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HON. OWEN BAYAJ MP

OF
PREPARED AT
BY:

J. LEMERELLE

THE AUDITOR-GENERAL

ON

SOUTH EASTERN KENYA UNIVERSITY

FOR THE YEAR ENDED

30 JUNE, 2025



OFFICE OF THE AUDITOR GENERAL
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SOUTH EASTERN KENYA UNIVERSITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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



ARID TO GREEN
ISO 9001: 2015 CERTIFIED



**South Eastern Kenya University
Annual Report and Financial Statements
for the financial year ended June 30, 2025**

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1. Acronyms and Definition of Key Terms

A: Acronyms

A/C:	Account
CO-OP:	Co-operative Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
IGU:	Income Generating Units
IPSASB:	International Public Sector Accounting Standards Board
JKUAT:	Jomo Kenyatta University of Agriculture and Technology
KCB:	Kenya Commercial Bank
KRA:	Key Result Area
MORTEC:	Moringa Technology
NACOSTI:	National Commission for Science Technology and Innovation
NBK:	National Bank of Kenya
NRF:	National Research Fund
PPE	Property Plant & Equipment
RUFORUM:	Regional Universities Forum for Capacity Building
SEKU:	South Eastern Kenya University
SEUCO	South Eastern University College
TARC:	Trans disciplinary Applied Research Centre
UKAI	Ukamba Agricultural Institute

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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2. Key University Information and Management

(a) Background Information

South Eastern Kenya University (SEKU) was established on 1st March, 2013 as a successor to South Eastern University College (SEUCO), which was established on 15th July, 2008 as a successor to Ukamba Agricultural Institute (UKAI), an institution established in the 1970s, as an Agricultural Institute, to promote sound management, utilization and conservation of biotic and abiotic dry land resources. South Eastern Kenya University is domiciled in Kenya with the main campus located in Kitui County and has two campuses namely Kitui Town Campus and Wote Campus. The University's campuses are situated in a serene and conducive environment for learning, thus providing a home away from home experience for its students and members of staff

The University Council is appointed by the Cabinet Secretary for Education and is responsible for the general policy and strategic direction of the University.

(b) Principal Activities

The mandate of the University is teaching and learning, research and innovation, outreach and community service. To guide in carrying out these activities, the University has developed clear vision and mission statements.

The Vision of the University is a globally competitive Centre of Excellence in Research, teaching and Learning, Community Service, Innovation and Commercialization.

The Mission is to provide quality education through research, teaching, extension, innovation and entrepreneurship with emphasis on food and nutrition security, health, engineering and technology, environment and natural resources management for sustainable development.

In order to achieve the vision and mission, the University is guided by the following core values:

- i. **Professionalism:** In all actions and interactions, we maintain ethical behavior, courtesy and Professional etiquette.
- ii. **Innovation:** Innovativeness is the hallmark of our business activities through fostering pro-activeness, creativity, and adaptability to change.
- iii. **Integrity:** Transactions are done in honest, transparent and accountable ways.
- iv. **Freedom of thought:** We promote and defend academic freedom.
- v. **Teamwork:** We maintain a sense of unity and of common interests and responsibilities.
- vi. **Sustainability:** The University shall ensure sustainability in its operations by ensuring prudent utilization of its physical, financial and human capital resources.



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(c) Key Management

The University's management is undertaken by the following key organs:

- (a) The University Council
- (b) The Senate
- (c) The University Management Board

(d) Fiduciary Management

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

No	Designation	Name
1.	Vice-Chancellor	Prof. Eng. Douglas Shitanda, Ph.D
2.	Deputy Vice-Chancellor (Corporate Services)	Prof. Francis N. Wachira, Ph. D
3.	Deputy Vice-Chancellor (Academics, Research and Innovation)	Prof. Harrison Maithya, Ph.D
4.	Director, Facilities Management and Administration	Dr. David Namasaka, Ph.D
5.	Academic Registrar	Dr. John F. Koga, Ph.D
6.	Director, Finance and Accounts	CPA Ferguson Muthui
7.	Director, Procurement and Supply Chain Management	Mr Julius Mwilu
8.	Director, Human Resource Management	Mr. Erastus Ndeleva
9.	Head, Legal Services	Ms Nicole Kathini Nyamai

(e) Fiduciary Oversight Arrangements

- (a) Finance, Development and General-Purpose Committee
- (b) Human Resource and Strategy Committee
- (c) Audit, Governance and Risk Management Committee
- (d) Academic and Sealing Committee

(f) Headquarters

South Eastern Kenya University - Main Campus
P.O. Box 170 – 90200
Kitui, Kenya



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(g) Contacts

Telephone: 0748605996/0748605997

E-mail: info@seku.ac.ke

Website: www.seku.ac.ke

(h) University Bankers

Name	Name
1. National Bank of Kenya Ltd. SEKU Branch P.O Box 1656-90200 KITUI	2. Equity Bank of Kenya Ltd Kitui Branch P.O Box 1453-90200 KITUI
3. The Co-operative Bank of Kenya Ltd. Kitui Branch P.O Box 1432-90200 KITUI	4. Absa Bank Kenya Ltd. Kitui Branch P.O Box 1206-90200 KITUI
5. Kenya Commercial Bank Ltd. Kitui Branch P.O Box 683-00200 KITUI	6. Family Bank (K) Ltd. Kitui Branch P.O Box 74145-00200 NAIROBI

(i) Independent Auditors



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



(j) Principal Legal Adviser



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





3. The University Council

 <p>1. Prof. Crispus Kiamba, Ph.D Chairman (W.e.f 4th April 2025)</p>	<p>Date of Birth: 2nd March 1954</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> (i) 1988. PhD in Land Economics (ii) 1979: M.Sc. in Urban Land Appraisal University of Reading (iii) 1977: B.A. Land Economics; University of Nairobi <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> (i) 2008 - 2013, Permanent Secretary, Ministry of Higher Education, Science and Technology (ii) 2006-2008: Permanent Secretary, Ministry of Science and Technology. (iii) 2005- 2006: Chief Executive Officer, Commission of Higher Education. (iv) 2002-2005: Vice-Chancellor, University of Nairobi (v) 1998 -2002: Deputy Vice-Chancellor (Administration & Finance). University of Nairobi. 1994-1998, Principal College of Architecture and Engineering, (vi) 1991-1994: Dean of the Faculty of Architecture, Design and Development.
 <p>2. Esther Wanjiru Ndirangu Independent Member Chair Humana resources and Strategy committee</p>	<p>Date of Birth: 2nd April 1966</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> i) 2005: Masters in Educational Leadership and Management. Aga Khan University Karachi, Pakistan. ii) 1990: Bachelor of Education (Science). Kenyatta University. <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> (i) 2019: Delivery Consultant on Employee productivity (ii) 2018: Director Trainer competence based Curriculum (iii) 2017 Ag. CECM Administration and Public service, Kiambu County (iv) 2013: CECM Education, Information, Communication & Technology (ICT), Culture, Kiambu County (v) 1997: Pedagogy Trainer, Aga Khan Education Services Kenya (vi) 1990: Trainer, Teachers Service Commission

 <p>3. Dr. Fancy Chepkirui Kemei Independent Member. Chair Academic and Sealing committee</p>	<p>Date of Birth: 29th September 1963</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> (i) PhD in Counseling Psychology, Masters in Counseling Psychology, Bachelor of Education (Arts) - Kenyatta University (ii) Diploma in Chemical Addition-Support for Addictions Prevention and Treatment in Africa (SAPTA) (iii) Senior Management course (SMC) (iv) Strategic Leadership Development Program (SLDP)- Kenya school of Government (v) Registered Member of The Psychologists and Counselors Board (Kenya). <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> (i) Currently the Chair of Board of Management, Kedowa Girls High school. (ii) 2013 to 2023 -Worked at Attorney General - hosted Justice Institution evidence-based counseling and psychotherapy assessments
 <p>4. Mr. Abdifatah Hassan Farah Alternate Member: Principal Secretary, National Treasury Representative</p>	<p>Date of Birth: 1995</p> <p><i>Key Qualifications:</i> Bachelor Degree in Economics and Statistics (UON)</p> <p><i>Work Experience</i></p> <ul style="list-style-type: none"> (i) 2021 - to date: The National Treasury & Economic Planning (ii) 2019- 2021: Relief Reconstruction & Development Organization (RRDO)

 <p>5. Mr. Bartholomew Lumbasi Alternate Member: PS. Rep., State Department of Higher Education and Research</p>	<p>Date of Birth: 06th January 1978</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> (i) Master of Business Administration (Strategic Management) from JKUAT (ii) Master of Education (Planning) <p><i>Work Experience</i></p> <ul style="list-style-type: none"> (i) Civil Servant: and Teacher
 <p>6. Dr John N. Ondari Independent Member Chair Finance, Development & General purpose Committee</p>	<p>Date of Birth: 19th Dec 1970</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> (i) Jomo Kenyatta University of Agriculture and Technology: Doctorate in Leadership and Governance (ii) University of Nairobi: Master's degree in Economics, and a (iii) University of Nairobi: Bachelor of Arts degree in Mathematics and Economics, (iv) Academy of Executive Coaching Certificate in Executive Coaching <p><i>Work Experience</i></p> <ul style="list-style-type: none"> (i) World Bank, (ii) Ministry of Planning and Finance, (iii) Ministry of Water (iv) Ministry of Health <p>civil society (particularly the Netherlands Development Organization, SNV).</p>

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 <p>7. Dr. Alutalala Mukhwana (W.e.f. 21st June, 2025) Independent Member Chair Audit Committee</p>	<p>Date of Birth: 10th May, 1967</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> (i) SMA Swiss Management Academy-Switzerland: Doctorate in Global Management. (ii) The Kenya School of Law: Post Graduate Diploma in Law. (iii) SMA Swiss Management Academy-Switzerland: Master's in business Administration (Global Management). (iv) University of Nairobi: Bachelor of Law Degree. (v) Kagumo Teachers training Collage: Diploma in Education (Humanities). <p><i>Work Experience</i></p> <ul style="list-style-type: none"> (i) Alutalala Mukhwana & Company Advocates (ii) PL Mutuli & Associate Advocates (iii) SMA Swiss Management Academy-Kenya campus (iv) West Park Academy-a British Curriculum School (v) Oshwal High School (vi) Mokomoni SDA Mixed Secondary School
 <p>7. Prof. Eng. Douglas Shitanda, Ph.D Vice Chancellor and Secretary to the Council.</p>	<p>Date of Birth: 29th June, 1966</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> (i) 2016, Presbyterian University of East Africa, Master of Business Administration (ii) 2001, Iwate University Japan, Doctor of Philosophy (Agricultural Sciences). (iii) 1994, University of Nairobi, Master of Science Agricultural Engineering. (iv) 1990, University of Nairobi, Bachelor of Science Agricultural Engineering, Second Class Honours (Upper Division) <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> (i) 4th October 2023 to present – Vice Chancellor - South Eastern Kenya University. (ii) 1st February 2017 to 31st January 2022, Deputy Vice Chancellor, Administration, Planning and Finance, Machakos University. (iii) 20th September 2016 to 30th December 2016, Acting

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	<p>Vice Chancellor, The Cooperative University of Kenya (iv) 12th March 2014 to 19th September 2016, Principal, Cooperative University College (v) 1st March 2013 to 28th February 2014, Ag. Deputy Vice Chancellor, Research, Production and Extension, Multimedia University of Kenya (vi) 9th August 2010 to 28th February 2013, Deputy Principal, Research, Production and Extension, Multi Media University College</p>
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4. Key Management Team

<div data-bbox="175 414 582 750" data-label="Image"> </div> <div data-bbox="220 907 678 985" data-label="Caption"> <p>1. Prof. Eng. Douglas Shitanda, Ph.D (Vice Chancellor)</p> </div>	<p>Date of Birth: 29th June, 1966</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> (i) 2016, Presbyterian University of East Africa, Master of Business Administration (ii) 2001, Iwate University Japan, Doctor of Philosophy (Agricultural Sciences). (iii) 1994, University of Nairobi, Master of Science Agricultural Engineering. (iv) 1990, University of Nairobi, Bachelor of Science Agricultural Engineering, Second Class Honours (Upper Division) <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> (i) 4th October 2023 to present – Vice Chancellor - South Eastern Kenya University. (ii) 1st February 2017 to 31st January 2022, Deputy Vice Chancellor, Administration, Planning and Finance, Machakos University. (iii) 20th September 2016 to 30th December 2016, Acting Vice Chancellor, The Cooperative University of Kenya (iv) 12th March 2014 to 19th September 2016, Principal, Cooperative University College (v) 1st March 2013 to 28th February 2014, Ag. Deputy Vice Chancellor, Research, Production and Extension, Multimedia University of Kenya (vi) 9th August 2010 to 28th February 2013, Deputy Principal, Research, Production and Extension, Multi Media University College
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<div data-bbox="231 414 622 784" data-label="Image"> </div> <div data-bbox="231 907 686 1008" data-label="Caption"> <p>2. Prof. Francis N. Wachira, Ph.D Deputy Vice Chancellor (Corporate Services)</p> </div>	<p><i>Date of birth:</i> 20th March 1963</p> <p><i>Key qualification:</i></p> <ul style="list-style-type: none"> (i) 1996 Dundee University, the United Kingdom, Doctor of Philosophy degree. (ii) 1990 Kenyatta University, Kenya Master of science. (iii) 1986 Kenyatta University, Bachelor of Education (Science) <p><i>Work Experience</i></p> <ul style="list-style-type: none"> (i) January 2017 – present: Deputy Vice-Chancellor(Corporate Services) (i) February 2015-December 2016: Executive Secretary, ASARECA, Uganda (ii) August 2012 – February 2015: Deputy Executive Director, ASARECA, Uganda (iii) November 2009-July 2012: Director, CEO Tea Research Foundation of Kenya <p><i>Membership:</i></p> <ul style="list-style-type: none"> (i) February 2015-December 2016: Member of Board of Directors, Forum for Agricultural Research in Africa (FARA), Ghana (ii) May 2014-December 2016; Member, Independent Advisory Committee, ICRISAT (International Crops Research Institute for the Semi-Arid Tropics), India (iii) April 2014-December 2016; Member, Steering Committee, Pan African Research Alliance (PASIRA), Uganda (iv) March 2011-September 2012: Member, Kenya Highlands Evangelical University Council, Kenya
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3. Prof. Harrison Maithya

DVC, Academics, Research and Innovation



Date of Birth: 1963


Key Qualifications:

- (i) Hold PhD. In Social Anthropology from the University of London at University College London (Area: Medical Anthropology)
- (ii) Trained Mediator and Member of Chartered Institute of Arbitrators (CI Arb);

Work Experience:

- (i) 2025-Present: Deputy Vice Chancellor Academics , research and innovation, South Eastern Kenya university.
- (ii) 2023-2025 Ag. Deputy Vice Chancellor ,Academics , research and innovation, South Eastern Kenya university.
- (iii) 2020: Campus Director, South Eastern Kenya University, Wote Campus.
- (iv) 2018: Director of Linkages and International Programmes and Associate Professor, Department of Sociology and Anthropology, South Eastern Kenya University, Kitui;
- (v) 2017: Dean, School of Humanities and Social Sciences
- (vi) 2015: Served as a Commissioner, Commission of Inquiry into the Petition to Suspend Makueni County Government.
- (vii) Provided consultancy/research services to both National and International Organizations such as United States Agency for International Development/Education Development Centre Inc.
- (viii) 2013: Chairman, Makueni Municipal Board.

 <p>4. Dr. John F. Koga, Ph.D Academic Registrar</p>	<p><i>Date of Birth:</i> 1st October, 1960</p> <p><i>Key Qualifications::</i></p> <ul style="list-style-type: none"> (i) 1994 The University of Leeds, Doctor of Philosophy degree. (ii) 1988 Kenyatta University, Master of Science. (iii) 1985 University of Nairobi, Bachelor of Education, Second Class Honours (Upper Division) (iv) 1981 Kenya Science Teachers College, Certificate of Teacher Education (S1) <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> (i) 1st November, 2010 to present: Academic Registrar, South Eastern Kenya University
 <p>5. Dr. David Butali Namasaka, Ph.D. Director, Facilities Management and Administration</p>	<p><i>Date of Birth:</i> 25th May 1971</p> <p><i>Key Qualifications::</i></p> <ul style="list-style-type: none"> (i) 2020: Jaramogi Oginga Odinga University of Science and Technology (JOUST), Doctor of Philosophy in Human Resource Management. (ii) 2016: Kibabii University, Master of Science in Human Resource Management. (iii) 2012: Masinde Muliro University of Science and Technology (MMUST), Master of Science in Disaster Management and Humanitarian Assistance. (iv) 2011: Kenya Institute of Management (KIM), Diploma in Human Resource Management. (v) 1996: University of Nairobi, Bachelor of Education (Arts). <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> (i) September, 2021 to present, Director Facilities Management and Administration, South Eastern Kenya University. (ii) 2019 to September 2021: Deputy Registrar Planning Partnership, Research and Innovation, Kibabii University.

	<p>(iii) 2014 to 2019: Deputy Registrar Administration and Human Resource, Kibabii University (KIBU)</p> <p>(iv) 2012 to 2014: Senior Assistant Registrar: (KIBU).</p> <p>(v) 2010 to 2012: Assistant Registrar, Administration and Human Resource, MMUST.</p> <p>(vi) 2007-2010: Senior Administrative Assistant, Central Services, MMUST.</p> <p>(vii) 1996 to 2007: Graduate Teacher, Teachers Service Commission (TSC).</p> <p><i>Membership:</i></p> <p>(i) Practicing Member, Institute of Human Resource Management (IHRM).</p> <p>(ii) Member, Kenya Institute of Management (KIM).</p> <p>(iii) Live Member, The Kenya Red Cross.</p>
 <p>6. CPA Ferguson Muthui Director, Finance and Accounts</p>	<p><i>Date of Birth:</i> 3rd September 1979</p> <p><i>Key Qualifications::</i></p> <p>(i) 2017: Kenyatta University, Master of Business Administration (Finance).</p> <p>(ii) 2005: Maseno University, Bachelor of Business Administration (Accounting Option)</p> <p>(iii) 2009: CPA(K)</p> <p><i>Work Experience:</i></p> <p>(i) January, 2022 to present, Director, Finance and Accounts -South Eastern Kenya University</p> <p>(ii) 2014-2021, Finance Officer-County Government of Kitui.</p> <p>(iii) 2010-2014 Accountant-Kitui County Referral Hospital.</p> <p>(iv) 2006-2010, Accounts officer Kenya Commercial Bank</p> <p><i>Membership:</i></p> <p>(i) Member, Institute of Certified Public Accountants of Kenya (ICPAK)</p>

<div data-bbox="172 376 603 757" data-label="Image"> </div> <div data-bbox="220 891 689 1034" data-label="Caption"> <p>7. Julius Musau Mwilu (MKISM) Director, Procurement and Supply Chain Management</p> </div>	<p><i>Date of Birth:</i> 9th March 1963</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> (i) 2013: University of Nairobi (UoN), Master of Business Administration (Procurement and Supply Chain Management). (ii) 2008: Kenya Methodist University, Bachelor of Business Administration (Marketing). (iii) 2000: Kenya School of Government Mombasa. (Professional Course in Supplies Management) (iv) 1996: Kenya School of Government-Matuga, Diploma in Supplies Management. (v) 1985: University of Nairobi, Certificate Course in Supplies Management. <p><i>Work Experience.</i></p> <ul style="list-style-type: none"> (i) December, 2023 to present, Director Procurement and Supply Chain Management, South Eastern Kenya University. (ii) 2015 to September to 2022 November: Chief Procurement Officer, South Eastern Kenya University. (iii) 2013 to 2015: Principal Procurement Officer, Kenya Forestry Research Institute. (iv) 2009 to 2012: Supplies Officer: (KEFRI).
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8. Erastus Ndeleva

Director Human Resource Management

Date of Birth: 24th April, 1971

Key Qualifications:

- i. 2013: Institute of Human Resources Management (IHRM) - Higher National Diploma in Human Resources Management.
- ii. 2012: Master of Business Administration in Strategic Management, Kenyatta University.
- iii. 1995: Moi University, Bachelor of Arts (Business and Management option).

