa (TESSA)     | -                     | 276,252               |
| Africa Experts                                  | -                     | -                     |
| Open University                                 | -                     | -                     |
| Norbrook                                        | -                     | -                     |
| Osho Chemicals                                  | -                     | -                     |
| NACOSTI                                         | -                     | -                     |
| Oil Zone East Africa Ltd - Consultancy services | -                     | -                     |
| Templeton World Charity Foundation              | -                     | -                     |
| University of Nottingham                        | 101,990               | -                     |
| JRS Bio diversity                               | -                     | 1,308,080             |
| Rufford Small Grants                            | 128,413               | -                     |
| USAID & US Academy Foundation                   | -                     | 7,920,000             |
| <b>Total</b>                                    | <b>230,403</b>        | <b>9,504,332</b>      |

The research income recognized in the Statement of Financial Performance only comprises the 15% administrative charge.

| <b>8(i) Rental revenue from facilities &amp; equipment</b> | <b>Jun-21<br/>Kshs</b> | <b>Jun-20<br/>Kshs</b> |
|------------------------------------------------------------|------------------------|------------------------|
| Students accommodation                                     | 12,393,464             | 19,644,250             |
| Hire of facilities (Hall & bus)                            | 183,730                | 1,052,600              |
| <b>Total</b>                                               | <b>12,577,194</b>      | <b>20,696,850</b>      |

| <b>8(ii) Finance Revenue</b>   | <b>Jun-21<br/>Kshs</b> | <b>Jun-20<br/>Kshs</b> |
|--------------------------------|------------------------|------------------------|
| Interest on Short Term Deposit | 5,419,623              | 7,750,919              |
| <b>Total</b>                   | <b>5,419,623</b>       | <b>7,750,919</b>       |

| <b>8(iii) Other income</b>                | <b>Jun-21<br/>Kshs</b> | <b>Jun-20<br/>Kshs</b> |
|-------------------------------------------|------------------------|------------------------|
| Conference Fees                           | 156,430                | 8,040,000              |
| ID Replacement                            | -                      | 47,230                 |
| Key Replacement                           | -                      | 104,000                |
| Student Fines                             | 1,331,035              | 1,833,000              |
| Graduation Income                         | 11,357,050             | 11,501,000             |
| Misc Income                               | -                      | 207,216                |
| Exam Retake Fees                          | 204,000                | 3,407,404              |
| Decrease in provisions for doubtful debts | 850,526                | 1,059,026              |
| NHIF Income (Capitation)                  | 220,875                | 3,763,388              |
| <b>Total</b>                              | <b>14,119,916</b>      | <b>29,962,264</b>      |



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**NOTES TO THE FINANCIAL STATEMENTS**

**9 Cafeteria revenue**

|                        | <b>Jun-21</b>    | <b>Jun-20</b>     |
|------------------------|------------------|-------------------|
|                        | <b>Kshs</b>      | <b>Kshs</b>       |
| Staff Mess Sales       | 3,012,325        | 1,364,595         |
| Students Mess          | 3,295,386        | 3,703,975         |
| Other Sales - Bookings | 383,600          | 5,175,555         |
|                        | <b>6,691,311</b> | <b>10,244,125</b> |

**10 Tuition related income**

|                  | <b>Jun-21</b>      | <b>Jun-20</b>      |
|------------------|--------------------|--------------------|
|                  | <b>Ksh</b>         | <b>Ksh</b>         |
| Net student fees | 153,568,965        | -                  |
| PSSP Programme   | -                  | 57,742,430         |
| KUCCPS Students  | -                  | 215,888,340        |
| <b>Total</b>     | <b>153,568,965</b> | <b>273,630,770</b> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**NOTES TO THE FINANCIAL STATEMENTS**

