

REPUBLIC OF KENYA



REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability



**REPORT**

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**THE AUDITOR-GENERAL**

**ON**

**CO-OPERATIVE UNIVERSITY OF KENYA**

**FOR THE YEAR ENDED  
30 JUNE, 2025**



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# **THE CO-OPERATIVE UNIVERSITY OF KENYA**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

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# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### I. Acronyms and Definition of Key Terms

#### A: Acronyms

ACDRI	-	Academics, Cooperative Development Research and Innovation
ADB	-	African Development Bank
AJCDT	-	African Journal of Co-Operative Development and Technology
ATC	-	Agri-Co-Operative Training and Consultancy Services
CBC	-	Competency Based Curriculum
CBD	-	Central Business District
CHRP	-	Certified Human Resource Professional
CPA	-	Certified Public Accountant
CRCC	-	Cooperative Retreat and Conference Center
CUE	-	Commission for University Education
CUK	-	The Co-operative University of Kenya
DAWI	-	Democracy At Work Institute
DUC	-	Differentiated Unit Cost
DVC	-	Deputy Vice Chancellor
FPA	-	Finance Planning and Administration
FY	-	Financial Year
ICT	-	Information And Communication Technology
IDRC	-	International Development Research Centre
IGU	-	Income Generating Unit
ITVET	-	Institute of Technical, Vocational Education and Training
IPSAS	-	International Public Sector Accounting Standards
KRTC DP	-	Kenya Rural Transformation Centers Digital Platform
KUCCPS	-	Kenya Universities and Colleges Central Placement Service
LFC	-	Leadership For Change
LMS	-	Learning Management System
LRC	-	Learning Resource Centre
MOE	-	Ministry of Education
MSME	-	Micro Small and Medium Enterprises
NGO	-	Non-Governmental Organisation
OCDC	-	Overseas Cooperative Development Council
ODeL	-	Open and Distance Learning
PFM	-	Public Finance Management
SDG	-	Sustainable Development Goals
TVET	-	Technical And Vocational Education and Training
UFB	-	University Funding Board
UMB	-	University Management Board

#### B: Definition of Key Terms

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

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



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### II. Key Entity Information and Management

#### (a) Background Information

The Co-operative University of Kenya (CUK) is a chartered public university established by the Kenyan Government under the Universities Act No. 42 of 2012 and the Co-operative University of Kenya Charter of 7<sup>th</sup> October 2016. It replaced the former Co-operative University College of Kenya earlier established under legal notice No. 161 of 4<sup>th</sup> November 2011 as a Constituent University College of Jomo Kenyatta University of Agriculture and Technology Act (Cap 210E). Since award of charter the University has been a leading institution for co-operative education, training and research at both national and international level.

The University has two campuses namely main campus and Nairobi Central Business District (CBD) campus. The main campus is the main seat of the University situated along Ushirika road in the serene environment of Karen about 20km from the Nairobi CBD. Nairobi CBD campus is located within Nairobi Central Business District on Ufundi Co-op Plaza along Moi Avenue.

During the financial year ending 30 June 2025, CUK had student population as per the table below.

Quarter	Active Students			Registered Students			Unregistered Students		
	KUCCPS	SSP	TOTAL	KUCCPS	SSP	TOTAL	KUCCPS	SSP	TOTAL
Quarter 1	6308	1827	<b>8135</b>	5131	1301	<b>6432</b>	1177	526	<b>1703</b>
Quarter 2	5985	1726	<b>7711</b>	5395	1576	<b>6971</b>	590	150	<b>740</b>
Quarter 3	4469	922	<b>5391</b>	4290	781	<b>5071</b>	179	141	<b>320</b>
Quarter 4	313	434	<b>747</b>	312	409	<b>721</b>	1	25	<b>26</b>

The University has staff population of 304 composed of 236 Permanent and Pensionable, and 68 on contract. This comprises 74 Academic members of staff and 230 Administrative, Technical and Information Science members of staff.

#### (b) Principal Activities.

The principal activity/mission of CUK is to provide competent human capital through quality education, training, research and innovation, and empower communities through outreach for socio-economic transformation.

The University's motto is empowering communities with a vision to be a university of excellence in education, research, innovation and cooperative training. The broad objective of the University is to develop a globally competitive University that is excellent in education, training, research, innovation, and outreach.

#### (c) Key Management.

CUK's day-to-day management is under the Vice-Chancellor who is supported by the University Management Board (UMB)



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### (d) Fiduciary Management.

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

Prof. Kamau Ngamau, PhD., EBS.	-	Vice Chancellor
Prof. Isaac K. Nyamongo, PhD., MBS	-	Deputy Vice Chancellor, Academic, Co-operative Development, Research and Innovation
Prof. Esther N. Gicheru (Mrs) OGW	-	Deputy Vice Chancellor, Finance, Planning And Administration
Mr Chris Kathoka	-	Registrar, Finance, Planning and Administration
CPA. Maxwel Nyaga	-	Finance officer
Dr. Lydia Mutua	-	Ag. Registrar, Academic, Co-operative Development, Research and Innovation
CHRP. Anne Jemimma Mmata	-	Ag. Principal Human Resource Manager
Dr. Lucinda Mugaa	-	Ag. Dean of Students

### (e) Fiduciary Oversight Arrangements

The University's key fiduciary oversight arrangements have been carried out by the following University Council Committees:

- i) Finance, Planning and Development Committee
- ii) Human Resource Management Committee
- iii) Audit and Risk Committee
- iv) Sealing Committee

### (f) Entity Headquarters

The Co-operative University of Kenya  
L. R. NO. 23134/1, Karen  
23134/2, Karen  
Ushirika Road  
P. O. Box 24814 00502  
KAREN NAIROBI

### (g) Entity Contacts

P. O. Box 24814 – 00502  
KAREN NAIROBI  
Tel. 020 8891401/3/4  
Wireless: 020 2430127



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020 2679456

Mobile: 0724311606

Fax: 020 8891410

E-mail: [vc@cuk.ac.ke](mailto:vc@cuk.ac.ke)

Website: [www.cuk.ac.ke](http://www.cuk.ac.ke)

### **(h) Entity Bankers**

1. Standard Chartered Bank  
Karen Branch  
P.O. Box 24601- 00502  
KAREN, NAIROBI.
2. Co-operative Bank  
Karen Branch  
P O Box 60800 - 00200  
NAIROBI.
3. Equity Bank (Kenya) Limited  
Karen Supreme Branch  
P O Box 75104 - 00200  
NAIROBI.

### **(i) Independent Auditors**

Auditor – General  
Anniversary Towers, University Way  
P.O. Box 30084 - 00100  
NAIROBI

### **(j) Principal Legal Advisers**

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




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### III. The University Council

Name	Profile & Work Experience
 <p data-bbox="209 969 427 1032">Dr. Jeremy Bundi DOB; 1955</p>	<ul style="list-style-type: none"><li>• Chairperson – The Co-operative University of Kenya Council.</li><li>• Member – Chartered Institute of Logistics and Transport International (MILT -UK)</li><li>• iRAP associate member</li><li>• Chairman – St Ann Girls Secondary School, Maara District, Tharaka Nithi County</li><li>• Chairman – Muthambi Girls Secondary School</li><li>• EIA/EA, Certificate</li><li>• Former Branch Manager – The co-operative Bank of Kenya</li><li>• Former Principal Administration Officer – Ethics &amp; Anti-Corruption Commission</li><li>• Former Chairman – County Land Management Board, Tharaka Nithi County</li><li>• Former Leaf Collection and Crop Development Officer – Kenya Tea Development Authority</li><li>• Former Operations Officer – Kenya Bus Services (KBS) Ltd</li><li>• Doctor of Philosophy (PhD), Transport Geography - University of Nairobi</li><li>• Master of Arts (M.A), Transport Geography University of Nairobi</li><li>• Bachelor of Arts (B.A.), Economics, Sociology &amp; Geography – University of Nairobi</li><li>• Post graduate professional course: The Chartered Institute of Transport (CIT –UK</li></ul>



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Mr Christopher Ombati  
DOB; 1948

- Independent Council Member – The Co-operative University of Kenya.
- Master of Science (Human Resource Development), FRSC University of Manchester, United Kingdom
- Bachelor of Commerce (Business Administration) University of Nairobi, Kenya





Ms. Elizabeth Layla Kimkung  
DOB; 1968

- Independent Council Member – The Co-operative University of Kenya.
- General Manager (Administration, Legal and Corporate Affairs) – Freight Forwarders Kenya Limited.
- Board Member – Kenya Institute of the Blind.
- Chair-person – Governor's Christmas Tree Fund Nairobi County.
- Executive Chairperson (Founder) – Langata Kibera Foundation.
- Vice Chair-person – Nairobi County Liquor Licensing Board.
- Transport Committee member – Kenya Private Sector Alliance.
- Member – Kenya Girl Guides (Fundraising Committee).
- Member – Kenya Ladies Golf Union.
- Member – Rotary Club of Nairobi.
- Masters of Law (LLM) – University of Nairobi.
- Master of Business Administration – United States International University.
- Bachelors of Law (LLB) – University of Nairobi.
- Bachelor of Arts in International Business Administration – United States International University.



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 <p>Mrs. Peris Onsarigo DOB; 1968</p>	<ul style="list-style-type: none"><li>• Independent Council Member – The Co-operative University of Kenya</li><li>• Immediate former member of the County Executive Committee, Kisii County, in charge of Administration, Corporate Services and Stakeholder Management.</li><li>• Worked with Ministry of Immigration and Registration of Persons for a period of 20 years</li><li>• Member: Women on Board Network</li><li>• Former Board Treasurer: Riokindo Boys High School</li><li>• Former Board Member: Magena Girls Secondary School</li><li>• Master’s degree in organizational development from United States International University</li><li>• Bachelor of Arts from Kenyatta University</li></ul>
 <p>Mr. John Kihara DOB; 1957</p>	<ul style="list-style-type: none"><li>• Independent Council Member – The Co-operative University of Kenya</li><li>• Former Commercial Attache: Kenya High Commission, Ottawa, Canada</li><li>• Former Resource mobilizer: Keys 360 Marketing, Ottawa, Canada</li><li>• Founder/Former Board Chairman: Kiangazi Foundation, Naivasha, Kenya</li><li>• Former Planning Officer: Ministry of Local Government, Department of Urban Development</li><li>• Currently partnering with a local Naivasha NGO, Daraja La Amani as a Mentor of orphaned youth in Naivasha</li><li>• Master Environmental Studies, Regional Development and Planning, York University, Toronto, Canada</li><li>• Awarded a Canada International Development Agency, (CIDA), Full Scholarship, towards a Master’s degree at York University, Toronto, Canada</li><li>• Bachelor of Arts, Urban Studies and Planning, University of California San Diego, San Diego, California, United States of America</li></ul>



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Ms Susan Karuri  
DOB; 1985  
Representing the Principal Secretary – The National Treasury.

- Council Member – The Co-operative University of Kenya.
- Rep. PS National Treasury
- LLM - International Economic Law from the East China University of Political Science and Law, Shanghai
- LLB - Moi University
- Advocate of the High Court of Kenya



CPA Peter Wanjohi Kiama  
DOB; 1969  
Representing the Principal Secretary – State Department of Co-operatives, Ministry of Industry, Trade and Co-operatives.

- Council Member- The Co-operative University of Kenya.
- Rep. PS State Dep. Of Cooperatives.
- Assistant Commissioner for Co-operative Development – Ministry of Industry, Trade and Co-operatives.
- Doctor of Philosophy, Business Administration (Finance) Student – Jomo Kenyatta University of Agriculture and Technology
- Master of Business Administration (Finance) – University of Nairobi
- Bachelor of Science (Maths Major) – Jomo Kenyatta University of Agriculture and Technology
- Professionally affiliated to the Institute of Certified Public Accounts of Kenya (ICPAK), and the Kenya Society of Professional Co-operators (KSPC)



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Ms Christine Kariuki  
DOB; 1968  
Representing the Principal Secretary – The  
Ministry of Education.

- Council Member- The Co-operative University of Kenya.
- Rep. PS State Department for University Education
- Deputy Director Research, MoE.
- Master of Science (M.Sc.) Horticulture (UON)
- Bachelor of Science (B.Sc.) Agriculture (UON)
- Member, International Federation of Organic Agriculture Movements (IFOAM) Standards
- Member, Kenya Professional Women in Agriculture and Environment (KEPAWAE)



Prof. Kamau Ngamau, PhD., EBS.  
DOB; 1966

- Vice Chancellor.

- Secretary – The Co-operative University of Kenya Council.
- Vice Chancellor – The Co-operative University of Kenya.
- Full Professor, Horticulture – The Jomo Kenyatta University of Agriculture and Technology.
- Doctor of Philosophy, Horticultural Sciences – The University of Hanover, Germany.
- Master of Science, Horticulture – The University of Nairobi.
- Master’s degree, Organizational Development – United States International University, Kenya
- Bachelor of Science, Agriculture – The University of Nairobi.




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### IV. The University Management Board

Staff Profile	Responsibilities
 <p>Prof. Kamau Ngamau, PhD., EBS. DOB; 1966</p> <ul style="list-style-type: none"><li>• Vice Chancellor.</li><li>• Full Professor, Horticulture – The Jomo Kenyatta University of Agriculture and Technology.</li><li>• Doctor of Philosophy, Horticultural Sciences – The University of Hanover, Germany.</li><li>• Master of Science, Horticulture – The University of Nairobi.</li><li>• Master’s degree, Organizational Development – United States International University, Kenya</li><li>• Bachelor of Science, Agriculture – The University of Nairobi.</li></ul>	<ul style="list-style-type: none"><li>• Chief Executive Officer; Academic and Administrative Head of the University.</li><li>• The Secretary to the Council and an ex officio member of the Council.</li><li>• Responsible for Policy matters, Planning, Coordination, Public Relations, Security, Audit, Fundraising and General Development of the University Policy Matters.</li><li>• Chairperson of Senate.</li><li>• Chairperson of Associate Professorial appointments.</li><li>• Chairperson of the University Management Board.</li><li>• Chairperson of the University Student Welfare Authority.</li></ul>



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Prof. Esther N. Gicheru (Mrs) OGW  
DOB; 1952

- Deputy Vice Chancellor Finance, Planning and Administration.
  - Associate Professor in Cooperative Management and Organization Development – The Co-operative University of Kenya.
  - Doctor of Philosophy, Organization Development and Transformation – Cebu Doctors' University, the Philippines.
  - Master's Degree, Co-operative Management and Organization Development – Leicester University, United Kingdom.
  - Bachelor of Science, Agriculture – The University of Nairobi.
  - Diploma in Counselling Psychology – Tangaza University College.
- Head of Finance, Planning and Administration Division and is responsible for management of human, physical, financial resources; administrative, infrastructural and development matters which has the following responsibilities:
    - Staff Recruitment;
    - Training of Administrative Staff;
    - Promotions and Discipline;
    - Personnel Administration;
    - Financial Administration;
    - Coordination of All Income Generating Units;
    - Procurement Services;
    - Health Services;
    - Registry Administration;
    - Legal Matters;
    - Transport;
    - ICT and Central Services.
  - Provides the secretariat for the Council and the following Committees:
    - Terms of Service Committee;
    - Staff Appointments Committee;
    - Housing (policy and allocations) Committee;
    - Ceremonial Committee;
    - Health, Recreation, Environment and Safety Committee;
    - Staff Appraisal and Promotion Committee;
    - Staff Welfare;
    - Finance and General Purposes Committee;
    - Building and Development;
    - Sealing Committee;
    - Council Planning and Development Committee;
    - Planning, Establishment and Development Committee;
    - Disciplinary Committee;
    - Tender Committee;



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Prof. Isaac K. Nyamongo, PhD., MBS  
DOB; 1963

- Deputy Vice Chancellor (Academic Cooperative Development, Research and Innovation).
- Full Professor, Anthropology – The University of Nairobi.
- Doctor of Philosophy, Anthropology – University of Florida, USA.
- Master of Science, Anthropology – Punjab University, India.
- Bachelor of Science, Anthropology – Punjab University, India.

- Head of the Academic, Co-operative Development, Research, and Innovation Division which has the following responsibilities:
  - Integrating Co-operative models in rural development and transformation;
  - Coordination of Co-operative Development activities;
  - Coordination of research and extension services;
  - Coordination of workshops and seminars;
  - Coordination of short tailor-made training programmes and consultancy services for the Co-operative sector;
  - Coordination of national and international linkages with the Co-operative sector;
  - Soliciting of funds for Co-operative development, research and production;
- Provides the secretariat for the following Committees:
  - Research, innovation and incubation;
  - Linkages and partnership;
  - Community services;
  - Funding-raising;
  - Printing and publications;
  - Short courses.
- Provide the secretariat to the Senate and the following Committees of the Senate:
  - Board of Postgraduate Studies;
  - Deans Committee;
  - Students Welfare Committee;
  - Students Disciplinary Committee;
  - Library Advisory Committee;
- The returning officer for the election of Deans of Faculties.
- Provide the secretariat for the Honorary Degrees Committee of Council.
- Responsible for the allocation of academic facilities such as buildings, lecture rooms and offices and as well as formulation of rules governing the allocation and utilization.
- Chairperson of the University Training Committee.



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 <p>CPA Maxwel Nyaga DOB; 1974</p> <ul style="list-style-type: none"><li>• Finance Officer.</li><li>• PhD student Business Administration (Finance) – The Jomo Kenyatta University of Agriculture and Technology.</li><li>• Master Degree, Business Administration – The Jomo Kenyatta University of Agriculture and Technology.</li><li>• Master of Science, Procurement and Logistics – The Jomo Kenyatta University of Agriculture and Technology.</li><li>• Bachelor of Science, Applied Accountancy – Oxford Brooks University, UK</li><li>• Certified Public Accountant CPA (K).</li></ul>	<ul style="list-style-type: none"><li>• Responsible for the supervision and management of all administrative and operational functions of the office of the Finance Officer.</li><li>• Develops the finance policies and procedure Manual.</li><li>• Formulates the revenue generation and resource Mobilisation strategies for the university.</li><li>• Is responsible for financial forecasting and planning.</li><li>• Is responsible for Budget execution and control of Budgets.</li><li>• Prepares regular, quarterly and annual financial reports.</li><li>• Facilitates liaison with the National Treasury, Ministry of Education and the Auditor General on the Funding of the university.</li><li>• Is responsible for daily approval of expenditure in the consultations with the Deputy Vice Chancellor FPA and the Vice Chancellor.</li></ul>
 <p>Mr Chris Kathoka DOB; 1981</p> <ul style="list-style-type: none"><li>• Registrar Finance, Planning and Administration.</li><li>• PhD student Human Resource Management – The Jomo Kenyatta University of Agriculture and Technology.</li></ul>	<ul style="list-style-type: none"><li>• Responsible for the supervision and management of all administrative and operational functions of the office of the Registrar FPA.</li><li>• The secretary to the University Management Board.</li><li>• Responsible for effective administrative systems in line with University policies and procedures in line with the best practices.</li><li>• Provide strategic planning and guidance in the development, coordination and implementation of physical infrastructure and modernization projects in the University.</li><li>• Compile and analyse statistical data for use in general planning, strategic planning, and budgeting and sundry management requirements.</li></ul>



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<ul style="list-style-type: none"> <li>• Masters, Human Resource Management – The Jomo Kenyatta University of Agriculture and Technology.</li> <li>• Bachelor of Science, Information Technology – The Jomo Kenyatta University of Agriculture and Technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Service matters such as appointments, promotions, retirement, disciplinary action, sanction of leave, incentive pertaining to teaching and non-teaching staff.</li> <li>• Interpret and enforce policies and regulations of the University touching on Finance, Human Resource, Planning and Development</li> </ul>
 <p>CHRP Anne Jemimma Mmata DOB; 1981</p> <ul style="list-style-type: none"> <li>• Ag. Principal Human Resource Manager</li> <li>• Masters, Business Administration – The Jomo Kenyatta University of Agriculture and Technology.</li> <li>• Bachelors, Education – Kenyatta University.</li> <li>• Higher National Diploma, Human Resource Management – The College of Human Resource Management.</li> </ul>	<ul style="list-style-type: none"> <li>• Responsible for the supervision and management of all administrative and operational functions of the office of the Principal Human Resource Manager.</li> <li>• Identifies hiring need, develops the position description, Recruitment Plan, organizational chart and other recruitment related documents.</li> <li>• Ensures understanding of collective bargaining agreements' specific provisions with respect to the University Employees.</li> <li>• Prepares job descriptions and ensures proper procedures for review and approval are met.</li> <li>• Reviews recruitments and provides oversight of the recruitment process.</li> </ul>
 <p>Dr. Lucinda Mugaa DOB; 1955</p> <ul style="list-style-type: none"> <li>• Dean of Students</li> <li>• PhD Human Resource Management – The Jomo Kenyatta University of Agriculture and Technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Co-ordinates student activities and welfare;</li> <li>• Co-ordinates the work of hostel wardens and counsellors, sports and games, entertainment services, catering and accommodation services;</li> <li>• Chairperson of the Wardens Committee;</li> <li>• Acts as Returning Officer of the Students' Organisation elections;</li> <li>• Provides administrative support to students' professional clubs and societies.</li> </ul>



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<ul style="list-style-type: none"><li>• Masters, (Sociology) Labour Management – The University of Nairobi.</li><li>• Bachelor of Science, Business Administration – United States International University, Kenya.</li><li>• Diploma, Social Work – The University of Nairobi.</li></ul>	
 <p>Dr. Lydia N. Mutua DOB; 1974</p> <ul style="list-style-type: none"><li>• Registrar, Academic Cooperative Development, Research and Innovation</li><li>• PhD, Disaster Management and Sustainable Development – Masinde Muliro University of Science and Technology</li><li>• Masters in Project Planning and Management – The University of Nairobi</li><li>• Post Graduate Diploma, Planning and Management of Development projects – The Catholic University of Eastern Africa</li><li>• Bachelor of Arts (Economics and Sociology) – The University of Nairobi</li></ul>	<ul style="list-style-type: none"><li>• Is responsible to the Deputy Vice-Chancellor Academic Cooperative Development, Research and Innovation</li><li>• Coordinates implementation policies on research, innovation and partnerships.</li><li>• Coordinates implementation of all agreements and collaborations of the University.</li><li>• Coordinates linkages and partnerships.</li><li>• Coordinates dissemination of research findings and publications.</li><li>• Is the Custodian of Research, partnerships and innovation records and policies.</li><li>• Coordinates community development services.</li><li>• Coordinates implementation of research ethics policies.</li><li>• Coordinates implementation of partnerships in the university.</li></ul>



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### V. Chairperson's Statement

#### Introduction

I am pleased to present the Annual Report and Financial Statements for The Co-operative University of Kenya for the year ended 30 June 2025. The Co-operative University of Kenya (CUK) has continued to progress significantly, thanks to the concerted efforts of the Government of Kenya, the University Council, Management, staff, students, and key stakeholders. Since receiving its charter on October 7, 2016, the University has steadfastly pursued its vision of becoming a globally competitive institution, as outlined in its 2022-2027 strategic plan.