Work Experience:

- i. 4th March, 2025 to Date: Director, Human Resource Management: South Eastern Kenya University.
- ii. 1st March, 2017 to 29th February, 2025: Principal Human Resources Management Officer, County Assembly of Kitui.
- iii. 2nd April, 2014 to 28th February, 2017: Group Human Resources, Staff Training and Development Manager, Quest Holdings Ltd.
- iv. 17th January, 2011 to 31st March, 2014: Human Resources and Administration Manager, APEC Consortium Ltd.
- v. 12th October, 2009- 31st December, 2010: Principal Officer, Alok Bureau De Change.
- vi. 5th April, 2006 - 12th October, 2009: Education as a Training Officer in charge of planning, developing, implementing and evaluating training and development programs, Digital Advisory & Learning Centre, DALC.

Full Member of Institute of Human Resource Management.



9. Ms. Nicole Kathini Nyamai
Head, Legal Services

Date of Birth: 29th March, 1989

Key Qualifications:

- (i) University of Nairobi: Master of Laws Degree
- (ii) Jomo Kenyatta University of Agriculture and Technology: Bachelor of Laws Degree
- (iii) Kenya School of Law: Post Graduate Diploma in
Law-Advocate of the High Court of Kenya
- (iv) Vantage Africa School of Leadership: Senior Management Course
- (v) Samtech Computer College: Certificate in Information Technology
- (vi) Commissioner for Oaths

Work Experience:

- (i) South Eastern Kenya University
- (ii) Kituo Cha Sheria
- (iii) The CRADLE-The Children Foundation
- (iv) Wamalwa, Abdi & Company Advocates
- (v) Anthony M. Mulekyo & Company Advocates

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5. Chairman's Statement

On behalf of the Council, I am pleased to present the South Eastern Kenya University Annual Report and Financial Statements for the financial year ended 30th June 2025. The Council's mandate involves overseeing the judicious deployment of financial resources within the University, acting on behalf of the Government. Furthermore, the Council is responsible for establishing the institution's overarching policy directions and providing oversight for their implementation by management, including the crucial tasks of budget approval and management oversight, given our role as the reporting agency to the Government.

I am pleased to report that the University continued to deliver on its key mandate of teaching and learning, research and innovation, outreach and community service albeit challenging operating environment occasioned by high cost of living and strained operational budgets. The Council is indeed pleased with the actions taken by the University to ensure continuity of its operations in line with government guidelines.

As the University continues to initiate recovery measures it will continue to innovate in the core areas of teaching, learning and research as we focus on expansion of ICT infrastructure in order to ensure we deliver quality education and service to our students and other stakeholders.

I take this opportunity to reaffirm the commitment of the Council in providing effective and visionary leadership for the growth of the University. In this regard, the Council will continue to maintain a policy direction which facilitates management and staff to work together and engage stakeholders in accordance with the spirit of participation as enshrined in our Constitution.

In conclusion, I would like to express my sincere gratitude to the Government of Kenya for its invaluable support to the University as it continues to deliver on its mandate. I also wish to commend the management and staff for their exceptional efforts to ensure we achieve the level of growth that we witnessed during the year and the community and other stakeholders for their continuous contribution and support in various ways. I also thank my fellow Council members for their insightful support and timely inputs during the year.



.....
Prof. Crispus Kiamba, Ph.D
Chairman of Council



6. Report of the Vice-Chancellor

I am delighted to present the Annual Report and Financial Statements of the South Eastern Kenya University for the year ended 30th June 2025. The financial year under review begun on a slow recovery pace from the effects of high cost of living and strained budget levels which adversely affected the university operations. These challenges significantly affected our operations, prompting us to develop innovative solutions to maintain our services throughout the period.

The University realised a total of Kshs.1.39 billion in recurrent revenue composed of Appropriation in Aid (AIA) of Kshs. 907.01 million which translates to 65.3% and recurrent grants of Kshs.473.06 million which translates to 34%. The University did not receive capital grants during the year for the ongoing infrastructure projects.

As part of its strategy to achieve operational sustainability, the University continued to rationalize and manage costs through restructuring and review of existing policies to cut on operating cost. The total recurrent expenditure, inclusive of assets impairment and amortization, amounted to Kshs.1.37 billion with employee costs accounting for Kshs.1.029 million which is 73 % of the total operational cost.

The University continued to invest in capital assets financed from internally generated funds and capital. The University focused on enhancing capacity to deliver services by improving its facilities and enhancing the ICT infrastructure for both students and staff. As a result, the total asset base stood at Kshs.4.61 billion as at the end of the financial year under review.

In conclusion, I wish to express my sincere gratitude to the Council whose unwavering and insightful support was critical in making sure that the University achieves its goals and objectives during the year under review. I also wish to recognize the great contribution of our staff and industry stakeholders for their effort in making the year a success.

I sincerely thank all of them and look forward to their continued support.



.....
Prof. Eng. Douglas Shitanda, Ph.D
Vice-Chancellor

7. Statement of Performance against Predetermined Objectives for FY 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 University's performance against predetermined objectives.

South Eastern Kenya University has five strategic pillars and objectives within its Strategic Plan for the 2023- 2027. These strategic pillars are as follows:

- KRA 1: Provide Quality University Education and Training
- KRA 2: Enhance Research, Consultancy and Community Service
- KRA 3: Enhance Physical and ICT Infrastructure
- KRA 4: Promote Governance and University Image
- KRA 5: Promote partnerships and enhance resource mobilization

South Eastern Kenya University develops its annual work plans based on the above five pillars. Assessment of the University's performance against its annual work plan is done on a quarterly basis. South Eastern Kenya University achieved its performance targets set for the 2024/2025 financial period for its five strategic pillars, as indicated in the table below:



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Table 1 Strategic plan

Key Result Areas (KRAs)	Strategic Objectives (SO)	Key Performance indicators	Activities	Achievements
KRA 1: Provide Quality University Education and Training	SO1: To produce well educated, skilled, and competent manpower.	Number of senate approved programmes	1. Develop market driven undergraduate and postgraduate programmes.	New programmes developed in Engineering ,Health science, Law, and Business schools
		Number of programmes mainstreamed	2. Mainstream ethics in academic programmes.	University programmes mainstreamed
		Number of programmes digitised	3. Use ICT in teaching and learning	All programmes digitised
	SO2: To attract, develop, motivate and retain well qualified and competent staff	Number of staff on health care services	1. Expand and improve health care services for staff	All members of staff covered in medical scheme
		Performance management system developed	2. Develop and implement a performance management System	Staff appraisal conducted
	SO3: To increase access and equity quality education	Increased enrolment	1. Develop a marketing strategy for academic programmes.	Increased enrolment during the year
		Proportional representation of gender and minority groups	2. Promote gender and minority groups parity in all academic programmes.	30% of women and 10% of the minority groups adhered
KRA 2: Enhance Research, Consultancy and Community Service	SO4: Enhance research output and dissemination results	Number of funded research projects	1. Increase research programmes	New research projects funded
		Number of partnerships established	2. Establish partnerships with industry, universities and research organisations	MOU's established
		Number of publications, workshops and seminars	3. Disseminate research findings	140 publications in the year/ held 2 workshops/ seminars
		Developed and implemented	4. Implement University Research and Innovation Policy	University Research and Innovation policy implemented
		Number of staff trained	5. Train staff on competitive grant writing	Research grants funded during the year
	SO6: Enhance consultancy services	Number of consultancy services awarded	1. Mainstream consultancy services	Two consultancies awarded
	SO7: Engage in community outreach and extension services	Number of developed programmes	1. Develop programmes for community outreach	Programmes developed
KRA 3: Enhance Physical and ICT Infrastructure	SO8: Develop ICT infrastructure to support teaching, learning and	Increased bandwidth	1. Increase the bandwidth	Bandwidth increased by 15 MB
		Number of buildings having fibre optic connection	2. Enhance campus connectivity	All buildings connected to fibre optic



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Key Result Areas (KRAs)	Strategic Objectives (SO)	Key Performance indicators	Activities	Achievements
	outreach.	Number of hot spots on campus	3. Increase internet hotspots	5 hot spots during the year
	SO9: Expand physical facilities for teaching, research, learning and student welfare	Number of new lecture halls, laboratories and offices built	1. Develop lecture hall, laboratories and offices	College of Humanities, Wote and Kitui campus under construction
		Number of tree species introduced and the acreage of woodlot established	2. Develop and expand tree nursery, botanical garden and woodlots	5 acres of woodlot established in the year
KRA 4: Promote Good Governance and University Image	SO10: To promote the University image for enhanced visibility.	Number of associations joined	1. Join and participate in national, regional and international associations	Payment of subscription fees paid for the year
		Number of materials posted on the repository	2. Continuously update the University repository	Increased number of materials posted
		Number of public lectures by staff	3. Disseminate research information	Public lectures held
		Number of staff and students' engagements per year	4. Continuous engagement of staff and students to guarantee harmony	one joint event held
	SO11: To promote integrity and ethical behaviour in university governance	Compliance with statutory requirements	1. Institutionalise prudent use of university resources	All statutory and legal requirements complied
		Number of workshops/seminars held	2. Sensitise staff on integrity and ethical behaviour	Staff sensitised on integrity and ethical behaviour
		Anti-corruption policy developed and implemented	3. Develop and implement anti-corruption policy	Zero tolerance to corruption
	SO12: To institutionalise quality systems	QMS developed	1. Develop and implement ISO QMS 9001-2015	ISO-Certification awarded and retained
		ISMS Developed	2. Develop and implement ISMS	ISMS implemented
		QMS developed	3. Develop and implement environmental QMS	ISO Re-certification awarded
		Number of programmes accredited	4. Ensure that programmes are accredited by professional bodies and benchmarking with other internationally accredited institutions.	All programmes approved by Senate and requiring accreditation by professional bodies done
		CUE standards and guidelines implemented	5. Implement CUE standards and guidelines	All CUE standards and guidelines implemented
	SO13: Enhance Human	National cohesion and integration principles	1. Implement national cohesion and integration	Implemented and observed



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Key Result Areas (KRAs)	Strategic Objectives (SO)	Key Performance indicators	Activities	Achievements
	Resource Development	implemented	principles.	
		induction policy developed and implemented	2. Develop and implement induction programme for staff	Policy Implemented
KRA 5: Promote partnerships and enhance resource mobilization	SO14: To mobilize adequate resources to sustain and advance university activities	Number of acres utilized	1. Utilize SEKU lands and other properties to generate income	Planted 30,000 seedlings in 20 acres of SEKU land
		Number of livestock increased		
		Number of farm enterprises commercialized	2. Commercialize the farm	Commercialization on going
		Non-conventional sources of funds identified	3. Implement resource mobilization policy	Implementing resource mobilization policy
		Curricula for short courses developed	4. Develop and implement short courses	Short courses established
		No of linkages and partnerships established	5. Establish partnerships and Linkages for resource mobilization	Partnerships and Linkages established
		Marketing plan developed	6. Develop and implement a marketing plan	Marketing plan developed



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8. Corporate Governance Statement

The University derives its authority and accountability from the Universities Act of 2012, the South Eastern Kenya University Charter and the South Eastern Kenya University Statutes which outline the commitment required of members of the Council to discharge their mandate.

These instruments guarantee effectiveness of each member contribution in the governance of the University by ensuring there is independent judgment, where professional competence and ethical standards are highly observed in decision making.

The University is also guided by its core values namely: professionalism, innovation, integrity, freedom of thought, teamwork and respect for and conservation of the environment which, serve as a basis for sound decision making.

The University operates in line with MWONGOZO Code of Governance for State Corporations and underlying principles of good governance. In addition, the University is fully compliant with provisions of, inter alia, the following Acts and regulations; Public Procurement and Disposal Act 2015 and Regulations 2020, Public Finance Management Act 2012 and Regulations 2015. Further, the University attained ISO 9001-2015 Quality Management System certification.

(a) Chancellor

Section 12 of the Charter provides that there shall be a University Chancellor who is appointed by the President.

(b) Council

Section 18 of the Charter provides that there shall be a University Council. The Council is led by a Chairman, and Vice Chancellor who serves as the Secretary to the Council, the Principal Secretary National Treasury, Principal Secretary Ministry of Education and five independent and non-executive members.

All the non-executive Council members were independent of management and free from any business or other relationships which could interfere with the exercise of their independent judgment. Members of the University Council are appointed by the Cabinet Secretary for Education.



Council Diversity

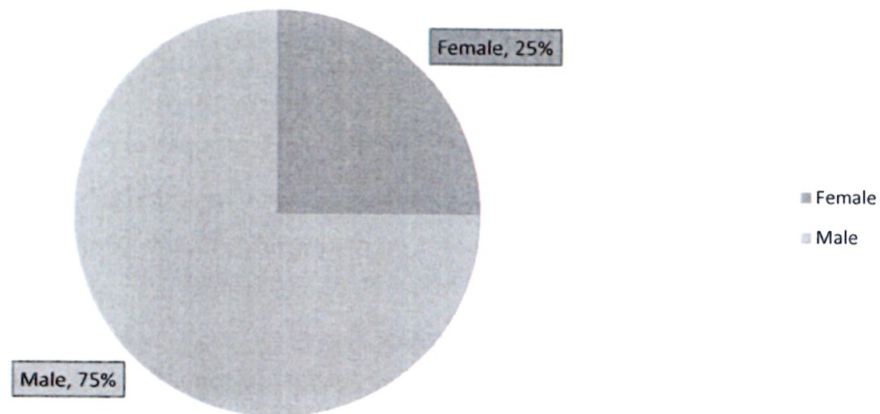


Figure 1 Council Gender Diversity

In compliance with the Constitution, the Council composition in terms of male and female Council members was 75% and 25% respectively.

The independence of the Council from the University Management was ensured by separation of the functions of the Chairman and Vice Chancellor and a clear definition of their responsibilities. This helped the University in achieving an appropriate balance of power, increased accountability and improved decision-making.

(c) Responsibilities of the Council

The responsibilities of members of the Council are clearly spelt out in the University's Act. These include:

- (i) employing staff;
- (ii) approving the statutes of the University and cause them to be published in the Kenya Gazette;
- (iii) approving the policies of the University;
- (iv) approving the budget;
- (v) recommending for appointment of the Vice-Chancellor, Deputy Vice-Chancellors and principals of constituent colleges through a competitive process

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The Council sets out objectives and ensures that procedures and practices are in place to protect the University's assets and reputation. It also reviews the strategic direction of business plans presented by the Management, reviews processes for the identification and management of business risks and compliance with key regulatory and legal issues. It also provides oversight of performance against targets and objectives.

It ensures ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, corporate policies and procedures and the Code of Ethics, as well as benchmarks performance against best international practices.

In accordance with the principles of good corporate governance, each member of the Council undertakes to act in the best interest of the University and exercise his/her power in the execution of duties in good faith and act with care and prudence by subscribing to the University's core values.

(d) Council Induction, Training and development

Council Induction, Training, and Development focuses on equipping board Members with the necessary knowledge and skills for effective leadership, governance, and service delivery, often aligning with national development agendas. The programs cover areas such as public policy, financial management, corporate governance, and strategic planning

During the year under review, the induction of South Eastern Kenya University Board was conducted between 3rd and 7th June, 2024 at Kenya School of Government, Embu campus.

(e) Board Members Performance

Board evaluations are important because they improve organizational performance by identifying strengths and weaknesses, enhancing effectiveness and efficiency, and promoting accountability and transparency. Regular evaluations help boards to stay aligned with strategic goals, ensure adequate diversity and skills, inform succession planning, and comply with evolving regulations, ultimately leading to better decision-making and long-term success.

During the year review, the council evaluation was conducted by the State Corporations Advisory Committee (SCAC) on 6th September 2024 with a corporate full board core of 93.14.

(f) Council Meetings

During the year under review, the Council had 4 regular meeting and 4 special meetings. The council has a formal schedule of agenda items for deliberations. Members of the Council are given appropriate and timely information to maintain full and effective control over strategic, financial and operational issues of the University. The Council is not involved in the conduct of day-to-day business as this is a responsibility given to the Vice-Chancellor. It, however, retains responsibility for determining the direction of the University.



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(g) Council Attendance

The Council held four(4) regular and four(4) special meetings in the year under review. Attendance to the Council meetings was as follows:

Table 2 Council Attendance

Name	Designation	Regular	Special	Total
Mrs. Esther Ndirangu	Member	4	4	8
Prof. Crispus Kiamba	Member	3	4	7
Mr. Abdifatah Hassan	PS. Rep, Treasury	4	3	7
Mr. Bathlomew Lumbasi	PS. Rep, SDHER	3	4	7
Dr. John Ondari	Member	4	4	8
Dr. Alutalala Mukhwana	Member	3	2	5
Dr.Fancy Kemei	Member	4	4	8
Prof. Eng. Douglas Shitanda	VC/Secretary	3	4	7
Prof. Francis Wachira	Ag.VC/secretary	1	0	1

(h) Council Remuneration

In accordance with guidelines provided by the State Corporations Advisory Committee, members of the Council are paid taxable sitting allowance for every meeting attended as well as travel and accommodation allowance while on University duty. The Chancellor and the Chairman are also paid monthly honorarium.

Total Council expenses for the year was Kshs 11,951,955 which is 4% of the Operations and Maintenance expenditure, the University neither grants personal loans nor gives guarantees to members of the Council.

(i) Conflict of Interest and Declaration of Interest

Members of the Council have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the University. Business transactions with all parties, members or their related parties are carried out at arm's length.

Each member is obligated to fully disclose to the Council any real or potential conflict of interest, which comes to his/her attention, whether directly or indirectly.

In every meeting of the Council, an agenda item exists requiring members to make a declaration of any interest they may have in the business to be discussed.

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(j) Council Committees

The Council conducts its business through committees. The committees and their terms of reference are: -

(i) Finance, Development and General Purposes Committee

- (a) To consider and make recommendations to the Council on financial matters.
- (b) To consider and recommend to the council priority development projects.
- (c) To oversee the development of the university master plan.
- (d) To report to the council on progress of physical infrastructure development.
- (e) Resources mobilization.
- (f) To oversee the university endowment fund.
- (g) To consider and recommend to the Council matters of general nature.

The committee meets on a quarterly basis.

(ii) Audit, Governance and Risk Management Committee

- (a) To review internal and external audit findings, recommendations and propose corrective and preventive action where necessary.
- (b) Assist the accounting officer in enhancing internal controls in order to improve efficiency and accountability.
- (c) To make recommendations to the full council on risk management strategies.
- (d) To make recommendations to the full council on required governance structures.

The Committee meets on a quarterly basis. Special Meetings are held when necessary.

(iii) Human Resources and Strategy Committee

- (a) To review and make recommendations to the Council on staff Terms and Conditions of Service.
- (b) To examine and recommend career structures within the University.
- (c) To establish and generally oversee Staff Retirement Benefits Pension Scheme.
- (d) To provide strategic directions to the university.
- (e) To consider and recommend for approval of strategic plans.

The Committee meets on a quarterly basis. Special Meetings are held when necessary.