| <b>11</b> | <b>General Expenses</b>                              | <b>Jun-21</b>     | <b>Jun-20</b>      |
|-----------|------------------------------------------------------|-------------------|--------------------|
|           |                                                      | <b>Kshs</b>       | <b>Kshs</b>        |
|           | 1 Administrative/Office                              | 763,206           | 709,013            |
|           | 2 Advertising & Publicity                            | 6,521,469         | 8,588,193          |
|           | 3 African Medical Botanical Garden Expenses          | -                 |                    |
|           | 4 Bindery Materials                                  | -                 |                    |
|           | 5 Cleaning Materials and Detergents                  | 546,410           | 1,154,694          |
|           | 6 Committee expenses                                 | 2,537,994         | -                  |
|           | 7 Computer Maintenance Expenses                      | 10,027,389        | 6,437,277          |
|           | 8 Conferences & Seminars                             | 2,043,343         | 7,275,561          |
|           | Corporate Social Responsibility/community            |                   |                    |
|           | 9 outreach                                           | 88,000            | 191,900            |
|           | 10 E-Resources-Learning (E-book subscriptions)       | 2,266,348         | 3,294,200          |
|           | 11 Fee Waiver                                        | 1,388,110         | 1,512,690          |
|           | 12 Motor Vehicle Fuel                                | 3,957,385         | 5,268,987          |
|           | 13 Gender Issues & directorate expenses              | 190,800           | 96,500             |
|           | 14 Graduation Expenses                               | 5,774,782         | 10,412,731         |
|           | 15 Innovations                                       | 806,515           | 208,535            |
|           | 16 General Asset Insurance Expenses                  | 2,298,790         | 489,497            |
|           | 17 Work Injury Benefit (WIBA)                        | 278,783           | -                  |
|           | 18 Internet Expenses                                 | 17,492,524        | 23,440,673         |
|           | 19 Kitchen Expenses                                  | -                 | -                  |
|           | 20 Subscription of Journal & Newspapers              | 146,701           | 670,000            |
|           | 21 Postage & Telephone/Calling cards                 | 114,750           | 1,787,725          |
|           | 22 Provision for Audit Fees                          | 696,000           | 696,000            |
|           | 23 Publishing & Printing Expenses                    | 222,720           | -                  |
|           | 24 Purchase of Uniforms & Clothing                   | 137,975           | 638,270            |
|           | 25 Sanitary Expenses                                 | 2,257,068         | 1,536,304          |
|           | 26 Security Surveillance & Minor Security Equipments | 2,655,526         | 4,580,509          |
|           | 27 Senate Expenses                                   | 8,294             | 4,900,769          |
|           | 28 Service Charter Delivery/Quality Assurance        | 1,776,818         | 1,219,358          |
|           | 29 Staff & Student Welfare-Last respect              | 1,068,742         | 1,554,597          |
|           | 30 Staff Development and CPD Training                | 2,133,687         | 3,353,400          |
|           | 31 Office Stationery                                 | 3,164,693         | 2,841,995          |
|           | 32 Students' Activities                              | 1,471,750         | 4,036,330          |
|           | 33 Provisional expenses                              | -                 | 2,235,175          |
|           | 34 Students Financial Aid (Scholarship)              | 2,500,000         | 2,500,000          |
|           | 35 MMUSA Expenses                                    | -                 | -                  |
|           | 36 Work Study                                        | 9,000             | -                  |
|           | Subscription to clubs and Registration of            |                   |                    |
|           | 37 Membership                                        | 356,491           | 825,879            |
|           | 38 Travel and Subsistence -External                  | -                 | 3,156,101          |
|           | 39 Travel and Subsistence -Internal                  | 3,392,042         | 7,943,822          |
|           | 40 Audit Fees Expense                                | 230,100           | -                  |
|           | 41 Collaborations, Linkages, outreach & fundraisings | 71,750            | 157,450            |
|           | 42 KUCCPS/CUE Charges                                | 8,982,500         | 5,026,000          |
|           | 43 HIV/AIDS Awareness                                | 204,900           | 42,000             |
|           | 44 Interest Expense on Pension Obligation            | -                 | -                  |
|           | 45 Land title expenses                               | 17,600            | -                  |
|           | 46 Recruitment expenses                              | -                 | -                  |
|           | 47 Increase in provision                             | -                 | -                  |
|           | 48 Donations( Stores supplies)                       | -                 | 544,570            |
|           | 49 Stakeholders Expenses                             |                   |                    |
|           | 50 Students Smart Cards                              | 1,200,000         |                    |
|           | 51 Purko Development Trust                           | 1,000,000         |                    |
|           | <b>Total</b>                                         | <b>90,800,957</b> | <b>119,326,705</b> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