The 2024/2025 financial year marked a transformative chapter in the history of the Co-operative University of Kenya (CUK). Building on the momentum of prior years, the University achieved notable milestones despite economic headwinds and systemic funding constraints. The progress made is a testament to the resilience, innovation, and collaboration across the University Council, Management, faculty, students, and strategic partners.

#### Financial Performance

In the year under review, the University reported a Gross income of **Kshs. 1,485,798,201** compared to **Kshs. 1,265,457,959** for the 2023/2024 financial year. This represents an increase of 17% from the previous year. This has been caused by an increase in Tuition fees of Kshs 184,722,684 representing a 21% increase from the previous financial year.

#### Key Activities and Successes

##### 1. Installation of the 2nd Chancellor

One of the most distinguished milestones of the year was the appointment and successful installation of **Dr. Bernard Chitunga** as the **2nd Chancellor** of the University. The installation ceremony was presided over by **H.E. Hon. Dr. William Ruto**, President of the Republic of Kenya, in a landmark event that underscored national recognition of the University's critical role in the higher education and cooperative sectors.



*Installation of the 2<sup>nd</sup> Chancellor, Dr. Bernard Chitunga by H.E Hon. Dr. William Ruto*



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### 2. Academic and Research Excellence

The University advanced its academic mission by launching new doctoral programs and preparing additional graduate and undergraduate programs for accreditation. The focus on fields such as Co-operative Business, Business Administration, Information Systems, Environmental Science, Counselling Psychology, and Development Studies aligns with national development priorities and market needs.

### 3. Infrastructure Development

CUK completed both **Phase I and Phase II** of the **Lecture Theatre III Annex**, delivering a total of **16 new classrooms**, each with a 100-student capacity—significantly increasing teaching space and accommodating the growing student population. Phase II was completed in October 2023, and Phase I commenced in July 2024 was handed over on 29th April 2025.

The University has been able to set up wet and dry laboratories to enable servicing and supporting practicals for students pursuing environmental sciences. Additionally, several infrastructural projects have been completed during the year, including recarpeting road networks and parking lots, furnishing the library, and maintaining and renovating University offices.

### 4. Research and Innovation Initiatives

CUK deepened its commitment to research and innovation through:

- **Kenya Rural Transformation Centres Digital Platform (KRTC DP)**, funded by the **African Development Bank**, aiming to improve the productivity and profitability of agricultural cooperatives.
- Continued collaboration with the **Cooperative Bank of Kenya** toward establishing a **Cooperative Innovation Hub**.

### 5. Strengthening Partnerships

The University successfully hosted the **Inaugural Co-operative Movement Stakeholders' Annual Conference**, a strategic platform for dialogue among cooperative sector leaders, academics, and policymakers.

### 6. Performance Excellence

During the current performance evaluation of Performance Contracts for the 20th cycle (2023/2024 FY), held on 25th January, 2025, the University performed exemplary with a score of 2.3293, earning an "Excellent" rating. This is the highest score the University has attained since the inception of the Performance Contracting in Government agencies.

### 7. Increased enrollment

Student enrollment at CUK has steadily increased over the years. This upward trend reflects the growing preference for CUK as a university of choice and highlights the relevance of its academic programs. A key indicator of this growth is the consistent rise in the number of KUCCPS-placed students and the increasing acceptance rate.



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### 8. Improved graduation rate

The University has over the years increasingly been able to confer graduates into the job market. The key indicator of this trend is the increasing rate of completion within the graduating cohorts. This reflects the commitment of the University in promoting quality education and training.

### 9. Procurement of new vehicles

The University has expanded its fleet with the acquisition of two new vehicles. These vehicles are meant to improve reliability and mobility in carrying out institutional functions.

### Challenges

Despite commendable progress, several key challenges were encountered:

- 1. Funding Delays and Budget Cuts:** Reduced government capitation and delays in development fund disbursement negatively impacted project timelines, most notably the completion of the Learning Resource Centre (Phase 1A), which remains unfinished.
- 2. Rising Operational Costs:** Inflation and increased construction costs continue to strain the University's financial resources, complicating infrastructure development.
- 3. Pending Completion of Key Projects:** While parts of the Learning Resource Centre are in advanced stages (Library 99%, Sports Facility 86%), landscaping, ablution blocks, and paving works remain incomplete due to funding gaps.
- 4. Inadequate infrastructure:** With the continuous increase in student enrollment, CUK has faced challenges in infrastructure. As our student population expands the demand for essential facilities such as office spaces, lecture halls and students' accommodation have become inadequate. The issue of student accommodation remains a pressing issue since the on-campus hostels are inefficient to house the growing student numbers forcing many to seek off-campus housing, which is often costly and having concerns on safety.

### Way Forward and Future Outlook

CUK remains steadfast in its pursuit of becoming a globally competitive institution of higher learning, guided by its **2022–2027 Strategic Plan**. The University will prioritize the following:

- **Resource Mobilization:** Enhance internal revenue generation through enhancing income generating units, increased student enrollment, fee-paying programs, consultancy services, commercialization of research, alumni support, and targeted research grants.
- **Completion of Ongoing Projects:** Accelerate construction and commissioning of the Learning Resource Centre. The University looks forward to upgrading and expanding its facilities to accommodate the growing student population through leveraging on Public-Private Partnerships (PPPs).
- **Innovation and Industry Linkages:** Finalize the Cooperative Innovation Hub and expand collaborations with public and private sector stakeholders.



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- **Sustainability and Digitization:** Adopt efficient digital platforms in teaching, research, and administration to reduce overheads and improve access. The University aims at integrating Artificial Intelligence (AI) technologies for efficient assessments and implementing safeguards that preserve the authenticity and credibility of academic evaluations within its unique framework.
- **Curriculum Development and alignment:** The University aims to align its academic programs with market demands, technological advancements and the competency-based education (CBE) framework and promote research and innovation.
- **Promoting Industry and community Linkages:** CUK is committed to establishing strong partnerships with industry players to source for placements for its students, joint research and innovation, mentorship and funding opportunities. The University also looks forward to addressing challenges in its surrounding community and enhancing its social impact.

### Appreciation

On behalf of the Council, I wish to thank all the stakeholders for the confidence placed on the Council during the entire period and look forward to serving even better. In a special way, I thank the Ministry of Education, and all other organizations that have stood with us during the entire Financial Year. Your continued support is highly appreciated. Further, I thank the University Management, staff and students for dedication and commitment towards the growth of the University.



**Dr. Jeremy Bundi**

**CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY OF KENYA COUNCIL**



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### VI. Vice Chancellor's Report

#### Introduction and Background

I take this opportunity to present the annual report and the financial statement for the Co-operative University of Kenya for the year ended 30th June 2025. I am pleased to report that despite the hard economic times and limited Government capitation, the University continued to fulfil its mandate and operated under very strict financial discipline. The University prioritized mainly, teaching, research, innovation, linkages and community outreach.

The University embraced the new Student-Centered Funding Model which is with us for the second year. The University has worked closely with the students and the Funding board in addressing the issues that arise regarding the model, especially placement in the bands. This was achieved through sensitization forums by Universities Fund (UF) and Higher Education Loan Board (HELB). These efforts have resulted in an increased number of students getting funding.

#### Academic and Student affairs

The University offers various degree programmes; PhD (5), Masters (12) and Bachelors (47), as well as TVET programmes; Diploma (26) and certificate (3). It has also embraced blended learning such as the Open and Distance Learning (ODel) and integrated ICT teaching services (LMS). The total student population, which forms the bulk of its clientele, is currently at 13,195.

During the 2024/25 academic year the University held its 9th graduation ceremony on Friday 6th December 2024 where a total of 2220 students graduated cutting across all academic levels:

- Masters =21
- Post Graduate Diplomas =0
- Undergraduates = 1428
- Diplomas = 700
- Certificates = 71

CUK has worked closely with the CUE for compliance. During this year, three (3) more programmes were validated by CUE and declared by KUCCPS in the portal for selection by students thus increasing the student population. These programmes are:

1. Bachelor of Science in Biostatistics
2. Bachelor of Science in Network Engineering and Cyber Security
3. Bachelor of Development Studies

The University however continues to comply with the regulator and to seek accreditation of additional market-driven programmes and courses and at the same time reviewing the existing ones to meet the ever-changing market demand.

The University takes the welfare of the students as its number one priority in supporting the academic environment of students in campus and we are grateful for the efforts made this far. Release of academic certificates shortly after graduation and annual release of academic transcripts has greatly reduced the incidences of missing marks. However, the guidelines on the implementation of the model to have students sit examinations with fee balances may reverse the gains in terms of missing marks. The University has full adopted technology in the management of all academic processes from admissions to graduation and this has increased productivity, there is efficient student data management and accurate record keeping, improved communication, cost and time efficiency. The University has enhanced extra-curricular activities and boosted security of students on campus.



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Further, the University is engaging with its Alumni to explore possibilities of resource mobilization as well as seek support for needy students through establishment of an endowment fund.

### **Co-operative Development, Research, Innovation and Linkages**

The University through the Division of Academics, Co-operative Development Research and Innovation (ACDRI) has continued to grow its Research, Innovation, Linkages and community outreach activities. The University has grown its research portfolio by signing research contracts grants of over Kshs. 300 million cumulatively by 2nd quarter of 2025. We have developed a University Research Agenda around our niche (Cooperative and Community Development) as spirited in our Motto “*Empowering Communities*”. Currently, we have different research grant projects ongoing, they include:

- (i). Kenya Rural Transformation Centres Digital Platform (dubbed KRTCDP) project - This project commenced in 2022 and is at the endline evaluation stage - funded by African Development Bank (ADB), grant of USD. 815,000. CUK is partnering with Four Counties (Nakuru, Narok, Baringo and Nyandarua counties).
- (ii) Catalyzing Women Involvement in Agricultural Cooperative during post-Covid -19 Recovery in Kenya (WINRACK) project funded by IDRC worth CAD. 745,100 that commenced in 2022 and ended in March, 2025. CUK is collaborating with University of Fraser Valley - Canada and Commissioner for Cooperatives - Kenya. In three counties (Kiambu, Kajiado and Taita Taveta counties).
- (iii). National Post Drought Disaster Needs Assessment (PDDNA) for Kenya project under National Drought Management Authority (NDMA) funded by USAID under Strathmore University subaward grant, 2024 - 2025.
- (iv) BioFairNet Project funded by the European Union (EU) with CUK is collaborating with other institutions to support smallholder farmers.

It has also signed over 40 partnerships with different organizations including international, regional and local institutions and government agencies. The Division is grateful to the many organizations and institutions that continued to support cooperative development, research, innovation and outreach activities. Such organizations include; IDRC, University of Fraser Valley - Canada, African Development Bank (ADB), US - OCDC, We-Effect, Co-operative Bank of Kenya, Kenya Police Sacco, Kenya Power Institute of Energy and Research, Huawei, Chipglobe, AMTECH technology VIVES University, Moshi Co-operative University and Several County Governments including Nandi, Kajiado, Machakos, Meru, Nyeri, Kirinyaga, Narok, Kericho, Kakamega, Kisumu, Tana River, Kitui, and Makueni among others.

Under partnership and collaboration, we wish to mention Kenya Power Institute of Energy and Research who invited our students to learn on cyber security and data science with a view to establish a collaborative research, AMTECH technology conducted a webinar on python programming where over 340 participants attended, Chipglobe has mentored over 20 innovating students in embedded technologies in the lab since December, 2024, Moshi Co-operative University whom together have jointly organized International conferences, where the second conference was held in Moshi - Tanzania on 28th July 2024 - 2nd August, 2024 themed “*Cooperatives for sustainable development*”. The tripartite collaboration between University of Fraser Valley, County Government of Kajiado and CUK saw development of OneHealth platform in December. 2024 - June 2025. We remain focused on the University’s vision and mission to underscore best research and innovation practices.

In addition to the growing research grant portfolio, members of staff have cumulatively published over 182 papers in peer-refereed journals and continue to participate and present papers in international conferences. The University has sustained the African Journal of Co-operative Development and



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Technology (AJCDT) which is now in Vol. 8 and Journal for Social Sciences and Business Technology (JSSBT) in Vol. 4 (<https://journals.cuk.ac.ke/>). The Institutional Scientific Ethics Review Committee (ISERC) was established to review the proposed methods for research involving human subjects, to ensure that the projects are ethical. The committee will also generate funds to the University by reviewing proposals from other institutions.

### Financial performance

Financially, the University's position remains sound, with no external borrowing; the University reported a Gross income of Kshs. 1,485,798,201 compared to Kshs1,265,457,959 for the 2023/2024 financial year. This represents an 17% increase from the previous year. The University management board was upbeat to ensure success in the recruitment of students in most of the approved programs.

The University continued to put in place necessary financial, procurement and internal control measures on resource utilization to ensure that it meets the targets of revenue collection and cost control measures.

### Compliance with Statutory Guidelines

In the year under review, CUK diligently fulfilled its entire statutory obligations and guidelines set by government agencies and commissions. The University signed a performance contract with the Ministry of Education and the same was cascaded to relevant officer and staff of the university with continuous monitoring and evaluation.

### Challenges

The guidelines on the implementation of the Funding model and having students sit examinations with fee balances may reverse the gains of prompt release of transcripts and have students completing courses with huge fee balances.

The new University Education funding model has not stabilized yet. A number of students have applied for revision of bands and a number of them are not very certain of whether they will succeed. Over the last four years, the University has been increasing enrolment of students gradually. However, the increase in the number of students is not commensurate with government funding.

Reduced capitation effects have spilled over the financial year 2024/2025 and the University is still grappling with it. The university has experienced reduced enrolment of diploma students which has resulted in a decrease in tuition income. In mitigation, the University is in the process of developing more diploma courses which are approved by ITVET.

Commercialization of research outputs remains underperforming at CUK. This situation is occasioned by limited capacity on intellectual capacity rights management and commercialization amongst the faculty members and students. To remedy this situation, CUK is in close collaboration with Kenya National Innovation Agency (KeNIA) and Kenya Industrial Property Institute (KIPI) and Kenya Copyright Board (KOCOBO) to support this endeavour.

Despite the challenges the University faced during the year, I am glad to report that the University managed to stay afloat financially, the University will continue being open to further collaborations with key partners and stakeholders who complement its efforts to meet the desired results.

### Appreciation

Much appreciation is to His Excellency The President of the republic of Kenya, for appointing the CUK Chancellor after going for over eight years without a chancellor. I also extend my appreciation to the



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Government of Kenya, our collaborators, and other institutions that have rendered their support during the entire financial year under review. Further, I would like to appreciate the support accorded to me by the UMB, staff and students in ensuring smooth running of the CUK.

The university acknowledges the guidance of the Chancellor, the Governing Council in ensuring the Management is kept on the move towards attainment of the set targets.



**Prof. Kamau Ngamau, PhD., EBS.**

**VICE CHANCELLOR, THE CO-OPERATIVE UNIVERSITY OF KENYA**



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### VII. Review of the University Performance for Financial Year 2024/2025

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

The University is currently implementing her five (5) year strategic plan covering the period 2022 – 2027 FY. To effectively achieve the targets set therein, the plan has been summarized into the following five (5) strategic pillars/ key result areas;

- i. Relevant Quality Education & training
- ii. Research, Innovation & Outreach
- iii. Corporate management and Organizational Sustainability
- iv. Physical & ICT infrastructure
- v. Customer Centricity & Brand Visibility

The Cooperative University of Kenya develops its annual work plans based on the above five Key result areas. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Board achieved its performance targets set for the FY 2024/2025 period for its five Key result areas, as indicated in the table below:

Key result area	Strategic Objective	Key Performance Indicators	Activities	Achievements
1. Relevant Quality Education & training	i. Promote Relevant Education and Training	Harmonized units	Harmonize units with similar content to remove duplication and redundancies	100% achievement during the FY
		At least three accredited and CBC aligned degree programmes	Update and align at least fifteen (15) degree programmes to be in line with the CBC requirements, other emerging trends and eliminate any non-viable programmes and make a recommendation on the fate of the affected faculty staff	Target achieved with three programmes being aligned to CBC requirements by the end of the FY
		Increased Completion rates	Compute completion rates of CUK students for informed decision making	Target achieved Students Completion rates increased from 78.38% to 80%.
		Increase in student enrolment	Increase the number of students on continuing education programme	A total of 21 and 229 students admitted for Bachelors and Diploma Module II programmes respectively. This was against a total target of 100 students



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	ii.Promote Quality Education and Training	Adequate internet connectivity in all classrooms	Ensure uninterrupted internet connectivity in all classrooms	Target achieved 100% during the Contract period
		Approved peer teaching policy	Implement peer teaching policy	Target achieved in 2024/2025 FY
		Digitized units	Digitize at least 120 new modules annually	Target achieved 100% during the FY
		University-industry Linkages Established	Enhance University - industry linkages by engaging in linkage at least two linkages annually	Linkage activities were implemented out of two signed MOUs within the FY, i.e. MOU with Huawei and with Caritas
		Teaching effectiveness reports	Operationalize a teaching monitoring tool	Target achieved. Teaching monitoring tool developed
		Increased publications in peer-reviewed journals	Ensure that all academic staff activate their google scholar accounts & research gate using the official CUK emails and further submit their publications to the librarian for uploading into the library repository	Fifty journal publications done during the FY.
2. Research, Innovation & Outreach	ii.Promote Research, and Dissemination of Knowledge.	Conference proceedings	Organize one international annual conference for dissemination of knowledge.	Target achieved 100% during the FY
		Trained staff	Conduct capacity building to at least 30 staff on dissemination of research findings annually.	Target achieved 100% during the FY
		Increased multidisciplinary research projects	Implement collaborative multidisciplinary research projects	Target achieved 100% during the FY, with various research projects running. For instance, RELCON PROJECT, GIVE PROJECT.
	v.Promote innovation and commercialization of intellectual property	Innovation hub established	Identify and equip an innovation hub	Target implementation ongoing with a Proposal for funding of the lhub sent to Cooperative Bank for consideration.
		Innovation week report	Enhance innovation activities among students and staff by holding an innovation week annually	Target achieved 100% during the FY



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		Identified innovation champions	Identify innovation champions per programme	Target achieved with a total of 127 champions identified.
	v.Enhance outreach to Co-operative sector and communities	Trained staff on resource mobilization	Build capacity on fundraising skills to at least 20 CUK staff annually on resource mobilization.	Target achieved with trainings done for all three schools
		Digitized Database of Cooperative networks	Develop and maintain a Cooperative Information and Research Center	Target partially achieved with the full completion scheduled to be completed in 2025/2026 FY
		15 short courses implemented	Roll out at least fifteen (15) short courses annually. Three of them targeting Transport cooperatives	Target overachieved with a total of twenty (20) short courses rolled out during the FY
3. Corporate management and Organizational Sustainability (Business process re-engineering, financial stability, Governance & Human resource capacity development)	vi.Strengthen Financial Resource base for institutional growth and sustainability	Streamlined program catalogue management	Benchmark with other public universities and streamline the management of fee payment and program catalogue management	Target partially achieved and due for completion
		At least 120 units digitized annually	Invest Kshs 7.2M to support content digitization in support of IODEL	Target achieved 100% during the FY
		30 additional classrooms in place	Invest Kshs 200M to construct 30 additional classrooms	Target achieved with 16 classrooms constructed during the FY.
		70 Acres of land acquired	Lobby the government to acquire at least 70 Acres of land for expansion	Target implementation on course with correspondences to treasury and MOE on purchase of land done within the FY.
	ii.Strengthen the Governance organs and Human Resource Capacity	Approved disaster risk mitigation policy	Implement the Disaster risk mitigation policy and plan to address emerging issues	The disaster policy is under implementation.
		A hybrid working environment adopted	Review CUK policies and operations to provide for a hybrid (home office) work environment;	The University has implemented a hybrid working environment.
		Harmonized and published CUK policies	Harmonize & publish existing CUK policies and develop a centralized database for all Policies for ease of retrieval and implementation	Target achieved 100% during the FY
		Approved reward and sanctions Policy document,	Develop and implement a reward and sanctions policy	Target achieved 100% during the FY, with a performance awards ceremony done during the FY.