(iv) Academic and Sealing Committee

- (a) To recommend to the council for approval, regulations and students conduct while in the university.
- (b) To recommend to the council for approval of memoranda of understanding.
- (c) To recommend to the council for approval sealing of certificates for grandaunts.
- (d) Make recommendation to full council on proposal for student welfare.

The Committee meets on a quarterly basis. Special Meetings are held when necessary.



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(k) Management Structure

The University Management Board is made up of the Vice Chancellor, Deputy Vice Chancellors, Academic Registrar and Directors. The Board meets weekly to review the overall performance of the University.

There are various other management committees which advise the Vice Chancellor on specific issues in order to enable him to discharge his responsibilities as the Chief Executive of the University.

(l) Internal Controls

The Management of the University has put in place a series of internal control mechanisms to ensure reporting of complete and accurate accounting information. Procurement of goods and services is strictly done in accordance with the Public Procurement and Disposal Act, 2015.

(m) Authorizations

Expenditure of the University is authorized in accordance with set policies and procedures. There is a budget and a procurement plan which are approved by the Council. The Council receives regular management accounts comparing actual outcomes against budget as a means of monitoring actual financial performance.

(n) Internal Audit

The internal audit function is performed by Directorate of the Internal Audit and risk Assurance, which is also responsible for monitoring and providing advice on the University's risk management framework. All reports of the internal audit are presented to the Audit Committee of the Council.



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9. Management Discussion and Analysis

Operational and financial performance of the University

The University recurrent and development expenditure is funded by both government support and internally generated funds. In the period under consideration, the income targets were met at 98%. Further, the university operational expenses increased as a result of high costs of goods and services.

Revenue from exchange transactions comprising of tuition fees and related charges, rental and other incomes amounted to Kshs 917,369,763. The detailed composition of these revenue sources in the diagram below.

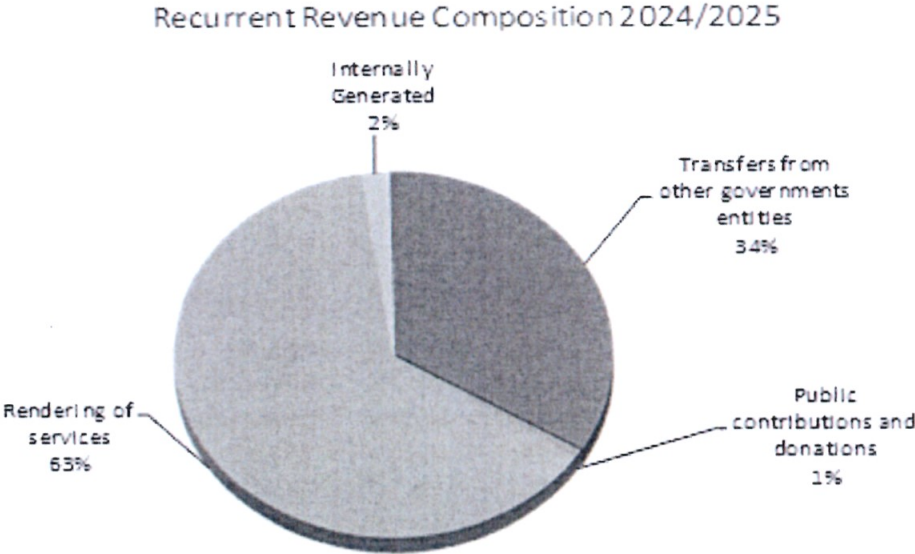


Figure 2 Recurrent Revenue Composition

The university receives government funding to finance both recurrent and development expenditure. Over the years, the government funding has been low and has not matched the growth of the University given that the university is relatively young and growing.



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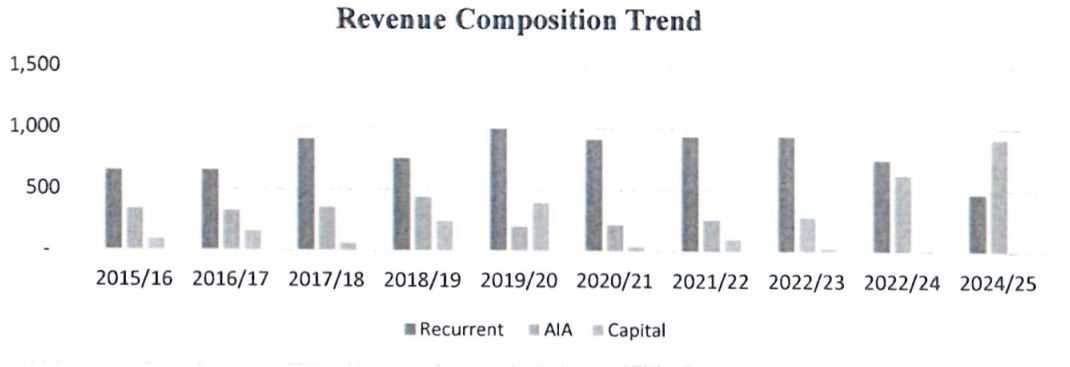


Figure 3 Total Revenue Composition Trend

The university has made deliberate efforts and applied financial prudence to continuously pay the pending bills as well as contain expenditure within manageable levels.

During the period under review, the operational costs increased by 7% the increase is mainly attributed to high cost of living which impacted on the expenditure items related to academic services. Employee costs is the major expenditure item accounting for 79% of the total operational expenses.

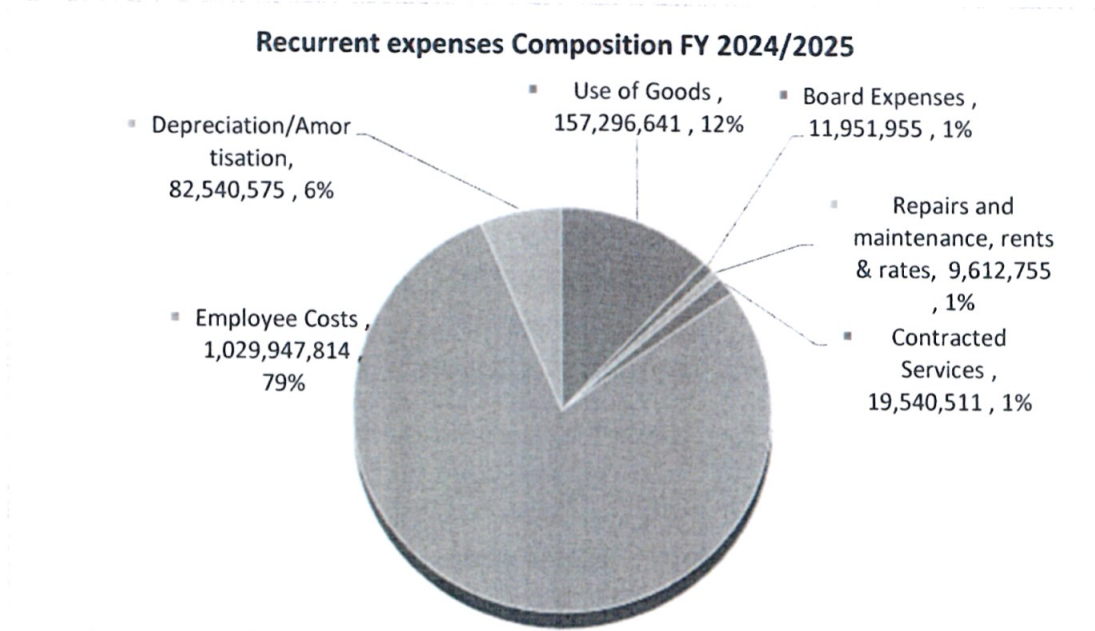


Figure 4 Recurrent Expenses Composition



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University's key projects or investments decision implemented during the year

The University made significant progress during the financial year in terms of infrastructure development through developments works to upgrade the Migwani Center, as Technical Vocational Educational Training (TVET) Center. Additionally, the University conducted drilling of water borehole and prepared a business plan for the Gala goats project to be implemented in the subsequent financial years.

The University Council is indeed grateful for the financial support received during the year for funding the infrastructural development that has transformed and enhanced the corporate image of the University.

Below are the key ongoing key projects that the University undertook during the year.

- (i) Construction of college of Humanities Lecture Halls
- (ii) Expansion of the school of engineering and Technology (Mwingi).

University's compliance with statutory requirements and other financial obligations

The University is in compliance with all the statutory requirements and no foreseeable potential contingent liabilities exist. The University complied with statutory requirements by remitting PAYE, NSSF, and SHIF, Pension deductions, HELB and other statutory deductions within the prescribed timelines. However, the University has pending payroll liabilities of Kshs 170,407,383 and Kshs 51,650,645 arising from non-payment of annual salary increments to staff and part time teaching claims for the period between FY 2020/2021 and FY2024/2025 respectively. In addition, the university has current payroll liabilities arising from nonpayment of payroll deductions amounting to Ksh 88,961,660.00

Major risks facing the University

The major risk facing the University is inadequate funding by the Government which may result to inability to support various projected expenditures. This may negatively affect the delivery of the planned university programmes. Underfunding of the key projects implemented by the University may lead to delay in completion of projects which may thus escalate the project costs.



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10. Environmental and Sustainability Reporting

South Eastern Kenya University exists to develop and expand opportunities for higher education and research, with emphasis on agriculture, forestry, mining, energy, water, environmental sciences, health and engineering. This is guided by the University's strategic plan, which is founded on five pillars namely:

- (i) Pillar 1: Provide quality university education and training,
- (ii) Pillar 2: Enhance research, consultancy and community service,
- (iii) Pillar 3: Enhance physical and ICT infrastructure,
- (iv) Pillar 4: Promote good governance and university image,
- (v) Pillar 5: Promote partnerships and enhance resource mobilization.

Below is a brief highlight of University's achievements during the period under review.

(i) Sustainability strategy and profile

South Eastern Kenya University sustainability strategies and profile are informed and anchored on the University's Strategic Plan and policies implemented by the University. The strategies take into account the emerging issues in the operating environment as well as the changing stakeholder needs which inform our sustainability strategy. The university will keep reinventing its processes and systems in order to ensure that we adapt to the changing operating environment and implement measures that will ensure continuity of our operations and responsive to the needs of our stakeholders.

(ii) Environmental performance

Environmental performance is anchored in South Eastern Kenya University's mission statement, to provide quality education through teaching, research, extension, innovation and entrepreneurship with emphasis on agriculture, natural resources and environmental management. The University seeks to achieve this mission under the established School of Agriculture and Environment, Water and Natural Resources (SAEWNR). The SAEWNR has continued to offer a professional course on Environmental Impact Assessment and Audit (EIA&A) which is accredited by National Environmental Management Authority (NEMA). Further, all development projects undertaken by South Eastern Kenya University are subjected to the mandatory EIA&A study as required by Environmental Management and Coordination Act 1999.

In the Performance Contract cycle FY 2024/2025, the University had two of the performance criteria within the Big Four Initiatives, a core mandate for (1) development for climate smart technologies and (2) community outreach programme in public health by participating in cleaning local markets and environmental conservation by raising at least one thousand (1000) tree seedlings in the University Tree nursery for planting within South Eastern Kenya University and in at least 2 (two) public institutions.



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During the financial year 2024/2025, the University donated tree and flower seedlings to neighboring public schools.

South Eastern Kenya University has developed an environmental policy to guide the institution in management of biodiversity, waste management and reducing environmental impact of its activities, programs, projects and plans. One of its core mandates is to play a leading role in the development and expansion of opportunities for learning and research in Agriculture, Forestry, Mining, Energy, Water and Environmental Sciences in arid and semi-arid lands. The university was actively engaged in environmental conservation through which a total of 16,000 trees were planted during the year.

To this end, the University has continued to offer academic programmes in these topical areas. In addition, the University in its performance indicators under the core mandate managed to do the following:

(a) Promotion of Moringa Tree Products for Improved Health and Nutrition

During the year, the University promoted Moringa tree products for improved health and nutrition by identifying a suitable site, prepared and planted moringa seeds. Further, it carried out water purification tests using moringa seeds.

(b) Development of Centre for Climate Smart Technologies

During the year, the University established a Centre for Climate Smart Technologies.

(c) Community Service Programme Carried out

During the year, the University held four (4) community service events. They included cleaning of neighboring market, tree planting, donating tree seedlings and demonstrating effective dryland tree planting techniques.

(iii) Employee welfare

The University values its staff members and cares about their social welfare and their future. The University has put in place programmes/modalities that ensure the social welfare of employees are taken care of. Accordingly, the University has established social welfare initiatives that ensure the wellbeing of employees.

The policies guiding the hiring process consider gender ratio, stakeholder engagement and are reviewed regularly. The University has Statutes that provide guidelines for recruitment and selection of staff at the University. Also, it has developed terms and conditions of service policies which have provided guidelines and procedures on recruitment and selection process.



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The guidelines provided for in recruitment and selection of staff at the University have provisions for considering gender, disability and ethnicity to ensure equal opportunity for all applicants. The policies are reviewed from time to time and as when need arises.

In its efforts to improve skills and manage careers, the University has developed a Scheme of service that provides guidelines on career progression of staff in the University. Besides, the terms and conditions of service provide for paid and unpaid leave for staff who wish to advance in their studies. Based on performance appraisal reports and recommendations of heads of sections, the University prepares a training programme and facilitates staff to attend prioritized training considering the amount of funds allocated for training.

Further, the University is committed to ensuring that it conducts its activities in a healthy and safe environment. The University continues to comply with the provisions of the Constitution of Kenya, Occupational Safety and Health Act, 2007 (OSHA, 2007), the Employment Act, 2007 and the Work Injury Benefits Act, 2007 (WIBA) and related legal notices from time to time.

(iv) Market-place practices

The University has adopted and applies the best business practice in all its dealings as highlighted.

(a) Responsible competition practices

The University's main business is training research and community service. The main competition is therefore to get students, and funding for research, innovation and community service.

The University relies on Kenya Universities and Colleges Central Placement Services (KUCCPS) for government-sponsored students. For the privately sponsored students, the main methods used to attract students are media advertising, shows and exhibition and other marketing and publicity methods.

- (i) The University ensures adherence to ethical standards by only putting on offer those programmes in which the University has competence in offering both in terms of staffing and facilities.
- (ii) The University adheres to laid down procedures when seeking research funding from the National Research Fund and other internal and international funding agencies.
- (iii) The University has an Anti-Corruption Policies that guides its day-to-day practices.

(a) Responsible supply chain and supplier relations



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Every financial year, SEKU invites, through nationwide advertisement, those willing to do business with it in various areas. Successful suppliers are then selected for all goods and services that the University consumes. Subsequently, all suppliers are given fair chances through invitation of quotations or tenders for goods and services in newspapers, websites, or direct invitation. Tender opening sessions are transparent and bidders are invited to participate.

Payments to our creditors are done within 90 days or earlier as stipulated in the University's Customer Service Delivery Charter. The suppliers have redress mechanisms through the University's Public Complaints Office.

(b) Responsible marketing and advertisement

South Eastern Kenya University ensures that marketing and advertising activities are within the ethical parameters by among other steps only putting on offer though advertising and marketing products that it can competently offer. These are mainly academic programmes and consultancy services.

The University uses print and electronic channels to advertise while marketing is done through shows, exhibitions and other outdoor/public channels. We make sure that our advisements reach as many prospective consumers as possible.

(c) Product stewardship

The rights of our consumers are safeguarded through subjecting our products to rigorous review during the development phase and during the product life. To ensure quality in its programmes, the University has the following policies: -

- (i) Curriculum Development Policy
- (ii) Academic Quality Assurance Policy
- (iii) Academic Integrity Policy
- (iv) ISO 9001:2015 Quality Management Standards Manual

Moreover, curriculum development goes through the following stages/committees

- (i) Departmental committees
- (ii) School committee
- (iii) Deans' Committee
- (iv) Senate
- (v) External reviewers
- (vi) Commission for University Education (CUE)



(v) Corporate Social Responsibility/Community Engagements

To guide its corporate social responsibility initiatives, South Eastern Kenya University has put in place a policy framework focusing on:

- (a) Promotion of educational standards particularly in the area it operates.
- (b) Access to water to the immediate neighborhood.
- (c) Access to health care to the community living near or around the University.
- (d) Conservation of environment in the location it operates.

The University further committed to make annual budgetary allocations in support of its corporate social responsibility initiatives. It is expected that this move will enable the University achieve the following critical objectives: -

- (a) Encourage peaceful co-existence with the immediate community,
- (b) Enhance University corporate image and visibility, and
- (c) Expand linkages with other institutions, which will contribute towards attainment of the University mandate.

In its Performance Contract cycle for the FY 2024/2025 the University had two of the performance criteria within the Big Four Initiatives, a core mandate for (1) development for climate smart technologies and (2) community outreach programme in public health by participating in cleaning local markets and environmental conservation by raising at least one thousand (1000) tree seedlings in the University Tree nursery for planting within SEKU and at least 2 (two) public institutions.

To improve on environment, the University participated in various environmental programmes which included tree planting days in the University and also participating in county and international days. The University also participated in cleaning of Kitui Town by students in support of public health. The University set aside a budget for corporate and social responsibility activities. The University also distributed tree and flower seedlings to neighboring schools. Further, the University trained the local schools on effective dryland tree planting.

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11. Report of the University Council

The South Eastern Kenya University Council submits its report together with the un-audited financial statements for the year ended June 30, 2025.

(i) Principal activities

The functions of the University are spelt out in Section 6(1) of the University Charter as follows:

- (a) To provide directly, or in collaboration with other institutions of higher learning, facilities for University education including technological, scientific and professional education, the integration of teaching, research and effective application of knowledge and skills to life, work and welfare of the citizens of Kenya.
- (b) To participate in the discovery, transmission and preservation and enhancement of knowledge and to stimulate the intellect participation of students in economic, social, cultural, scientific and technological development of Kenya.
- (c) To provide and advance University education and training to appropriately qualified candidates, leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the Council and the Senate shall from time to time determine and in so doing, contribute to manpower development in the Country.
- (d) To conduct examinations for such academic awards as may be provided in the Charter pertaining to the University.
- (e) To examine and make proposals for new faculties, schools, institutes, departments, resource and research Centre degree courses and subjects of study.
- (f) To play a leading role in the development and expansion of the opportunities for higher education and research in agriculture, forestry, mining, energy, water and environmental sciences on arid and semi-arid lands.
- (g) To contribute to industrial and technological development through innovations and technology transfer.
- (h) To develop as an institution of excellence in teaching, training, scholarship, entrepreneurship, innovation, research, consultancy and extension services with emphasis on dry land agriculture and farming systems and their impact and application within and outside Kenya.
- (i) To participate in commercial ventures and other activities to the benefit of the University, the community and stakeholders.
- (j) To contribute to agricultural, industrial and technological development of Kenya in collaboration with industry and other institutions through transfer of appropriate technology.

(ii) Results

The results of the University for the Financial Year ended June 30, 2025 are set out on page 1 to pages 36



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(iii) University Council

The members of the University Council who served during the year are shown on pages vii to xi in accordance with Regulation (12) of the University Charter.

(iv) Auditors

The Auditor General is responsible for statutory audit of the University in accordance with Article 229 of the Constitution of Kenya, 2010 and the Public Audit Act 2015 to carry out the audit of the University for the year ended 30th June 2025.

Auditor-General is mandated to audit the Annual Report and Financial Statements of the University in conformity with guidelines and regulations provided under Article 229 of the Constitution of Kenya and provisions of the Public Audit Act 2015.

In carrying out the audit, the Auditor General is to confirm whether or not public money has been applied lawfully and in an effective way, give assurance on the effectiveness of internal controls, risk management and overall governance as well as satisfy himself that public money has been used and applied towards the purposes intended.