|                                               |                   |                   |
|-----------------------------------------------|-------------------|-------------------|
| <b>12 Rent and Rates</b>                      | <b>Jun-21</b>     | <b>Jun-20</b>     |
|                                               | <b>Ksh</b>        | <b>Ksh</b>        |
| United Kenya Club                             | 0                 | 900,000           |
|                                               | <u>0</u>          | <u>900,000</u>    |
| <b>13 Casual Wages</b>                        | <b>Jun-21</b>     | <b>Jun-20</b>     |
|                                               | <b>Ksh</b>        | <b>Ksh</b>        |
| Casual Wages                                  | 8,532,723         | 11,165,544        |
| <b>Total</b>                                  | <b>8,532,723</b>  | <b>11,165,544</b> |
| <b>14 School's Direct Expenses</b>            | <b>Jun-21</b>     | <b>Jun-20</b>     |
|                                               | <b>Ksh</b>        | <b>Ksh</b>        |
| Teaching Practice/Attachment                  | 17,311,210        | 14,286,300        |
| Examination Materials                         | 3,746,690         | 2,328,557         |
| Students Practicals, Media & Forestry Trips   | 4,337,560         | 2,005,255         |
| Programme Development                         | 410,300           | 100,000           |
| Accreditation of Programs                     | 5,273,000         | 35,655            |
| External Examiners                            | 4,015,135         | 3,228,611         |
| Teaching Materials                            | 250,727           | 3,867,949         |
| Lab Consumables                               | 6,750             | 216,863           |
| Part time teaching expenses for the year      | 29,603,250        | 58,005,375        |
| <b>Total</b>                                  | <b>64,954,622</b> | <b>84,074,564</b> |
|                                               | <b>Jun-21</b>     | <b>Jun-20</b>     |
|                                               | <b>Ksh</b>        | <b>Ksh</b>        |
| <b>15 Research expenses</b>                   | -                 | -                 |
| <b>Total</b>                                  | <u>-</u>          | <u>-</u>          |
| <b>16 Catering and Accommodation Expenses</b> | <b>Jun-21</b>     | <b>Jun-20</b>     |
|                                               | <b>Ksh</b>        | <b>Ksh</b>        |
| Purchase of foodstuff                         | 10,059,392        | 13,976,871        |
| Cooking Fuel/Gas                              | 1,528,839         | -                 |
| <b>Total</b>                                  | <b>11,588,231</b> | <b>13,976,871</b> |
| <b>17 Medical Costs</b>                       | <b>Jun-21</b>     | <b>Jun-20</b>     |
|                                               | <b>Ksh</b>        | <b>Ksh</b>        |
| Staff Medical expenses                        | 6,144,823         | 7,286,885         |
| Staff Medical Cover                           | -                 | -                 |
| Covid-19 Related Purchases                    | 130,200           | -                 |
| Obstetrician and Gynecology Expenses          | 25,000            | -                 |
| Purchase of Drugs                             | 9,118,163         | 2,717,374         |
| Medical lab reagents                          | 1,322,868         | 493,591           |
| <b>Total</b>                                  | <b>16,741,054</b> | <b>10,497,850</b> |



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**18 Water and Electricity**

|              | <b>Jun-21</b>     | <b>Jun-20</b>     |
|--------------|-------------------|-------------------|
|              | <b>Ksh</b>        | <b>Ksh</b>        |
| Electricity  | 7,470,601         | 10,555,097        |
| Water        | 5,624,458         | 5,565,457         |
| <b>Total</b> | <b>13,095,059</b> | <b>16,120,554</b> |

**19(i) Employee costs**

|                                 | <b>Jun-21</b>        | <b>Jun-20</b>        |
|---------------------------------|----------------------|----------------------|
|                                 | <b>Ksh</b>           | <b>Ksh</b>           |
| Gross Pay plus NSSF             | 933,375,970          | 923,383,826          |
| Pension Employer                | 60,457,373           | 62,147,456           |
| Pension accrued Interest charge | 10,728,576           | 9,521,067            |
| NITA expense                    | 371,900              | -                    |
| Commuted Leave Days             | 1,536,911            | -                    |
| Installation of Security System | 300,000              | -                    |
| Purchase of Telephone           | 45,000               | -                    |
| Gratuity                        | 15,315,994           | 6,321,907            |
| <b>Total</b>                    | <b>1,022,131,725</b> | <b>1,001,374,255</b> |

**19(ii) CBA Expenditure**

|                        |          | <b>Jun-20</b>      |
|------------------------|----------|--------------------|
|                        |          | <b>Ksh</b>         |
| National CBA 2017-2021 | -        | 125,886,000        |
| <b>Total</b>           | <b>-</b> | <b>125,886,000</b> |

**20 Council expenses**

|                                                | <b>Jun-21</b>     | <b>Jun-20</b>     |
|------------------------------------------------|-------------------|-------------------|
|                                                | <b>Ksh</b>        | <b>Ksh</b>        |
| Sitting, Travelling & Accommodation Allowances | 17,481,520        | 19,397,927        |
| Honoraria for Chairman                         | 960,000           | -                 |
| Rent (United Kenya Club)                       | 900,000           | -                 |
| Council & Ag. VC Medical Insurance             | 1,491,707         | -                 |
| <b>Total</b>                                   | <b>20,833,227</b> | <b>19,397,927</b> |

**21 Repairs and Maintenance**

|                              | <b>Jun-21</b>    | <b>Jun-20</b>     |
|------------------------------|------------------|-------------------|
|                              | <b>Ksh</b>       | <b>Ksh</b>        |
| Buildings -Minor works       | 492,142          | 222,298           |
| Motor Vehicles               | 2,210,456        | 1,039,210         |
| Water & Sewerage             | 328,000          | 183,526           |
| Maintenance of Contingent    | 12,500           | 293,066           |
| Grounds                      | 57,820           | 638,740           |
| Computers & Office Equipment | -                | 6,465,777         |
| Plant & Equipment            | 5,645,891        | 14,209,157        |
| Minor Security Equipments    | -                | 86,650            |
| Sports Equipment and Grounds | -                | -                 |
| Assets valuation and tagging | 52,200           | 126,000           |
| <b>Total</b>                 | <b>8,799,009</b> | <b>23,264,424</b> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**22 Contracted/legal Services**

|                                | <b>Jun-21</b>  | <b>Jun-20</b>     |
|--------------------------------|----------------|-------------------|
|                                | <b>Ksh</b>     | <b>Ksh</b>        |
| Legal and Consultancy Expenses | 867,007        | 12,520,000        |
| <b>Total</b>                   | <b>867,007</b> | <b>12,520,000</b> |