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		Documented Data analytics reports	Identify and document data held by the University systems and leverage on data analytics for decision making and product development annually	Target not achieved. Target rolled over to this FY
		At least one team building activities carried out annually	Strengthen Employee /employer relations and engagement through effective communication and annual Team building events	Target achieved 100% during the FY
		Re-engineered business processes across CUK departments	Redefine/identify the business processes that require review/re-engineering	Two processes were reengineered during the FY; i.e. Hostel booking and application for graduation
4. Physical & ICT infrastructure	ii. Develop and Upgrade Physical Infrastructure	Maintenance & Repairs schedules	Develop and implement a policy on acquisition, maintenance, replacement and modernization of university assets and facilities	Target achieved 100% during the FY
		Sixteen classrooms with a capacity of 1,600	Construct sixteen (16) classrooms with a capacity of 1600	Target achieved 100% during the FY
	x. Develop and Upgrade ICT Infrastructure	Reliable internet connectivity	Continuously maintain 100% internet uptime for learning and work environment	Target achieved 100% during the FY
		Updated website, Updated logs and Survey reports, Web ranking	Continuously update the website with relevant information and Upgrade the University Website template (Improve on the Design) to make it more Interactive, informative and easy to navigate.	Target achieved 100% during the FY
		Developed & patented DIGI-Coop-Map software	Develop and implement Mobile /Web applications to provide for One-stop-shop for all cooperatives (DIGI-Coop-Map)	Target Partially achieved with the project projected to be completed in 2025/2026 FY
		Two factor authentication to access University online systems implemented	Implement two factor authentication to access University online systems	Target achieved 100% during the FY
		Automated workload allocation	Fully automate the workload allocation Procedure with a view of managing part time costs	Target implementation on course and scheduled for completion during the 2025/2026 FY



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5. Customer Centricity & Brand Visibility	x.Promote customer centric service delivery	Established and well-equipped Customer Obsession Centre	Establish, operationalize and maintain the Customer Experience / Obsession Center	Target not achieved and rolled over to the FY 2025/2026
		Training reports	Conduct training for all staff on excellent customer experience annually	Target achieved 100% during the FY
	xi.Enhance CUK brand visibility and brand positioning	Developed and approved programmes service brochures	All Campuses/Schools/Institutes to develop a detailed brochure on their programmes and services and upload on the website and update the same annually	Target achieved 100% during the FY
		Google Scholar/Research ID accounts created and updated for all academic staff	Create and update the google scholar/Research ID accounts for all academic staff quarterly.	Target achieved 100% during the FY
		Developed and approved Branding strategy	Mainstream and sustain a corporate branding strategy for all university events (internal and external)	Target partially achieved with the appointment of a committee to oversee the implementation of this target. Target rolled over to the 2025/2026 FY.
		Sports/Cultural events held	Hold at least one-week sports/cultural event annually involving the neighbouring community	Target achieved 100% during the FY
		Published print Co-operator Magazine	Publish and maintain the University's Co-operator magazine annually (print and online)	Target achieved 100% during the FY



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### VIII. Corporate Governance Statement

The Co-operative University of Kenya (CUK) is committed to the highest standards of corporate governance and ethics. As a public institution, the governance framework is anchored on a commitment to transparency, accountability, and integrity. The University Council is responsible for ensuring compliance with the Universities Act 2012, the Mwongozo Code of Governance 2015, the University Charter, and the University Statutes of 2017; (Revised May 2023), along with any other applicable legislation.

#### A. COUNCIL MEMBERS

##### i. Appointment and Removal of Board Members

The appointment of Board members is guided by clear procedures as outlined in the organization's governance policies and relevant legal frameworks. Board members are appointed through a formal and transparent process that takes into consideration the skills, experience, and integrity of the candidates. The removal of directors is conducted in accordance with the provisions of applicable laws and legal framework the organization's internal policies, ensuring fairness and due process.

The membership of the Governing Council is as shown below;

S/No.	Name	Position	Appointment date	Expiry Date	Term of Service
1.	Dr. Jeremy Bundi	Chairperson	23/11/2023	22/11/2026	2nd term
2.	Mr. Christopher Ogechi Ombati	Independent member	23/11/2023	22/11/2026	2nd term
3.	Ms. Peris B. Onsarigo	Independent member	29/11/2023	28/11/2026	1st term
4.	Mr. John W. Kihara	Independent member	26/01/2024	21/01/2027	1st term
5.	Ms. Elizabeth Kimkung	Independent member	08/07/2022	07/07/2025	2nd term
6.	Mr. Peter Wanjohi Kiama	Rep. PS State dep. of Coops.	20/09/2019	30/06/2025	N/A
7.	Ms. Susan Wanjiku Karuri	Rep. PS National Treasury	17th July 2020	30/06/2025	N/A
8.	Ms. Christine Kariuki	Rep. PS State department for University Education	22/04/2024	21/04/2027	N/A
9.	Prof. Kamau Ngamau, PhD., EBS.	VC/Secretary	N/A		N/A

##### ii. Board Composition: Size, Diversity, and Demographics

The Governing Council is appointed in accordance with the Universities Act, 2012 (No. 42) by the Cabinet Secretary in the Ministry of Education and comprised of nine (9) members; the Chairman and five independent members; Representative of the Principal Secretary, National Treasury, Representative of the Principal Secretary, State Department for Higher Education and Research and the Vice Chancellor who is an ex-official and Secretary to the Council. In recognition of the University's unique mandate and strategic niche in cooperative education, research, and development, the Board has co-opted the



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Principal Secretary (PS) from the State Department for Cooperatives as a member of the University Council.

The Board is composed of individuals with a broad range of expertise and experience relevant to the organization's mission and strategic goals. 44% of the Board members are of female gender and 56% male gender. The composition of the Board reflects ethnic diversity of the nation to ensure broad and balanced representation across the various ethnic groups.

### *iii.* **Board Charter**

The Council operates under a formally adopted Board Charter that aligns with the Mwongozo Code of Governance for State Corporations, providing a comprehensive framework for ethical leadership, strategic oversight, accountability, and legal compliance. The Charter defines the structure, roles, and responsibilities of Council members, outlines governance practices including succession planning and conflict of interest management, and sets expectations for meeting procedures and performance evaluations. It also promotes integrity, stakeholder engagement, and public service values. The Council is supported by Standing Committees that handle Finance, Planning & Development, Human Resources, Risk, and Audit matters.

### *iv.* **Functions of the Council**

The functions and powers of the Council are;

- i. To administer the property and funds of the University in a manner and for the purpose which promotes the interest of the University.
- ii. To receive, and on behalf of the University, donations, endowment, gifts, grants or other moneys and make disbursement there from to the University or other bodies or persons.
- iii. To approve appointment criteria and the terms and conditions of service of staff.
- iv. To provide for the welfare of the staff of the University.
- v. To enter into association with other Universities, University Colleges or other Institutions of learning.
- vi. To make regulations governing the conduct and discipline of the students of the University.
- vii. To ensure that a proper management structure is in place and that the structure function to maintain corporate integrity, reputation and responsibility.
- viii. To monitor and evaluate the implementation of strategies, policies, and management criteria and plans of the University.
- ix. To constantly review the viability and financial sustainability of the University.
- x. To ensure that the University complies with all the relevant laws, regulations, governance practice, accounting and auditing standards.

#### *v.* **Induction, training, and development**

The University recognizes that effective governance is underpinned by the continuous development of its Board members. To this end, training and development of board members is undertaken to enhance the Board's collective effectiveness and keep members abreast of emerging trends, policy changes, and sector-specific developments. These initiatives are designed to support informed decision-making, strengthen oversight, and promote adherence to sound corporate governance principles.

During the period under review, the institution conducted two comprehensive Board training sessions, held in November 2024 and March 2025, respectively. In addition, the Board conducted a performance improvement matrix retreat and actively participated in an internal conference focused on the



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cooperative movement. The trainings were designed to strengthen governance capacity and enhance the effectiveness of the Board in fulfilling its oversight role.

### **vi. Board and Members' Performance**

The organization conducts annual evaluations of both the overall performance of the Board and the individual member's performance. These assessments are facilitated by officers from the State Corporations Advisory Committee (SCAC). The outcomes of the evaluation process are documented in a formal report, which informs targeted training, capacity building, and Board development initiatives. For the period under review, the performance evaluation exercise took place on 14th August 2025.

### **vii. Number of Board Meetings Held and Attendance**

The Board operates in accordance with a formally approved Board Almanac, which guides its activities and governance practices. During the reporting period, the full Council convened a total of six (6) meetings comprising four regular meetings and one special meeting. Attendance was consistently high, with the majority of members attending 100% of the scheduled meetings. The organization maintains comprehensive attendance records to support accountability and demonstrate the strong commitment and engagement of all Board members. A summary of Board members' attendance at Board and Committee meetings during the period under review is presented in Table 1 below.

S/No.	Name	Position	No. of meetings attendees
<b>1. Full Council (6 meetings were convened; 4 normal 2 special)</b>			
1.	Dr. Jeremy Bundi	Chairperson	5
2.	Mr. Christopher O. Ombati	Member	5
3.	Mr. Peter Wanjohi	Member	4
4.	Ms. Elizabeth Kimkung	Member	5
5.	Ms. Susan Wanjiku Karuri	Member	5
6.	Mr. John Waiganjo Kihara	Member	4
7.	Ms. Peris B. Onsarigo	Member	5
8.	Ms. Christine W. Kariuki	Member	5
9.	Prof. Kamau Ngamau, PhD., EBS.	Secretary/VC	5

### **viii. Succession Plan**

The Board recognizes that effective succession planning is a critical component of sound corporate governance and long-term organizational sustainability. The organization is in the process of developing a formal guideline to notify the appointing authority of impending term expirations for Board members. The guideline will serve as a key governance tool to ensure timely communication and allow adequate preparation for the appointment or reappointment of Board members.

### **ix. Policy to Manage Conflicts of Interest**

The organization has adopted a Conflict-of-Interest Policy that requires all Board members to disclose any personal interests that may conflict with their duties during Board meetings. Members are expected to recuse themselves from discussions or decisions where a conflict exists, and all disclosures are recorded in a Conflict-of-Interest Register.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### x. Board Remuneration

The remuneration of board members is guided and executed in accordance with the directives outlined in the circulars issued by the Head of Public Service and State Corporations Advisory Committee. The total budget utilized for the period under review is Kshs. 13,174,712.

### xi. Ethics and Conduct

All Board members are governed by a Code of Ethics and Conduct, which they formally acknowledge and sign upon their inauguration. The code outlines expected standards of integrity, professionalism, and accountability. The Code promotes ethical leadership and is reinforced through periodic training.

### xii. Governance Audit

The institution recognizes the governance audit as a critical component of best practices in corporate governance. An internal legal audit has been carried out and the process to undertake an independent governance audit by an accredited governance auditor will be undertaken.

### xxii. Communication Policy

The process of developing a formal Communication Policy that governs both internal and external communication is work in progress. The policy will ensure timely, accurate, and transparent dissemination of information, promote stakeholder engagement, and support the organization's reputation and accountability to the public.

### xxiii. Terms of Reference of Committees

Each Board committee operates under clearly defined Terms of Reference (ToRs) as stipulated in the various existing legislation. The TORs outline Committees roles, responsibilities, reporting lines, and meeting schedules. The ToRs are reviewed periodically to ensure relevance and alignment with best governance practices and the organization's strategic objectives.

**Dr. Jeremy Bundi**  
CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY  
OF KENYA COUNCIL

**Prof. Kamau Ngamau, PhD., EBS.**  
VICE CHANCELLOR, THE CO-OPERATIVE  
UNIVERSITY OF KENYA



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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## IX. Environmental And Sustainability Reporting



*His Excellency Dr. William Samoei Ruto, with other dignitaries, members of the University Council, and Students' Governing Council, during the installation of the Chancellor on 30th April, 2025*

### 1. Introduction

CUK is dedicated to fostering sustainable development through education, research, and community engagement. This Environmental and Sustainability Report details the University's performance and initiatives for the Financial Year 2024/2025. As a leading institution in cooperative education, CUK is committed to environmentally conscious, socially equitable, and ethically governed operations, contributing to a sustainable future for Kenya and beyond. This report outlines our strategic approach, key achievements, challenges, and mitigation efforts across environmental stewardship, social welfare, and responsible governance.

### 2. Environmental and Sustainability Reporting

#### 2.1 Sustainability Strategy and Profile

Operating within a global landscape shaped by climate change and resource scarcity, CUK has integrated sustainability into its strategic vision. Our approach aligns with the United Nations Sustainable Development Goals (SDGs), providing a framework for our commitment to ending poverty, protecting the planet, and ensuring prosperity.

The University's sustainability priorities are guided by a comprehensive policy framework emphasizing responsible resource management, environmental conservation, and the integration of sustainability principles into our curriculum, research, and operations. In 2024/2025, key achievements included successful green infrastructure projects and enhanced waste management. Challenges primarily involved scaling initiatives and fostering deeper behavioral change, addressed through seeking external partnerships and intensifying awareness campaigns.

Our commitment to responsible governance extends to our service delivery charter, ensuring transparent contract management. We prioritize local economic development and inclusivity, with significant



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contract proportions allocated to local suppliers and contractors, including specific targets for youth (31.08%), women (65.93%), and Persons with Disabilities (PWDs) (3%), empowering marginalized communities within our supply chain.

### 2.2 Environmental Performance

CUK's **Environmental Policy** guides all university operations, aiming to minimize our ecological footprint, promote resource efficiency, and foster environmental awareness.

Policy implementation is evident across the campus. We achieved a noticeable reduction in paper consumption through automation, moving towards a **paperless office**. Single-use plastic bottle usage has decreased, supported by reusable alternatives and water refilling stations. Waste management efforts intensified with clearly marked bins for segregation (organic, plastics, paper, glass), facilitating effective reduce, reuse, and recycle initiatives. While progress is strong, continuous training and investment in advanced recycling infrastructure are ongoing mitigation measures.

Our transport fleet undergoes regular maintenance for optimal fuel efficiency and reduced CO2 emissions. In addressing climate change, CUK promotes climate-smart technologies in agricultural programs, including research into drought-resistant crop varieties. Our green buildings are designed to allow natural light maximization. In addition, we have initiated solar lighting and heating systems. The University actively supported the growth of approximately 160,000 trees during the reporting period through on-campus planting, donations to institutions like Empakasi Secondary School, and distribution of seedlings to staff for community planting, contributing to wider reforestation efforts.

The University has a **recycling plant for wastewater**, with 500 **cubic meters** of wastewater recycled and released back into the environment every day.



*The University Chancellor, Dr. William Chitunga, plants a tree during his installation ceremony on April 30, 2025, witnessed by the Principal Secretary for Higher Education and Research, alongside other dignitaries.*



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### 2.3 Environmental Knowledge Transfer and Capacity Development

CUK is strategic in its environmental knowledge transfer and capacity development efforts. We offer three undergraduate programs focused on environmental matters:

- **Bachelor of Science in Environmental Economics and Policy**
- **Bachelor of Science in Environmental Science and Technology**
- **Bachelor of Science in Environment, Lands and Sustainable Infrastructure**

Furthermore, the University has sponsored two academic staff members who have since attained PhDs in environmental matters, strengthening our research and teaching capabilities in this critical area.

### 2.4 Environmental Performance

In addition to enhancing green spaces, the University has initiated the process of establishing **the Centre for Renewable Energy Research and Development Policy (CRERDP)**. This center will be established in collaboration with a French institution to implement and stimulate renewable energy projects at The Cooperative University of Kenya. The Centre will aim to:

- Develop much-needed human capacity (technical training) in the country.
- Promote and advance innovation in the field of renewable energy technologies.
- Generate and disseminate knowledge (awareness).

The Centre will serve as a focal point for renewable energy projects, supported by an annual grant administered by the National Research Foundation (NRF) and international partners. It aims to achieve excellence in developing alternative energy sources by advancing training, research, and fostering innovation and enterprise in renewable energy technology. In pursuit of this goal, the Centre will seek accreditation by the National Industrial Training Authority (NITA) and recognition by the Energy Regulatory Commission (ERC) as a certified training hub for renewable energy short courses.

By facilitating cutting-edge solutions to energy challenges, the Centre will drive research and development initiatives while enhancing human capacity in the renewable energy sector. Ultimately, its core objective is to contribute to the establishment of modern renewable energy plants in Kenya, positioning them as viable and sustainable alternatives to conventional energy sources.

### 2.5 Other Funded Projects

The University also has a funded project, the **Post-Drought Disaster Assessment Project**, which demonstrates our commitment to addressing environmental challenges and their societal impacts.

## 3. Social Reporting

### 3.1 Employee Welfare

CUK is committed to a diverse, inclusive, and supportive work environment. Our hiring policies ensure fairness and equal opportunity, adhering to the labor laws. We promote diversity, considering gender balance, youth representation, and PWD inclusion. Stakeholder engagements, including staff unions, are integral to annual policy reviews.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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We prioritize continuous professional development and career management through training programs, workshops, and further education opportunities. Our transparent, performance-based appraisal and reward systems recognize excellence.

Employee safety and well-being are paramount, guided by a comprehensive Workplace Safety Policy compliant with the Occupational Safety and Health Act of 2007 (OSHA). In 2024/2025, the University recorded no occupational injuries or diseases. In line with our commitment to employee well-being, a comprehensive employee satisfaction survey was conducted, with recommendations slated for implementation to further improve the working environment and overall staff welfare.



Employees participating in team building activities on 20th June, 2025.

### 3.2 Diversity and Inclusion

CUK upholds diversity and inclusion as core institutional values. Staff demographics reflect a healthy representation across gender, age, and ethnicity. The overall gender distribution shows that 43.6% of staff are female while 56.4% are male, as illustrated in Figure 1 below. The age profile reflects deep institutional experience, with the majority of staff falling within the 41–60 years age bracket. This is complemented by deliberate efforts to attract and nurture younger talent. In terms of ethnic composition, no single ethnic community exceeds the 33.3% representation threshold, ensuring broad-based national inclusivity and compliance with diversity principles. This is demonstrated in Figure 2.

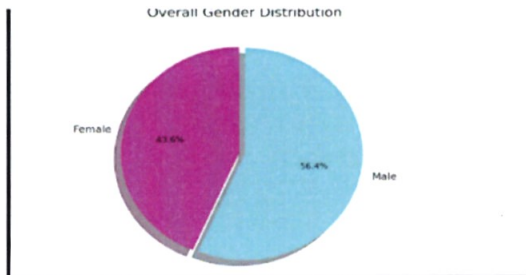


Figure 1: Gender Distribution

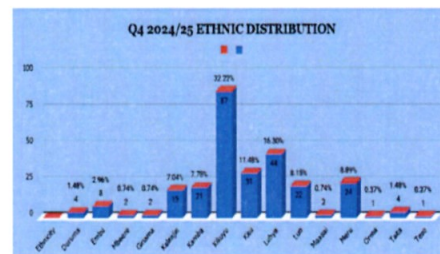


Figure 2: Ethnic Distribution



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### 3.3 Marketplace Practices

CUK upholds high ethical standards in its marketplace and public interactions.

**a) Responsible Competition Practice:** CUK maintains integrity and fairness. We have a zero-tolerance policy towards corruption with clear reporting mechanisms. Our political involvement is non-partisan, advocating for education and cooperative development. Fair competition is ensured through open and transparent tendering. We respect competitors and focus on our unique value proposition. Our Service Charter outlines service standards and feedback channels. Service automation, including self-service portals for both staff and students, has significantly enhanced operational efficiency. To date, 85% of our processes have been automated, including admissions, recruitment, leave application, finance, and performance appraisal. Anti-corruption efforts are bolstered by accessible reporting and public sensitization. Brand protection is in place, and we promote cashless payment systems for students, staff and other stakeholders.

**b) Responsible Supply Chain and Supplier Relations:** CUK maintains robust business practices within its supply chain. We treat suppliers responsibly by honoring contracts promptly and respecting payment practices. The percentage of **pending bills for supplies is 0.21%**, reflecting our commitment to timely payments. Our procurement processes are competitive, fostering fair and ethical relationships. We encourage a diverse supplier base and collaborate to address issues, ensuring a resilient and responsible supply chain.

**c) Responsible Engagement with Citizens:** As a public institution, CUK prioritizes ethical and responsible citizen engagement. Our outreach and sensitization practices are informative, transparent, and respectful of diversity. We regularly disseminate information via media and our website. Consultative forums are held with community groups to ensure program responsiveness. We provide accurate information about our courses and services. Our engagement strategies are inclusive, respecting diverse backgrounds.

**d) Awareness Creation (Safeguarding Citizen Rights and Interests):** The University safeguards citizens' rights through awareness creation. We provide information on national services such as NHIF/SHA, NSSF, and application procedures for licenses. Through legal and public administration programs, we educate on fundamental rights, including representation, succession, and peaceful demonstration. We emphasize dispute resolution, whistleblowers' rights, and citizen data and privacy protection, empowering our community to exercise its rights responsibly.

### 4. Corporate Social Responsibility / Community Engagements

CUK is deeply committed to its role as a responsible corporate citizen, actively contributing to community well-being. Our **Corporate Social Responsibility (CSR)** activities align with our mandate of education, research, and community development, focusing on sustainable impact.

During 2024/2025, CUK participated in impactful CSR and Tree Planting Activities:

- **Mentorship and Career Talk at Baricho Boys High School (Oct 2024):** Provided career guidance and academic mentorship.
- **Standard Chartered Nairobi Marathon (Oct 2024):** Supported charitable causes focused on health and community development.
- **CSR Visit to Cottolengo Children's Home (Dec 2024):** Provided material support and interacted with children.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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- **Oloibortoto (Magadi) Career Talk and Book Donation (Mar 2025):** Addressed educational disparities in remote areas.
- **Tree Planting at Chancellor's Installation Ceremony (Apr 2025):** Reinforced environmental conservation on campus.
- **Mater Heart Run 2025 (May 2025):** Contributed to fundraising for children with heart conditions.
- **Tree Donation to Empakasi Secondary School (Jun 2025):** Extended environmental conservation to younger generations (pictured below).



- **Staff Tree Collection and Planting (Jun 2025):** Fostered collective responsibility for environmental stewardship.



*PS, Higher Education & Research planting a tree on Campus on 30<sup>th</sup> April 2025*

These activities showcase CUK's multifaceted approach to community engagement, encompassing educational outreach, charitable giving, health support, and significant environmental contributions.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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CUK also engages in **public participation forums**, offering expertise in law and by-law formulation, budget-making processes, and community consultations, ensuring citizen voices are incorporated into governance.

### 5. Conclusion

The Cooperative University of Kenya's ESG report for 2024/2025 demonstrates our unwavering commitment to sustainable development. We have significantly integrated environmental stewardship, social responsibility, and sound governance into our institution. Despite ongoing challenges, our proactive approach to climate change, dedication to employee welfare, ethical marketplace conduct, and impactful community engagements highlight our role as a responsible and forward-thinking institution. CUK remains dedicated to continuous improvement, leveraging our strengths to positively contribute to society and the environment, fostering a legacy of sustainability for future generations.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

Annual Report and Financial Statements  
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## X. Management Discussion and Analysis

### SECTION A

#### OPERATIONAL AND FINANCIAL PERFORMANCE

##### A) INCOME ANALYSIS:

The University registered a total of Kshs. 1,485,798,201 in gross revenue against a target of Kshs 1,571,075,634 This represents 95% achievement of the target revenue. In comparison to the same period in the previous financial year, CUK recorded an increase in revenue of Kshs. 220,340,242 which represents an 17% increase in gross revenue.