.....
Prof. Eng. Douglas Shitanda, Ph. D
Vice-Chancellor/Secretary to Council

Date: 28/11/2025



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12. Statement of University Council Responsibilities


Section 81 of the Public Finance Management (PFM) Act, 2012 requires the University Council to prepare financial statements in respect of South Eastern Kenya University, which give a true and fair view of the state of affairs and the operating results of the University at the end of the financial year. The University Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. Further, the Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended 30th June 2025. These 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 University.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safe-guarding the assets of the University.
- (v) Selecting and applying appropriate accounting policies and;
- (vi) Making accounting estimates that are reasonable in the circumstances.

The University Council accepts responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management Act and the University Act. The Council is of the opinion that South Eastern Kenya University financial statements give a true and fair view of the state of University transactions during the financial year ended June 30, 2022 and financial position as at that date. The Council further confirms the completeness of the accounting records maintained by 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 controls.

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

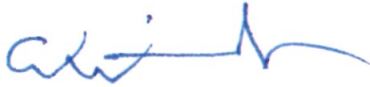
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CLERK-AT THE-TABLE:	J. LEMERELLE		



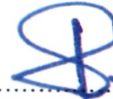
**South Eastern Kenya University
Annual Report and Financial Statements
for the financial year ended June 30, 2025**

Approval of the financial statements

The University's financial statements were approved by the University Council on 21st August 2025 and signed on its behalf by:



.....
Prof. Crispus Kiamba, Ph.D
Chairman of Council



.....
Prof. Eng. Douglas Shitanda, Ph. D
Vice-Chancellor



REPUBLIC OF KENYA



Enhancing Accountability

Telephone: +254-(20) 3214000
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Website: www.oagkenya.go.ke

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

REPORT OF THE AUDITOR-GENERAL ON SOUTH EASTERN KENYA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

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

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

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 South Eastern Kenya University set out on pages 1 to 70, 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 of Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of South Eastern Kenya University as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unconfirmed Biological Assets

The statement of financial position reflects a balance of Kshs.13,689,120 in respect to biological assets as disclosed in Note 22 to the financial statements. However, the biological assets initial recognition at cost was not supported and subsequent recognition was not based on fair value. This is contrary to IPSAS 27 which requires biological assets to be recognized initially at cost and at fair value in subsequent periods.

In the circumstances, the accuracy of biological assets balance of Kshs.13,689,120 could not be confirmed.

2.0 Failure to Revalue Assets

The statement of financial position reflects property, plant and equipment balance of Kshs.4,210,734,953 as disclosed in Note 15(b) to the financial statements. However, assets valued at Kshs.148,336,767 which had been fully depreciated but were still in use had not been revalued.

In the circumstances, the accuracy of property, plant and equipment balance of Kshs.4,210,734,953 could not be confirmed.

3.0 Understatement of Revenue from Rendering of Services

The statement of financial performance reflects Kshs.879,660,428 in respect to revenue from rendering of services as disclosed in Note 8 to the financial statements. However, recalculation based on the detailed revenue schedules and supporting documents revealed a total of Kshs.880,008,500 resulting in unexplained variance of Kshs.348,072.

In the circumstances, the accuracy of revenue from rendering of services of Kshs.879,660,428 could not be confirmed.

4.0 Prior Year Fee Invoices Recorded as Current Revenue

The statement of financial performance reflects Kshs.879,660,428 as revenue from rendering of services as disclosed in Note 8 to the financial statements. Review of the supporting schedule revealed that the extracted data from the University's ERP system

included student fees invoices relating to Semester three(3) from the 2023/2024 academic year totalling Kshs.5,485,150. Although the system reflected invoices dates falling within the current academic year, the related academic sessions and student registration records confirmed that the invoices pertained to services rendered in the prior year.

In the circumstances, the accuracy of revenue from rendering of services of Kshs.879,660,428 could not be confirmed.

5.0 Overstated Guest House and Cafeteria Expenses

The statement of financial performance reflects Kshs.217,761,778 in respect to use of goods and services which, as disclosed in Note 12 to the financial statements includes expenditure on guest house and cafeteria amounting to Kshs.4,937,221. However, the amount was overstated by Kshs.955,883 which was revenue adjustment for financial year 2023/2024.

In the circumstances, the accuracy of guest house and cafeteria expenditure of Kshs.4,937,221 could not be confirmed.

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

Emphasis of Matter

Long Outstanding Trade and Other Payables

The statement of financial position reflects a balance of Kshs.337,891,008 in respect to trade and other payables as disclosed in Note 23 to the financial statements. However, the balance includes payables amounting to Kshs.43,925,831 which had been outstanding for over two (2) years.

Failure to settle bills during the year to which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year as they form a first charge.

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 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 Year Audit Matters

In the prior years' audit report, several issues were raised under Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of South Eastern Kenya University in the audit of financial year 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Lack of Assets Ownership Documents
2	2023/2024	Non-Compliance with Law on Ethnic Composition

Other Information

The Management is responsible for the Other Information set out on pages iv to xliii which comprise of Key University Information and Management, The University Council, Key Management Team, Chairman's Statement, Report of the Vice-Chancellor, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and analysis, Environmental and Sustainability Reporting, Report of the University Council and Statement of University Council Responsibilities, The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the University's, financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance 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. Unlawful Use of Students' Refundable Deposits

The statement of financial position and as disclosed in Note 25 to the financial statements, reflect refundable deposits from students (caution money) amounting to

Kshs.30,461,815. However, as at the end of the year, the caution money bank account had a balance of Kshs.3,339,255 resulting in unexplained variance of Kshs.27,122,560. This is a clear indication that a portion of the caution money had been utilized by Management for other operations. In addition, deposits totalling Kshs.15,254,815, dating between years 2013 and 2018 had not been settled and no measures had been put in place by Management to clear the long-outstanding balances. This is contrary to Section 149(1) of the Public Finance Management Act, 2012 which stipulates that an Accounting Officer is accountable to the County Assembly for ensuring that the resources of the entity for which the officer is designated are used in a way that lawful and authorized, effective, efficient, economical and transparent.

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

2. Irregular Acting and Payment of Acting Allowance

Review of records revealed that two (2) employees were in acting capacity beyond the six-month limit and earned irregular acting allowances amounting to Kshs.1,555,000. This is contrary to Section 34(3) of the Public Service Commission Act, 2017 which states that an officer may be appointed in an acting capacity for a period of at least thirty (30) days but not exceeding a period of six (6) months.

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

3. Non-Compliance with Affirmative Action

Review of records revealed that the University had four hundred and thirty-nine (439) staff members, out of whom only six (6) were Persons living with disabilities representing approximately 1% of the workforce. This is contrary to Paragraph 2.2.2(i) of the Public Service Commission Diversity Policy, 2016 which states that every public service Institution shall adopt measures aimed at facilitating the realization of the constitutional principles of ensuring an inclusive public service and that at least five per cent (5%) of appointments in the public sector shall comprise of persons living with disabilities. Where a public service Institution has not met the requirement, the Institution shall take such measures, including adopting affirmative action programmes, to ensure progressive realization within five (5) years after coming into force of this Policy.

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

4. Non- Adherence to Mandatory Retirement Age

Review of Minute 8 of the third (3rd) Meeting of the University Council held on 20th May, 2010, revealed that the Council resolved that all administrative staff in academic grades 11 to 15 shall retire at the age of 65 years. This is contrary to Regulation 70(1)(a) of the Public Service Commission Regulations, 2020 which states that subject to the Constitution, Section 80 of the Act, any other relevant written law or a specific Government Policy, the mandatory retirement age in the public service is sixty (60) years.

In addition, there was no evidence indicating that the University Council consulted the Public Service Commission before approving the extension of the retirement age for non-teaching staff.

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

5. Non-Remittance of Statutory Deductions

The statement of financial position reflects a balance of Kshs.337,891,008 in respect to trade and other payables as disclosed in Note 23 to the financial statements. Further, the University Management deducted Pay As You Earn (PAYE), Social Health Insurance Fund (SHIF), National Social Security Fund (NSSF) and Housing Levy from employees' salaries of Kshs.26,231,501, Kshs.11,396, Kshs.7,250,587 and Kshs.4,551,960 respectively. However, the deductions were not remitted to the relevant agencies as 30 June, 2025 contrary to Section 19(4) of the Employment Act, 2007 which stipulates that an employer who deducts an amount from an employee's remuneration shall pay the amount so deducted in accordance with the time period and other requirements specified in the law. Although, Management explained that the amounts were subsequently paid, no documents were provided for audit review.

In the circumstances, Management was in breach of the law and the University is exposed to the risk of paying interest and penalties due to unremitted statutory deductions

6. Lack of Work Injury Benefits Cover

The statement of financial performance reflects Kshs.217,761,778 in respect to use of goods and services which, as disclosed in Note 12 to the financial statements includes Kshs.16,710,059 in respect to general insurances - properties and others. Further, the Human Resource and Strategy Committee of the University Council held on 7 July, 2024 approved a compensation of Kshs.3,643,014 from the University resources for a deceased member of staff as Management had not taken Work Injury Benefits Insurance Cover. This is contrary to Section 7(1) of the Work Injury Benefits Act, 2007 which states that every employer shall obtain and maintain an Insurance Policy, with an insurer approved by the Cabinet Secretary for labour matters, in respect of any liability that the employer may incur under the Act to any of his employees.

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 Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing 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

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

Responsibilities of the Management and the University Council

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

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

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

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

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2025


South Eastern Kenya University
Annual Report and Financial Statements
for the financial year ended June 30, 2025


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

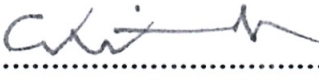
	Notes	2024-2025 Kshs	2023-2024 Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6a	473,068,874	750,311,650
Public contributions and donations	7	10,299,216	32,937,904
Total revenue from non-exchange transactions		483,368,090	783,249,554
Revenue from exchange transactions			
Rendering of services	8	879,660,428	562,588,482
Sale of goods	9	8,887,764	23,521,886
Rental revenue from facilities and equipment	10	3,867,666	2,560,909
Other income	11	14,654,689	9,611,056
Total revenue from exchange transactions		907,070,547	598,282,333
Total revenue		1,390,438,637	1,381,531,887
Expenses			
Use of goods and services	12	217,761,778	237,496,279
Employee costs	13	1,029,947,814	993,585,427
Board Expenses	14	11,951,955	9,341,580
Depreciation and amortization expense	15	82,540,575	82,686,734
Repairs and maintenance, rents & rates	16	9,612,755	12,921,631
Contracted services	17	19,540,511	16,754,568
Finance Cost	18a	891,533	-
Total expenses		1,372,246,922	1,352,786,219
Surplus/Deficit for the period		18,191,714	28,745,668
Other gains/(losses)			
Gain/Loss on foreign exchange transactions	18	(243,318)	(1,452,553)
Surplus/ (deficit) before tax		17,948,396	27,293,115

The notes set out on pages 6 to 36 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 36 were signed on behalf of the Council by:


.....
Prof. Eng. Douglas Shitanda, PhD.
Vice-Chancellor


.....
CPA Ferguson Muthui
Director, Finance and
Accounts
ICPAK M/No: 12629


.....
Prof. Crispus Kiamba, Ph.D
Chairman of the Council

Date: 28/11/2025

Date: 28/11/2025

Date: 28/11/2025




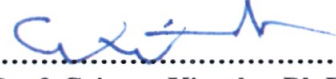
**South Eastern Kenya University
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for the financial year ended June 30, 2025**

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

		2024-2025 Kshs	2023-2024 Kshs
Assets	Notes		
Current assets			
Cash and cash equivalents	19	147,584,494	158,189,939
Receivables from exchange transactions	20a	244,796,360	126,984,245
Receivables from non-exchange transactions	20b	-	62,525,971
Inventories	21	7,533,453	6,176,222
Total current assets		399,914,307	353,876,377
Non-current assets			
Biological assets	22	13,689,120	10,845,790
Intangible Assets	15a	-	2,990,518
Property, plant and equipment	15b	4,210,734,953	4,242,402,971
Total Non-current assets		4,224,424,073	4,256,239,279
Total assets		4,624,338,380	4,610,115,656
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	23	337,891,008	294,357,210
Unexpended research grants	24	20,657,086	32,878,912
Refundable deposits from students-caution money	25	30,461,815	29,835,815
Total current liabilities		389,009,909	357,071,937
Non-current liabilities			
Lease Liability	26	10,327,133	-
Total Non current liabilities		10,327,133	-
Total Liabilities		399,337,043	357,071,937
Net assets		4,225,001,338	4,253,043,719
Represented by:			
Revenue reserves	27	(294,280,460)	(266,238,079)
Capital fund	28	2,976,409,112	2,976,409,112
Revaluation reserve	29	1,542,872,686	1,542,872,686
Net Assets		4,225,001,338	4,253,043,719

The Financial Statements set out on pages 1 to 36 were signed on behalf of the Council by:


.....
Prof. Eng. Douglas Shitanda, PhD.
Vice-Chancellor

 
.....
CPA Ferguson Muthui Prof. Crispus Kiamba, Ph.D
Director, Finance and Chairman of the Council
Accounts

ICPAK M/No: 12629

Date: 28/11/2025

Date: 28/11/2025 Date: 28/11/2025



South Eastern Kenya University
Annual Report and Financial Statements
for the financial year ended June 30, 2025

16. Statement of Changes in Net Assets for the year ended 30th June 2025

	Capital fund Kshs	Revenue reserves Kshs	Revaluation reserve Kshs	Total Kshs
Balance as at 30 June 2023	2,958,159,112	(244,872,299)	565,022,686	3,278,309,499
Surplus/Deficit for the period	-	27,293,115	-	27,293,115
Adjustment on previous years student balances	-	(2,523,467)	-	(2,523,467)
Prior year adjustments- Expenses	-	(49,589,582)	-	(49,589,582)
Adjustment - Waiver Contingent Liability		3,454,154		3,454,154
Valuation of Land & Building	-	-	977,850,000	977,850,000
Capital grants received in the year	18,250,000	-	-	18,250,000
Balance as at 30 June 2024	2,976,409,112	(266,238,079)	1,542,872,686	4,253,043,719
Surplus/Deficit for the period	-	17,948,396	-	18,203,752
Adjustment on previous years student balances	-	(47,734,441)	-	(47,734,441)
Prior year adjustments- Expenses	-	478,064	-	499,330
Prior year adjustments- Depreciation	-	1,250,000	-	1,250,000
Balance as at 30 June 2025	2,976,409,112	(294,280,460)	1,542,872,686	4,225,262,360



**South Eastern Kenya University
Annual Report and Financial Statements
for the financial year ended June 30, 2025**

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

		2024-2025 Kshs	2023-2024 Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	28a	535,594,845	687,785,679
Public contributions and donations	7	10,299,216	32,937,904
Rendering of services	28a	704,144,949	466,783,605
Sale of goods	28a	6,475,850	23,521,886
Rental revenue from facilities and equipment	28a	3,395,084	2,560,909
Other income	11	14,654,689	9,545,056
Total receipts		1,274,564,633	1,223,135,039
Payments			
Use of goods and services	28a	205,847,628	134,083,767
Employee costs	28a	992,836,454	993,585,427
Board Expenses	14	11,951,955	9,341,580
Repairs and maintenance	16	9,612,755	12,921,631
Contracted services	28a	18,919,757	16,754,568
Total payments		1,239,168,549	1,166,686,973
Net cash flows from/(used in) operating activities	28b	35,396,084	56,448,066
Cash flow from investing activities			
Proceeds from sale of PPE			66,600
Purchase of Non-current assets	15	(18,995,486)	(10,568,703)
Work in progress	15b	(27,636,553)	(17,694,021)
Net cash flow from investing activities		(46,632,039)	(28,196,124)
Cash flow from financing activities			
Capital grants received from Government	6b	-	18,250,000
Net cash flow from financing activities		-	18,250,000
Increase/Decrease in cash and cash equivalents		(11,235,955)	46,501,943
Cash and cash equivalents at 1 July 2024	19	158,189,939	111,687,997
Cash and cash equivalents at 30 June 2025	19	146,953,983	158,189,939



South Eastern Kenya University
Annual Report and Financial Statements
for the financial year ended June 30, 2025

18. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2025

	Original budget FY 2024-2025 Kshs	Adjustment Kshs	Final budget FY 2024-2025 Kshs	Actual on comparable basis Kshs	Performance difference Kshs	% of utilization
Revenue						
Non-exchange transactions						
Transfers from other governments entities	473,068,876	-	473,068,876	473,068,874	(2)	100%
Public contributions and donations	45,000,000	-	45,000,000	10,299,216	(34,700,784)	23%
Exchange transactions						
Rendering of services	888,342,000	-	888,342,000	879,660,428	(8,681,572)	99%
Sale of goods, rent & other incomes	12,000,000	-	12,000,000	27,410,119	15,410,119	228%
Total revenue	1,418,410,876	-	1,418,410,876	1,390,438,637	(27,972,239)	98%
Expenses						
Use of Goods	239,428,898	-	239,428,898	157,296,641	82,132,257	66%
Board Expenses	14,055,670	-	14,055,670	11,951,955	2,103,715	85%
Repairs and maintenance, rents & rates	20,446,984	-	20,446,984	9,612,755	10,834,229	47%
Contracted Services	20,079,529	-	20,079,529	19,540,511	539,018	97%
Employee Costs	1,085,550,670	-	1,085,550,670	1,029,947,814	55,602,856	95%
Depreciation and amortization*	-	-	-	82,540,575	-	-
Internally funded capital items	38,849,125	-	38,849,125	37,196,439	1,652,686	96%
Total expenditure	1,418,410,876	-	1,418,410,876	1,348,086,690	152,864,760	95%
Surplus/Deficit for the period	-	-	-	42,351,946		



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19. Notes to the Financial Statements

1. General information

South Eastern Kenya University is established by and derives its authority and accountability from Universities Act, 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The university's principal activity is teaching and learning, research and innovation, outreach and community service.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the university's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in notes of these financial statements.

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

The financial statements have been prepared in accordance with the PFM Act, 2012 and International Public Sector Accounting Standards (IPSAS). The accounting policies have been consistently applied to all the years presented. The financial statements are prepared on accrual basis.

3. Adoption of Accounting Standards

a) Recognition of Leases IPSAS 43

The university adopted IPSAS 43 – Leases which requires recognizing leases as assets and liabilities on the statement of financial position. The adoption increased both assets and liabilities compared to prior reporting. The financial statements include disclosures about the entity's leasing arrangements and the impact of adopting the new standard.



4. Summary of significant accounting policies

a) Revenue recognition

Revenue measurement, recognition and disclosure has been made as follows:

i) Revenue from non-exchange transactions – IPSAS 23

Revenue

The University recognizes revenues when the event occurs and the asset recognition criteria is met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the university and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the University and the fair value of the asset can be measured reliably.

ii) Revenue from exchange transactions – IPSAS 9

Rendering of services

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable. Tuition fee income is recognized when students admitted by the University report and not when they pay.

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Sale of goods

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

Rental income

Rental income arising from operating leases on investment properties is recognized based on signed agreements with specific periods of leases, where upon rent is due in advance in every month of the lease.

b) Budget information – IPSAS 24

The original budget for 2024-2025 financial year was approved by the Council on 15th July 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

Statement of comparison of budget and actual amounts:

Recurrent Grants

The Government allocated the University Kshs.473,068,874 This amount was duly received in the financial year.



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Tuition and other related fees

The University initially projected to collect Kshs.945,342,000 in the financial year. The university managed to realize a total of kshs.917,385,363.

Administration expenses

The University management continued to rationalize and manage costs. Greater focus was put on information and communication technology to enhance capacity to deliver on the University mandate. Cost associated with information technology, therefore, went up substantially.