**23 Endowment Projects Costs**

|                                       | <b>Jun-21</b>  | <b>Jun-20</b> |
|---------------------------------------|----------------|---------------|
|                                       | <b>Ksh</b>     | <b>Ksh</b>    |
| Dairy Project Expenses                | 488,030        | -             |
| Laundry Unit                          | -              | -             |
| Stakeholders Fundraising Functions    | 184,082        | -             |
| <b>Total Endowment Projects Costs</b> | <b>672,112</b> | <b>-</b>      |

**24 Finance Expenses (BANK CHARGES)**

|                                   | <b>Jun-21</b>           | <b>Jun-20</b>           |
|-----------------------------------|-------------------------|-------------------------|
|                                   | <b>Ksh</b>              | <b>Kshs</b>             |
| BBK/ABSA                          | 26,263                  | 117,529                 |
| NBK                               | 28,440                  | 461,284                 |
| Equity Catering and Accommodation | -                       | -                       |
| Equity PSSP                       | -                       | 66,614                  |
| Equity GSSP                       | 6,000                   | 2,040                   |
| Coop (600)                        | -                       | 173,473                 |
| Coop (601)                        | 468,688                 | 381,211                 |
| Coop (602)                        | -                       | 33,600                  |
| KCB Development                   | 8,811                   | 23,232                  |
| KCB PSSP                          | 501,913                 | 109,325                 |
| Bank of Africa                    | 700                     | 12,260                  |
| Jamii Bora                        | 720                     | 1,320                   |
| <b>Total</b>                      | <b><u>1,041,534</u></b> | <b><u>1,381,888</u></b> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**25. Property, Plant and Equipment**

| Property, Plant and Equipment                      |                    | 0%                   | 2.5%              | 25.0%             | 20.0%                  | 12.5%             | 33.3%             | 25.0%                |            |
|----------------------------------------------------|--------------------|----------------------|-------------------|-------------------|------------------------|-------------------|-------------------|----------------------|------------|
|                                                    | LAND               | BUILDINGS            | MOTOR VEHICLES    | PLANT & EQUIPMENT | FURNITURE AND FITTINGS | COMPUTER          | LIBRARY BOOKS     | TOTAL                |            |
| <b>Cost/Valuation</b>                              | <b>Ksh</b>         | <b>Ksh</b>           | <b>Ksh</b>        | <b>Ksh</b>        | <b>Ksh</b>             | <b>Ksh</b>        | <b>Ksh</b>        | <b>Ksh</b>           | <b>Ksh</b> |
| <b>Net Book Value as at 1.07.2019</b>              | 5,264,000          | 1,262,680,334        | 13,495,341        | 45,568,921        | 20,541,701             | 3,154,420         | 45,011,424        | <b>1,395,716,142</b> |            |
| Additions during the Year:                         | -                  | -                    | -                 | 450,000           | 2,478,290              | 6,945,182         | 225,603           | 10,099,075           |            |
| Disposals                                          | -                  | -                    | -                 | -                 | -                      | -                 | -                 | -                    |            |
| Transfers/adjustments                              | -                  | -                    | -                 | -                 | -                      | -                 | -                 | -                    |            |
| <b>As at 30th Jun, 2020</b>                        | <b>5,264,000</b>   | <b>1,262,680,334</b> | <b>13,495,341</b> | <b>46,018,921</b> | <b>23,019,991</b>      | <b>10,099,602</b> | <b>45,237,027</b> | <b>1,405,815,217</b> |            |
| Openign Balance 1st Jul, 2020                      | 5,264,000          | 1,262,680,334        | 13,495,341        | 46,018,921        | 23,019,991             | 10,099,602        | 45,237,027        | 1,405,815,217        |            |
| Additions during the Year:                         | -                  | -                    | 14,250,000        | 551,825           | 136,300                | 8,153,708         | 1,706,475         | 24,798,308           |            |
| Disposals                                          | -                  | -                    | -                 | -                 | -                      | -                 | -                 | -                    |            |
| Transfers/adjustments (revaluation)                | 263,236,000        | 15,319,666           | 20,404,659        | (44,324,221)      | 15,820,797             | (3,135,090)       | -                 | 267,321,810          |            |
| <b>As at 30th Jun, 2021</b>                        | <b>268,500,000</b> | <b>1,278,000,000</b> | <b>48,150,000</b> | <b>2,246,525</b>  | <b>38,977,088</b>      | <b>15,118,220</b> | <b>46,943,502</b> | <b>1,697,935,335</b> |            |
| <b>Depreciation and Impairment</b>                 |                    |                      |                   |                   |                        |                   |                   |                      |            |
| Accumulated Depreciation as at 1 Jul, 2019         | -                  | 125,998,103          | 49,644,181        | 46,041,369        | 20,491,316             | 20,668,204        | 60,937,238        | <b>323,780,411</b>   |            |
| Amortization/Depreciation for the Year             | -                  | 31,567,008           | 3,373,835         | 9,203,784         | 2,877,499              | 3,363,168         | 11,309,257        | <b>61,694,551</b>    |            |
| <b>Accumulated Depreciation as at 30 Jun, 2020</b> | <b>-</b>           | <b>157,565,111</b>   | <b>53,018,016</b> | <b>55,245,153</b> | <b>23,368,815</b>      | <b>24,031,372</b> | <b>72,246,495</b> | <b>385,474,962</b>   |            |
| Accumulated Depreciation as at 1 Jul, 2020         | -                  | 157,565,111          | 53,018,016        | 55,245,153        | 23,368,815             | 24,031,372        | 72,246,495        | 385,474,962          |            |
| Transfers/adjustments (revaluation)                | -                  | 31,950,000           | 12,037,500        | 449,305           | 4,872,136              | 5,034,367         | 11,735,875        | 66,079,184           |            |
| Amortization/Depreciation for the Year             | -                  | 189,515,111          | 65,055,516        | 55,694,458        | 28,240,951             | 29,065,739        | 83,982,370        | <b>451,554,146</b>   |            |
| <b>Accumulated Depreciation as at 30 Jun, 2021</b> | <b>-</b>           | <b>1,231,113,326</b> | <b>10,121,506</b> | <b>1,797,220</b>  | <b>34,104,952</b>      | <b>10,083,853</b> | <b>35,207,626</b> | <b>1,631,856,151</b> |            |
| <b>Net Book Values</b>                             |                    |                      |                   |                   |                        |                   |                   |                      |            |
| <b>As at 30.6.2021</b>                             | <b>268,500,000</b> | <b>1,246,050,000</b> | <b>36,112,500</b> | <b>1,797,220</b>  | <b>34,104,952</b>      | <b>10,083,853</b> | <b>35,207,626</b> | <b>1,631,856,151</b> |            |
| <b>As at 30.6.2020</b>                             | <b>5,264,000</b>   | <b>1,231,113,326</b> | <b>10,121,506</b> | <b>36,815,137</b> | <b>20,142,492</b>      | <b>6,736,434</b>  | <b>33,927,770</b> | <b>1,344,120,666</b> |            |