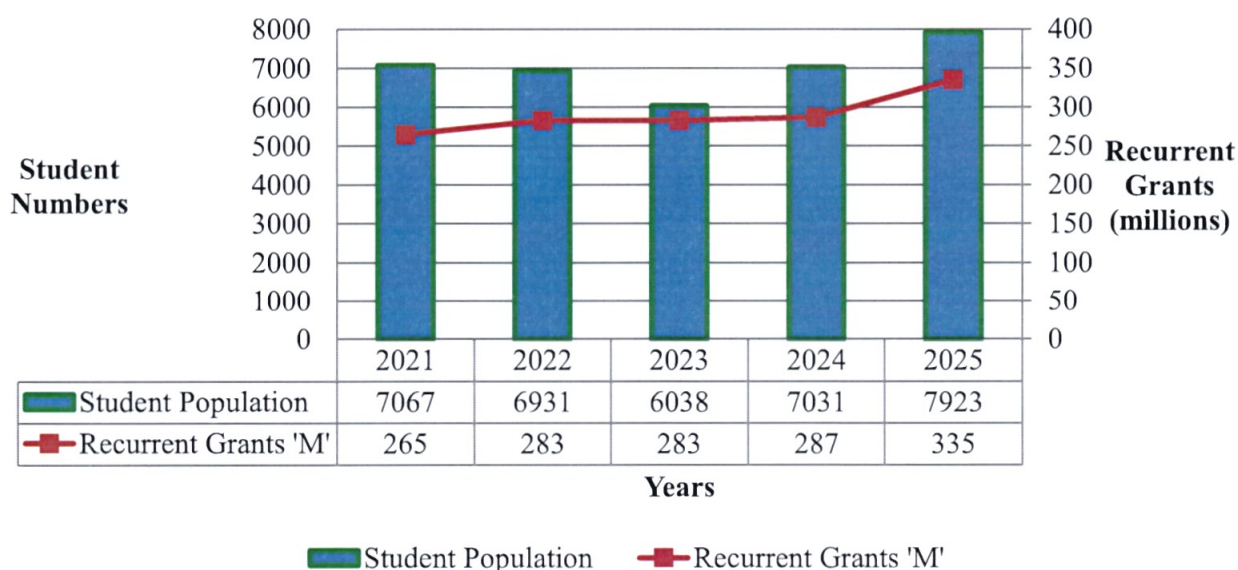
The major drivers of performance were the tuition income accounting for 72% of total revenue.

The tuition fee income for the period is Kshs 1,079,454,300 compared to the same period of 2023/2024 of Kshs 894,731,616. This is a 21% increase from the previous financial year. This was occasioned by the new funding model that increased the income receivable from tuition services.

CUK registered a surplus of Kshs 179,928,628 against 2023/2024 surplus of Kshs. 165,999,242

Over the last 5 years, recurrent grants from the GoK have been almost constant despite the growth in personnel costs and increase in student population, especially the government sponsored students. This is illustrated in the graph below.

**Student Numbers Against Recurrent Grants**



# THE CO-OPERATIVE UNIVERSITY OF KENYA

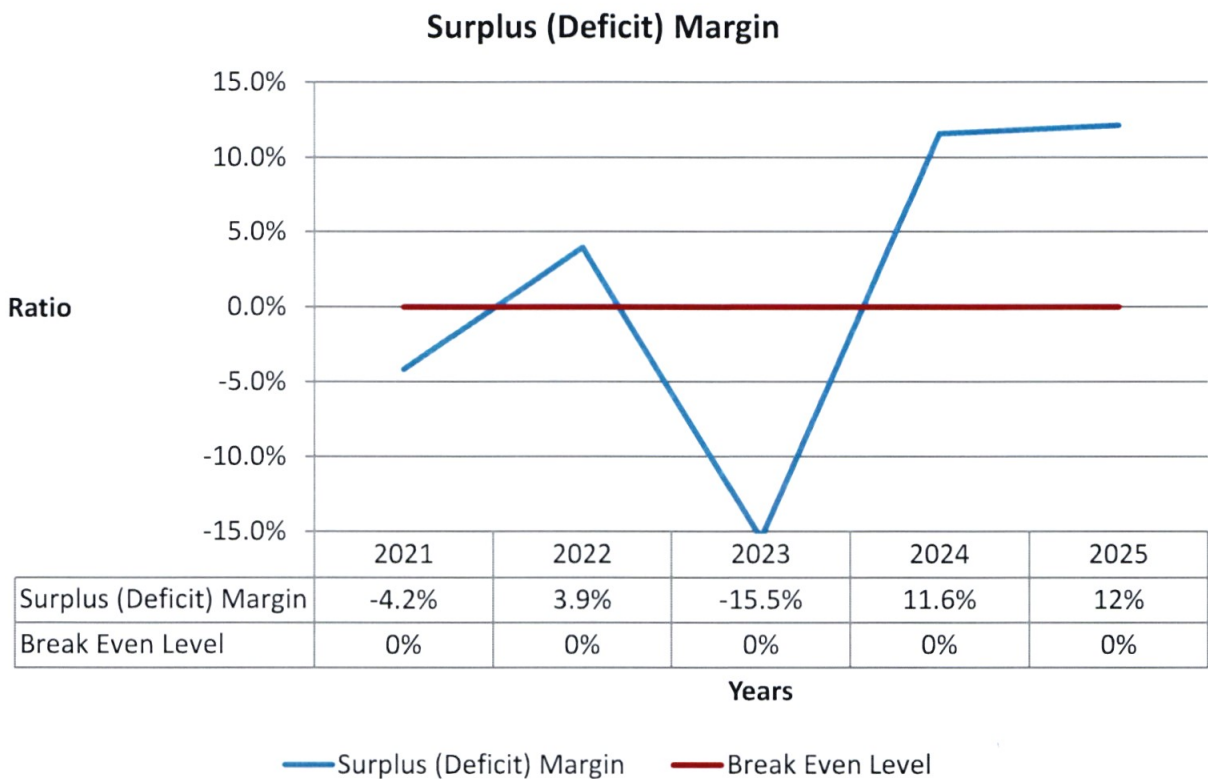
## Annual Report and Financial Statements For The Year Ended June 30, 2025

### B) EXPENDITURE ANALYSIS.

As at June 30, 2025, CUK registered total operating expenditure of Kshs 1,296,322,042 against previous year's expenditure of Kshs 1,096,675,148, an increase of Kshs 199,646,894 representing 18% increase in expenditure.

Employee Costs took 52.4% of the total income; Remuneration of Council members 0.9%, Depreciation and amortisation expense 3.8%, Repairs and Maintenance 3.6%, Use of Goods 21.6%, Contracted Services of 1.5%, and Research costs 3.6% of the total income.

In summary, the University has registered a surplus of Kshs 179,928,628 as a result of the increased tuition income in the financial year. The financial performance is as summarised below.



This is a measure of operational efficiency. As seen above, the University's surplus margin has declined in the current financial year.



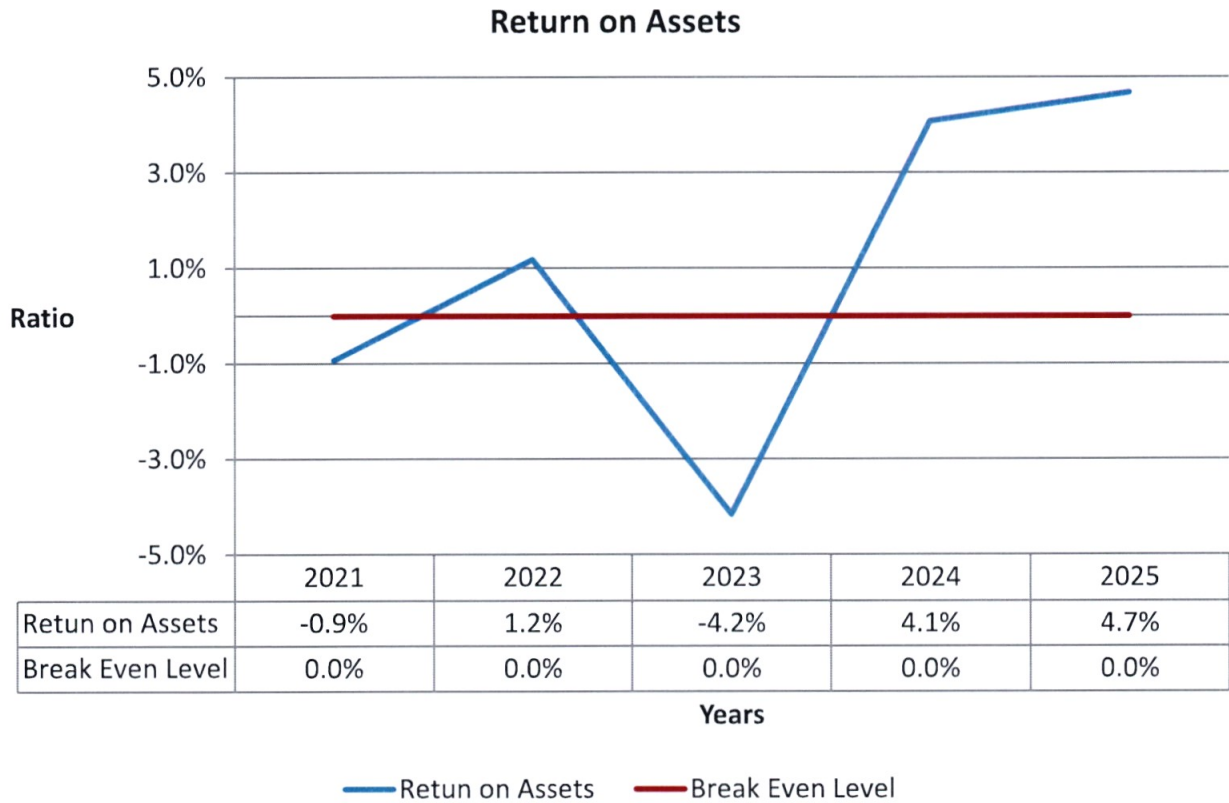
# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### C) STATEMENT OF THE FINANCIAL POSITION.

The statement of financial position indicates that the university closed the year with Total assets of Kshs. 3,843,570,143. This is against Kshs 3,585,049,889 registered in the financial year 2023/2024.



This is a measure of how profitable the University's assets are by comparing net income to the Net Assets. As can be seen above, the University's Return on Assets had improved due to the performance during the current financial year.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

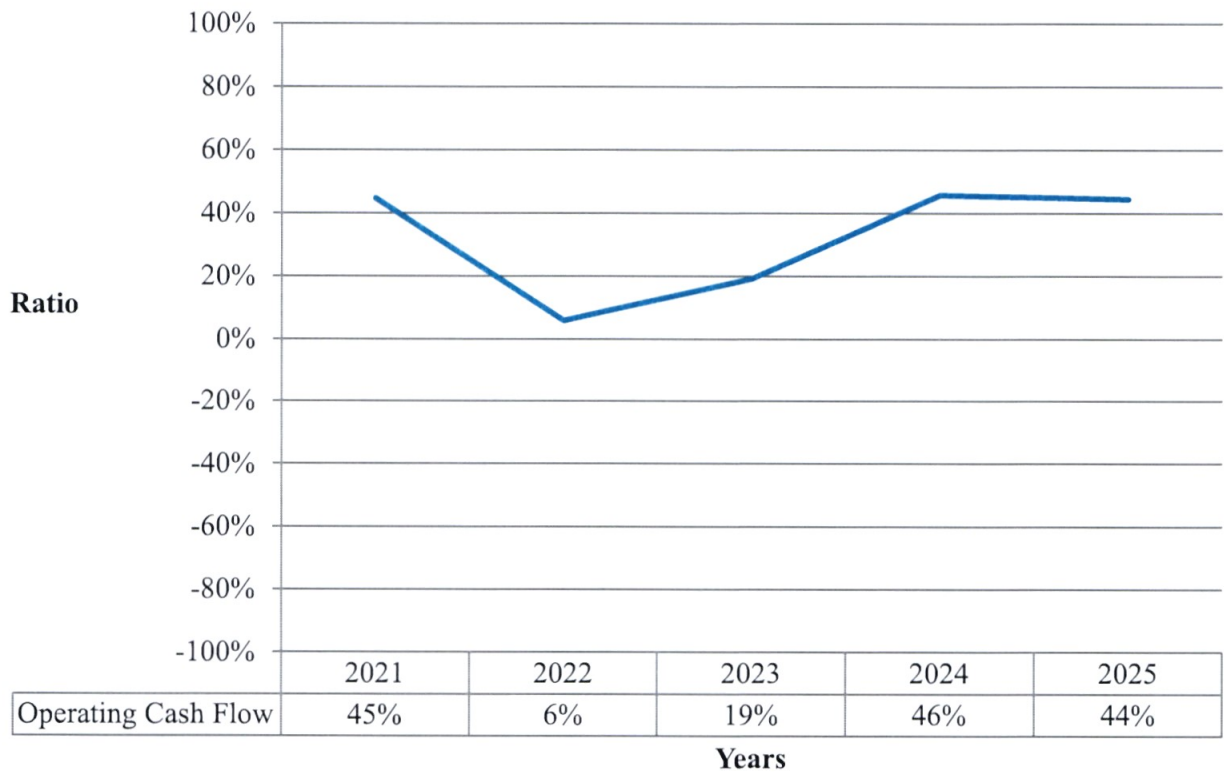
For The Year Ended June 30, 2025

### D) STATEMENT OF CASHFLOWS

As at 30 June 2025, the University had net cash generated from operating activities of Kshs 161,342,866. This is the net amount utilized by the University to facilitate operations.

The net change in cash and cash equivalents was Kshs 37,444,364 closing the year with Kshs 194,780,294.

#### Operating Cash Flow



Operating cash flow ratio is cash from operating activities as a percentage of current liabilities in a given period. It is a measure of the University's liquidity.

As can be seen above, the operating cash flow is less than an ideal 100%; this means that the University has generated less cash in the period than it needs to pay off its short-term liabilities. This signals a need for more capital.

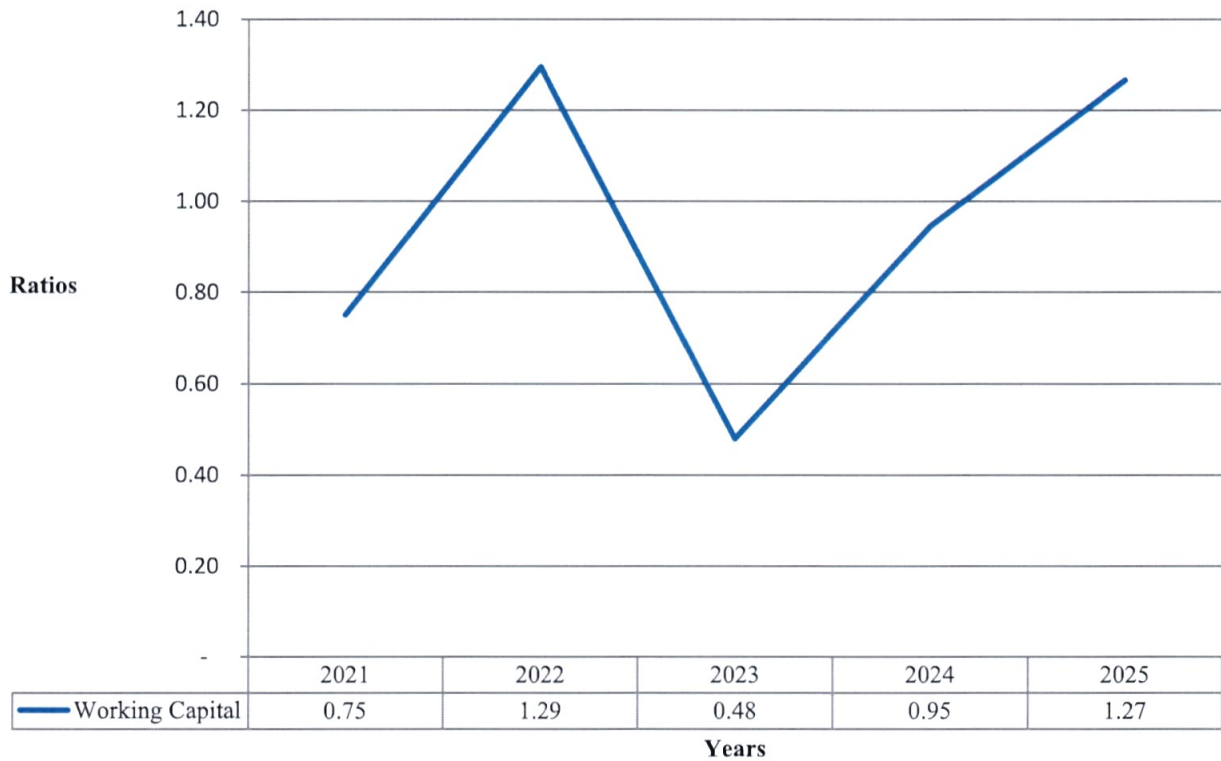


# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

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### Working Capital



Working capital is a measure of both the University's operational efficiency and its short-term financial health. The working capital ratio (current assets/current liabilities), or current ratio, indicates whether the University has enough short-term assets to cover its short-term debt. A good working capital ratio is considered anything between 1.2 and 2.0.

The University's working capital position has improved in the current financial year ending with a working capital ratio of 1.27 during the current financial year.

### E) STATEMENT OF COMPARISON OF BUDGET VERSUS ACTUAL AMOUNTS

CUK attained its accrued revenue target projections in most of its revenue lines. Overall, the variance between actual revenue collections and the budget was Kshs 229,653,798 representing collection utilization of 85% revenue by 30 June, 2025. This was due to lack of Higher Education Loans Board (HELB), and scholarship monies due from the New Student Centred students, for the second semester of the financial year.

In expenditure projections, the university was below target attaining 90% utilization of the target expenditure. In the cash based budget, utilisation was 82% due to the non-cash items of depreciation and additional provision for bad and doubtful debts.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### SECTION B

#### Compliance with statutory requirements

CUK complied with all the statutory obligations within the financial year.

### SECTION C

#### Key projects and investment decisions planned and implemented

Within the 2024/2025 financial year, the University has been implementing the following projects in order of priority.

S/No	Project	% of Completion	Financing of the project	Remarks
1	Consultancy for construction of the Ultra-Modern Library & Learning resource Centre	49%	G.O.K	Awaiting funding from GoK.
2	Construction of the Ultra-Modern Library & Learning resource Centre	45%	G.O.K	Awaiting funding from GoK
3	Construction of Classrooms (Lecture III Annex)	100%	CUK	The project is complete.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### SECTION D Major Risks Facing the University

TYPE OF RISK	RISK DESCRIPTION	RISK MITIGATION STATUS.	PENDING ISSUES	ACTION OFFICER	TIMELINE	STATUS AS AT 30/06/2025
Operational risks	Likely loss arising from shortfalls in revenue targets for Tuition fees, CRCC income and Students cafeteria.	<ul style="list-style-type: none"> <li>- Implementation of online learning).</li> <li>- Implementation and control of 2024/2025 budget to ensure the university operates within its means</li> </ul>	- 2024/2025 budget implementation.	- FO	- June 2025	- Revenue targets achieved
	Likely loss due to inability to facilitate normal operations and extension of semester.	- Revision of budget and income estimates to ensure the university operates within its means.	2024/2025 budget implementation.	- FO	- June 2025	- Surplus as the end of the quarter.
	Likely loss arising from Classroom space Crises with increased student numbers	- Completion of construction of Phase 1 of the classrooms.	- Construction of classrooms	- DVC FPA	- June 2025	- Construction of Phase I is ongoing; Phase II is complete.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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TYPE OF RISK	RISK DESCRIPTION	IMPLEMENTATION STATUS.	PENDING ISSUES	ACTION OFFICER	TIMELINE	STATUS AS AT 30/06/2025
Government Policy Risks	Loss of revenue as a result of lack of funding for Diploma Programs	<ul style="list-style-type: none"> <li>- Sourcing of funds from the state Department of TVET when TVET funding board is established</li> <li>- Met with PS state department of TVET to table our request for additional funding</li> <li>- Met with UFB to table our request for additional funding</li> </ul>	- Reversing the trend of the declining student enrolment due to competition from TVET institutions that are funded for their diplomas	- DVC FPA / ACDRI	- June 2025	<ul style="list-style-type: none"> <li>- Purchasing of TVET programs done</li> <li>- Launch of TVET programs</li> <li>- Purchasing additional TVET Programs</li> </ul>
	Loss of revenue as a result of change in the undergraduate funding model.	- Revision of budget and income estimates to ensure the University operates within its means.	- 2024/2025 budget implementation.	- FO	- June 2025	- Revenue targets achieved



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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TYPE OF RISK	RISK DESCRIPTION	IMPLEMENTATION STATUS.	PENDING ISSUES	ACTION OFFICE R	TIME LINE	STATUS AS AT 30/06/2025
Market Risks	Loss of Brand/ image/ Mandate in Co-operative Training	<ul style="list-style-type: none"> <li>- Increase the number of Diploma Programs which would then form the market for the degree programs.</li> <li>- Increase the variety of market driven programs</li> </ul>	<ul style="list-style-type: none"> <li>- The school of Co-operative development is the oldest as per Mandate; however, the school has been overtaken in the following areas.</li> <li>- Number of Diploma Programs</li> <li>- Number of degree programs</li> <li>- Enrolment as per KUCCPS admission is wanting</li> <li>- Loss of Market for Co-operative degree programs</li> <li>- Programs and Population Ratios.</li> </ul>	- DVC ACDRI	- June 2025	<ul style="list-style-type: none"> <li>- Development of market driven Co-operative centred programs on-going</li> <li>- A committee appointed to make recommendations to revamp cooperative programs</li> </ul>
	Likely loss arising from Poor enrolment of Post Graduate Programs in CUK	<ul style="list-style-type: none"> <li>- Development of post graduate programs on-going</li> <li>- Development of PHD programs on-going.</li> </ul>	<ul style="list-style-type: none"> <li>- Poor Completion rate for Master of Cooperative Management.</li> <li>- Poor/ No Marketing strategy for Postgraduate programs.</li> </ul>	- DVC ACDRI	June 2025	- Development of post graduate programs on-going



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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<b>TYPE OF RISK</b>	<b>RISK DESCRIPTION</b>	<b>IMPLEMENTATION STATUS.</b>	<b>PENDING ISSUES</b>	<b>ACTION OFFICER</b>	<b>TIMELINE</b>	<b>STATUS AS AT 30/06/2025</b>
Credit Risks	Revenue shortfalls leading to failure to meet financial obligations.	- Increase of revenue generation streams and improving the current IGUs	Registration of Semester two of the 2024/2025 academic year	- VC - DVC ACDRI	- June 2025	Revenue collection is at 52% of the budget.
Liquidity Risks	Inadequate Cash flow	- Implementation of 2024/2025 budget to manage cash flow. - Reduction of current liabilities through effective budget management	- Delayed remittance of government scholarships, loans and funds for the new undergraduate KUCCPS students under the new University funding model	- VC - FO	- Continuous	- Follow ups on application by students to Universities Fund
Capital Risks	Loss of working capital due to idle capacity in Nairobi Campus	- Restructuring of Nairobi Campus - Deployment of new management of the campus	- Implementation of the new initiatives by the new management to revive the campus	- VC - DVC FPA - DVCAA	- June 2025	- Nairobi Campus registered financial deficits.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### SECTION E

#### Material arrears in statutory/financial obligations

As at June 30, 2025, CUK did not have any material arrears in statutory or financial obligations.