Employee costs

The Management continued to recruit key members of staff guided by approved staff establishment.

Revision of the budget

Unexpected decrease or increase in some of the budget line items necessitated a realignment of the expenditure. This was approved by the University Council on 15th June, 2025.

c) Biological assets – IPSAS 27

- i) The University biological assets portfolio included cattle, pigs, poultry, goats and a donkey. These were measured, on initial recognition, at purchase price and at subsequent reporting dates at fair values less costs to sell with adjustments being made for purchases and disposal made in the years.
- ii) Gain or loss that arose on initial recognition of biological assets and from subsequent changes in fair values during the period, were reported in the Statement of Financial Performance.
- iii) Biological assets have been classified as non-current assets because they are held for business purposes as an income generating activity.

Movement to changes in fair values of the biological assets is as shown below:



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Biological assets

Category	Balance as at 30th June 2024	Addition	Disposal	Total	Revaluation gain/loss	Balance as at 30th June 2025
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cattle	4,597,496.00	280,000.00	216,271.00	4,661,225.00	991,415.00	5,652,640.00
Poultry	311,923.00	94,600.00	132,675.00	273,848.00	274,952.00	548,800.00
Goats	5,450,240.00	835,000.00	376,152.00	5,909,088.00	1,563,592.00	7,472,680.00
Pigs	474,131.00	-	474,131.00	-	-	-
Donkey	12,000.00	-	-	12,000.00	3,000.00	15,000.00
Total	10,845,790.00	1,209,600.00	1,199,229.00	10,856,161.00	2,832,959.00	13,689,120.00

Revaluation of biological assets is based on the following assumptions:

- (a) Live weight of biological assets determined by chest/heart girth measurement increased in the course of the year. The selling weight is calculated as 60% of the live weight of the livestock. The selling price of poultry was valued at the prevailing market price.
- (b) Prevailing market rates per asset had increased by end of the year.

d) Property, plant and equipment – IPSAS 45

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

Property, plant and equipment under construction has been valued on the basis of expenditure incurred and certified work certificates up to 30th June, 2025. Work in Progress is not depreciated. The total cost of a project will be transferred to the relevant asset class on completion and then depreciated.

Land improvements - include fencing, landscaping, parking lots, walkways and internal roads. These facilities are estimated to have a lifespan of twenty (20) years

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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 provided for at annual rates estimated to write off the assets over their expected useful lives. The annual rates are as follows:

Category	Rate	Basis
Furniture & Equipment	15%	straight line basis
Motor vehicles	25%	straight line basis
Buildings	2%	straight line basis
Computers & Accessories	25%	straight line basis
Land improvements	5%	straight line basis
ICT Infrastructure	15%	straight line basis

Software amortization

Amortization: Costs are to be amortized over the expected useful life of the system. The University typically uses five (5) years for major system implementation

The purpose of amortization is to allocate the costs of the system to the periods for which benefits from the system's service is derived. Amortization is to begin when the software is ready for its intended use and placed in-service (system of record), which is after signing off and commissioning.

Land ownership

The ownership of land- parcels reference L.R. No. 209/10350 (Nairobi), L.R No. 13529 (Kitui) and L.R. No. 12970 (Emali) which is the land amounting to Kshs.1,986,600,000 included in the Plant, Property and Equipment schedule have not been registered in the name of the University as a result of land disputes.

There are several cases pending in court with both the University Management and lawyers making efforts to have them registered in the name of the University.

The University also has interest in other parcels of land which, will be recognized and disclosed in financial statements after processing ownership documents and valuation. These include:

(i) Land in Mwingi/Nzeluni/1970 and Mwingi/Mwingi/5713

The University has physical possession and title deeds over the land which was received as a donation on 13th July, 2015 and 22nd September, 2015 respectively. These parcels of land are valued at Kshs. 3,800,000 and Kshs. 10,000,000 respectively. The valuation of the building in Mwingi/Nzeluni/1970 is valued at Kshs.39,000,000.00

(ii) Land in Kitui



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This land was awarded to the University by the then Municipal Council of Kitui through the Town Planning Committee in a meeting held on 2nd March, 2011 is valued at Kshs.24,000,000.00 Ownership documents have been forwarded to the Director of Physical Planning for verification and approval of allotment which will pave way for processing of title deed.

(iii) Land in Wote town

The University received 30 acres of land via a letter dated 27th July, 2016 from the County Government of Makueni. The National Land Commission has directed the Director of Land Administration to process title in favour of the University.

(iv) Land in Mtito-Andei

The University has a certificate of ownership for plot number 3756 Mangelete Settlement Scheme measuring 20 acres from the District Land Adjudication & Settlement Officer, Ministry of Lands, Kibwezi District dated 29th July,2013. It is currently processing ownership documents of the land.

Fully depreciated assets

Included in the net book value of motor vehicles is revaluation resulting from vehicles which had been depreciated to zero. The net carrying amount as at 30th June 2025 was Kshs. 4,210,734,953.00 after depreciation on revaluation by Automobile Association of Kenya. This forms part of motor vehicles carrying cost and was depreciated at 25% p.a. on straight line basis.

Financial instruments

Financial assets and liabilities are initially measured at fair value plus transaction costs.

Foreign currency transactions are translated into the local currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

e) Research and development costs

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

- (i) The technical feasibility of completing the asset so that the asset will be available for use or sale



- (ii) Its intention to complete and its ability to use or sell the asset
- (iii) How the asset will generate future economic benefits or service potential
- (iv) The availability of resources to complete the asset
- (v) The ability to measure reliably the expenditure during development

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

Unexpended research grants

This represents unspent external grants and donations for sponsored research and other restricted purposes. The balance has decreased from the previous year due to the timing of research expenditures. This amounted to Kshs.20,657,086.00 which is recognized as unexpended research grants.

Expenditure on research initiatives is recognized as an expense through the statement of financial performance through the unexpended research grants.

A corresponding amount is recognized as revenue in the statement of financial performance through the unexpended research grants.

f) Inventories – IPSAS 12

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

Costs incurred in bringing each product to its present location and condition is accounted for, as follows:

- (i) Raw materials: Purchase cost using the weighted average cost method
- (ii) Finished goods and work in progress: Cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

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

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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 University.

g) Provisions – IPSAS 19

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

Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision was presented in the statement of financial position net of any reimbursement.

h) Contingent assets

The University does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs. No such contingent assets existed in the year under review.

i) Changes in accounting policies and estimates – IPSAS 3

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

j) Employee benefits

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

k) Foreign currency transactions – IPSAS 4

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 in 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. During the year under review, some transactions were done through euros and dollars and were treated as aforementioned.

l) Cash and cash equivalents

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

m) Deferred Income tax

Pursuant to section 26 of the Income Tax Act CAP. 470. the University is exempted from paying income tax. However, income from employment or from services rendered to the University and paid to the individuals is subjected to Pay as You Earn and remitted to the Government. Similarly, no deferred tax arises from University operations.

n) Comparative figures

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

o) Significant judgments and sources of estimation uncertainty – IPSAS 1

The preparation of the University financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

However, there was no uncertainty about these assumptions and estimates that could result in outcomes that require a material adjustment to the carrying amount of any asset or liability likely to be affected in future periods.

p) Useful lives and residual values

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

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

q) Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

r) Related party disclosures– IPSAS 20

The University is wholly owned by the Government of Kenya. Members of key management are regarded as related parties and comprise the Council, the Vice-chancellor and senior managers.

Related party transactions: -

The University regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the university, or vice versa in

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making financial and operating decisions or if the related party organization and another are subject to common control.

During the year the following transactions were carried out with related parties:

(i) Members of the University Management Board

Members of the University Management Board include the Vice-chancellor, the Deputy Vice Chancellors, Registrar Academics and the Directors. During the year under review, members of the University Management Board were paid salaries which were included in the employee cost.

(ii) The Council

The Chancellor and the Chairman of the University Council are paid monthly honoraria as per Government guidelines. Except for the Vice-Chancellor, members of the Council are paid sitting allowance for every meeting attended. – Council member’s emoluments in the year were as follows:

Board Expenses

	2024-2025	2023-2024
	Kshs	Kshs
Sitting allowance	4,760,000	3,580,000
Travelling and accommodation allowances	5,858,500	5,091,905
Meals & Refreshments	221,455	-
Training Expenses	152,000	527,740
Honorarium	960,000	141,935
Total council expenses	11,951,955	9,341,580

s) Financial risk management objectives and policies- IPSAS 30

Exposure to credit, rate and currency risk arise in the normal course of University business. The main aim of financial risk management is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the University financial performance. The University risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and at the same time ensuring adherence to laid down limits.

Risk management is carried out by the University Management Board under the supervision of the University Council. Management in conjunction with the Council Audit Committee then



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identifies, evaluates and addresses risks accordingly abiding to policies approved by the Council. They also review market trends and information available to evaluate the potential exposures and then arrive at strategies to mitigate against market risks.

In addition, the University has an independent internal audit department which reports directly to the Council Audit Committee. This department is responsible for the independent review of risk management and the control environment.

The University generates income from fees billed to students, budgetary support from the Government of Kenya, donations from donors and development partners and returns from various income generating activities. These activities expose the University to a variety of financial risks, including credit risk and foreign currency risks.

Currency risk

Foreign currency exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the University functional currency.

The functional currency of the University is Kenya shillings. The University had bank accounts denominated in euros and dollars and some transactions were done through these currencies. Foreign exchange differences arising from settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, were recognized as income or expenses in the period.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the University. The University has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The University also operates prepaid refundable deposits to further minimize credit risk. The University uses publicly available information and its own records to rate its major customers. The credit risk exposure to the University is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counter parties.

Financial assets, which potentially subject the University to concentrations of credit risk, consist principally of cash, short-term deposits and trade receivables. The University cash and cash equivalents are placed with high credit quality financial institutions. Trade receivables are presented net of an allowance for doubtful receivables.



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The University's largest customers were students. There were, however, no significant concentrations of credit risk as at the end of the reporting period.

There has been no significant change during the financial year, or since the end of the reporting period, to the University's exposure to credit risk in the approach to the measurement or the objectives, policies and processes for managing this risk.

The maximum exposure to credit risk represents a worst-case scenario of credit risk exposure to the University at the comparative period end dates, without taking account of any collateral held or other credit enhancements attached. For assets in the statement of financial position, this exposure is based on net carrying amounts as reported.

Classification of credit risk bearing assets

The table below shows the ageing profile of trade receivables:

The credit risk exposures are classified in three categories as follows:

- (1) Fully performing
- (2) Past due
- (3) Impaired



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Credit risk

Credit risk			
As at 30 June 2025	Fully performing	Past due	Impaired
Outstanding imprest	-		
Students debtors	225,062,358	-	-
General debtors	4,812,652	14,000,000	-
Internal debtors	442,400	-	-
Bank balances	146,953,983	-	-
Total	377,271,393	14,000,000	-
As at 30 June 2024	Fully performing	Past due	Impaired
Students debtors	109,662,156	-	-
General debtors	2,380,738	14,000,000	-
Internal debtors	462,400	-	-
Bank balances	158,189,939	-	-
Total	270,695,233	14,000,000	-
As at 30th June 2023	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs
Students debtors	57,487,768	-	-
General debtors	935,599	14,000,000	-
Internal debtors	258,600	-	-
Bank balances	111,687,997	-	-
Total	170,369,964	14,000,000	-

The parties under the fully performing category are paying their debts as and when they fall due. Past due amounts are those beyond the maximum established credit period and represents slow but paying customers. The receivable balance continues to be serviced even though this is not done on the contractual dates. The finance department is actively following up on these receivables. The amounts that are impaired have been fully provided for. All the financial assets, as analyzed here above, were fully performing as at the end of the reporting period.

Liquidity risk

Liquidity risk is the risk that the University will encounter difficulties in meeting its maturing obligations attributable to financial liabilities. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.



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The ultimate responsibility for the liquidity risk management rests with the University Council, which has established an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements.

The University manages liquidity risk through continuous monitoring of forecast and actual cash flows. The University also maintains a balanced budget and produces quarterly management accounts to monitor performance. An annual procurement plan is drawn at the beginning of every financial year to guide on commitments to be made in the year taking into account the resources envelop.

The University ensures that it has sufficient funds on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below provides a contractual maturity analysis of the University's financial liabilities:

Liquidity risk

As at 30th June 2025	6 months	6-12 months	1> years	Total
	Kshs	Kshs	Kshs	Kshs
Recurrent creditors suppliers	14,369,187	-	-	14,369,187
Contractor's retention	10,048,515	-	-	10,048,515
Commissioner of domestic taxes (Withholding tax)	420,117	-	-	420,117
Withholding tax (VAT)	2,246,137	-	-	2,246,137
Refundable customer deposits	75,000	80,788	-	155,788
Total	27,158,957	80,788	-	27,239,745
As at 30th June 2024	6 months	6-12 months	1> years	Total
	Kshs	Kshs	Kshs	Kshs
Recurrent creditors suppliers	10,508,284	-	-	10,508,284
Contractor's retention	4,452,423	3,754,840	-	8,207,263
Commissioner of domestic taxes (Withholding tax)	585,034	-	-	585,034
Withholding tax (VAT)	2,186,688	-	-	2,186,688
Refundable customer deposits	80,788	-	-	80,788
Total	17,813,217	3,754,840	-	21,568,057



t) Disclosure of new and amended standards and interpretations not yet adopted.

IPSAS 33 provides transitional exemptions to organizations that are adopting accruals basis IPSASs for the first time. The aim of the standard is to provide relief to entities where the cost of complying with IPSASs would likely exceed the benefits to users of financial statements. The standard also enables first-time adopters to report their transition to accrual basis IPSASs transparently.

It provides participants with a thorough understanding of the requirements, covering all the transitional arrangements and disclosure requirements relating to the first-time adoption of accruals basis IPSASs.

The transitional exemption did not affect the fair presentation of the financial statement neither the ability to assert compliance with accrual basis International Public Sector Accounting standards.

IPSAS 34 Prescribes the accounting and disclosure requirements for investment in controlled entity, joint venture and associate when it elects, or is required to prepare separate financial statements.

IPSAS 35 Consolidated financial statements-The standard requires that control be assessed having regard to benefits and power. Definition of control focuses on an entity's ability to influence the nature and amount of benefits through its power over another entity.

To reduce unnecessary differences between IPSASs and Government Finance Statistics reporting guidelines, the IPSASB has aligned the principles in IPSAS 35 with the Government Finance Statistics Manual 2014.

IPSAS 36 explains the application of the equity method of accounting, which is used to account for investments in associates and joint ventures. Equity accounting must now be used when accounting for joint venture and does not permit a different accounting treatment for temporary investments.

IPSAS 37 Establishes requirements for classifying joint arrangements and accounting for those different types of joint arrangements. Joint arrangements are classified as either joint operations or joint ventures. In a joint operation, the parties to the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. In a joint venture, the parties to the arrangement have rights to the net assets of the arrangement.

It requires that an entity account for its interest in a joint operation by recognizing its share of the assets, liabilities, revenue, and expenses of the joint arrangement and that joint ventures be accounted for using the equity method.

IPSAS 38 Introduces new disclosure requirements, including those related to structured entities that are not consolidated and controlling interests acquired with the intention of disposal.

IPSAS 39 replaced IPSAS 25 Employee Benefits.

Changes include:

- 1) Removing an option that allows an entity to defer the recognition of changes in the net defined benefit liability
- 2) Introducing the net interest approach for defined benefit plans
- 3) Amending certain disclosure requirements for defined benefit plans and multi-employer plans.
- 4) Simplifying the requirements for contributions from employees or third parties to a defined benefit plan when those contributions are applied to a simple contributory plan that is linked to service and removing requirements for composite social security programmes.

IPSAS 40 specifically addresses the needs of the public sector when accounting for combinations of entities and operations by providing two types of public sector combinations as amalgamations and acquisitions.

For amalgamations, the standard requires use of the “modified pooling of interests” method of accounting in which the amalgamation is recognized on the date it takes place. Use of the “acquisition” method of accounting is recommended for acquisitions which is supplemented with additional guidance for public sector specific situations.

Other Improvements to IPSAS

- (i) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.
- (ii) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.

- (iii) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.
- (iv) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

IPSAS 41: Financial Instruments Applicable: 1st January 2023:

The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- (i) Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- (ii) Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- (iii) Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

IPSAS 42: Social Benefits Applicable: 1st January 2023

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:

- (i) The nature of such social benefits provided by the entity;
- (ii) The key features of the operation of those social benefit schemes; and
- (iii) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

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**Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments Applicable:
1st January 2023:**

- (i) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.
- (ii) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.
- (iii) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.
- (iv) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

Early adoption of standards

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

u) Subsequent events – IPSAS 14

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



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

6 Transfer from Ministries, Departments and Agencies

	2024-2025	2023-2024
	Kshs	Kshs
(a) Recurrent grants		
Bank statement date		
13/08/ 2024	35,433,910	62,525,971
11/9/2024	35,433,910	62,525,971
8/10/2024	35,433,910	62,525,970
8/11/2024	35,433,910	62,525,971
5/12/2024	35,433,910	62,525,971
6/1/2025	35,433,910	62,525,971
8/1/2025	35,433,910	62,525,971
10/2/2025	35,433,910	62,525,971
13/03/2025	35,433,910	62,525,970
10/4/2025	35,433,910	62,525,971
2/5/2025	35,433,910	62,525,971
12/6/2025	35,433,910	62,525,971
Total recurrent grants	425,206,921	750,311,650
These are non-conditional funds received from the Government to support recurrent expenditure of the University.		
(b) Recurrent grants CBA 2021-2005 Support		
27/06/2025	47,861,953	-
Total Recurrent grants CBA 2021-2005 Support	47,861,953	-
These are non-conditional funds received from the Government to support CBA 2021-2025 Arrers .		
Total recurrent grants	473,068,874	750,311,650
(c)Capital grants		
29/02/2024	-	10,750,000
29/02/2024	-	7,500,000
Total capital grants	-	18,250,000
These are conditional funds received from the Government to support development expenditure of the University.		

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Notes to the Accounts for the year ended 30th June 2025 (Continued)

7 Public contributions and donations

	2024-2025	2023-2024
	Kshs	Kshs
BIC DUETDEFF	-	1,861,815
CPC PROJECT C/O DR MWANGI	-	1,557,623
STITCHING VU	-	1,557,623
UNESCO PARIS	364,818	1,550,583
TWAS-BMBF SEED GRANTS		984,605
PBL BIO AFRICA PROJECT-C/O DR JULIUS	805,280	9,734,462
INSSPIRE PROJECT C/O DR MOSES	2,720,606	7,826,782
CHAIN	2,502,716	6,454,858
UNIVERSITY OF OXFORD	573,260	1,409,555
UON - ENGAGE PROJECT	686,090	-
ASSOCIATION OF COMMONWEALTH UN	496,623	-
UK CENTRE FOR ECOLOGY AND	1,690,722	
HAW. INTERNATIONAL	74,302	
AMMNET	384,800	
	10,299,216	32,937,904

8 Rendering of Services

	2024-2025	2023-2024
	Kshs	Kshs
Tuition Fees	796,261,730	456,659,432
Application Fees	265,020	398,850
Registration	5,053,500	6,300,700
ID Fees	85,000	80,500
Activity Fees	3,448,800	5,262,500
Student Medical Fees	7,654,400	11,481,500
Examination Fees	11,454,175	17,277,370
Library Fees	6,397,875	9,999,250
Supervision	162,000	132,000
Field Trips/Attachment	307,000	177,000
Thesis fees	45,000	126,125
Project fees	174,000	212,000
Computer Fees	10,559,900	16,109,500



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Teaching Practice Fees	8,259,000	6,162,000
Accommodation fees	20,987,011	21,282,105
Admissions Fees-Placement Board	17,000	
Material Development Fee	846,566	885,900
Insurance Fee	321,000	343,000
Field/Industrial/Workshop/Internal Attachment	2,740,851	4,409,100
Laboratoy/Workshop Fee	265,000	252,500
Tests & Vaccination Fee	2,500	7,500
Practical/Research Seminars Fee	53,000	50,000
Clerkship/Clinical Attachment Fee	146,525	80,375
Hospital Consumables Fee	161,500	147,000
Workshop Fee	2,110,000	2,225,000
Center Fess TVET	356,000	482,000
Geological Field Mapping Fee	18,500	95,500
Clinical Placement Fees	1,507,575	1,949,775
Rendering of Services	879,660,428	562,588,482

Students' union and subscription fees were accounted for as a liability since this belongs to South Eastern Kenya University Students Association. The University only offers facilitation in collecting these dues as part of fees.