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**26 Work in progress**

| <b>CERT. NO</b>                 | <b>CONTRACTORS</b>             | <b>GROSS PAY<br/>Kshs</b> |
|---------------------------------|--------------------------------|---------------------------|
|                                 | <b>Balance 1st July 2018</b>   | <b>260,276,779</b>        |
| <b>ADDITIONS</b>                |                                |                           |
| Cert No. 7                      | Vee Vee Entre. (Tuition Block) | 42,861,526                |
| Cert No. 4                      | Mycall General Services Ltd    | 3,701,060                 |
| Cert No. 5                      | Mycall General Services Ltd    | 14,697,080                |
| Cert No. 6                      | Mycall General Services Ltd    | 2,047,067                 |
| Cert No. 8                      | Vee Vee Entre. (Tuition Block) | 51,529,178                |
|                                 | <b>Balance 1st July 2019</b>   | <b>375,112,690</b>        |
|                                 | <b>Balance 1st July 2019</b>   | <b>375,112,690</b>        |
| <b>ADDITIONS</b>                |                                |                           |
| ERP Software                    | ABNO International Softwares   | 1,165,000                 |
| Cert 8                          | Mycall General Services Ltd    | 5,317,180                 |
|                                 |                                | <b>6,482,180</b>          |
| <b>Prior Period adjustment:</b> |                                |                           |
| ERP Software                    | ABNO International Softwares   | 18,631,093                |
| <b>Additions:</b>               |                                |                           |
| <b>Tuition Block</b>            |                                |                           |
| Cert No. 9                      | Vee Vee Entre.                 | 35,015,446                |
|                                 | Sess Solution Ltd              | 4,612,800                 |
|                                 | Tee Piping Eng. Services Ltd   | 3,873,890                 |
| Cert 10                         | Sess Solution Ltd              | 2,738,958                 |
| Cert 10                         | Tee Piping Eng. Services Ltd   | 4,763,705                 |
| Cert 11                         | Vee Vee Entre.                 | 32,132,674                |
| <b>TOTAL ADDITIONS</b>          |                                | <b>108,250,746</b>        |
| <b>Bal c/d 30/6/2020</b>        |                                | <b>483,363,436</b>        |
| <b>FINANCIAL YEAR 2020/2021</b> |                                |                           |
| OB as at 01 July, 2020          |                                | 483,363,436               |
| Additions                       |                                | 91,920,698                |
| <b>Bal c/d at 30 June, 2021</b> |                                | <b>575,284,134</b>        |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

| <b>27 Inventories</b>           | <b>Jun-21</b>     | <b>Jun-20</b>    |
|---------------------------------|-------------------|------------------|
|                                 | <b>Ksh</b>        | <b>Ksh</b>       |
| Stationeries                    | 7,101,994         | 5,243,958        |
| Catering/foodstore              | 931,518           | 204,942          |
| Health drugs & lab reagents     | 5,098,063         | 1,509,924        |
| Building Materials -Estates     | 1,162,254         | 450,000          |
| Cleaning Materials Stock-Estate | 613,337           | 496,172          |
| Computer Materials              | 3,659,720         | 1,494,417        |
| <b>Total</b>                    | <b>18,566,886</b> | <b>9,399,413</b> |