### SECTION F

#### Financial probity and serious governance issues

- i) CUK does not have any financial improbity as reported by internal audit/Board audit committee, external auditors, or other National Government Agencies providing oversight.
- ii) There are no governance issues among the Board or members of the Board and top management including conflict of interest.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### XI. Report of The University Council

The University Council submits their report together with the financial statements for the year ended June 30, 2025 which show the state of the Co-operative University of Kenya's affairs.

#### Principal activities

The principal activity/mission of CUK is to provide innovative education, training, research, and consultancy services for sustainable community empowerment.

#### Results

The results of the entity for the year ended June 30, 2024 are set out on page 1 of the Annual Report and Financial Statements.

The results indicate that CUK registered a total of Kshs. **1,485,798,201** in gross revenue against a target of Kshs. 1,571,075,6634. This represents 95% of the target revenue. In comparison to the previous financial year, CUK recorded a 17% increase in revenue. At the same time, CUK registered total expenditure of Kshs **1,305,869,573** against a target of Kshs. 1,434,036,497. This represents 91% of the target expenditure. In comparison to the previous financial year, CUK recorded an 18% increase in expenditure.

Over the last five (5) years, recurrent grants from the GoK have remained almost constant despite the growth in personnel costs and increase in student population especially the Government Sponsored Students. Since 2013, CUK has been receiving over a thousand GoK students annually with no commensurate increase in government funding. This has greatly affected the expected growth.

The Council is pleased to report that the Charter was granted on 7<sup>th</sup> October 2016 by His Excellency the President of the Republic of Kenya, Hon. Uhuru Kenyatta. Strategies implemented on award of the Charter have borne fruit with an increase in the number of students in postgraduate and undergraduate programs. This will see an increase in gross revenue.

#### Directors

The members of the University Council who served are;

- |                                   |              |
|-----------------------------------|--------------|
| 1. Dr. Jeremy Bundi               | Chairperson. |
| 2. Mr Christopher Ombati          | Member.      |
| 3. Ms Elizabeth Kimkung           | Member.      |
| 4. Ms Susan Karuri                | Member.      |
| 5. CPA Peter Wanjohi Kiama        | Member.      |
| 6. Mrs. Peris B. Onsarigo         | Member       |
| 7. Mr. John W. Kihara             | Member       |
| 8. Ms. Christine Kariuki          | Member       |
| 9. Prof. Kamau Ngamau, PhD., EBS. | Secretary.   |



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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## Auditors

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

By Order of the University Council.



Prof. Kamau Ngamau, PhD., EBS.

VICE CHANCELLOR, THE CO-OPERATIVE UNIVERSITY OF KENYA



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### XII. Statement of University Council's Responsibilities

Section 81 of the Public Finance Management Act, 2012 and the State Corporations Act; require the Council to prepare Financial Statements 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 for that 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 Institution. The Council is also responsible for safeguarding the assets of the Co-operative University of Kenya (CUK).

The Council is responsible for the preparation and presentation of the Financial Statements, which give a true and fair view of the state of affairs of the University as at the end of the Financial Year ended on June 30, 2025. This responsibilities 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 institution; (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 Co-operative University of Kenya; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the 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 Standard (IPSAS), and in the manner required by the PFM Act, the State Corporations Act and Public Sector Accounting Standard Board. The Council is of the opinion that CUK's financial statements give a true and fair view of the state of the institution's transactions during the financial year ended June 30, 2025, and the financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the financial statements as well as the adequacy of the systems of internal financial control.

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

#### Approval of the Financial Statements

The Co-operative University of Kenya's financial statements were approved by the Council on the 10<sup>th</sup> of December 2025, and signed on its behalf by:

**Dr. Jeremy Bundi**  
**CHAIRPERSON, THE CO-OPERATIVE UNIVERSITY**  
**OF KENYA COUNCIL**

**Prof. Kamau Ngamau, PhD., EBS.**  
**VICE CHANCELLOR, THE CO-OPERATIVE**  
**UNIVERSITY OF KENYA**



# REPUBLIC OF KENYA

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## **REPORT OF THE AUDITOR-GENERAL ON CO-OPERATIVE UNIVERSITY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2025**

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### **PREAMBLE**

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

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

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

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Qualified Opinion**

I have audited the accompanying financial statements of Co-operative University of Kenya set out on pages 1 to 33, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and

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

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

## **Basis for Qualified Opinion**

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

Review of the financial statements revealed the following inconsistencies;

#### **1.1 Misclassification in the Statement of Changes in Net Assets**

The statement of changes in net assets revealed that balances of Kshs.14,910,289 relating to derecognized assets and Kshs.406,656 relating to additions during the year were incorrectly presented under accumulated surplus/deficit instead of the capital reserve fund. This misclassification result to an inaccurate presentation of net asset components and does not reflect the proper nature of capital-related transactions, affecting the clarity and reliability of the financial statements.

#### **1.2 Omission of Aging Analysis for Non-Exchange Receivables**

The financial statements do not disclose the aging analysis of receivables from non-exchange transactions in the accompanying notes. The absence of this disclosure limits users' ability to assess recoverability, credit risk, and quality of receivables, thereby reducing transparency and completeness of financial reporting.

In the circumstance, the accuracy and completeness of the financial statements could not be confirmed.

### **2. Long Outstanding Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 22 to the financial statements reflect a balance of Kshs.250,007,550 for receivables from exchange transactions, an increase of Kshs.161,974,130 or 184 % from the prior year balance of Kshs.88,033,420 which further include student debtors of Kshs.256,614,414. Analysis of the ledgers provided for audit revealed that an amount of Kshs.101,459,089 relating to fees from students were outstanding for more than four (4) semesters despite being collectable within one (1) financial year. Further, the aging analysis was not reflected under the Note to the financial statements. In addition, there was no documentary evidence provided in form of correspondences by Management following up on the outstanding amounts from the debtors.

In the circumstances, the accuracy and full recoverability of receivables from exchange transactions balance of Kshs.250,007,550 could not be confirmed.

### **3. Long Outstanding Trade and Other Payables**

The statement of financial position and as disclosed in Note 29 to the financial statements reflect a balance of Kshs.283,028,041 for trade and other payables from exchange transactions. Included in this balance are trade payables totaling Kshs.76,654,362 of which Kshs.10,955,616 remained outstanding for more than 90 days without settlement. This poses the risk of legal disputes and non-compliance with the law requiring that payables form a first charge as well as IPSAS disclosure requirements. Further, the aging analysis was not disclosed under the Note to the financial statements.

In the circumstances, the ability to pay the University's obligations as they fall due could not be confirmed.

### **4. Unexplained Loss in Catering Services Segment**

The statement of financial performance reflects other income amount of Kshs.26,906,472 which as disclosed in Note 12 to the financial statements includes catering income amount of Kshs.3,144,189. Analysis of the financial statements and ledgers provided for audit revealed that the University recorded revenue of Kshs.3,144,189 against expenses of Kshs.14,192,900 for catering services, resulting in a significant loss of Kshs.11,048,711. However, Management did not provide any explanations for the cause of this loss or outlined measures to mitigate it. This raises concerns regarding the potential adverse impact of the loss on the University's overall service delivery.

In the circumstances, the catering loss of Kshs.11,048,711 reduced the overall reported surplus of Kshs.179,928,628.

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,571,075,634 and Kshs.1,341,421,836 respectively resulting to an under-funding of Kshs.229,653,798 or 15% of the budget.

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

Further, the statement reflects depreciation and amortization budgeted amount of Kshs.50,000,000 which are non-cash transactions. The inclusion of non-cash expenses

in the budget may misrepresent the entity's actual funding requirements and indicates weaknesses in the budget preparation and review process.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Audit Matters**

In the audit report of the previous year, several matters were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Control, Risk management and Governance, respectively. Review of the status during the audit of the Co-operative University of Kenya in 2024/2025 revealed the following matters remained unresolved:

	<b>Financial Year</b>	<b>Audit Issue</b>
1.	2023/2024	Inconsistencies in Cash and Cash Equivalents
2.	2023/2024	Long Outstanding Receivables from Exchange Transactions
3.	2023/2024	Inconsistencies in Personnel Information and Data
4.	2023/2024	Irregular Payments of Acting Allowances
5.	2023/2024	Missing Receipts and Invoices
6.	2023/2024	Irregularities in Drug Store Records
7.	2023/2024	Library Expenses
8.	2023/2024	Unspent Bursary Allocation
9.	2023/2024	Delay in the Completion and Handing Over of Projects
10.	2023/2024	Non-Compliance with Fiscal Responsibility Principles
11.	2023/2024	Understaffing in the Internal Audit Department
12.	2023/2024	Lack of Approved Risk Management Policy
13.	2023/2024	Weaknesses in the University Fees Payment Policy

### **Other Information**

The Management is responsible for the Other Information set out on page iii to iv which comprise of Key Entity Information and Management, the University Council, the University Management Board, Chairpersons Statement, Vice Chancellor Report, Review of the University Performance, Corporate Governance Statement, Environmental and Sustainability Reporting, Management Discussion and Analysis, Report of the University Council and Statement of University Council's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Co-operative University of Kenya financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge

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

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

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

### Conclusion

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

### Basis for Conclusion

#### 1. Payments without Electronic Tax invoices

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects use of goods and services amount of Kshs.321,230,398. Review of sampled payment vouchers for the University revealed that expenditure on supplies amounting to Kshs.3,615,333 were not supported with electronic tax invoices contrary to Regulation 6(1) of Value Added Tax (Electronic Tax Invoices) Regulations, 2020 which provides for an invoice to be generated in respect of each sale. Further, Kenya Revenue Authority in compliance with the regulations extended the deadline to 30<sup>th</sup> September, 2022 for use of electronic tax invoicing or receipting system.

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

#### 2. Irregular Payments for Repair and Maintenance Expenses

The statement of financial performance and as disclosed in Note 17 to the financial statements reflect an amount of Kshs.52,894,382 in respect to repairs and maintenance.

However, the following anomalies were noted;

- i. During the year under review, the University engaged a fire protection company for provision of fire equipment maintenance services for a period of two (2) years starting 12 June, 2024. Examination of payment voucher number SB001-01332-25 dated 26 November, 2024 revealed that there was no inspection report done for the maintenance works and it was not possible to ascertain that the works were done as required.
- ii. Payment voucher number SB001-0198-25 dated 4 February, 2025 of Kshs.507,840 was paid for repair of motor vehicles Reg. No. KCP180K and KCP181K. However, no invoice and inspection after service reports were provided

as required by letters from the Ministry Ref WSP/12B/R&1/VOL.5(546)/47 dated 15 October, 2024. Further the University used direct procurement to procure the services.

- iii. Examination of payment vouchers for repairs and maintenance revealed that vouchers totaling Kshs.3,941,166 were not adequately supported with evaluation and opening committee appointment letters and minutes, professional opinion, inspection and acceptance committee appointment and minutes, local service orders and job cards and no explanations was given on why the respective documents were missing.

This was contrary to Regulation 99(3) of Public Finance Management (National Government) Regulations, 2015 which states that every entry in the accounts shall be supported by a voucher or other approved document gazetted by the Cabinet Secretary containing the full details, clear narration, and particulars of the item or items to which it relates.

In the circumstance, Management was in breach of law.

### **3. Inconsistencies in Revenue Computation**

The statement of financial position and as disclosed in Note 31 to the financial statements reflects trade and other payables from non-exchange transactions balance of Kshs.74,149,357. Included in this balance are capital projects retentions of Kshs.23,398,457. During the year under review, it was noted that the University paid retention amounting to Kshs.2,287,328 being full payment of retention. However, the certificates amounted to Kshs.7,572,538 creating a variance of Kshs.5,285,210. Recalculation done on the certificates raised by the Contractor revealed that the retention amounts on the certificates were erroneous and thus the variance. No communication was made by the University to the contractor to revise the certificates to the correct amounts. This could lead to disputes caused by the variances between the amounts paid compared to the erroneous amounts on the certificates used for payment and was contrary to Section 99(3) of Public Finance Management (National Government) Regulations, 2015 which states that every entry in the accounts shall be supported by a voucher or other approved document gazetted by the Cabinet Secretary containing the full details, clear narration and particulars of the item or items to which it relates.

In the circumstances, Management was in breach of law and the University is exposed to litigation issues.

### **4. Irregular Use of Imprest for Repairs**

The statement of financial performance and as disclosed in Note 17 to the financial statements reflects an amount of Kshs.52,894,382 in respect to repairs and maintenance. Examination of sampled payment vouchers revealed that the University advanced imprest to various staff members amounting to Kshs.973,286 to procure various repair services that had prequalified suppliers who could have been engaged. It was not clear why the University did not use the suppliers and instead used imprest which was not competitive. Further, the imprests issued to the staff members were not surrendered and accounted

for and it was not possible to confirm if the repairs and maintenance was carried out. This was contrary to Section 103(2) of the Public Procurement and Asset Disposal Act, 2015 which states that a procuring entity may use direct procurement if the goods, works or services are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists.

In the circumstances, Management was in breach of law.

#### **5. Irregular Contract Extension and Variation - Construction of New Lecture Theatre III Annex Phase 1**

The statement of financial position and as disclosed in Note 28 to the financial statements reflect a balance of Kshs.526,405,709 in respect to work in progress. Examination of contract documents revealed that the University awarded a contract for the construction of a New Lecture Theatre Annex at a contract sum of Kshs.51,041,370, practical completion certificate for the project was issued on 03 April, 2025, whereas the fifth and final interim payment certificate was issued subsequently on 08 April, 2025. The sequence of these certificates is irregular and raises concerns regarding the authenticity, validity, and reliability of the certification and payment processes, as interim certificates are ordinarily expected to precede or coincide with practical completion. Management did not provide an explanation to justify the issuance of a practical completion certificate prior to the final interim certificate.

This was contrary to Regulation 132(5) of the Public Procurement and Asset Disposal Regulations, 2020, which governs contract management and variations to ensure that changes to contract price, completion dates, or scope are properly authorized and documented.

In the circumstances, Management was in breach of law.

#### **6. Irregular Low-Value Procurement**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflect an amount of Kshs.321,230,398 in respect to use of goods and services. Review of the payment vouchers revealed that procurement of goods worth Kshs.304,900 was done using low-value procurement method. However, goods procured were beyond the maximum level of expenditure. This was contrary to the Second schedule of the Public Procurement and Asset Disposal Regulations, 2015 which sets a maximum level of expenditure under this method to Kshs.50,000 per item per financial year.

In the circumstances, Management was in breach of law.

#### **7. Transfer of Research Funds from University Research Accounts to University Business Accounts**

The statement of financial performance and as disclosed in Note 7 to the financial statements reflects research funds amount of Kshs.19,805,934. In the year under review, analysis of bank statements of research fund projects revealed that funds totaling

Kshs.6,957,076 were transferred from a Research account to some of the University's bank accounts and no explanation was provided for these transfers. This was contrary to Section 68(1) of the Public Finance Management Act, 2015 which requires that an Accounting Officer for a National Government entity, Parliamentary Service Commission and the Judiciary shall be accountable to the National Assembly for ensuring that the resources of the respective entity for which he or she is the Accounting Officer are used in a way that is lawful and authorized; and effective, efficient, economical and transparent.

In the circumstances, Management was in breach of law.

#### **8. Lack of Representation for Persons with Disabilities**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.778,056,640 in respect to employee costs. It was noted that the University has only engaged six (6) Persons with Disabilities representing a percentage of 2%. Further, the Persons with Disabilities did not have a representation at the University's Council and the University Management Board. This was contrary to Section 4(f) of Persons with Disabilities Act, 2025 that requires that the National Government shall promote the inclusion and integration of persons with disability in the public service and put in place measures to ensure that at least five per centum of the employment positions are filled by persons with disability.

In the circumstances, Management was in breach of law.

#### **9. Non-Compliance with Fiscal Responsibility Principles**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects employee costs amount of Kshs.778,056,640. The amount represents approximately 52% of the total revenue of Kshs.1,485,798,201 which translates to 17% percentage points over and above the maximum allowed ceiling of 35%. This was contrary to Regulation 26(1)(a) of Public Finance Management (National Government) Regulations, 2015 which requires that National Government's expenditure on the compensation of employees (including benefits and allowances) shall not exceed 35 percent of the National Government's equitable share of the revenue raised nationally plus other revenues generated by the National Government pursuant to Article 209(4) of the Constitution.

In the circumstances, Management was in breach of law.

#### **10. Anomalies in Statutory Deductions**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.778,056,640 in respect to employee costs. Review of schedules and analysis of payroll data revealed that two hundred and ninety-three (293) officers were deducted housing levy which was below the recommended rates amounting to Kshs.171,589 in the year under review. This was contrary to the requirement of Section 4(2)(a) of the Affordable Housing Act, 2024 which require that the levy be imposed on the gross salary of an employee. Further, eighty-two (82) officers out of two hundred and thirty-six (236) officers were being deducted pension with different rates below 5% of gross salary.

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

#### **11. Non-Teaching Staff Members Paid Overtime Cash Allowance in Place of Utilization of Off Days**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.778,056,640 in respect to employee costs. Review of schedules and analysis of payroll data revealed that non-teaching staff worked overtime and were compensated overtime cash allowance amounting to Kshs.332,473 instead of being given off days. This was an indication of weak monitoring of staff schedules and timesheets, and posed the risk of irregular compensation practices. This was contrary to Regulation 23(1)(c) of Public Finance Management (National Government) Regulations, 2015 which provides that an Accounting Officer is accountable to the National Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective.

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

#### **12. Acting Appointments Period Exceeding Three (3) Consecutive Months**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.778,056,640 in respect to employee costs. Review of schedules and analysis of payroll data revealed that six (6) officers in the year had been on acting capacity continuously for more than three (3) months contrary to the Human Resource Policy and paid a total of Kshs.443,715.43. Similarly, twelve (12) officers had been on special duty continuously for more than three (3) months and paid a total of Kshs.526,184. This was in breach of the law requiring substantive appointments be made after a period of three (3) months of acting in a post.

In the circumstances, Management was in breach of law.

#### **13. Lack of Integration of Climate Change Action Plans**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects an amount of Kshs.321,230,398 in respect to use of goods and services. Review of the University's systems of governance and operations revealed that there is no designated unit within the University to handle climate change related matters. Further, no department within the University had a designated unit with staff to coordinate mainstreaming of climate change action plan and other climate change statutory functions into sectoral strategies. It was also noted that there was no budgetary allocation for climate related programs to be undertaken within the University's operations for the year under review. These posed a risk of increased frequency of climate related disasters.

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

#### **14. Weak Student Invoicing Internal Controls**

The statement of financial performance and as disclosed in Note 8 to the financial statements reflect an amount Kshs.1,079,454,300 in respect of rendering of services - tuition income. However, analysis of the tuition invoices transactional data for the period under review revealed that the tuition fee invoices from the system did not have a unique

serialized number for ease of identification. The absence of unique serialization hinders the ability to accurately track and reconcile invoices, making it challenging to identify gaps or missing invoices that have been generated or linking them to receipts issued.

This was contrary to Regulation 23(1)(c) of Public Finance Management (National Government) Regulations, 2015 which states that an Accounting Officer is accountable to the National Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective.

In the circumstances, internal controls put in place in the human resource department were not effective and Management was in breach of the law.

### **15. Irregularities in the Conduct of Board Committee Meetings**

The statement of financial performance and as disclosed in Note 15 to the financial statements reflect an amount of Kshs.13,174,712 in respect to Board expenses. During the audit, it was observed that the Human Resource Management Committee which had a composition of three (3) members, convened a meeting on 10 July, 2024 at the Vice Chancellor's boardroom which was attended by only two (2) members. Similarly, the Audit and Risk Committee with a composition of four (4) committee members held a meeting on 17 October, 2024 at the Co-operative Retreat and Conference Center which was attended by only two (2) members.

Neither of the meetings met the minimum quorum requirement. This was contrary to Mwongozo, the Code of Governance for State Corporations on Board Chapter 1.8(3) and Committee meetings which provides that the quorum for a Board meeting will be five (5) members where the total Board membership is eight (8) to nine (9) and four (4) where the total membership is seven and below. The quorum for Board committee meetings will not be less than three (3) members. Board members are expected to attend Board meetings and meetings of the committees on which they serve.

In the circumstances, Management was in breach of law.

### **16. Employees Working Beyond Retirement Age**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflect an amount of Kshs.778,056,640 in respect to employee costs. According to the bio data provided by the University, the total staff was two hundred and seventy-eight (278) comprising of both teaching and non-teaching staff. However, review of records provided revealed that three (3) employees were still active in service despite having attained the mandatory retirement age of sixty (60) years. The University followed the University's Academic Staff Union Terms of Service which stipulates that a member of staff who reaches the retirement age shall be required to cease duty on the next 30 June following the date that he/she attains retirement age. This was contrary to Section D.2 of Public Service Commission Human Resource Policies on Mandatory Retirement Age that states that all officers shall retire from the Service on attaining the mandatory retirement age of 60 years, 65 years for persons with disabilities and/or as may be prescribed by the Government from time to time.

In the circumstances, Management was in breach of law.