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

9 Sale of Goods	2024-2025	2023-2024
	Kshs	Kshs
Milk and dairy products		
Food sales- income generating activities	6,566,678	10,583,585
Farm proceeds	752,148	1,374,647
Accommodation receipts guest house	1,466,120	3,286,037
Students mess sales-Pay as you eat	102,818	8,277,618
Total Sale od Goods	8,887,764	23,521,886

10 Rental income and other sources	2024-2025	2023-2024
	Kshs	Kshs
Hire of academic gowns	699,000	626,050
Hire of conference facilities	90,000	735,200
Rent income	3,078,666	1,199,659
Total rental income and other sources	3,867,666	2,560,909

11 Other Incomes	2024-2025	2023-2024
	Kshs	Kshs
Increase in net worth of biological assets	2,843,330	1,721,186
Library fine	-	3,386
Graduation fees	9,442,540	4,714,000
Tender fees	28,310	94,100
General fines-keys and others	882,713	2,329,174
Catering & Accommodation Related Fines		12,597
Miscellaneous income	1,018,796	630,013
Consultancy fee	39,000	40,000
Proceeds from disposal of Assets		66,600
Other grants and donations	400,000	
Total Other Incomes	14,654,689	9,611,056



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

12 Use of Goods and Services

	2024-2025	2023-2024
	Kshs	Kshs
Student bursaries	500,000	500,000
Guest house and Cafeteria	4,937,221	7,162,318
Staff travelling and subsistence	12,053,463	12,843,741
External travel and accommodation	789,520	25,001
Staff training and development	770,875	1,108,600
Staff and dependent fees waiver		995,198
Medical insurance cover and staff hospitalization expenses	38,185,677	46,013,126
Postage and courier services	37,397	107,414
Electricity expenses	19,945,858	26,710,830
Water expenses	18,321,500	12,848,380
General insurances - properties and others	16,710,059	12,621,647
Professional, Legal and other fees	1,987,873	2,462,562
Official entertainment	19,785	1,860,167
Conference and seminars	1,130,259	1,234,830
Internet and ICT Expenses	17,090,158	16,036,542
Office running	3,390,765	4,275,980
Management, Senate and other internal committee	2,791,988	690,235
Telephone	137,934	85,168
Farm	1,816,071	1,634,586
Transport operating	10,027,180	12,368,127
AS&DA, HIV/AIDS Control unit	235,998	150,780
Audit Expenses	696,000	696,000
Printing and publishing	1,194,532	258,250
Marketing, Publicity & advertising	1,862,353	1,898,492
Teaching materials expenses	4,284,896	4,686,066
Graduation expenses	4,983,483	3,385,660
Sports expenses	2,328,504	999,860
Teaching practice & field attachment	7,263,795	4,998,347
Academic field trips	92,950	1,532,566
Research expenses- Externally funded	22,521,042	29,115,978
External examiners exp/subsistence allowance	3,116,143	1,819,747
Student activities	1,771,396	2,217,715
Library expenses	2,544,382	3,408,963
Academic Quality Control	8,737,002	3,648,900



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TVET Expenses	218,828	92,852
ODEL expenses	5,000	-
KUCCPS Expenses	2,890,500	2,532,000
Research expenses- Internally funded	573,787	1,465,315
Catering and accommodation	964,008	12,197,685
Corporate Social Responsibility	150,000	100,000
Consultancy/Training Services		30,800
Staff uniforms	42,300	
Bank charges, commissions and errors	641,294	675,854
Total Use of Goods	217,761,778	237,496,279



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

13 Employee costs

	2024-2025	2023-2024
	Kshs	Kshs
Basic pay	506,445,369	465,156,427
House allowance	184,540,945	196,278,447
Commuting allowance	67,305,268	70,279,597
Entertainment allowance	10,063,966	10,417,193
Hardship allowance	37,833,293	41,525,588
Professorial allowance	593,290	477,000
NSSF-employer contribution	12,869,283	8,327,150
Pension-employer contribution	78,949,396	80,246,254
Acting allowance	796,992	1,873,443
Leave travelling allowance	2,161,193	2,315,955
Responsibility allowances	17,311,234	19,088,589
Allowances arrears	867,745	2,164,640
Uniform expense	30,000	30,000
Book Journal/ICT allowance	1,790,000	1,967,500
Gratuity and pensions contributions	3,896,784	5,941,363
Passage, baggage and leave days	7,810	213,399
Teaching claims - part time lecturers	22,282,424	13,590,660
Casual labour expenses	16,435,727	14,632,150
Telephone allowances	6,873,531	6,560,701
Time tabling allowances	350,200	364,200
Facilitation allowance	371,000	516,400
Extraneous allowances	9,955,942	11,442,990
Security guard allowances	2,044,000	2,755,226
Water and electricity allowances	2,799,000	3,124,419
Risk allowances	1,383,192	1,513,434
Affordable Housing Levy	12,365,760	9,396,843
Other employee allowances	29,624,472	23,385,858
Total employee costs	1,029,947,814	993,585,427



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

14 Board Expenses		2024-2025	2023-2024
		Kshs	Kshs
Sitting allowance		4,760,000	3,580,000
Travelling and accommodation allowances		5,858,500	5,091,905
Meals & Refreshments		221,455	-
Training Expenses		152,000	527,740
Honorarium		960,000	141,935
Total council expenses		11,951,955	9,341,580
15a Depreciation – Property, Plant and Equipment		2024-2025	2023-2024
		Kshs	Kshs
Depreciation expense-Property, plant & Equipment		79,550,057	79,696,216
Total Depreciation expense		79,550,057	79,696,216
Depreciation is only charged on completed projects based on applicable depreciation rates. No depreciation is charged on work in progress			
15b Amortization - Intangible Assets		2024-2025	2023-2024
		Kshs	Kshs
Cost			
As at 1st July 2024		14,952,590	14,952,590
Additions		-	-
Cost as at 30th June 2025		14,952,590	14,952,590
Amortization			
As at 1st July 2024		-11,962,072	-8,971,554
Amortization during the year		-2,990,518	-2,990,518
As at 30 th June 2025		-14,952,590	-11,962,072
Net Book Value as at 30th June 2025		-	2,990,518
15c Total Depreciation and amortization expense		2024-2025	2023-2024
		Kshs	Kshs
Depreciation expense-Property, plant & Equipment		79,550,057	79,696,216
Amortization during the year		2,990,518	2,990,518
Total Depreciation and amortization expense		82,540,575	82,686,734
15d Land Valuation		2024-2025	2023-2024
		Kshs	Kshs
Emali		295,000,000	295,000,000
Kwa Vonza		1,250,000,000	1,250,000,000
Kitui Town		24,000,000	24,000,000
Mwingi/Nzeluni		10,000,000	10,000,000
Mwingi/Nzatani		3,800,000	3,800,000
Nairobi		441,600,000	441,600,000
		2,024,400,000	2,024,400,000



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

15a Property, Plant and Equipment Description	Land	Land improvements	Buildings	Furniture, plant & equipment	Motor vehicles	Computers	Right of Use Computers	Work in Progress	Total
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at 30 June 2023	1,046,550,000	232,319,303	2,214,323,042	243,539,281	83,950,812	50,050,501	-	3,854,262	3,874,587,200
Additions	-	-	-	9,024,063	-	1,544,640	-	17,694,021	28,262,724
Disposal	-	-	-	-	-	-	-	-	-
Capitalization	-	4,748,100	-	-	-	-	-	(4,748,100)	-
Adjustment on Revaluation	977,850,000	-	-	-	-	-	-	-	977,850,000
As at 30 June 2024	2,024,400,000	237,067,403	2,214,323,042	252,563,343	83,950,812	51,595,141	-	16,800,183	4,880,699,924
Additions	-	-	-	7,054,586	-	146,400	11,794,500	27,636,553	46,632,039
Disposal	-	-	-	-	-	-	-	-	-
Capitalization	-	419,750	5,750,164	-	-	-	-	(6,169,914)	-
Adjustment on Revaluation	-	-	-	-	-	-	-	-	-
As at 30 June 2025	2,024,400,000	237,487,153	2,220,073,205	259,617,929	83,950,812	51,741,541	11,794,500	38,266,822	4,927,331,963
Depreciation & Impairment/Amortization									
As at 30 June. 2023	-	(78,431,251)	(173,548,074)	(185,232,429)	(74,015,906)	(47,373,077)	-	-	(558,600,738)
Depreciation	-	(11,853,370.16)	(44,286,460.84)	(15,904,707)	(5,838,703)	(1,812,975)	-	-	(79,696,216)
Accum Depr. Disposal M/V	-	-	-	-	-	-	-	-	-
Depr. Adj. on Revalued M/V	-	-	-	-	-	-	-	-	-
As at 30 June 2024	-	(90,284,622)	(217,834,535)	(201,137,136)	(79,854,609)	(49,186,052)	-	-	(638,296,953)
Depreciation	-	(11,874,357.66)	(44,401,464.11)	(14,181,069)	(4,588,703)	(1,555,838)	(2,948,625)	-	(79,550,057)
Accum Depr. Disposal M/V	-	-	-	-	1,250,000	-	-	-	1,250,000
Depr. Adj. on Revalued M/V	-	-	-	-	-	-	-	-	-
As at 30 June 2025	-	(102,158,979)	(262,235,999)	(215,318,205)	(83,193,312)	(50,741,889)	(2,948,625)	-	(716,597,010)
Net Book Value									
As at 30 June 2025	2,024,400,000	135,328,174	1,957,837,206	44,299,724	757,500	999,651	8,845,875	38,266,822	4,210,734,953
As at 30 June 2024	2,024,400,000	146,782,782	1,996,488,507	51,426,207	4,096,203	2,409,089	-	16,800,183	4,242,402,971



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

16 Repairs and maintenance, rents & rates	2024-2025	2023-2024
	Kshs	Kshs
Repairs and maintenance of motor vehicles	2,410,510	5,083,219
Repairs and maintenance of buildings	3,868,712	3,672,127
Repairs and maintenance equipment & machinery	2,252,078	3,572,285
Land improvement expenses	1,081,455	594,000
Total repairs and maintenance, rents and rates	9,612,755	12,921,631
17 Contracted Services	2024-2025	2023-2024
	Kshs	Kshs
Cleaning and Sanitary Services	7,722,927	5,669,168
Security services	11,817,584	11,085,400
Total Contracted Services	19,540,511	16,754,568
18a Finance Cost	2024-2025	2023-2024
	Kshs	Kshs
Interest on Lease Liability	891,533	-
Total Finance Cost	891,533	-
18b Gain/Loss on foreign exchange transactions	2024-2025	2023-2024
	Kshs	Kshs
Loss on foreign exchange	965,393	-
Gain on foreign exchange	(70,297)	1,452,553
Unrealized Gain on Dollar Foreign exchange	(8,728)	-
Unrealized Gain on Euro Foreign exchange	(643,049)	-
Total Gain/Loss on foreign exchange transactions	243,318	1,452,553



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

19 Cash and cash equivalents

	2024-2025	2023-2024
	Kshs	Kshs
(i) Current accounts		
NBK Fees collection A/C No.01021052862000	96,280,588	62,157,660
NBK Development A/C No.01021053129200	8,766,422	26,951,629
NBK Income generating units A/C No.01021053129100	713,777	4,070,009
NBK Research A/C No.01021053302500	24,207,578	36,104,496
NBK Dollar A/C No.02020052862000	562,671	554,061
NBK Euro A/C No.03020052862000	5,009,906	5,143,567
NBK Payment A/C No.01020088710300	3,416,432	2,280,666
NBK Catering and accom. A/C No.01020088710400	44,041	126,999
NBK Caution money A/C No.01020017462300	3,339,255	3,540,055
KCB Fees collection A/C No.1127693166	647,932	1,611,302
Co-op. Bank Fees collect. A/C No.01129300544600	311,512	5,049,630
Equity Bank Fees collect. A/C No.0720295920757	964,901	3,252,448
ABSA Bank Fees collect. A/C No.2021558152	1,328,328	3,126,368
Family Bank Fees collect. A/C No.072000038445	1,420,643	2,775,213
Total of current accounts	147,013,986	156,744,104
(ii) Others		
M-PESA Fees payment account	-	14,000
M-PESA IGU payment account	7,958	7,848
E-Citizen Cash Book	562,550	1,423,987
Total of others	570,508	1,445,835
Total cash and cash equivalents	147,584,494	158,189,939



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

20 Receivables from exchange transactions

	2024-2025	2023-2024
	Kshs	Kshs
a Receivables from exchange transactions		
Students debtors	225,062,358	109,662,156
General debtors	18,812,652	16,380,738
Internal debtors	442,400	462,400
Other current assets		
BOC cylinders deposits	211,000	211,000
KPLC co ltd. deposits	267,950	267,950
Total receivables from exchange transactions	244,796,360	126,984,245
B Receivables from non-exchange transactions		
Receivables from non-exchange transactions-Recurrent	-	62,525,971
Receivables from non-exchange transactions- Development	-	-
Total receivables	244,796,360	189,510,216

This denotes a commitment from the Government on account of development grants due in the year of which were received after the quarter end

Ageing analysis: (Refundable deposits & Student Balances
% of the Total

		% of the Total		% of the Total
Under one year	212,654,598	87%	103,895,379	55%
1-2 years	26,927,600	11%	56,605,839	30%
2-3 years	4,895,927	2%	28,184,911	15%
Over 3 years	318,235	0.13%	824,088	0.43%
Total	244,796,360	100%	189,510,216	100%

Receivables Schedule
Description

	2024-2025	2023-2024
	Kshs	Kshs
At the beginning of the year	189,510,215.70	57,966,717.74
Additional provisions during the year	907,070,546.97	598,282,333.38
Recovered during the year	(804,065,561.63)	(464,215,368.00)
Written off during the year	-	-
Prior year Invoice Adjustment	(47,718,841.00)	(2,523,467.00)
At the end of the year	244,796,360.04	189,510,215.70

21 Inventories

	2024-2025	2023-2024
	Kshs	Kshs
Central store inventory	5,429,313	4,692,392
Cleaning materials	434,500	493,977
Food stuffs inventory	263,994	464,063
Medical drugs	731,172	311,784
Farm inventory	674,475	214,006
Total inventories	7,533,453	6,176,222

22 Biological assets

	2024-2025	2023-2024
	Kshs	Kshs
Cattle	5,652,640	4,949,560
Poultry	548,800	304,900
Goats	6,479,180	5,372,330
Sheep	993,500	-
Pigs	-	207,000
Donkey	15,000	12,000
Total biological assets	13,689,120	10,845,790



**South Eastern Kenya University
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Notes to the Accounts for the year ended 30th June 2025 (Continued)

23 Trade and other payables from exchange transactions

	2024-2025	2023-2024
	Kshs	Kshs
Unpaid contractors certificates	8,762,553	
Recurrent creditors suppliers	14,369,187	10,508,284
Retention-contractors	10,048,515	8,207,263
Commissioner of domestic taxes (Withholding tax)	388,173	585,034
Withholding Income Tax(Resident & Non Resident)	31,945	
Withholding VAT	2,246,137	2,186,688
Customer deposits (refundable)	155,788	80,788
Customer prepayment	-	110,000
Insurance and investments	860,561	279,818
Unexpended Consultancy Funds	1,957,091	882,291
Net outstanding salaries	1,557,438	721,414
Insurance Compensation	390,722	
Pay as you earn tax	26,231,501	22,038,103
Other Payables -Accrued Creditors	5,620,706	8,484,843
SEKU Sacco deductions	4,539,633	2,974,549
Staff bank loan deductions	35,172,030	12,766,482
SEKU pension scheme	23,180,996	10,219,653
Staff unions-COTU	31,650	10,850
Kudheihwa workers union	111,000	37,000
Kenya Univ. and Colleges Placement Services fee	395,100	297,600
Kenya Universities Staff Union	960,402	350,785
UASU	1,451,000	422,707
Other societies deductions	9,039,121	2,064,830
Student pre-paid fees	86,280,081	84,413,490
Provision for part-time claims	51,650,367	79,251,543
Provision for audit fees	696,000	696,000
HELB-Loan	4,789,657	4,893,457
CDF- Constituency Development Fund	5,813,674	5,982,944
HELB-loan repayment	406,165	135,816
Other pensions scheme	494,408	139,156
National Hospital Insurance Fund	11,396	708,700
National Social Security Fund	7,250,587	1,916,817
Imprest recoveries refund	333,393	289,893
SEKU-general recoveries	3,059,648	2,710,116
Payroll fees payment	1,847,636	83,000
Other sponsors	787,215	1,094,555
Un-identified direct banking	3,526,297	4,092,944
Students Union membership and subscription fees	4,910,570	5,434,335
Quality Assurance Fee	572,500	419,500



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Quality Audit Fee (KMLTTB)	78,000	75,000
Accreditation Fee (KMLTTB)	95,400	92,800
Indexing Fee (KMLTTB)	40,500	36,800
National Industrial Training Authority	28,650	
TVET KNEC Examination Fees	23,550	21,750
Students General Recoveries	72,545	29,546
HEF-Tuition Payment (Loan)	4,974,610	12,120,690
HEF- Scholarship	6,161,870	5,531,120
Social Health Insurance Fund	1,933,082	
Housing Levy Liability	4,551,960	958,254
Total Trade and other payables from exchange transactions	337,891,008	294,357,210

Ageing analysis: (Trade and other payables)

	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	270,312,807	80%	123,630,028	42%
1-2 years	23,652,371	7%	14,717,861	5%
2-3 years	27,031,281	8%	76,532,875	26%
Over 3 years	16,894,550	5%	79,476,447	27%
Total	337,891,008	100%	294,357,210	100%



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

24 Unexpended research grants

	2024-2025	2023-2024
	Kshs	Kshs
Balance at the beginning	32,878,912	29,056,986
Research grants received during the year (2024/2025)	10,299,216	32,937,904
Research grants paid during the year (2024/2025)	(22,521,042)	(29,115,978)
Balance at the end	20,657,086	32,878,912

This constitutes the unspent money on account of funds received for various research projects

25 Refundable deposits from students-caution money

	2024-2025	2023-2024
	Kshs	Kshs
Balance at the beginning	29,835,815	29,468,655
Caution money collected in financial year 2024/2025	642,000	625,430
Caution money paid and reversed in 2024/2025	(16,000)	(258,270)
Balance at the end	30,461,815	29,835,815

This a provision in recognition of money paid by students on account of caution money which is refundable on upon completion of studies or transfer to other institutions.