**28 Receivables from Non - Exchange Transactions**

|                                             |                      |
|---------------------------------------------|----------------------|
|                                             | <b>Jun-20</b>        |
|                                             | <b>Ksh</b>           |
| National CBA 2017-2021                      | - 125,886,000        |
| Ministry of Education -Supplementary Budget | -                    |
| <b>Total</b>                                | <b>- 125,886,000</b> |

| <b>29 Receivables from Exchange transactions</b> | <b>Jun-21</b>      | <b>Jun-20</b>      |
|--------------------------------------------------|--------------------|--------------------|
|                                                  | <b>Ksh</b>         | <b>Ksh</b>         |
| Staff Debtors - Imprest                          | 2,538,774          | 53,100             |
| Cafeteria Sales Debtors                          | 70,911             | -                  |
| Rent Deposit (United Kenya Club)                 | 150,000            | 150,000            |
| Rent Deposits (Oltalet)                          | 5,538,960          | 5,538,960          |
| Fuel Deposit (Total Kenya )                      | 1,208,094          | 1,208,094          |
| Other Debtors                                    | -                  | -                  |
| Students' Debtors                                | 90,978,895         | 107,614,149        |
| National Police Service                          | 5,138,250          | 5,138,250          |
| Department of Nomadic Education                  | 250,000            | 250,000            |
| Interest on fixed deposits-Equity bank& nbk      | -                  | 153,677            |
| Kenya Rural Roads Authority                      | -                  | 292,500            |
|                                                  | <b>105,873,884</b> | <b>120,398,730</b> |
| Provision for Doubtful Debts                     | 4,821,903          | 5,672,429          |
| <b>Total</b>                                     | <b>101,051,981</b> | <b>114,726,301</b> |

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2021

**NOTES TO THE FINANCIAL STATEMENTS**

| <b>30 Cash and Cash Equivalents</b>             | <b>Jun-21</b>      | <b>Jun-20</b>      |
|-------------------------------------------------|--------------------|--------------------|
| <b>Cash and Bank Balances:</b>                  | <b>Ksh</b>         | <b>Ksh</b>         |
| Cash in Hand                                    | 300,000            |                    |
| Equity -GSSP a/c no. 0360293859386              | 104,398,972        | 36,119,777         |
| National Bank of Kenya a/c no. 01400042224300   | 90,993,836         | 87,736,532         |
| Barclays Bank of Kenya a/c no. 041111267        | 7,350,593          | 3,735,447          |
| Cooperative of Bank a/c no.01129337192601 - GSS | 4,246,732          | 2,525,882          |
| KCB Development a/c no.1112635831               | 2,034              | 1,475,396          |
| KCB PSSP a/c no. 1136121064                     | 4,002,791          | 87,887,213         |
| JAMII Bora (Kingdom) Bank a/c 0011795088002     | 1,053,864          | -                  |
| SBM Bank a/c no.                                | 627,608            | 481,608            |
| Bank of Africa                                  | (669)              | 2,827,519          |
| <b>Short Term Deposits:</b>                     |                    |                    |
| National Bank of Kenya a/c no.                  | 3,000,000          | 710,607            |
| National Bank of Kenya a/c no.                  | 764,687            |                    |
| Cooperative Bank                                | 13,000,000         | -                  |
| <b>Total</b>                                    | <b>229,740,447</b> | <b>345,178,425</b> |

|                           | <b>Jun-21</b>      | <b>Jun-20</b>      |
|---------------------------|--------------------|--------------------|
|                           | <b>Ksh</b>         | <b>Ksh</b>         |
| <b>31 Trade Creditors</b> |                    |                    |
| Trade Creditors           | 127,809,966        | 138,424,684        |
| <b>Total</b>              | <b>127,809,966</b> | <b>138,424,684</b> |

|                                  | <b>Jun-21</b>      | <b>Jun-20</b>      |
|----------------------------------|--------------------|--------------------|
|                                  | <b>Ksh</b>         | <b>Ksh</b>         |
| <b>32 School Direct expenses</b> |                    |                    |
| Part-Time Teaching Payable       |                    |                    |
| <b>Balance b/f</b>               | 146,195,258        | 146,195,258        |
| Additions during the year        | 29,603,250         |                    |
| Less: Paid during the year       | (40,282,669)       |                    |
| <b>Total</b>                     | <b>135,515,839</b> | <b>146,195,258</b> |