### **17. Lack of Policy on Exam Moderation and Honorarium for Marked Scripts**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflect an amount of Kshs.321,230,398 in respect to use of goods and services which further include examination expenses of Kshs.1,388,806. A walkthrough of the system of payment of moderation fees for some of the staff contracted as external examiners revealed that there was no policy guiding remuneration for such services offered and it was not clear how such payments were determined. This was in breach of Regulation 165 of the Public Finance Management (National Government) Regulations, 2015 which stipulates that the Accounting Officer shall ensure that the National Government entity develops risk management strategies, which include fraud prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, Management was in breach of law.

### **18. Poor Management of Stores**

The statement of financial position and as disclosed in Note 24 to the financial statements reflects a balance of Kshs.6,122,392 in respect to inventories. It was noted that there were items in the drug store that had been issued on the system but were still in the store at the close of the previous year and beginning of the year under review. Examination of store records revealed that the drugs were dispensed during the year under review using current doctors' prescriptions but no documents were provided to show the cost and quantities of the items. Further, bin cards detailing the movement of the said store items were not provided. This was contrary to Section 162(1) of the Public Procurement and Asset Disposal Act, 2015 which provides that an Accounting Officer of a procuring entity shall ensure that all inventory, stores and assets purchased are received, but shall not be used until taken on charge and as a basis for ensuring that all procured items are properly accounted for and put in proper use as intended by the procuring entity.

In the circumstances, Management was in breach of law.

### **19. Leave Allowance Paid More Than Once**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.778,056,640 in respect to employee costs. Review of schedules and analysis of payroll data revealed that four (4) officers had been paid leave allowance more than once in the year under review indicating a weakness in system controls. This was contrary to Regulation 23(1)(c) of Public Finance Management (National Government) Regulations, 2015 which provides that an Accounting Officer is accountable to the National Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective.

In the circumstances, Management was in breach of the law and internal controls put in place in the human resource department were not effective.

## **20. Irregularities in Recruitment of Casuals**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.778,056,640 in respect to employee costs. Analysis of Human Resource data provided for audit revealed that there were eight (8) casuals engaged for more than the stipulated 3 months continuously and were paid Kshs.1,153,692. This was contrary to the requirements of the law requiring that casual staff working more than one month continuously be converted to term contract.

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

## **21. Human Resource Data Integrity**

The statement of financial performance and as disclosed in Note 14 to the financial statements reflects an amount of Kshs.778,056,640 in respect to employee costs. Analysis of the master data provided for the year under review revealed that six (6) NHIF numbers were shared by three (3) officers which raise concerns over data integrity for the University. This was contrary to Regulation 23(1)(c) of Public Finance Management (National Government) Regulations, 2015 which provides that an Accounting Officer is accountable to the National Assembly for maintaining effective systems of internal control and the measures taken to ensure that they are effective.

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

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Non-Operationalization of the Information and Communication Technology Steering Committee**

The statement of financial performance and as disclosed in Note 15 to the financial statements reflect an amount of Kshs.13,174,712 in respect to Board expenses, however, no minutes were provided for the steering committee meetings. It was therefore not possible to ascertain that the Committee operated as required. This was contrary to Co-

operative University Information and Communication Technology Policy and Standards, which requires the formation of the Informational Technology Steering Committee. The role of this Committee is to offer oversight on the information and communication technology systems and policies.

In the circumstances, no oversight was given to the Information and Communication Technology Department and weakness and challenges may have remained unattended.

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

### **Responsibilities of the Management and the University Council**

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

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

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

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require

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

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

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

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

  
FCPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

Nairobi

19 December, 2025

# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### XIV. Statement of Financial Performance for The Year Ended 30 June 2025

	Note	2024-2025 Kshs	2023-2024 Kshs
<b>Revenue from non-exchange transactions</b>			
Unconditional Grants	6	335,703,804	287,598,006
Research Funds	7	19,805,934	40,969,024
		<b>355,509,738</b>	<b>328,567,030</b>
<b>Revenue from exchange transactions</b>			
Rendering of Services - Tuition Income	8	1,079,454,300	894,731,616
Income from Co-operative Retreat & Conference Centre	9	20,980,723	25,281,504
Rental revenue from facilities and equipment	10	2,946,968	2,991,187
Finance income	11	-	67,176
Other income	12	26,906,472	13,819,446
<b>Total Revenue from exchange transactions</b>		<b>1,130,288,463</b>	<b>936,890,929</b>
<b>Total revenue</b>		<b>1,485,798,201</b>	<b>1,265,457,959</b>
<b>Expenses</b>			
Use of goods and services	13	321,230,398	272,109,043
Employee Cost	14	778,056,640	677,567,942
Board expenses	15	13,174,712	7,359,635
Depreciation and amortization expense	16	55,921,754	46,931,770
Repairs and Maintenance	17	52,894,382	27,090,084
Contracted Services	18	22,224,270	22,313,996
Research Expenses	19	52,819,886	43,302,678
<b>Total expenses</b>		<b>1,296,322,042</b>	<b>1,096,675,148</b>
<b>Other Gains/(Losses)</b>			
Bad Debts recovered / (Written Off)	22 (c)	51,847	(16,789,912)
(Increase) / Decrease in Provision	22 (b)	(9,413,444)	15,546,385
Foreign Exchange Gain / (Loss)	21	(185,934)	(1,540,042)
<b>Surplus/(Deficit) for the period</b>		<b>179,928,628</b>	<b>165,999,242</b>

The notes set out on pages 7 to 29 form an integral part of the Financial Statements



**Dr. Jeremy Bundi**  
COUNCIL CHAIRMAN

Date: 10.12.2025



**Prof. Kamau Ngamau, PhD., EBS.**  
VICE CHANCELLOR.

Date: 10.12.2025



**CPA. Maxwel Nyaga**  
FINANCE OFFICER,  
ICPAK No. 11419

Date: 10.12.2025



# THE CO-OPERATIVE UNIVERSITY OF KENYA

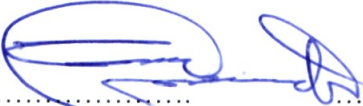


## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### XV. Statement of Financial Position as at 30 June 2025

	Note	2024-2025	2023-2024
<b>Assets</b>		<b>Kshs</b>	<b>Kshs</b>
<b>Current assets</b>			
Cash and cash equivalents	21	194,708,294	157,263,930
Receivables from exchange transactions	22	250,007,550	88,033,420
Receivables from non-exchange transactions	23	8,526,764	24,972,465
Inventories	24	6,122,392	3,077,394
		<b>459,365,000</b>	<b>273,347,209</b>
<b>Non-current assets</b>			
Property, plant and equipment	26	2,839,196,504	2,785,066,117
Investments	25	8,425,530	8,425,530
Intangible Assets	27	10,177,400	12,011,620
Work In Progress	28	526,405,709	506,199,413
		<b>3,384,205,143</b>	<b>3,311,702,680</b>
<b>Total assets</b>		<b>3,843,570,143</b>	<b>3,585,049,889</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	29	283,028,041	218,168,640
Deferred Income	30	5,432,353	-
Trade and other payables from non-exchange transactions	31	74,149,357	70,781,855
		<b>362,609,751</b>	<b>288,950,495</b>
<b>Total liabilities</b>		<b>362,609,751</b>	<b>288,950,495</b>
<b>Net Assets</b>			
Capital fund	33	1,651,582,514	1,632,146,511
Revaluation Reserves	34	1,718,751,795	1,718,751,795
Accumulated Deficit	35	110,626,083	(54,798,912)
<b>Total net assets</b>		<b>3,480,960,392</b>	<b>3,296,099,394</b>
<b>Total net assets and liabilities</b>		<b>3,843,570,143</b>	<b>3,585,049,889</b>

The Financial Statements set out on pages 1 to 6 were signed on behalf of the University Council by:

 ..... <b>Dr. Jeremy Bundi</b> COUNCIL CHAIRMAN	 ..... <b>Prof. Kamau Ngamau, PhD., EBS.</b> VICE CHANCELLOR,	 ..... <b>CPA. Maxwell Nyaga</b> FINANCE OFFICER, ICPAK No. 11419 Date: 10.12.2025
Date: 10.12.2025	Date: 10.12.2025	



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### XVI. Statement of Changes in Net Assets for The Year Ended 30 June 2025

	Accumulated Deficit / Surplus Kshs	Capital Reserve Fund Kshs	Revaluation Reserve Kshs	Total Kshs
Notes	35	33	34	
<b>Balance as at 30 JUNE 2023</b>	<b>(221,972,606)</b>	<b>1,584,022,818</b>	<b>1,718,751,795</b>	<b>3,080,802,007</b>
Surplus for the period	165,999,242	-	-	165,999,242
Additions in the year	1,174,452	48,123,693		49,298,145
<b>Balance as at 30 JUNE 2024</b>	<b>(54,798,912)</b>	<b>1,632,146,511</b>	<b>1,718,751,795</b>	<b>3,296,099,394</b>
Surplus for the period	179,928,628	-	-	179,928,628
Derecognized Assets	(14,910,289)	-	-	(14,910,289)
Additions in the year	406,656	19,436,003	-	19,842,659
<b>Balance as at 30 JUNE 2025</b>	<b>110,626,083</b>	<b>1,651,582,514</b>	<b>1,718,751,795</b>	<b>3,480,960,392</b>



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### XVII. Statement Of Cash Flows for The Year Ended 30 June 2025

		30.06.2025	30.06.2024
	Notes	Kshs	Kshs
<b><u>Cash flows from Operating activities</u></b>			
<b>Receipts</b>			
Transfers from other governments entities		353,003,442	276,489,212
Research Grants		22,464,459	40,969,024
Rendering of services		914,739,968	880,898,419
Sale of goods		23,047,981	26,175,356
Rental revenue from facilities and equipment		1,815,448	2,857,730
Finance income		-	67,176
Other income		26,350,538	12,569,797
Total receipts		<b>1,341,421,836</b>	<b>1,240,026,714</b>
<b>Payments</b>			
Use of goods and services		299,809,394	315,830,254
Employee costs		739,156,326	704,705,186
Board Expenses		13,174,712	7,359,635
Repairs and maintenance		52,894,382	27,090,084
Contracted services		22,224,270	22,313,996
Research costs		52,819,886	43,302,678
Total payments	36	<b>(1,180,078,970)</b>	<b>(1,120,601,833)</b>
<b>Net cash flows from Operating activities</b>		<b>161,342,866</b>	<b>119,424,881</b>
<b><u>Cash flows from investing activities</u></b>			
Purchase of Property, Plant & Equipment	26	(123,128,209)	(97,817,435)
Proceeds from Disposal of Assets	26	-	-
Work in progress	28	(20,206,296)	10,227,957
<b>Net cash flows from investing activities</b>		<b>(143,334,505)</b>	<b>(87,589,478)</b>
<b><u>Cash flows from financing activities</u></b>			
Capital Reserve fund	33	19,436,003	48,123,693
Accumulated Deficit / Surplus	35	-	1,174,452
Decrease in Long-term Liabilities	32	-	(320,838)
<b>Net cash flows from financing activities</b>		<b>19,436,003</b>	<b>48,977,307</b>
<b>Net change in cash and cash equivalents</b>		<b>37,444,364</b>	<b>80,812,710</b>
<b>Opening cash and cash equivalent</b>	21	<b>157,263,930</b>	<b>76,451,220</b>
<b>Closing cash and cash equivalent</b>	21	<b>194,708,294</b>	<b>157,263,930</b>



**THE CO-OPERATIVE UNIVERSITY OF KENYA**  
Annual Report and Financial Statements  
For The Year Ended June 30, 2025

**XVIII. Statement of Comparison of Budget and Actual Amounts**

	Original budget 2025  Kshs	Adjustments 2025  Kshs	Final budget 2025  Kshs	Actual on Comparable Basis 2025  Kshs	Performance Difference 2025  Kshs	% of Utilization  %
Budget Carryovers from Previous year		157,263,930	157,263,930	157,263,930	-	100%
<b>Receipts</b>						
Unconditional Grants	300,912,972	34,790,832	335,703,804	353,003,442	(17,299,638)	105%
a) Research Funds	36,000,000	20,000,000	56,000,000	22,464,459	33,535,541	40%
b) Tuition fees & Other Levies	441,550,000	680,621,830	1,122,171,830	914,739,968	207,431,862	82%
Rental revenue from facilities and equipment	2,000,000	-	2,000,000	1,815,448	184,552	91%
c) Income from Co-operative Retreat & Conference Centre	35,000,000	-	35,000,000	23,047,981	11,952,019	66%
d) Other income	18,450,000	1,750,000	20,200,000	26,350,538	(6,150,538)	130%
<b>Total Receipts</b>	<b>833,912,972</b>	<b>737,162,662</b>	<b>1,571,075,634</b>	<b>1,341,421,836</b>	<b>229,653,798</b>	<b>85%</b>
<b>Payments</b>						
Use of Goods and Services	196,334,413	174,595,587	370,930,000	299,809,394	71,120,606	81%
Employee Cost	536,415,294	304,457,131	840,872,425	739,156,326	101,716,099	88%
e) Board Expenses	5,600,000	12,450,500	18,050,500	13,174,712	4,875,788	73%
f) Depreciation and amortization expense	5,000,000	45,000,000	50,000,000	-	50,000,000	0%
Repairs and Maintenance	12,690,000	39,910,000	52,600,000	52,894,382	(294,382)	101%
Contracted Services	20,089,000	3,511,000	23,600,000	22,224,270	1,375,730	94%
g) Research Expenses	33,184,265	44,799,307	77,983,572	52,819,886	25,163,686	68%
<b>Total payments</b>	<b>809,312,972</b>	<b>624,723,525</b>	<b>1,434,036,497</b>	<b>1,180,078,970</b>	<b>253,957,527</b>	<b>82%</b>
<b>Capital Expenditure Payments</b>	<b>24,600,000</b>	<b>112,439,137</b>	<b>137,039,137</b>	<b>123,128,209</b>	<b>13,910,928</b>	<b>90%</b>
<b>Surplus</b>	-	-	-	195,478,587	-	-



**THE CO-OPERATIVE UNIVERSITY OF KENYA**  
**Annual Report and Financial Statements**  
**For The Year Ended June 30, 2025**

**Budget Reconciliation**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	<b>195,478,587</b>
1	Cash flows from KRTCDP Project is money from Development partners recognized in the Capital fund. These monies are not recognized either in the operating or capital expenditure budget.	19,436,003
2	Work in Progress Amounts for the Year	(20,206,296)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	<b>194,708,294</b>

**Budget Notes**

1. There was a change between the Original and Final budget as a result of Supplementary II budget occasioned by the New funding model increase in tuition fees. This led to an adjustment of the whole budget.
2. Over and Under Utilization:
  - a. Research Income. The United States of America Government policy on America first where the University lost a substantial amount of grants that had been entered into with USAID.
  - b. Tuition fees and other levies. There was under-collection as a result of non-disbursement of Higher Education Loans Board monies and University Fund Scholarships for the second semester of the financial year.
  - c. Income from CRCC. There was low business activity for the Cooperative Retreat and Business Center for the year. The University has instituted aggressive marketing in the financial year 2025/2026 to address the low business volumes.
  - d. Other income. The Other income is inclusive of income raised from the Co-operative Movement Annual conference of Ksh.6.6M, and income from consultancies amounting to Ksh.2.1M, which had not been budgeted for in the current financial year.
  - e. Board expenses. The University had budgeted for a bonus in the year, however, there was a delay in obtaining approval from SRC, and the expenditure will be incurred in the 2025/2026 financial year.
  - f. Depreciation. The University budget has a component of depreciation to capture the depreciation expected in the financial year and to match accrued income to accrued expenditure. However, this is a non-cash item and as such is not represented in this statement of comparison of budget versus actual amounts. The amount of depreciation is disclosed in the Statement of Financial Performance prepared on an accrual basis.
  - g. Research Expense. The United States of America Government policy on America first where the University lost a substantial amount of grants that had been entered into with USAID, and led to reduced research activities.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### NOTES TO THE FINANCIAL STATEMENTS

#### XIX. Notes to the Financial Statements

##### 1. General Information

The Co-operative University of Kenya (CUK) is a chartered public university that is established and derives its authority and accountability from the Universities Act No. 42 of 2012 and the Co-operative University of Kenya Charter of 7<sup>th</sup> October 2016. It replaced the former Co-operative University College of Kenya earlier established under legal notice No. 161 of 4<sup>th</sup> November 2011 as a Constituent University College of Jomo Kenyatta University of Agriculture and Technology Act (Cap 210E). The University is wholly owned by Government of Kenya and is domiciled in Kenya.

The principal activity of CUK continues to be the provision of Co-operative Education, Business, and Information Technology and related Disciplines for various stakeholders including the Co-operative movement and the Government. CUK serves as a Centre of academic excellence in the Co-operative Movement in Kenya, together with other mandates as stipulated under the Universities Act No. 42 of 2012, and the Co-operative University of Kenya Charter of 7<sup>th</sup> October 2016.

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

The Co-operative University of Kenya's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS), the State Corporations Act and the PFM Act. The preparation of financial statements in conformity with IPSAS allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies. The financial statements are presented in Kenya shillings, which is the accepted functional and reporting currency and all values are rounded to the nearest shilling. The accounting policies have been consistently applied to all the years presented.

##### Basis of preparation

The Financial Statements have been prepared on the basis of historical cost, unless stated otherwise. 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

###### a) New and amended standards and interpretations in issue effective in the year ended 30 June 2025

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<i>Applicable 1<sup>st</sup> January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### NOTES TO THE FINANCIAL STATEMENTS

Standard	Effective date and impact:
	<p>users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>(The University shall use the Standard to improve recognition, measurement and presentation of any lease arrangements it enters into.)</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires, assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>(The University does not hold any Non-current assets for Sale nor have any discontinued operations.)</i></p>
IPSAS 45: Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>(The University will apply the standard in the revaluation of its assets.)</i></p>
IPSAS 46: Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p>



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### NOTES TO THE FINANCIAL STATEMENTS

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

#### c) Early adoption of Standards

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

#### 4. Summary Of Significant Accounting Policies

##### a) Revenue Recognition

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

###### • Unconditional Grants

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property).

This recognition is only if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Co-operative University of Kenya and can be measured reliably.

###### • Conditional Grants

Conditional grants are treated as a liability and credited to the income and expenditure statement when the activities for which they were provided for have been undertaken.

###### ii) Revenue from Exchange Transactions

###### • Rendering of Services - Tuition Fees

Revenue from tuition fees is recognized at the beginning of the semester when the student has met all the admission and registration requirements for that particular semester. Tuition fees are accounted for on accrual basis over the period of instruction to which they relate. Fees paid in advance are carried forward as liabilities at the end of each reporting period.

###### • Sale of Goods and Services

Revenue from the sale of goods and services from the Co-operative Retreat and Conference Centre is recognised 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.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### NOTES TO THE FINANCIAL STATEMENTS

#### • Rental Income

Rental income arising from provision of housing is recognized as the income earned in accordance with the terms of the tenancy agreement.

#### b) Budget Information

The University's budget is not prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance. Similarly, the budget is prepared on accrual basis.

A comparison of budget and actual amounts, prepared on a cash basis, is then presented in the statement of comparison of budget and actual amounts. A reconciliation of the statement of comparison of budget and actual amounts versus the statement of cash flows is then presented.

Additionally, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

#### c) Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if their cognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition.

Investment properties are derecognized either when they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

#### d) Property, Plant and Equipment

All properties, 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 Co-operative University of Kenya recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. 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 is calculated on a reducing balance method for all other categories of assets except for land which is not depreciated. The applied depreciation rates are as shown below:

• Land	Nil
• Building, Sewer and Water works	2.5%
• Plant and Machinery	10%
• Furniture and Fitting	12.5%
• Motor Vehicles	25%
• Office Equipment	12.5%
• Computer and Accessories	30%



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### NOTES TO THE FINANCIAL STATEMENTS

- Telecommunication Equipment 20%
- Kitchen Equipment and Cutlery 10%
- Tools 10%

#### e) Inventories

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

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

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

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

#### f) Provisions

Provisions are recognized when the Co-operative University of Kenya has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

- **Contingent liabilities**

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

#### g) Nature and Purpose of Reserves

The Co-operative University of Kenya creates and maintains reserves in terms of specific requirements.

- **Capital Fund**

This fund is composed of development grants sourced from the Government and Development Partners, which are used in capital projects by the Co-operative University of Kenya. The Co-operative University of Kenya recognizes any expenditure incurred of a capital nature and those funds are transferred to the capital fund upon incurring such expenditure.

- **Accumulated Fund**

These are the funds that are retained by the Co-operative University of Kenya. These funds are cumulative and are increased by the surplus or decreased by the deficit in a particular accounting period.

- **Revaluation Reserve**

Beginning in 2014, the revaluation surplus reserves include the results of a revaluation (from historic cost to fair value) of the assets owned by the institution. The fair value has been determined by an independent valuation.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

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### NOTES TO THE FINANCIAL STATEMENTS

#### **h) Changes in Accounting Policies and Estimates**

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

#### **i) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, 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

#### **j) Intangible Assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

Amortization is calculated on a reducing balance method for all categories of intangible assets. The applied amortization rates are as shown below:

- Software 30%
- Master plan 2%

#### **k) Foreign Currency Transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

#### **l) Financial Instruments**

##### **i. Financial assets**

###### **• Initial recognition and measurement**

Financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Co-operative University of Kenya determines the classification of its financial assets at initial recognition.

###### **• Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost.

##### **ii. Financial liabilities**

###### **• Initial recognition and measurement**



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Co-operative University of Kenya determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

#### **m) Related Parties**

The Co-operative University of Kenya regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa. These related parties include: The Government of Kenya and Members of key management comprising the University Council and the University Management Board.

#### **n) Leases**

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

#### **o) Employee Benefits.**

##### **Retirement Benefit Plans**

The University provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which the University pays fixed contributions into a separate entity (The Co-operative University of Kenya Staff Provident Fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the period in which they become payable.

The University does not have any defined benefit plans.