26 Lease on Computers

	2024-2025	2023-2024
	Kshs	Kshs
Contract sum	11,794,500	-
Amount paid during in the Financial Year 2024/2025	(2,358,900)	-
Interest on lease liability	891,533	-
Outstanding balance	10,327,133	-

27 Revenue reserves

	2024-2025	2023-2024
	Kshs	Kshs
The figures are made up as follows:		
Balance at the beginning	(266,238,079)	(244,872,299)
Prior Year Adjustments-Expenses	478,064	
Prior Year Adjustments Parttime Claims	-	(49,589,582)
Prior Year Adjustments -Depreciation	1,250,000	
Deficit/Surplus for the year	17,948,396	27,293,115
Adjustment on Contingent Liability		3,454,154
Adjustment on depreciation of revalued motor vehicles		
Adjustment on previous years invoices overcharge reversed		
Adjustment on previous years student balances	(47,718,841)	(2,523,467)
Balance at the end	(294,280,460)	(266,238,079)

This constitutes the accumulated surplus and deficits since the start of the University.



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

28(a) Net Cash flow from operations

		Bal b/f	Invoice for Year	Bal c/f	Cash received/paid
Transfers from other governments entities	6a	62,525,971	473,068,874	-	535,594,845
Public contributions and donations	7	-	10,299,216	-	10,299,216
Rendering of services	8	233,901,087	813,432,689	(343,188,827)	704,144,949
Sale of goods	9	16,843,138	8,887,764	(19,255,052)	6,475,850
Rental revenue from facilities and equipment	10	-	3,867,666	(472,582)	3,395,084
Other income	11	-	14,654,689	-	14,654,689
Use of goods and services	28	(30,789,191)	(217,761,778)	42,703,341	(205,847,628)
Employee costs	13	(138,377,086)	(1,029,947,814)	175,488,446	(992,836,454)
Board Expenses	14	-	(11,951,955)	-	(11,951,955)
Repairs and maintenance	16	-	(9,612,755)	-	(9,612,755)
Contracted services	17	(952,000)	(19,540,511)	1,572,754	(18,919,757)
Total					

28(b) Cash Inflows /Outflows

Description	2024-2025 Kshs	2023-2024 Kshs
Surplus for the year before tax	18,188,152	27,293,115
Adjusted for:		
Depreciation	82,540,575	82,686,734
Increase in Biological assets	(2,843,330)	(1,721,186)
Gains and losses on disposal of assets		(66,600)
Working capital adjustments	97,885,397	108,192,063
Increase in inventory	(1,357,231)	(723,280)
Increase in receivables	(104,665,880)	(98,328,344)
Increase in receivables GOK Grants		(42,280,211)
Increase in payables	43,533,798	89,587,838
Net cash flow from operating activities	35,396,084	56,448,066



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Notes to the Accounts for the year ended 30th June 2025 (Continued)

29 Capital fund

	2024-2025 Kshs	2023-2024 Kshs
Balance at the beginning	2,976,409,112	2,958,159,112
Capital grants received in the year	-	18,250,000
Balance at the end	2,976,409,112	2,976,409,112

30 Revaluation reserves

	2024-2025 Kshs	2023-2024 Kshs
Balance at the beginning	1,542,872,686	565,022,686
Motor vehicles revaluation		
Land Valuation	-	977,850,000
Adjustment of depreciation on revalued motor vehicles		
Balance at the end	1,542,872,686	1,542,872,686

These reserves relate to recognition of carrying amounts of items either donated to the University or whose future economic benefits have been re-determined based on their probable extended economic lifespans. Subsequent depreciation on re-valued amount is charged against the reserves and an entry is passed to the revenue reserves.

31 Events after the reporting period

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

32 Ultimate and holding entity

The entity is a chartered public University under the Ministry of Education. Its ultimate parent is the Government of Kenya.

33 Currency

The financial statements are presented in Kenya Shillings (Kshs).



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I. Appendices

Appendix 1: 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.

SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks
1.	2021/2022	<p>The statement of financial position reflects trade and other payables from exchange transaction balance of Kshs.177,610,541 which includes provision for part time claims of Kshs.64,933,257 as disclosed in Note 22 to the financial statements. Out of the amount Kshs.11,596,322.64 relates to claims for the financial year 2021/2022. The amount was however, not fully expensed during year under review and the ledger only includes part time teaching claims of Kshs.2,349,700.</p> <p>In the circumstances, the expenditure for the financial year under review is understated by Kshs.9,246,622.</p>	<p>Management notes that the expenditure of Kshs.11,596,322.64 relating to part time expenditure was incurred during the period under review and has adjusted the financial statements accordingly.</p>	100%	Closed
2.		<p>1. Overstatement of Revenue from Exchange Transactions</p> <p>The statement of financial performance reflects tuition and other related fees amount of Kshs.232,242,856 which includes tuition fees of Kshs.122,837,550 as disclosed in Note 5 to the financial statements. A review of registered students and fees payable for the various courses records however, revealed that an amount of Kshs.91,025,250 as the tuition fees for the period under review.</p>	<p>Management notes the audit observation on tuition fees and submits that the total tuition fees is Kshs.122,837,550 which includes fees, retakes and adjustments arising from deferment of studies as analysed in the attached schedule.</p>	100%	Closed



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SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks
		In the circumstances, the tuition fees amount of Kshs.122,837,550 could be misstated.			
3.		<p>1.</p> <p>2. Non- Current assets</p> <p>A review of the asset's records revealed the anomalies:</p> <p>(a) The Software carrying amount of Kshs.8,971,554 was included in the property plant and equipment balance instead of intangible assets.</p> <p>(b) Note 15 reflects depreciation charge for furniture and equipment of Kshs.4,139,191 while re-computation revealed an amount of Kshs.14,091,912. Thus, depreciation charge is understated by Kshs.9,952,721. Further, the accumulated depreciation for furniture and equipment is reflected as Kshs.175,759,523 while the recomputed amount is Kshs.166,212,899 resulting to overstatement of Kshs.9,546,624. The misstatement is attributed to over depreciation of furniture, plant and equipment during the financial years 2015/2016 to 2017/2018 which has not been adjusted.</p> <p>(c) Note 3 (d) on Plant, Property and Equipment Schedule include parcels of land references L.R. No. 209/10350 (Nairobi), L.R No. 13529 (Kitui) and L.R. No. 12970</p>	<p>a. Software was separated from PPE and put under intangible assets</p> <p>b. The overstated depreciation charge was added to revenue reserves account</p> <p>c. Land ownership documents of the 6 pieces of land have not been obtained. 3 pieces are awaiting approval by the Lands commission while the other three (3) have pending court cases</p>	<p>100%</p> <p>100%</p> <p>50%</p>	<p>Closed</p> <p>Closed</p> <p>Open</p>



**South Eastern Kenya University
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SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks															
		<p>(Emali) with a total value of Kshs.1,036,600,000 but which have not been registered in the name of the University due land disputes. Further, the title deed for L.R. No. 209/10350 (Nairobi) is not in the custody of the university.</p> <p>(d) The parcels of land detailed below have not been valued and were not included in the property, plant and equipment balance of Kshs.3,329,152,656.</p> <table border="1"> <thead> <tr> <th>Details</th> <th>Measurement</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>Hived from adjudication Survey No. 371</td> <td>Approx. 30 acres</td> <td>Mwingi, Ngoo area</td> </tr> <tr> <td>Approved Kitui Part Development Plan No. KTI/29/94/26/03</td> <td>Approx. 0.845 hectares</td> <td>Kitui town</td> </tr> <tr> <td>Approved Wote Part Development Plan</td> <td>Approx. 30 acres</td> <td>Wote town, Makueni county</td> </tr> <tr> <td>Plot No. 3756</td> <td>20 acres</td> <td>Mangelete Settlement Scheme, Mtito Andei</td> </tr> </tbody> </table> <p>The parcels of land have also, not been</p>	Details	Measurement	Location	Hived from adjudication Survey No. 371	Approx. 30 acres	Mwingi, Ngoo area	Approved Kitui Part Development Plan No. KTI/29/94/26/03	Approx. 0.845 hectares	Kitui town	Approved Wote Part Development Plan	Approx. 30 acres	Wote town, Makueni county	Plot No. 3756	20 acres	Mangelete Settlement Scheme, Mtito Andei			
Details	Measurement	Location																		
Hived from adjudication Survey No. 371	Approx. 30 acres	Mwingi, Ngoo area																		
Approved Kitui Part Development Plan No. KTI/29/94/26/03	Approx. 0.845 hectares	Kitui town																		
Approved Wote Part Development Plan	Approx. 30 acres	Wote town, Makueni county																		
Plot No. 3756	20 acres	Mangelete Settlement Scheme, Mtito Andei																		



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		<p>registered in the name of the university.</p> <p>(e) The University constructed two office and tuition blocks in Kitui campus and Wote Campus at a cost of Kshs.249,439,800 and Kshs.360,783,904 respectively. The parcels of land in which the two blocks are situated are not registered in the name of the University and are also not valued to be included in the plant, property and equipment balance.</p> <p>In the circumstances, the property, plant and equipment balance of Kshs.3,329,152,656 could not be confirmed.</p>			
4.		<p>3. Unsupported Prior Year Adjustments</p> <p>The statement of changes in net assets reflects prior year adjustment balance of Kshs.5,691,848, being adjustments on previous years' student balances. The details of the adjustments were however, not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the prior year adjustment balance of Kshs.5,691,848 could not be confirmed.</p>	The details of the adjustments relating to reversals of the prior year invoices is attached.	50%	Open
5.		<p>4. Long Outstanding Receivables from Exchange Transactions</p> <p>The statement of financial position reflects receivables from exchange transactions</p>	Management notes that the county pending bills committee which was formed by	50%	Open



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SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks
		<p>balance of Kshs.70,708,132 which includes general debtors balance of 14,781,033 as disclosed in Note 18 to the financial statements. The general debtors balance includes amount owed by the County Government of Kitui, of Kshs.14,000,000 for services rendered. The amount has been outstanding for a long period and the University may not recover the debt.</p> <p>In the circumstances, the receivables balance of Kshs.70,708,132 could be misstated.</p>	<p>Gazette Notice No. 11949 of 7th October 2022 has completed its work and submitted their report to the Governor. The university has written a letter to the Governor requesting for payment of the outstanding amount.</p> <p>Demand note was sent to the county Government of Kitui to pay the outstanding Debt.</p>		
6.		<p>3. Irregular payment of professional Fees</p> <p>The university entered into contract no. SEKU/PROC/ONT/RFP//021/2016/2017 with a consultancy firm on 10 October 2016 for provision of consultancy services as a consortium for the proposed construction of Wote Town Campus in Makueni County at contract sum of Kshs.40,199,847. A review of the professional fees records indicate that the University has paid the Consortium an amount of Kshs.36,048,252.99 out of which Kshs.5,748,000 relate to travelling time on hourly basis instead of reasonable hotel and subsistence that is consistent with seniority of consultant's staff. This contravenes clauses 207.03.01 and 207.07.01 of Conditions of engagement and scales of fees</p>	<p>Management notes that there was no irregular overpayment of Kshs. 1,596,406 for consultancy of construction of Wote campus. The University council in its sitting on 17th May 2017, approved a total reimbursable fee of kshs 6,000,400 to the consultants hence the amount of kshs 5,748,000 was still within the approved</p>	10%	Open



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SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks																														
		<p>for professional services for building and civil engineering works (1987 first edition) and the subject contract.</p> <table border="1"> <thead> <tr> <th>Consultant</th> <th>Profession</th> <th>Time basis</th> <th>Amount paid based on travelling time</th> <th>Total Professional fees and disbursements</th> </tr> </thead> <tbody> <tr> <td>Heritage Associates Ltd</td> <td>Architecture</td> <td>Hourly rates</td> <td>2,160,000</td> <td>14,393,651.72</td> </tr> <tr> <td>Costbill systems Limited</td> <td>Quantity surveyor engineer</td> <td>Hourly rates</td> <td>1,206,000</td> <td>8,587,368.00</td> </tr> <tr> <td>Rex consultants</td> <td>Mechanical and electrical engineer</td> <td>Hourly rates</td> <td>1,116,000</td> <td>5,413,707.07</td> </tr> <tr> <td>Charchi Githinji</td> <td>civil and structural engineer</td> <td>Hourly rates</td> <td>1,266,000</td> <td>7,653,526.20</td> </tr> <tr> <td></td> <td>Total</td> <td></td> <td>5,748,000</td> <td>36,048,252.99</td> </tr> </tbody> </table> <p>In the circumstances, the expenditure of Kshs.5,748,000 paid to the consultant based on hourly travel time could not be confirmed and could occasion loss of public funds.</p> <p>The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Machakos County Executive in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.</p>	Consultant	Profession	Time basis	Amount paid based on travelling time	Total Professional fees and disbursements	Heritage Associates Ltd	Architecture	Hourly rates	2,160,000	14,393,651.72	Costbill systems Limited	Quantity surveyor engineer	Hourly rates	1,206,000	8,587,368.00	Rex consultants	Mechanical and electrical engineer	Hourly rates	1,116,000	5,413,707.07	Charchi Githinji	civil and structural engineer	Hourly rates	1,266,000	7,653,526.20		Total		5,748,000	36,048,252.99	budget.		
Consultant	Profession	Time basis	Amount paid based on travelling time	Total Professional fees and disbursements																															
Heritage Associates Ltd	Architecture	Hourly rates	2,160,000	14,393,651.72																															
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SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks
7.		<p>4. Irregular acting allowances</p> <p>The university irregularly paid acting allowances to two members of staff during the year under audit as noted below.</p> <p>(a) The University appointed Dean of School of Agriculture and Veterinary sciences, Personal Number AA/0590 on 1st May 2020 for a period of 2 years. The employee was relieved of duties on 3rd September 2021 and given one (1) month notice of handing over after the University Council at its 71st meeting approved merger of the School of Agriculture and Veterinary Sciences with School of Environment, Water and Natural Resources and consequently appointed a dean to head the newly created school. The management however, continued paying the former dean allowances until the end of the two (2) years period although there was a substantive dean.</p> <p>(b) The University appointed finance officer, Employee Personal Number AD/0778, in acting capacity for a period of 6 months with effect from 1 September, 2020. The employee however continued acting and receiving the allowances up to December 2021 without extension of the appointment.</p> <p>In the circumstances, the allowances were paid irregularly, to the employees and the Management is in breach of Human resource policy manual.</p>	<p>Employee Number AD/0778 acted as a Finance officer on the vacant position from 1st September, 2020. However, after two months (on 13th November 2020) within the six months acting period, Management changed the terms from acting allowances to facilitative allowances for the office. He was paid allowances applicable to the position as approved by the university council until the vacancy was competitively filled on 5th of January 2022 after which the allowances were withdrawn. See attached letters.</p>	100%	Closed



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SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks
8.		<p>5. Variances between the Actual no. of Employees and the Approved Staff Establishment</p> <p>The University had an approved staff establishment of 520 employees whereas the actual number in position was 475 during period under review, resulting to under-establishment of 45 employees. Further, a review of the records revealed that five (5) categories of the establishment were over-established.</p> <p>In the circumstances, the under-establishment impacted negatively on service delivery while over-establishment is a breach of the policy on employment and may lead to idle work force.</p>	<p>The 45 vacant positions were not filled because the University did not have sufficient funds to hire staff to fill the positions. This were carried forward and factored in the 2022/2023 Financial Year with an establishment of 520. <i>(See Table on Budgeted Positions and Vacancies as At 13th October, 2022).</i></p> <p>Management further notes that the five (5) categories were not over-established, but the additional number of staff was as a result of CUE recommendation in which the establishment was approved by the University council in a meeting held on 10th December 2021.</p>	100%	Closed
9.		<p>1. Assets register</p> <p>Review of the university's assets register provided in support of property, plant and</p>	The University is in the process of implementing new	100%	Open



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SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks
		<p>equipment revealed lack of the following critical information:</p> <ul style="list-style-type: none"> a) The rate of depreciation for each category of assets b) The depreciation charge for the current financial year for each asset c) Accumulated depreciation for each asset d) The carrying value of each asset e) The revaluation date of the assets subjected to revaluation; f) The revalued balance of such fixed assets; g) Impairment losses incurred during the financial year (and the reversal of such losses, where applicable), on revaluation and/or disposal of assets. <p>The university has failed to maintain the required records and assets controls are weak and the University risk loss of the assets.</p>	Asset and Liability reporting guidelines given by the National Treasury which were to take effect in the 2022/2023 Financial year.(see recommended reporting templates being implemented).		
10.	2022/2023 FY	<p>1. Valuation and Ownership of Land</p> <p>The statement of financial position and as disclosed in Note 15(a) to the financial statements reflects property, plant and equipment balance of Kshs.3,315,986,462. Included in the balance are six (6) parcels of</p>	Land ownership documents of the 6 pieces of land have not been obtained. 3 pieces are awaiting approval by the Lands commission while the other three	50%	Open



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SR NO	Financial Year	Audit Issues	Management response/action plan	% Implementation	Remarks
		<p>land out of which three (3) parcels with a value of Kshs.1,046,550,000 and three (3) parcels with undetermined value have not been included in the financial statements. Further, the parcels of land are yet to be registered in the name of the University due to land disputes.</p> <p>In the circumstances, the accuracy, completeness, validity and ownership of property, plant and equipment balance of Kshs.3,315,986,462 could not be confirmed.</p>	(3) have pending court cases		
11.		<p>2. Valuation of Motor Vehicles and Furniture</p> <p>The statement of financial position and as disclosed in Note 15(a) to the financial statements reflects property, plant and equipment balance of Kshs.3,315,986,462. The balance includes net book values of Kshs.58,306,852 and Kshs.9,934,906 for furniture, plant and equipment and motor vehicles respectively. Review of the University asset register revealed that twenty-eight (28) motor vehicles and furniture that were fully depreciated but in use had not been revalued and included in the financial statements.</p> <p>In the circumstances, the accuracy, completeness, valuation of property, plant and equipment balance of Kshs.3,315,986,462 could not be confirmed.</p>	<p>The Depreciation adjustment of Kshs.19, 499,346 relates to adjustment of depreciation of Furniture, Plant and Equipment for the financial year 2021 and not Motor Vehicles.</p> <p>b) The University is in the process of developing an Asset</p> <p>A committee has been appointed to prepare an Asset</p> <p>Depreciation And Revaluation Policy which will be implemented once the council</p>	10%	OPEN



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			approves. Depreciation And Revaluation Policy		
12.		<p>3. Accuracy of Depreciation Charge The statement of financial performance reflects depreciation and amortization expense of Kshs.85,298,093 as disclosed in Note 15 to the financial statements. However, Note 15(a) to the financial statements reflect total depreciation charge for the year of Kshs.82,307,575 resulting in unreconciled variance of Kshs.2,990,518.</p> <p>Further, Note 15(a) to the financial statements on property, plant and equipment movement schedule reflects depreciation adjustment on furniture, plant and equipment of Kshs.19,499,346 in the year 2021 instead of revalued motor vehicles. The valuation report for the motor vehicles revalued in 2021 was not provided for audit. In addition, Management did not have a depreciation and revaluation policies for management of the University assets.</p> <p>In the circumstances, the completeness and accuracy of the depreciation and amortization expenses of Kshs.85,298,093 could not be confirmed.</p>	<p>The University currently applies the generally accepted accounting principles to depreciate its assets</p> <p>A committee has been appointed to develop a Depreciation Policy which will be implemented once approved by the council</p>	100%	Closed
13.		<p>4. Receivables from Exchange Transactions The statement of financial position reflects receivables from exchange transaction balance of Kshs.73,459,579 as disclosed in Note 20(a) to the financial statements. Included in the amount is Kshs.57,487,768,</p>	Management notes that the university is in the process of developing a Credit Policy, to be implemented once	10%	Open