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**33 Students' Payables**

|                                    | Jun-21             | Jun-20            |
|------------------------------------|--------------------|-------------------|
|                                    | Ksh                | Ksh               |
| Caution money Deposits             | 14,033,500         | 11,566,000        |
| Students' fees received in advance | 106,677,942        | 67,310,298        |
| Students' Union                    | 11,785,581         | 9,369,910         |
| HELB Payable                       | 4,738,000          | 2,199,500         |
| <b>Total</b>                       | <b>137,235,023</b> | <b>90,445,708</b> |

**34 Employee Pension Obligation**

|                  | Jun-21            | Jun-20            |
|------------------|-------------------|-------------------|
|                  | Ksh               | Ksh               |
| Bal b/f          | 84,593,525        | 75,072,458        |
| Accrued interest | 10,728,576        | 9,521,067         |
| <b>Total</b>     | <b>95,322,101</b> | <b>84,593,525</b> |

**35 Payroll Creditors**

|                              | Jun-21            | Jun-20            |
|------------------------------|-------------------|-------------------|
|                              | Ksh               | Ksh               |
| Staff Payroll Payables       | 44,752,444        | 39,245,001        |
| Pension Contribution Payable | 7,616,412         | 7,588,174         |
| Casual wages                 | -                 | -                 |
| NITA                         | 341,050           | -                 |
| Gratuity                     | 43,661,944        | 26,173,866        |
| <b>Total</b>                 | <b>96,371,850</b> | <b>74,172,367</b> |

**36 Contractors payable**

|                                   | Jun-21            | Jun-20            |
|-----------------------------------|-------------------|-------------------|
|                                   | Ksh               | Ksh               |
| Contractors' Pending Certificates | 39,172,770        | 26,173,886.50     |
| <b>Total</b>                      | <b>39,172,770</b> | <b>26,173,886</b> |

**37 Research Grants Payable**

|                                                      | Jun-21            | Jun-20            |
|------------------------------------------------------|-------------------|-------------------|
|                                                      | Ksh               | Ksh               |
| Bal Brought Forward                                  | 23,888,252.29     | 14,754,253        |
| Add: Additions during the year                       | 3,116,239         | 9,850,932         |
| Less: Administrative Fee                             | (230,403)         | (1,477,640)       |
| Paid during the year                                 | (12,253,303)      | (5,925,904)       |
| Prior periods adjustments for NRF Administrative fee | 1,828,430         | -                 |
| Prior periods adjustments for Opening Balance        | -                 | 6,686,611         |
| <b>Bal Carried Down</b>                              | <b>16,349,215</b> | <b>23,888,252</b> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

|                               |               |                    |
|-------------------------------|---------------|--------------------|
| <b>38 CBA Expense Payable</b> | <b>Jun-21</b> | <b>Jun-20</b>      |
|                               | <b>Ksh</b>    | <b>Ksh</b>         |
| National CBA 2017-2021        | -             | 125,886,000        |
| <b>Total</b>                  | -             | <b>125,886,000</b> |

|                                  |                          |                          |
|----------------------------------|--------------------------|--------------------------|
| <b>39 Contractors' Retention</b> | <b>Jun-21</b>            | <b>Jun-20</b>            |
|                                  | <b>Ksh</b>               | <b>Ksh</b>               |
| Retention Payable                | <u>35,803,948</u>        | <u>26,173,886</u>        |
| <b>Total</b>                     | <u><b>35,803,948</b></u> | <u><b>26,173,886</b></u> |

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2021**

**NOTES TO THE FINANCIAL STATEMENTS**  
**Transfers from Ministries, Departments and Agencies**

| <b>Name of Entity<br/>Sending the<br/>grant</b> | <b>Amount<br/>recognized to<br/>statement of<br/>comprehensive<br/>income</b> | <b>Amount<br/>deferred<br/>under<br/>deferred<br/>income</b> | <b>Amount<br/>Recognized<br/>in capital<br/>fund</b> | <b>Total Grant<br/>income<br/>during the<br/>year</b> | <b>2018-2019</b>     |
|-------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------------|----------------------|
|                                                 | <b>Kshs.</b>                                                                  | <b>Kshs.</b>                                                 | <b>Kshs.</b>                                         | <b>Kshs.</b>                                          | <b>Kshs.</b>         |
| Ministry of<br>Education                        | 1,138,735,773.00                                                              | -                                                            | 43,502,135                                           | 1,182,236,483                                         | 1,256,072,071        |
| <b>Total</b>                                    | <b>1,138,735,773.00</b>                                                       | <b>-</b>                                                     | <b>43,502,135</b>                                    | <b>1,182,236,483</b>                                  | <b>1,256,072,071</b> |

**Events after the reporting period**

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

**Ultimate and Holding Entity**

Maasai Mara University is a Semi-Autonomous Government Agency under the Ministry of Education, State Department of University Education. Its ultimate parent is the Government of Kenya.