#### **p) Comparative Figures**

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

#### **q) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements.

### **5. Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Co-operative University of Kenya'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, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the University. Changes in estimates are reflected in the period in which they become known.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS

	2024-2025	2023-2024
<b>6. Transfers from Other Government entities</b>	<b>Kshs</b>	<b>Kshs</b>
a) Unconditional grants		
Government of Kenya Recurrent Grant	335,703,804	287,598,006
<b>Total government grants and subsidies</b>	<b>335,703,804</b>	<b>287,598,006</b>

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

Name of The Entity Sending the Grant	Note	Amount recognized to Statement of Financial performance.	Amount deferred under deferred income.	Amount recognized in capital fund.	Total transfers 24/25 FY	Total transfers 23/24 FY
		Kshs	Kshs	Kshs	Kshs	Kshs
Ministry of Education	6	335,703,804	-	6,666,860	342,370,664	304,728,498
Ministry of Education (New Funding Model)	8	316,481,035	-	-	316,481,035	250,797,085
<b>Total</b>		<b>652,184,839</b>	<b>-</b>	<b>6,666,860</b>	<b>658,851,699</b>	<b>555,525,583</b>

	2024-2025	2023-2024
<b>7. Research Funds</b>	<b>Kshs</b>	<b>Kshs</b>
Projects (LFC)	5,583,255	4,182,396
Research Grants	14,222,679	36,786,628
<b>Total Research Funds</b>	<b>19,805,934</b>	<b>40,969,024</b>

	2024-2025	2023-2024
<b>8. Rendering of Services - Tuition Fees</b>	<b>Kshs</b>	<b>Kshs</b>
Main Campus	1,066,567,796	875,745,486
Nairobi CBD Campus	12,886,504	18,986,130
<b>a) Total revenue from Tuition fees</b>	<b>1,079,454,300</b>	<b>894,731,616</b>

	2024-2025	2023-2024
<b>9. Sale of Services - Co-operative Retreat &amp; Conference Centre</b>	<b>Kshs</b>	<b>Kshs</b>
Sales from CRCC	20,980,723	25,281,504
<b>Total from CRCC</b>	<b>20,980,723</b>	<b>25,281,504</b>

The income from the Co-operative Retreat and Conference Centre declined during the financial year due to reduced business and political instability in the 4<sup>th</sup> quarter of the financial year.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS

10. Rental revenue from facilities	2024-2025 Kshs	2023-2024 Kshs
Rent Income	2,946,968	2,991,187
<b>Total Rental Income</b>	<b>2,946,968</b>	<b>2,991,187</b>

The rental income is rent from staff houses to the University's members of staff and office space let to ATC, a company owned by the University's guarantee and The Co-operative Alliance of Kenya.

11. Finance income	2024-2025 Kshs	2023-2024 Kshs
Interest income from call deposit	-	67,176
<b>Total Interest Income</b>	<b>-</b>	<b>67,176</b>

This income is the interest the University earned from monies placed in a call deposit account at the Co-operative Bank of Kenya.

12. Other income	2024-2025 Kshs	2023-2024 Kshs
Catering	3,144,189	6,720,855
Dispensary	47,490	54,210
Contributions from ATC	1,200,000	1,200,000
Water and Electricity	155,492	942,248
Co-operator Magazine Income	370,000	-
Chancellor Legacy Income	637,750	-
a) Special Grants - Income from Consultancies	3,375,221	2,006,970
Co-operative Movement Annual Stakeholders Conference	10,133,888	102,600
Miscellaneous Income	7,842,442	2,792,563
<b>Total other income</b>	<b>26,906,472</b>	<b>13,819,446</b>

a) Special Grants. This is the income from consultancies carried out by the Co-operative Development Research and Innovation (CDRI) Division of the University.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS

#### 13. Use of Goods and Services:

##### Central Services

	2024-2025	2023-2024
	Kshs	Kshs
Sports facilities	57,240	-
Electricity expenses	15,292,911	16,940,984
Water expenses	982,320	2,862,298
Vehicle licenses & insurance	967,764	1,323,326
Vehicle fuel and oil	8,037,353	8,929,084
Publishing & Printing	377,002	133,290
Advertising and Publicity	8,052,708	4,862,892
Telephone expenses	538,471	520,498
Postal & Courier services	165,058	75,795
Conferences/workshops and seminars	25,800,027	18,261,418
Catering cost	14,192,900	21,109,341
Cleaning materials	3,253,489	3,567,533
External travelling	5,177,097	4,011,424
Gas and fuel	2,950,750	3,848,590
Training expenses/Staff training	5,892,193	4,812,960
Capacity Building	3,959,439	-
Subscription to professional bodies	3,574,866	2,856,560
Utensils & Crockery	1,685,030	1,106,670
Performance Contract	6,690,364	4,351,210
Booked meals for staff	767,810	6,892,134
Newspapers	234,710	244,025
Internet services	14,733,967	14,310,638
ISO certification & maintenance	238,000	625,400
Staff welfare	2,448,441	2,918,110
Fumigation services	1,533,540	2,504,638
Rent & rates	8,353,336	5,370,336
Purchase of uniforms	2,202,520	1,005,169
Purchase of Drugs	2,008,359	2,410,552
Stationery & stores	8,211,074	7,899,136
Purchase of production materials	3,221,456	4,004,136
a) Medical scheme	35,493,348	34,131,240
General insurance	1,665,067	1,112,545
Staff group personal accident	907,163	981,823
Student group personal accident	8,705	40,180
Set up of ICT infrastructure	11,948,582	12,003,907
<b>Students Welfare</b>		
Inter university games	5,717,421	6,527,530
Students Work-study Programme	122,160	-
Sports equipment	1,164,550	15,000
Practical Materials and Reagents	4,747,212	336,742
Students Fee Waivers	4,004,322	1,591,686
<b>Academic Costs</b>		
Corporate social responsibility	296,750	221,750
Shows & Exhibitions	1,410,659	1,295,390
Library books/e-library/journals	9,211,259	3,595,568
Curriculum Development	4,490,902	1,860,900



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### NOTES TO THE FINANCIAL STATEMENTS

Use of Goods and Services Cont.	2024-2025 <b>Kshs</b>	2023-2024 <b>Kshs</b>
Alumni association	5,365	91,000
Examination expenses	1,388,806	873,821
Graduation expenses	8,646,223	8,611,196
Leadership for change	6,771,279	4,655,279
HIV/AIDS Control Unit	110,200	284,754
KUCCPS/CUE Accreditation	25,713,492	24,302,429
<b>Administrative Costs</b>		
Audit Expenses	870,000	870,000
Travelling and accommodation	21,864,280	14,341,900
Bank charges/interest	1,807,776	2,342,646
Task Force/Facilitation Allowances	6,000	374,090
Chancellor Expenses	16,698,795	-
Official Entertainment	606,855	490,926
VAT Expense	2,276,802	2,207,689
CRCC Rebates	432,674	478,785
Outsourced Accommodation	97,999	-
Hire of Machinery & Equipment	1,145,558	712,120
<b>Total</b>	<b>321,230,398</b>	<b>272,109,043</b>

#### 14. Employee costs

	2024-2025 <b>Kshs</b>	2023-2024 <b>Kshs</b>
Basic Salaries	351,071,904	273,400,293
Casual workers	3,118,638	2,183,944
Part time teaching	128,594,271	125,749,443
Gratuity	8,929,320	7,425,702
Pension	67,160,876	54,740,621
House to Office allowance	31,229,166	31,034,672
Other personnel allowances	65,386,102	67,525,510
Group life insurance	7,443,978	8,068,799
Leave allowance	3,294,340	5,574,701
New recruits, passage & Baggage	1,517,273	128,421
Affordable Housing Levy	7,301,220	6,482,330
House allowances	103,009,552	95,253,506
<b>Employee costs</b>	<b>778,056,640</b>	<b>677,567,942</b>

The Employee Costs for the financial year 2024/2025 has increased mainly as a result of the increase in basic salaries and pensions due to implementation of the signed 2021-2025 CBA, and promotion of staff.



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### NOTES TO THE FINANCIAL STATEMENTS

15. Board Expenses	2024-2025	2023-2024
	Kshs	Kshs
Sitting Allowance	6,040,000	3,200,000
Travelling Allowance	1,340,924	581,291
Subsistence Allowance	4,446,979	2,054,070
Medical Scheme	48,859	428,973
Co-opted Members Allowance	277,950	131,968
Chairperson's Honoraria	1,020,000	963,333
<b>Total Board Expenses</b>	<b>13,174,712</b>	<b>7,359,635</b>

16. Depreciation and amortization expense	2024-2025	2023-2024
	Kshs	Kshs
Property, plant and equipment	53,709,534	43,977,324
Intangible asset	2,212,220	2,954,446
<b>Total depreciation and amortization</b>	<b>55,921,754</b>	<b>46,931,770</b>

17. Repairs and maintenance	2024-2025	2023-2024
	Kshs	Kshs
Motor Vehicle repairs	4,284,818	2,938,890
Maintenance of Sewerage and water	906,658	479,020
Maintenance of Buildings and station	27,320,606	13,201,797
Maintenance of Roads	10,072,480	567,280
Maintenance of computers/printer	1,665,221	2,035,326
Maintenance of plant & equipment	8,644,599	7,867,771
<b>Total repairs and maintenance</b>	<b>52,894,382</b>	<b>27,090,084</b>

The increase in repairs and maintenance expense is due to maintenance works on the University roads that had not been carried out in the previous financial year.

18. Contracted Services	2024-2025	2023-2024
	Kshs	Kshs
Contracted professional services	1,722,093	5,156,986
Outsourced Cleaning Services	20,490,177	15,899,902
Legal Expenses	12,000	1,257,108
<b>Total Contracted Services</b>	<b>22,224,270</b>	<b>22,313,996</b>

19. Research Expenses	2024-2025	2023-2024
	Kshs	Kshs
Research Production and Extension	38,000,400	41,702,625
Co-operative Movement Annual Stakeholders Conference	14,819,486	1,600,053
<b>Total Research Expenses</b>	<b>52,819,886</b>	<b>43,302,678</b>



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS

20. Derecognized Assets	2024-2025	2023-2024
	Kshs	Kshs
Property, Plant and Equipment	14,910,289	-
<b>Derecognized Assets</b>	<b>14,910,289</b>	<b>-</b>

21. Cash and cash equivalents	2024-2025	2023-2024
	Kshs	Kshs
Current Accounts	193,641,178	156,765,771
Fixed Deposits Accounts	106,760	106,760
Others	960,356	391,399
<b>Total cash and cash equivalents</b>	<b>194,708,294</b>	<b>157,263,930</b>

#### a) Current account

Standard Chartered Bank (Account No. 01020448587500)	33,214,235	12,788,126
Co-operative Bank Business Account (Account No. 01136062663600)	20,001,488	16,942,153
Co-operative Bank WE-Effect Project Account (Account No. 01136082663601)	2,706,244	1,311,143
Co-operative Bank Research Grants Account (USD) (Account No.02120062663600)	13,328,024	12,072,380
Co-operative Bank Research & Projects Account (Account No. 01120125033500)	4,474,154	343
Equity Bank GIVE Project Account (Account No. 1630278965967)	2,033,610	125
Equity Bank KRTCDP Project (Account No. 1630280550859)	63,045	8,917,375
Co-operative Bank Fees Collection Account (Account No. 01129062663600)	74,444,081	68,390,933
Co-operative Bank HELB Collection Account (Account No. 01129062663601)	14,668,213	11,183,067
Co-operative Bank WINRACK Account (Account No. 01109062663600)	17,022,115	24,169,664
Equity Bank Fees Collection Account (Account No. 1250277107862)	11,685,969	990,462
<b>Sub- total</b>	<b>193,641,178</b>	<b>156,765,771</b>

#### b) Fixed deposits account

Co-operative Bank Collateral Account (Account No. 01246062663600)	106,760	106,760
<b>Sub- total</b>	<b>106,760</b>	<b>106,760</b>

#### c) Others

Cash in hand	960,356	391,399
<b>Sub- total</b>	<b>960,356</b>	<b>391,399</b>
<b>Grand total</b>	<b>194,708,294</b>	<b>157,263,930</b>



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS

#### e) Foreign Exchange gain

The Co-operative Bank Research Grants Account (USD) (Account No.02120062663600) is a dollar account for Research money received by the University. Translation of this account at the end of the financial year 2023/2024 generated a foreign exchange loss of Kshs. 1,540,042. In the financial year 2024/2025, the translation generated a foreign exchange loss of Kshs. 185,934.

22. Receivables from exchange transactions	2024-2025	2023-2024
Current receivables	Kshs	Kshs
Student debtors	256,614,414	86,685,345
Seminar (CRCC) debtors	12,519,028	14,586,286
<b>Rent &amp; water bills outstanding</b>	<b>4,382,159</b>	<b>3,250,639</b>
<b>Imprests outstanding</b>	<b>759,634</b>	<b>529,522</b>
<b>Rent, Electricity &amp; Telephone Deposits</b>	<b>3,551,200</b>	<b>3,551,200</b>
<b>Prepaid Expenses</b>	<b>11,789,991</b>	<b>12,123,706</b>
<b>Institute of Co-operative Development Debtors</b>	<b>-</b>	<b>229,789</b>
KRTCDP Debtors	2,825,454	-
Co-operator Magazine Debtors	420,000	50,000
Laptop Debtors	65,719	56,153
E-Citizen Collections Account	1,768,524	2,245,908
(a) Less: Provision for Bad Debts	(44,688,573)	(35,275,129)
<b>Total receivables</b>	<b>250,007,550</b>	<b>88,033,420</b>

#### a) Provision for Bad Debts

Provision for Bad and debts is a specific provision for bad debts on the student debtors and seminar (CRCC) debtors.

The student debtors were assessed based on debts older than the period of study and level of completion to determine their recoverability, whereas the provision for bad Seminar debtors is made where the debts are older than 360 days as at the end of the financial year.

b) Movement in provisions for Bad Debts	Seminar (CRCC) debtors Kshs	Student debtors Kshs	Total Kshs
Balance Brought Forward	9,112,928	26,162,201	35,275,129
Additional Provisions	767,580	22,777,537	23,545,117
Provisions recovered / Current Debt	(4,575,628)	(9,556,045)	(14,131,673)
<b>Balance at the end of the year</b>	<b>5,304,880</b>	<b>39,383,693</b>	<b>44,688,573</b>

	2024-2025	2023-2024
Balance at the Beginning	35,275,129	50,821,514
Increase / (Decrease) in Year	9,413,444	(15,546,385)
<b>Provision at The End of the Year</b>	<b>44,688,573</b>	<b>35,275,129</b>

<b>Bad Debts</b>	2024-2025	2023-2024
Recovered / (Written Off)	51,847	(16,789,912)
<b>Total Bad Debts Recovered / (Written Off)</b>	<b>51,847</b>	<b>(16,789,912)</b>



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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Ageing Analysis- Receivables from non-exchange transactions	2024/2025	% of the total	2023/2024	% of the total
Less than 1 year	247,126,344	84%	94,166,084	76%
Between 1-2 years	43,405,558	15%	26,684,144	22%
Over 3 years	4,164,221	1%	2,458,321	2%
<b>Total</b>	<b>294,696,123</b>	<b>100%</b>	<b>123,308,548</b>	<b>100%</b>

23. Receivables from Non-exchange Transactions	2024-2025 Kshs	2023-2024 Kshs
Salary advances outstanding	1,859,904	1,005,967
Grants Receivable	6,666,860	23,966,498
<b>Total current receivables</b>	<b>8,526,764</b>	<b>24,972,465</b>

24. Inventories	2024-2025 Kshs	2023-2024 Kshs
Dry & perishable foods	200,369	157,068
Production materials	209,850	184,358
General stationery	557,562	1,090,954
Cleaning materials	438,045	497,958
Electrical and hardware	1,669,870	1,146,456
Drugs	3,046,696	600
<b>Total inventories</b>	<b>6,122,392</b>	<b>3,077,394</b>

25. Investments	2024-2025 Kshs	2023-2024 Kshs
Opening Balance	8,425,530	8,425,530
<b>Total investments</b>	<b>8,425,530</b>	<b>8,425,530</b>

The investment in Agri. And Co-operative Training and Consultancy Services (ATC) which is a Company owned by the Co-operative University of Kenya and registered under Certificate No. 142828 was as at 30<sup>th</sup> June 2007 worth Kshs 2,825,530, which was capital injected by Donor Partners through the University.

During the financial year 2020-2021, the University Council approved the conversion of debt amounting to Kshs. 5,600,000 owed from ATC into capital. This has increased the investment in ATC to Kshs. 8,425,530 which is the amount carried in these financial statements.



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**NOTES TO THE FINANCIAL STATEMENTS**

<b>26. Property, Plant &amp; Equipment</b>	<u>LAND</u>	<u>BUILDING AND SEWER</u>	<u>PLANT &amp; EQUIPMENT</u>	<u>FURNITURE &amp; FITTING</u>	<u>COMPUTER &amp; ACCESSORIES</u>	<u>MOTOR VEHICLES</u>	<u>TOOLS</u>	<u>OFFICE EQUIPMENT</u>	<u>TEL. EQUIPMENT</u>	<u>KITCHEN</u>	<u>TOTAL</u>
<b>2025</b>	99 YRS	2.5%	10.0%	12.5%	30%	25%	10%	12.5%	20%	10%	
VALUATION AS AT 01/07/2024	1,766,664,000	1,122,706,893	17,556,507	72,111,028	82,616,178	34,348,800	13,682,384	5,724,807	19,454,498	7,006,768	3,141,871,863
ADDITIONS IN THE PERIOD	-	60,926,048	81,500	8,372,500	30,570,163	19,692,598	-	428,100	2,679,300	-	122,750,209
DISPOSALS / DERECOGNITION	-	-	(41,875)	(29,555,027)	(13,411,442)	-	(11,662,124)	(2,317,630)	(2,172,729)	(957,854)	(60,118,681)
AS AT 30/06/2025	<u>1,766,664,000</u>	<u>1,183,632,941</u>	<u>17,596,132</u>	<u>50,928,501</u>	<u>99,774,900</u>	<u>54,041,398</u>	<u>2,020,260</u>	<u>3,835,277</u>	<u>19,961,069</u>	<u>6,048,914</u>	<u>3,204,503,392</u>
DEPRECIATION											
AS AT 30/6/2024	-	186,173,535	7,922,504	45,048,588	56,440,730	29,873,680	10,348,764	3,445,249	14,907,768	2,644,928	356,805,746
CHARGE FOR THE PERIOD	-	24,936,485	969,910	3,348,090	16,525,440	5,909,914	55,880	219,982	1,342,138	401,695	53,709,534
DEPRECIATION ON DISPOSAL	-	-	(25,465)	(20,904,808)	(11,750,629)	-	(8,887,305)	(1,369,829)	(1,657,389)	(612,967)	(45,208,392)
AS AT 30/06/2025	<u>-</u>	<u>211,110,020</u>	<u>8,866,949</u>	<u>27,491,870</u>	<u>61,215,541</u>	<u>35,783,594</u>	<u>1,517,339</u>	<u>2,295,402</u>	<u>14,592,517</u>	<u>2,433,656</u>	<u>365,306,888</u>
NET BOOK VALUE AS AT 30-06-2025	<u>1,766,664,000</u>	<u>972,522,921</u>	<u>8,729,183</u>	<u>23,436,631</u>	<u>38,559,359</u>	<u>18,257,804</u>	<u>502,921</u>	<u>1,539,875</u>	<u>5,368,552</u>	<u>3,615,258</u>	<u>2,839,196,504</u>



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**For The Year Ended June 30, 2025**

**NOTES TO THE FINANCIAL STATEMENTS**

<b>Property, Plant &amp; Equipment</b>	<u>LAND</u>	<u>BUILDING AND SEWER</u>	<u>PLANT &amp; EQUIPMENT</u>	<u>FURNITURE &amp; FITTING</u>	<u>COMPUTER &amp; ACCESSORIES</u>	<u>MOTOR VEHICLES</u>	<u>TOOLS</u>	<u>OFFICE EQUI</u>	<u>TEL. EQU</u>	<u>KITCHEN</u>	<u>TOTAL</u>
<b>2024</b>	99 YRS	2.5%	10.0%	12.5%	30%	25%	10%	12.5%	20%	10%	
VALUATION AS AT 01/07/2023	1,766,664,000	1,054,046,446	17,298,507	71,750,428	57,788,143	34,348,800	13,682,384	5,524,908	19,389,192	3,561,621	3,044,054,428
ADDITIONS IN THE PERIOD	-	68,660,447	258,000	360,600	24,828,036	-	-	199,899	65,306	3,445,147	97,817,435
DISPOSALS	-	-	-	-	-	-	-	-	-	-	-
AS AT 30/06/2024	<u>1,766,664,000</u>	<u>1,122,706,893</u>	<u>17,556,507</u>	<u>72,111,028</u>	<u>82,616,178</u>	<u>34,348,800</u>	<u>13,682,384</u>	<u>5,724,807</u>	<u>19,454,498</u>	<u>7,006,768</u>	<u>3,141,871,863</u>
DEPRECIATION											
AS AT 30/6/2023	-	162,159,859	6,852,059	41,182,526	45,222,681	28,381,973	9,978,362	3,119,598	13,771,086	2,160,279	312,828,422
CHARGE FOR THE PERIOD	-	24,013,676	1,070,445	3,866,063	11,218,049	1,491,707	370,402	325,651	1,136,682	484,649	43,977,324
DEPRECIATION ON DISPOSAL	-	-	-	-	-	-	-	-	-	-	-
AS AT 30/06/2024	=	<u>186,173,535</u>	<u>7,922,504</u>	<u>45,048,588</u>	<u>56,440,730</u>	<u>29,873,680</u>	<u>10,348,764</u>	<u>3,445,249</u>	<u>14,907,768</u>	<u>2,644,928</u>	<u>356,805,746</u>
NET BOOK VALUE AS AT 30-06-2024	<u>1,766,664,000</u>	<u>936,533,358</u>	<u>9,634,003</u>	<u>27,062,440</u>	<u>26,175,448</u>	<u>4,475,120</u>	<u>3,333,620</u>	<u>2,279,558</u>	<u>4,546,730</u>	<u>4,361,840</u>	<u>2,785,066,117</u>



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### NOTES TO THE FINANCIAL STATEMENTS

#### Revaluation of Property Plant and Equipment

On April 1<sup>st</sup>2014, the University's Property, Plant and Equipment were revalued (from historic cost to fair value). This has resulted in a revaluation surplus in some classes of Property, Plant and Equipment, leading to a revaluation Surplus Reserve. Other classes of Property, Plant and Equipment have had a Revaluation Loss which has been reflected in the statement of financial performance. The fair value has been determined by an independent valuation by Kenval Realtors (EA) Limited. The basis of revaluation was the Open Market Value.