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		Kshs.15,080,461, Kshs.412,400, Kshs.211,000 and Kshs.267,950 on student debtors, general debtors, internal debtors, BOC cylinders and Kenya Power and Lighting Company (KPLC) deposits. However, the University has not demonstrated efforts made towards recovery debts owed or debt recovery policy that would ensure effective management and control of the receivables. Failure to recover the debts promptly may lead to loss of funds. In the circumstances, the recoverability of the receivables totaling Kshs.73,459,579 could not be ascertained.	approved by the council. Further, the university is actively pursuing the recovery of the outstanding Kshs.14 million owed by the County Government Of Kitui.		
14.		5. Unsupported Contingent Liability Balance The statement of financial position and as disclosed in Note 26 to the financial statements reflects contingent liabilities of Kshs.3,454,154. However, records provided revealed that the amount was outstanding interest accrued and penalties as a result of delayed PAYE for the financial year 2015/2016 and which the University had petitioned Kenya Revenue Authority for write-off. Further, schedules and ledgers in support of the outstanding amount of Kshs.3,454,154 were not provided for audit. In the circumstances, the accuracy, validity and completeness of the balance of Kshs.3,454,154 disclosed as contingent liabilities could not be confirmed.	This amount relates to a penalty that arose due to delayed remittance of PAYE in the 2015/16 and the university has written several letters to KRA to waive this penalty since the principal amount had been paid and is waiting for the response. (See attached copies of letters and application for waiver).	100%	Closed
15.		6. Uncertainty Relating to Going Concern	The University has instituted measures	50%	Open



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		<p>The statement of financial performance indicate that the University recorded a deficit of Kshs.31,077,180 during year under review (2021/2022 - Kshs.30,175,450). Further, the current liabilities balance of Kshs.263,628,881 exceeded the current assets balance of Kshs.210,846,278 resulting into negative working capital of Kshs.52,782,603 indicating that the University is technically insolvent. In addition, trade and other payables increased by Kshs.24,038,545 from Kshs.177,610,541 in the previous year to Kshs.201,649,086 indicating the University's inability to pay its creditors in time. The University's ability to sustain its operations and deliver services to the targeted community in the foreseeable future could not be confirmed.</p>	<p>on saving costs by outsourcing of non-core services such as cafeteria and catering services which will result to reduction in operating costs. In addition, the government has implemented a new funding model which will improve the revenue generation by the University</p>		
16.		<p>7. Unresolved Prior Year Matters In the report for the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure adhere to the requirements of the Public Sector Accounting Standards Board template.</p>	<p>The University appeared before the Parliamentary Public Accounts Committee and was cleared of the prior year's audit issues up to 30th June 2021.</p>	100%	Closed



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17.		<p>8. Non-Compliance with the Public Sector Accounting Standards Board Guidelines</p> <p>Review of the financial statements for the year ended 30 June, 2023 provided for audit revealed that the University Information and Management was at page iii instead of iv and the contacts were at page v instead of vi. Further, the Council diversity was at page xxvii instead of xxviii while the numbering of the Notes to financial statements lacked consistency. In addition, the statement of cash flows reflects receipts from public contributions and donation as Kshs.15,478,673 instead of Kshs.15,563,370 thereby distorting the total receipts. In the circumstances, Management was in breach of the Public Sector Accounting Standards guidelines.</p>	<p>The paging problem of the financial statements was caused by a printing error which occurred during the printing of the final copy of the financial statements.</p> <p>The Misalignment of the receipts balances in the cash flow statement was due to casting errors during the mapping of the financial statements.</p>	100%	Closed
18.		<p>9. Non-Compliance with the Law on Public Procurement</p> <p>The statement of financial performance reflects that the University incurred expenses totalling Kshs.1,258,927,525. Review of the revised procurement plan revealed that the procurement plan was not presented in accordance with the format outlined in the revised schedule of threshold matrix since the category of procurement of goods, services and works above Kshs.3,000,000 which required framework contract or open tender was not considered.</p>	<p>The University prepared a Procurement plan during the financial Year under review, which indicated the items/services/works to be procured, the specific procurement methods to be used per each category of goods, works and services as well as the procurement</p>	100%	Closed



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		<p>Further review of records revealed that the University procured goods and services amounting to Kshs.110,541,233 through request for quotations. However, some goods and services procured were above the threshold for request for quotations as approved in the procurement plan and budget.</p> <p>In addition, expenditure on use of goods and services include reflect catering and accommodation costs totalling Kshs.13,543,212 which further include an expenditure of Kshs.1,000,000 in respect of procurement of 500 mattresses. Review of the payment vouchers and the supporting documents revealed that the process of issuing and evaluating the quotations, and professional opinion by the head of procurement was not carried out as per the Public Procurement and Assets Disposal Act, 2015 and Regulations, 2020. Further, Management has not explained the method of procurement used to procure the mattresses.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>timing of each of the items in the Procurement plan.</p> <p>The Procurement plan also indicated specific categories of goods, services and works that had been reserved for the special groups. (See attached Procurement plan with a column indicating procurement methods for each item in the procurement plan and an extract of the procurement plan showing specific categories in the Procurement plan reserved for special groups). The excel sheet tabs for Procurement Plan at the bottom indicates the line item for procurement with foot notes for the Category reservation.</p> <p>Line items in a budget is a guide for</p>		



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			<p>preparation of the Procurement Plan for all</p> <p>Procurements to be done during the year. The line item is comprised of different</p> <p>Goods/services to be procured in different quarters of the Financial Year and when Funds are available. Items and services are requested for and procured in different</p> <p>Quarters but they share the same budget line. An item which is below Kes. 3,000,000.00</p> <p>is procured through Use of quotations and the ones above kes.3, 000,000.00 if any, are</p> <p>procured through open tenders. Further, budgeted funds are disbursed to the University</p>		



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			<p>on a Monthly basis and all procurements undertaken are done on the basis of availability of sufficient funds to meet the obligations as provided for in section 53(8) of PPAD Act 2015. It is therefore not practical to subject a budget line like teaching Expenses to Framework and open tenders.</p>		
19.			<p>SEKU adhered to Section 52 threshold matrix of Public Procurement and Disposal Regulations on all requests for quotations done during the Financial Year 2022/2023. The University receives capitation on monthly basis which forms a basis of payment to suppliers and all procurements are</p>	100%	Closed



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			<p>done on need basis and when funds are available to avoid interest on delayed payments. During the Financial Year 2022/2023 all quotations and LPOs were generated through the ABNO system and there was no Procurement that exceeded the threshold requirements on quotations (see attached system generated LPOs generated during the 2022/2023 Financial Year) and the amounts involved.</p> <p>Further, the provided budget on items as captured in the Procurement Plan has different components from different user departments and goods are only requested on as and when required basis by the user departments and when funds are</p>		



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			available.		
20.			<p>The procurement method used to procure the mattresses was Request for Quotation Method since the items were estimated to cost less than the prescribed threshold for use of Request for quotations which is 3,000,000.00 per quotation for goods.</p> <p>The mattresses were sourced from six prequalified bidders who comprised of local authorized resellers, supermarkets and manufacturers for mattresses.</p> <p>A professional opinion for procurement of the mattresses was written by the Head Of Procurement on 24/08/2022 and was approved by the Vice chancellor. (See attached)</p>	100%	Closed



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			The mattresses were delivered to the University stores, inspected, taken on charge and were issued to the accommodation section. (see attached)		
21.		<p>10. Non-Compliance with the Vice Chancellor Terms of Service Review of human resource records revealed that the terms of service dated 01 July, 2014, for the former Vice Chancellor ended on 19 May, 2023 and was subsequently removed from the payroll in the month of May, 2023. However, he was reinstated back in payroll in the month of June, 2023 under the same terms for the Vice Chancellor having been appointed as a teaching Professor in the department of life sciences on 20 May, 2023 without following the due recruitment process.</p> <p>In the circumstances, the regularity of the terms of service for the Professor/former Vice Chancellor could not be confirmed.</p>	Prof. Geoffrey Muluvi payments as a former Vice chancellor were vacated by the University Council and retained him on the salary of a full Professor with effect from November 2024	100%	Closed
22.		<p>11. Non-Compliance with the Law on National Cohesion Review of the human resource data and records revealed that the University had a total of four hundred and sixty-six (466) employees out of which, two hundred and fifty-three (253) or 54% of the workforce</p>	The University was initially a middle level college employing mainly staff from the local area. All those staff were absorbed by	50%	Open



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		<p>were from the dominant ethnic community in the region. This is contrary to the provisions of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>the University when it was converted into a university and they could not be dismissed from the University.</p> <p>Since then, the University has made tremendous progress in recruiting staff from all other ethnic groups to reverse this trend.</p> <p>A report from the National Cohesion and Integration Commission indicates that the University is among those institutions that have made tremendous progress towards reversing this trend and is set to achieve ethnic balance progressively.</p> <p>on 12th April, 2019 the University was awarded a certificate of recognition under the category of diversity and inclusivity among</p>		



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			<p>universities</p> <p>The University has since improved from 100% Kamba in 2008 when the University was gazetted as a constituent college of the University of Nairobi to 67.5% Kamba in 2012 and further reduced to 57.5% in 2016. As at June 2019 the percentage further reduced to 55% which has since reduced to 54.45 % as at 31st December, 2023.</p> <p>It is evident from the above statistics that the University has done what is humanly possible to move towards achieving ethnic balance.</p> <p>Besides, the University has been awarded a certificate of recognition as the most inclusive public university by</p>		



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			the national diversity inclusion awards and recognition (DAR) Awards 4th edition. (See attached certificate)		
23.		<p>12. Delay in Appointment of Council Chairperson</p> <p>Review of records revealed that the term of the Council Chairperson came to an end on 23 May, 2023. However, at the time of the audit in August, 2023 the position of the Chair had not been filled and efforts to have the term of the previous Chairperson extended through two letters written to the Cabinet Secretary Ministry of Education had not been responded to.</p> <p>In the circumstances, the effectiveness and leadership of the University Council in making key decisions could not be confirmed.</p>	<p>We concur with the Auditor's assertion that the Council Chairperson had not been filled and efforts to have the term of the previous Chairperson extended through two letters written to the Cabinet Secretary Ministry of Education had not been responded to.</p> <p>It will be noted that the Ministry of Education in consultation with the President of the Republic of Kenya normally appoints the Council Chairperson.</p>	100%	Closed
24.		<p>13. Lack of Internal Controls on Payroll Management</p> <p>The statement of financial performance and as disclosed in Note 13 to the financial</p>	<p>The Payroll section is domiciled in the Human Resource Directorate. However, the</p>	100%	Closed



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		<p>statements reflects employee costs amounting to Kshs.933,581,112. Review of the payroll and salary payment process revealed that the payroll management was domiciled under the department of finance instead of human resource. The payroll management and salary payment processes lacked segregation of responsibilities which expose the University to financial vulnerabilities.</p> <p>In the circumstances, the effectiveness of internal controls over payroll management could not be confirmed.</p>	<p>payroll Accountants are deployed from Finance and Accounts Directorate to Human Resource (HR) Directorate and work there on full time basis. They get their instructions from the Director, HR.</p>		
25.		<p>14. Lack of Updated Assets Register</p> <p>The statement of financial position and as disclosed in Note 15 to the financial statements reflect total assets owned by the University of Kshs.3,315,986,462 including the work in progress. However, the asset register provided lacked key information which includes make/model, date of delivery, installation date, original location, depreciation rate, annual depreciation, accumulated depreciation, net book value and assets condition as required. Further, the four (4) projects completed were not included in the assets register even after being completed in the year 2021.</p> <p>In the circumstances, the effectiveness of internal controls over asset management could not be confirmed.</p>	<p>The assets register has been updated and automated to include all information</p>	100%	Closed
26.		<p>15. Delay in Remittance of Statutory Deductions</p> <p>Review of human resource records revealed that the University made late remission of</p>	<p>The delay in remittance of NSSF Deduction was caused by technical delays during the clearance of the</p>	100%	Closed



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		<p>employee deductions to the National Social Security Fund (NSSF) for the months of May and June, 2023 contrary to Section 20(1A) of the NSSF Act of 2013 which states that an employer shall pay the contribution under Sub-Section (1) on the ninth day of each month or on such later date as the Board may, in consultation with the Cabinet Secretary, prescribe. The late remittance attracted penalty of Kshs.98,172 which the University could have avoided.</p> <p>In the circumstances, the effectiveness of internal controls over-payroll deductions could not be confirmed.</p>	<p>payments. The University has adopted online payments system to avert delays in the future.</p>		
27.	2023/2024 FY	<p>1. Long Outstanding Receivables from Exchange Transactions</p> <p>The statement of financial position reflects receivables from exchange transactions balance of Kshs.126,984,245 which includes receivables of Kes. 16,380,738 which have been outstanding for more than two years. The University Finance Policy does not give guidance on treatment of outstanding debts.</p> <p>In the circumstances, the receivables balance of Kshs. 16,380,738 could not be confirmed.</p>	<p>A credit policy has been developed and shall be implemented</p>	50%	Open
28.		<p>2. Unsupported Revenue Reserves and Prior Year Adjustments</p> <p>The statement of financial position reflect revenue reserves balance of Kes. 266,238,079. The balance is net of Kes. 49,589,582 and Kes. 2,523,467 in respect to prior year adjustment part-time claims and</p>	<p>The supporting documents for the adjustments were provided</p>	100%	losed



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		<p>adjustment on previous years student balances respectively, whose support document were not provided for audit review.</p> <p>In the circumstances, the accuracy and completeness of the revenue reserves balance of Kes. 266,238,079 could not be confirmed.</p>			
29.		<p>3. Irregular Procurement of Fuel The statement of financial performance reflects use of good and services amount of Kes. 237,496,279 which includes transport operating expenses of Kes, 12,368,127. However, review of documents revealed that there is no contract or framework agreement in place between supplier and the University</p> <p>In the circumstance, the regularity of the fuel procurement could not be confirmed.</p>	The fuel cards had been procured competitively and reloading done over the years.	100%	Closed
30.		<p>4. Non-remittance of Statutory Deduction Statement of financial position reflect trade and other payables from exchange transaction of Kes. 294,357,210. Included in the amount are statutory deductions of Kes. 22,038,103, Kes. 10,219,653 and Kes. 1,916,817 relating to Pay as You Earn, SEKU Pension Scheme and National Social Security Fund respective which had not been remitted to the relevant institutions as at 30th June 2024. This is contrary to section 94 (1) (a) (i) of the Public Finance Management Act, 2012 which states that a state organ or public entity is in serious material breach or persistent material breach if the state organ</p>	The Statutory deducted were paid upon receipt of Government funding	100%	Closed



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		<p>or Public entity fails to make any payment as and when due.</p> <p>In this circumstance, the University is in breach of law and is exposed to the risk of paying interest and penalties due to unremitted statutory deductions</p>			
31.		<p>5. Non-compliance with the Law on Ethnic Composition</p> <p>During the year under review, the total number of employees of the University was four hundred and eighty (480) out of which two hundred and forty-seven (247) or approximately 51% of the total numbers were members of the dominant Community in the county. This is contrary to section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in the employment of staff and that no public institution shall have more than one-third of its staff establishment from the same ethnic community.</p> <p>In this circumstances, management was in breach of law</p>	The management shall strive to comply with Ethnic composition during future recruitments.	50%	Open
32.		<p>6. Lack of Assets Ownership Documents</p> <p>The statement of financial position reflects property, plant and equipment and intangible assets balances of Kes. 4,242,402,971 and Kes, 2,990,518 respectively. However, ownership documents for the parcel of land and the intellectual property owned by the University were not provided for audit review. Although management indicated that</p>	Land ownership documents of the 6 pieces of land have not been obtained. 3 pieces are awaiting approval by the Lands commission while the other three (3) have pending	50%	Open



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		<p>three (3) parcels of land have court cases while the process of obtaining title deeds for three other parcels of land was on going, it was not possible to confirm how long the process would take.</p> <p>In the circumstances, in the absence of ownership documents, the University may be exposed to legal disputes.</p>	court cases		

Prof. Eng. Douglas Shitanda, Ph.D

Vice-Chancellor

Sign.....

Date.....28/11/2025



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Appendix II: Projects implemented by South Eastern Kenya University

	Project Title	Donor	Period/ Duration	Separate donor reporting required as per donor agreement (Yes/No)	Donor Commitment	Consolidated in these Financial statements. (Yes/No)
	1	Expansion of school of Engineering & Technology	GoK	4 Years	No	3,275,454,244
2	Construction College of Humanities Lecture Halls	GoK	4 Years	No	42,654,974	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Expansion of school of Engineering & Technology	3,275,454,244	7,500,000	1%	-	-	GoK
2	Construction of College of Humanities Lecture Halls	42,654,974	11,750,000	1%	-	-	GoK



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Appendix: Inter-Entity Transfers

Name of transferring entity: State Department for Higher Education and Research

Confirmation of amounts received by South Eastern Kenya University at 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total	Remarks
				(C)=(A+B)	
NBK24226GLBD0D0J	13/08/ 2024	35,433,910		35,433,910.25	Recurrent grant
NBK24255FBC0GLLF	11/9/2024	35,433,910		35,433,910.20	Recurrent grant
NBK24282GDKJBJDB	8/10/2024	35,433,910		35,433,910.20	Recurrent grant
NBK24313HFLFCKMK	8/11/2024	35,433,910		35,433,910.00	Recurrent grant
NBK24340LHH00HBG	5/12/2024	35,433,910		35,433,910.00	Recurrent grant
NBK25006HCB0KKJB	6/1/2025	35,433,910		35,433,910.00	Recurrent grant
NBK25008LCJFCKK0	8/1/2025	35,433,910		35,433,910.00	Recurrent grant
NBK25041CLJFDGK	10/2/2025	35,433,910		35,433,910.00	Recurrent grant
NBK25072DKLFGBGD	13/03/2025	35,433,910		35,433,910.00	Recurrent grant
NBK25100MBLKBJFJ	10/4/2025	35,433,910		35,433,910.00	Recurrent grant
NBK25122BHJBBBLM	2/5/2025	35,433,910		35,433,910.00	Recurrent grant
NBK25163HC0MFMCC	12/6/2025	35,433,910		35,433,910.00	Recurrent grant
NBK25178KBFMGJCO	27/06/2025	47,861,953		47,861,953.00	Recurrent grant
Total		473,068,873.65	-	473,068,873.65	

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

Head of Accounts Department - Disbursing Entity: State Department for Higher Education and Research (MOE)

Name Lucas M. Kaunda Sign [Signature] Date 01/12/2025

Head of Accounts Department - Beneficiary Entity: South Eastern Kenya University

**Ministry of Education
State Department For
University Education
P.O. Box 9583 - 00200, Nairobi
For: Principal Secretary**

Name PA Ferguson Mutitu Sign [Signature] Date 28/11/2025



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Appendix IV: Transfers from Other Government Entities

Name of the MDA/ Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education- SDHER	13/08/ 2024	Recurrent	35,433,910	35,433,910	-				35,433,910
	11/9/2024	Recurrent	35,433,910	35,433,910					35,433,910
	8/10/2024	Recurrent	35,433,910	35,433,910					35,433,910
	8/11/2024	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
	5/12/2024	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
	6/1/2025	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
	8/1/2025	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
	10/2/2025	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
	13/03/2025	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
	10/4/2025	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
	2/5/2025	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
	12/6/2025	Recurrent	35,433,910	35,433,910	-	-	-	-	35,433,910
27/06/2025	Recurrent	47,861,953	47,861,953	-	-	-	-	47,861,953	
Total			473,068,874	473,068,874	-	-	-	-	473,068,874