**Currency**

The financial statements are presented in Kenya Shillings.



**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30 2021**

**APPENDIX I: PROGRESS ON FOLLOW – UP OF AUDITORS  
RECOMMENDATIONS**

The following is the summary of outstanding paragraphs raised by the external auditor and their resolution status.

| <b>Audit matter</b>                    | <b>Audit paragraph</b>                                                                                                                                                                                                                                                                                                                                         | <b>Management comment</b>                                                                                                                                                                                                                                                                                                                                             | <b>Status</b>                                                                                           |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Receivables from exchange Transactions | The net receivables from exchange transactions stood at Kshs. 150,192,375 as at 30 June 2018 compared to Kshs. 159,558,931 as at in 30 June 2018 representing an increase of Kshs. 9,366,555. Included in the receivables from exchange transactions is Kshs 148,597,020 in respect of student's debtor gross. However, the figure remains substantially high. | Reconciliations to clean up the student's debtors is ongoing. This figure has now been reduced to Kshs 128,506,096.                                                                                                                                                                                                                                                   | On - going.                                                                                             |
| Pension obligation                     | The pension obligation as at 30th June 2018 was Kshs 49,486,837. During the year the balance moved from Kshs 43,917,055 to Kshs 49,486,837 representing an increase of Kshs 5,569,782 which is accrued interest.                                                                                                                                               | The pension obligation result from outstanding remittances to Moi University Pensions Scheme dating back from 2011 to 2013 during which period the current University management has requested for specific funding from the National Treasury through the Parent Ministry but this has yet to be honoured. The University has no outstanding obligations since 2014. | Discussions are underway for Moi University to transfer the pension contribution to Maasai Mara Scheme. |
| Sustainability of services             | The current assets stood at Kshs 320,409,032 while the current liabilities were Kshs 328,734,568 leading to a negative working capital of Kshs 8,325,536. This situation indicates uncertainty exists that may cast significant doubt on the University's ability to continue honouring its obligations as and when they fall due.                             | The working capital has now improved to a positive balance of Kshs 135,978,350                                                                                                                                                                                                                                                                                        | The University is on course with regard to management of her working capital needs.                     |
| Delayed completion of Boundary wall    | The Boundary wall contract sum during the year was Kshs 87,219,440. The Contractor, Mycal General Services has been paid Kshs 49,646,924 exclusive of retention money which represents 57% of work certified. Physical verification of project showed lower percentage completed.                                                                              | The Boundary wall is now complete.                                                                                                                                                                                                                                                                                                                                    | Resolved                                                                                                |

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30 2021

**APPENDIX III: INTER-ENTITY TRANSFERS**

|                                                                                         |                  |                        |                  |                |
|-----------------------------------------------------------------------------------------|------------------|------------------------|------------------|----------------|
|                                                                                         | ENTITY NAME      | MAASAI MARA UNIVERSITY |                  |                |
| Break down of Transfers from the State Department for University Education and Research |                  |                        |                  |                |
|                                                                                         | FY 2020/2021     |                        |                  |                |
| a.                                                                                      | Recurrent Grants |                        |                  |                |
|                                                                                         |                  | BANK STATEMENT DATE    | AMOUNT (KShs)    | FINANCIAL YEAR |
| 1                                                                                       |                  | 06.07.2020             | 125,848,872.00   | 2020-2021      |
| 2                                                                                       |                  | 07.08.2020             | 84,407,242.00    | 2020-2021      |
| 3                                                                                       |                  | 31.08.2020             | 84,407,242.00    | 2020-2021      |
| 4                                                                                       |                  | 01.10.2020             | 84,407,241.00    | 2020-2021      |
| 5                                                                                       |                  | 30.10.2020             | 84,407,242.00    | 2020-2021      |
| 6                                                                                       |                  | 07.12.2020             | 84,407,242.00    | 2020-2021      |
| 7                                                                                       |                  | 04.01.2021             | 84,407,241.00    | 2020-2021      |
| 8                                                                                       |                  | 04.02.2021             | 84,407,242.00    | 2020-2021      |
| 9                                                                                       |                  | 10.03.2021             | 84,407,242.00    | 2020-2021      |
| 10                                                                                      |                  | 09.04.2021             | 84,407,241.00    | 2020-2021      |
| 11                                                                                      |                  | 10.05.2021             | 84,407,242.00    | 2020-2021      |
| 12                                                                                      |                  | 16.06.2021             | 84,407,242.00    | 2020-2021      |
| 13                                                                                      |                  | 25.06.2021             | 84,407,242.00    | 2020-2021      |
|                                                                                         |                  | Total                  | 1,138,735,773.00 |                |

The above amounts have been communicated to and reconciled with the parent Ministry



.....  
Skamo Lortianya  
Finance Officer  
ICPAK Number 8278

.....  
Robert Asumani Samuel  
Head of Accounting Unit-SDUE  
ICPAK Number 10100