#### 26 (b). Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	115,000,000	-	115,000,000
Buildings	440,038,531	174,031,664	266,006,867
Plant and Equipment	23,980,056	20,979,028	3,001,028
Furniture and Fittings	30,317,555	26,417,607	3,899,948
Computer and Accessories	17,774,630	17,662,760	111,870
Motor Vehicles	26,637,584	26,133,569	504,015
Tools	13,299,964	10,177,768	3,122,195
<b>Total</b>	<b>667,048,319</b>	<b>275,402,396</b>	<b>391,645,923</b>

Property, plant and Equipment includes the following assets that have been derecognized from the asset register as per Note 20 to the financial statements upon the asset verification and tagging exercise. No proceeds were generated on de-recognition of the assets. These derecognized assets have been passed through the Statement of Changes in Net Assets.

Description	Cost or valuation	Accumulated Depreciation	Net Book Value
Plant and Equipment	41,875	25,465	16,410
Furniture and Fittings	29,555,027	20,904,808	8,650,219
Computer and Accessories	13,411,442	11,750,629	1,660,813
Tools	11,662,124	8,887,305	2,774,819
Office Equipment	2,317,630	1,369,829	947,801
Telecommunication Equipment	2,172,729	1,657,389	515,340
Kitchen Equipment	957,854	612,967	344,887
<b>Total</b>	<b>60,118,681</b>	<b>45,208,392</b>	<b>14,910,289</b>



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

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### NOTES TO THE FINANCIAL STATEMENTS

27. Intangible Assets	2024-2025	2023-2024
	Kshs	Kshs
<b>Valuation</b>		
As At the Beginning of the Financial Year	37,580,381	37,580,381
Additions In the Period	378,000	-
As At the End of the Financial Year	<b>37,958,381</b>	<b>37,580,381</b>
<b>Amortization</b>		
As At the Beginning of the Financial Year	25,568,761	22,614,315
Charge of the period	2,212,220	2,954,446
As At the End of the Financial Year	<b>27,780,981</b>	<b>25,568,761</b>
<b>Net Book Value at the End of the Financial Year</b>	<b>10,177,400</b>	<b>12,011,620</b>

Intangible assets are composed of: Unified Threat Management Solution (Firewall), Enterprise Resource Planning (ERP) Software and Master Plan. The Firewall and ERP software have been amortized at 30% reducing balance. The University Master plan has been amortized at 2% reducing balance.

28. Work In Progress	BAL B/F	<u>ADDITIONS</u>	<u>TRANSFERS</u>	TOTAL
Access Control System	5,151,724	-	(5,151,724)	-
Construction of New Lecture Theatre Annex	8,201,013	-	(8,201,013)	-
a) Construction of Ultra-Modern Learning Resource Centre	450,653,566	-	-	450,653,566
b) KRTC DP Project	42,193,110	33,559,033	-	75,752,143
<b>Balance carried down</b>	<b>506,199,413</b>	<b>33,559,033</b>	<b>(13,352,737)</b>	<b>526,405,709</b>

- a) Construction of Ultra-Modern Learning Resource Centre: The project is on Phase 1A which includes Construction of Library, Gate house and Sports field.
- b) The Kenya Rural Transformation Centres Digital Platform Project (KRTC DP) is an African Development Bank research project carried out by the University.
- Funding for the project is recognized as part of deferred income, and when the activities are implemented it is transferred to the capital fund.
  - All the costs incurred in the project are capitalized as work in progress before completion of the project.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### NOTES TO THE FINANCIAL STATEMENTS

29. Trade and other payables from exchange transactions	2024-2025	2023-2024
	Kshs	Kshs
Trade payables	76,654,362	55,684,002
Student Creditors	112,127,679	106,964,789
Unallocated Bursaries	12,033,596	8,597,649
<b>Caution Money</b>	<b>9,003,000</b>	<b>9,002,000</b>
<b>Student Union Fees</b>	<b>2,227,320</b>	<b>5,483,400</b>
Payroll Liabilities	69,442,106	31,566,800
Rental Deposits	618,352	-
KRTCDP	51,626	-
Provision for Audit Fees Current year	870,000	870,000
<b>Total trade and other payables</b>	<b>283,028,041</b>	<b>218,168,640</b>

30. Deferred Income	2024-2025	2023-2024
	Kshs	Kshs
Africa Development Bank (KRTCDP Project)	3,595,406	-
We Effect (Leadership for Change Project)	422,914	-
European Union (BioFairnet Project)	1,414,032	-
<b>Total trade and other payables</b>	<b>5,432,353</b>	<b>-</b>

31. Trade and other payables from non-exchange transactions	2024-2025	2023-2024
	Kshs	Kshs
Development Payables	50,750,900	41,570,613
Capital Projects Retentions	23,398,457	29,211,242
<b>Total development payables</b>	<b>74,149,357</b>	<b>70,781,855</b>

The Development Payables relate to capital projects which have been contracted, approved, certificate issued, but not yet settled.

The Capital Projects retentions relate to projects' retention monies previously classified as long-term liabilities, now reclassified and reported as part of trade and other payables from non-exchange transactions.

### 32. Long Term Liabilities

There were no long-term liabilities during the period. Long-term capital projects retentions previously classified as long-term liabilities have now been reclassified and reported as part of trade and other payables from non-exchange transactions.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### NOTES TO THE FINANCIAL STATEMENTS

33. Capital Reserve Fund	2024-2025	2023-2024
	Kshs	Kshs
At start of Year	1,632,146,511	1,584,022,818
a) Government of Kenya	-	3,750,000
b) African Development Bank	19,436,003	44,373,693
<b>At end of the Year</b>	<b>1,651,582,514</b>	<b>1,632,146,511</b>

a) This is composed of development grants from the Government of Kenya for capital projects by the Co-operative University of Kenya. The Co-operative University of Kenya recognizes any expenditure incurred of a capital nature and those funds are transferred to the capital fund upon incurring such expenditure.

b) This fund is composed of funds disbursed through the development vote from The African Development Bank towards The KRTC DP project. Of the disbursed amounts, only what has been expended during the year is transferred to this fund, whereas, amounts not expended are recognized as part of deferred income.

During the year, Kshs. 6,666,860 was disbursed through CUK's standard chartered bank account, of which Kshs. 3,071,454 was expended during the year. Kshs. 16,364,549 was paid directly by ADB to the consulting firms in the project.

34. Revaluation Reserves	2024-2025	2023-2024
	Kshs	Kshs
At start of Year	1,718,751,795	1,718,751,795
<b>At end of the Year</b>	<b>1,718,751,795</b>	<b>1,718,751,795</b>

35. Accumulated Deficits / Surplus	2024-2025	2023-2024
	Kshs	Kshs
At start of Year	(54,798,912)	(221,972,606)
a) Derecognized Assets	(14,910,289)	-
b) Changes During the Year	406,656	1,174,452
Surplus/(Deficit) for the Year	179,928,628	165,999,242
<b>At end of the Year</b>	<b>110,626,083</b>	<b>(54,798,912)</b>

a) **Derecognized Assets:** This relates to the carrying amounts of assets derecognized from the fixed asset register in the current financial year upon verification and tagging of assets. The derecognized assets are noted in Note 26 (b) of the financial statements.

b) **Changes during the Year:** The current year figures relate to rental deposits and payroll obligations.

- Rental deposits of Kshs. (613,852). The deposits on lease agreements amounts had not been captured as a payable prior but have now been corrected through this reserve and under payables.
- Payroll obligations of Kshs. 1,025,008. These are Annual leave and Gratuity liabilities carried at the end of the year, paid to the members of staff but not cleared from the liabilities in prior year now corrected through the reserves.

### 36. Cash Generated from Operations.

	2024-2025	2023-2024
<u>Cash flows from Operating activities</u>	Notes	Kshs
Surplus for the period		165,999,242
		179,928,628



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS

Adjustment for:			-
*Contribution to Provision		9,413,444	-
Depreciation and amortization	16	55,921,754	46,931,770
Operating Profit before Working Capital Changes		245,263,826	212,931,012
<b>Change in Working Capital</b>			
(Increase)/Decrease in inventories	24	(3,044,998)	(1,380,260)
*(Increase)/Decrease in receivables from Exchange transactions	22	(171,387,575)	(32,000,919)
(Increase)/Decrease in receivables from non-Exchange transactions	23	16,445,701	(10,971,325)
Increase/(Decrease) in Deferred income		5,432,353	-
*Increase/(Decrease) in payables from Exchange transactions	29	65,266,057	(35,202,898)
Increase/(Decrease) in payables from non-Exchange transactions	30	3,367,502	(13,950,729)
<b>Net cash generated from operating activities</b>		<b>161,342,866</b>	<b>119,424,881</b>

\* The increase in receivables from Exchange transactions is net the current year contribution to provision which is non-cash and adjusted back to the statement of cash flows.

\* The increase in payables from Exchange transaction is net of non-cash prior year adjustments to Rental deposits and payroll liabilities, adjusted in the revenue reserves.

### 37. Financial Risk Management Disclosure.

The Institution is exposed to certain liquidity and credit risks. The Institution does not have significant exposure to liquidity risk as it has substantial unrestricted cash resources which are replenished from the results of its operations.

The Institution's Accounts Receivable is almost exclusively from its operations with its students and therefore risks related to credit are considered minor. A provision has been made against asset value of Accounts Receivables relating to Cooperative Retreat and Conference Centre to reflect Receivables for which payment is not anticipated in the short-term.

### 38. Related Party Balances.

#### a) Nature of related party relationships

Entities and other parties related to the Co-operative University of Kenya include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions.

The entity is related to

- i) The National Government;
- ii) The Ministry of Education;
- iii) The University Council;
- iv) The University Management Board;



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### NOTES TO THE FINANCIAL STATEMENTS

#### b) Related party transactions

	2024-2025	2023-2024
	Kshs	Kshs
Transfers from related parties'	658,851,699	286,810,755
<b>At end of the Year</b>	<b>658,851,699</b>	<b>286,810,755</b>

This refers to the amounts received from the Ministry of Education.

#### c) Key management remuneration

	2024-2025	2023-2024
	Kshs	Kshs
University Council	13,174,712	7,359,635
University Management Board	71,985,416	73,599,553
<b>At end of the Year</b>	<b>85,160,128</b>	<b>80,959,188</b>

This refers to the Remuneration & Allowances paid to the University Council and the University Management.

#### d) Due from related parties

	2024-2025	2023-2024
	Kshs	Kshs
Due from Ministry of Education	6,666,860	23,966,498
Due from other Ministries SC's & SAGA's	-	-
<b>At end of the Year</b>	<b>6,666,860</b>	<b>23,966,498</b>

This refers to the amounts that are receivable from the Ministry of Education and other State-Owned Entities.

### 39. Employees.

The University has a staff population of three hundred and four (304), composed of two hundred and thirty-six (236) Permanent and Pensionable, and sixty-eight (68) on contract. This comprises seventy-four (74) Academic members of staff and two hundred and thirty (230) Administrative, Technical and Information Science members of staff. The University operates a defined contribution scheme for permanent and pensionable employees.

### 40. Going Concern.

The University's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of 30 June 2025, the University registered a surplus of Kshs. 179,928,628 and closed the year with a positive working capital of Kshs 96,755,249.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

Annual Report and Financial Statements

For The Year Ended June 30, 2025

## NOTES TO THE FINANCIAL STATEMENTS

### 41. Reporting Currency.

The University's Principal activities are carried out in the Republic of Kenya and the Accounts are reported in Kenya Shillings.

### 42. Events after the Reporting Period.

There are no material non adjusting events after the reporting date.

### 43. Ultimate and Holding Entity

The University is a chartered public university established by the Kenya Government under the Universities Act No. 42 of 2012 and the Co-operative University of Kenya Charter of 7<sup>th</sup> October 2016. Its ultimate parent is the Government of Kenya.



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

### XX. Appendices

#### Appendix I: Implementation Status of Auditor – General’s Recommendations

The following is the summary of issues raised by the External Auditor, and Management comments that were provided to the Auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Ref	Issue / Observations from Auditor	Management Comments	Focal Point person to resolve the issue	Status:	Timeframe:
<b>REPORT ON FINANCIAL STATEMENTS</b>					
1	Inconsistencies in Cash and Cash Equivalents	The Variance noted was explained and supported.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
2.1	Long-Outstanding Accounts Receivables Student Debtors	A debt management policy has been developed and classification, and follow up of the Student Debtors is a continuous exercise.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
2.2	Long-Outstanding Accounts Receivables Co-operative Retreat and Conference Centre Debtors	Collection measures for the Long-outstanding debts relating to the Nairobi County Government, and Kajiado County Government are on-going.	VICE CHANCELLOR	Not Resolved	2025-2026 Financial Year
<b>REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES</b>					
1	Outstanding Imprests	The Imprests noted were surrendered by the officers.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
2	Inconsistencies in Personnel Information and Data.	The University demonstrated availability and access of full staff bio-data within the ERP.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
3	Irregular Payment of Acting Allowances.	The University has made efforts to fill the positions that had not been substantively filled.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
4	Missing Receipts and Invoices.	The University provided a comprehensive listing of all receipts and invoices.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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For The Year Ended June 30, 2025

Ref .	Issue / Observations from Auditor	Management Comments	Focal Point person to resolve the issue	Status:	Timeframe:
5	Irregularities in Drug Store	The University has implemented issuance of items from the Drug store through the ERP.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
6	Library Expenses	The University provided the support documentation to the Library expenses.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
7	Unspent Bursary Allocation	The University provided the list of unallocated bursaries and follow up for allocation.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
8.1	Delay in completion and handing over of projects. Learning Resource Centre	The University is seeking development funding to allow completion of the LRC.	VICE CHANCELLOR	Not Resolved	2025-2026 Financial Year
8.2	Delay in completion and handing over of projects. Access Control System	The project has been completed and commissioned.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
9	Failure to Appoint University Chancellor	His Excellency, The President of the Republic of Kenya appointed a new Chancellor in January 2025.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year
10	Non-Compliance with Fiscal Responsibility principles	The University has planned to address the wage bill to revenue ratio within the current Strategic Plan period.	VICE CHANCELLOR	Not Resolved	2026-2027 Financial Year

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

1	Understaffing in Internal Audit	The University has committed increase resources available to Internal audit in the medium-term in line with the Establishment.	VICE CHANCELLOR	Not Resolved	2025-2026 Financial Year
2	Lack of Approved Risk Management Policy	The Risk management policy has been approved and operationalized.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year




# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

For The Year Ended June 30, 2025

Ref .	Issue / Observations from Auditor	Management Comments	Focal Point person to resolve the issue	Status:	Timeframe:
3	Weaknesses in the University Fees Payment Policy.	The University has enhanced completely automated its fees payment policy thereby strengthening the processes.	VICE CHANCELLOR	Resolved	2024-2025 Financial Year

  
.....  
**Prof. Kamau Ngamau, PhD., EBS.**  
VICE CHANCELLOR,

**Date: 10.12.2025**



# THE CO-OPERATIVE UNIVERSITY OF KENYA

## Annual Report and Financial Statements

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### Appendix II: Projects Implemented by The Co-operative University of Kenya

S. No.	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual per quarter	Sources
1	Consultancy for Construction of Ultra-Modern Library & Learning Resource Centre	98,000,000	47,741,958	49%	50,000,000	12,500,000	GOK
2	Construction of Ultra-Modern Library & Learning Resource Centre	373,091,295	402,911,608	108%			
3	Construction of Classrooms (New Lecture Theatre Annex)	65,000,000	-	0%	65,000,000	16,250,000	CUK
4	Kenya Rural Transformation Centers Digital Platform project	88,835,000	78,525,971	88%	51,000,000	12,750,000	AfDB
<b>Total</b>		<b>624,926,295</b>	<b>591,297,590</b>			<b>41,500,000</b>	



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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## Appendix III: INTER-ENTITY TRANSFERS

THE CO-OPERATIVE UNIVERSITY OF KENYA					
Inter-Entity Transfers Reconciliation Form					
Name of the Entity sending the grant	Amount recognized to statement of comprehensive income	Amount deferred under deferred Income	Amount recognized in capital fund	Total grant income during the year	2024-2025
Ministry of Education	335,703,804	-	-	335,703,804	335,703,804.00
Ministry of Education (New Funding Model)	316,481,035	-	-	316,481,035	316,481,035.00
<b>Total</b>	<b>652,184,839</b>	<b>-</b>	<b>-</b>	<b>652,184,839</b>	<b>652,184,839.00</b>
Breakdown of Transfers from State Department for University Education					
FY:2024/2025					
DIFFERENTIATED UNIT COST					
a)	Recurrent Grants	Bank Statement Date	Amount (Kshs)	FY to Which the Amounts Relate	Bank
		8/13/2024	25,076,081	2024-2025	Standard Chartered
		9/11/2024	25,076,081	2024-2025	Standard Chartered
		10/9/2024	25,076,081	2024-2025	Standard Chartered
		11/8/2024	25,076,081	2024-2025	Standard Chartered
		12/5/2024	25,076,081	2024-2025	Standard Chartered
		1/15/2025	25,076,081	2024-2025	Standard Chartered
		1/15/2025	25,076,081	2024-2025	Standard Chartered
		2/13/2025	25,076,081	2024-2025	Standard Chartered
		3/29/2025	25,076,081	2024-2025	Standard Chartered
		4/10/2025	25,076,081	2024-2025	Standard Chartered
		5/2/2025	25,076,081	2024-2025	Standard Chartered
		6/12/2025	25,076,081	2024-2025	Standard Chartered
		6/27/2025	34,790,832	2024-2025	Standard Chartered
		<b>Total</b>	<b>335,703,804</b>		
b)	Development Grants	Bank Statement Date	Amount (Kshs)	FY to Which the Amounts Relate	Bank
		11.07.2025	6,666,860	2024-2025	Standard Chartered
		<b>Total</b>	<b>6,666,860</b>		
<b>NEW FUNDING MODEL</b>					



# THE CO-OPERATIVE UNIVERSITY OF KENYA

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For The Year Ended June 30, 2025

c)	Scholarship Funds	Bank Statement Date	Amount (Kshs)	FY to Which the Amounts Relate	Bank
		01-12-2023	27,776,280	2024-2025	Co-operative Bank of Kenya
		25-01-2024	36,740,260	2024-2025	Co-operative Bank of Kenya
		02-02-2024	38,563,250	2024-2025	Co-operative Bank of Kenya
		28-03-2024	1,023,230	2024-2025	Co-operative Bank of Kenya
		05-04-2024	48,250,870	2024-2025	Co-operative Bank of Kenya
		23-04-2024	47,100,005	2024-2025	Co-operative Bank of Kenya
		<b>Total</b>	<b>199,453,895</b>		
<b>NEW FUNDING MODEL</b>					
d)	HELB Funds	Bank Statement Date	Amount (Kshs)	FY to Which the Amounts Relate	Bank
		13/09/2024	35,959,875	2024-2025	Co-operative Bank of Kenya
		13/11/2024	1,200,000	2024-2025	Co-operative Bank of Kenya
		14/05/2025	41,853,000	2024-2025	Co-operative Bank of Kenya
		15/01/2025	462,170	2024-2025	Co-operative Bank of Kenya
		17/06/2025	108,000	2024-2025	Co-operative Bank of Kenya
		19/02/2025	120,000	2024-2025	Co-operative Bank of Kenya
		20/01/2025	188,000	2024-2025	Co-operative Bank of Kenya
		25/03/2025	762,000	2024-2025	Co-operative Bank of Kenya
		25/10/2024	1,520,000	2024-2025	Co-operative Bank of Kenya
		2/12/2024	5,287,680	2024-2025	Co-operative Bank of Kenya
		3/12/2024	25,227,915	2024-2025	Co-operative Bank of Kenya
		11/9/2024	3,716,000	2024-2025	Co-operative Bank of Kenya
		4/2/2025	590,500	2024-2025	Co-operative Bank of Kenya
		5/3/2025	32,000	2024-2025	Co-operative Bank of Kenya
		<b>Total</b>	<b>117,027,140</b>		

# THE CO-OPERATIVE UNIVERSITY OF KENYA

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### Appendix IV: Reporting of Climate Relevant Expenditure

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Tree Seedling Propagation	Propagation of tree seedlings, planting them in the University and other areas, and distribution of the seedlings to staff and other stakeholders	<p><b>Promote Environmental Conservation and Climate Action</b> Support climate change mitigation through carbon sequestration and ecosystem restoration in line with Kenya's Climate Change Act and NDCs.</p> <p><b>Enhance Forest Cover</b> Contribute to achieving and sustaining over 10% national tree cover as outlined in the Constitution and the National Strategy for Tree Cover.</p> <p><b>Empower Communities and Stakeholders</b> Distribute seedlings to communities, schools, and institutions to foster ownership and participation in greening initiatives.</p> <p><b>Support Agroforestry and Livelihoods</b> Provide suitable tree species to enhance food security, income, and climate-smart agriculture.</p> <p><b>Restore Degraded Ecosystems</b> Rehabilitate deforested and degraded areas, including riparian zones, through targeted propagation and planting.</p> <p><b>Align with Policy and Development Goals</b> Support implementation of Kenya's Vision 2030, the Forest Act (2016), and county climate action plans.</p> <p><b>Promote Environmental Awareness</b> Educate citizens, especially youth, on the value of trees and sustainable natural resource management.</p> <p><b>Conserve Biodiversity</b> Propagate indigenous species to preserve biodiversity and enhance ecosystem resilience.</p> <p><b>Foster Partnerships</b> Promote collaboration among the government, private sector, civil society, and development partners in greening efforts.</p>	<p><b>Nursery Establishment and Seedling Propagation</b> Set up and manage a tree nursery to propagate diverse tree species</p> <p><b>Site Preparation and Planting</b> Identify, prepare, and plant trees at designated sites within and beyond the university, with proper aftercare.</p> <p><b>Seedling Distribution and Awareness</b> Distribute seedlings to staff and stakeholders, and conduct training and sensitization on tree planting and care.</p> <p><b>Monitoring and Reporting</b> Track seedling survival, document outcomes, and share progress reports with stakeholders.</p>	■				KEFRI & CUK	KEFRI & CUK

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