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PARLIAMENT OF KENYA LIBRARY



REPORT

THE NATIONAL ASSEMBLY PAPERS LAID

DATE: 23 MAR 2021

DAY: Tuesday

OF

TABLED BY:

LOM Hon. Amos Kimunya

CLERK-AT-THE-TABLE:

Moses Lemeta

THE AUDITOR-GENERAL

ON

STATE DEPARTMENT FOR UNIVERSITY EDUCATION

FOR THE YEAR ENDED 30 JUNE, 2019





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**MINISTRY OF EDUCATION  
STATE DEPARTMENT FOR UNIVERSITY EDUCATION**

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
30 JUNE 2019**

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

**MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION**  
**Reports and Financial Statements**  
**For the year ended 30 June, 2019**

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## I. KEY ENTITY INFORMATION AND MANAGEMENT

### (a) Background Information

The State Department for University Education is mandated to overseeing the implementation of activities in University Education institutions and in Science, Technology and innovation. The specific functions of the State Department include: University Education Policy; University Education Management; Science, Technology and Innovation and; Public Universities and Constituent Colleges. The main objectives of the State Department include:

- i. To enhance access, equity, quality and relevance of education and training at university level.
- i. To promote and integrate research, science, technology and innovation at all levels.
- ii. To promote and coordinate the development of Science and Technology.
- iii. To provide relevant and adequate skills and competencies in strategic disciplines by 2020 for spurring industrial and economic development in line with the aspirations of Kenyans.

The **Vision** for the State Department is: “*a globally competitive education, training, research and innovation system for sustainable development*” while the **Mission** is: “*to provide, promote and coordinate the delivery of quality education, training and research and enhance integration of Science, Technology and Innovation into national production systems for sustainable development.*”

### Organization of State Department for University Education

The State Department consists of the following directorates and departments:

#### i. Directorate of University Education (DUE)

The mandate and functions of Directorate of University Education are:

- a) Formulation and review of policies on University Education in collaboration with relevant bodies and agencies.
- b) Overseeing Governance and Management of Universities.
- c) Receiving and administration of university scholarships offered by foreign countries and agencies.
- d) Coordination of admission of students to public universities in liaison with Kenya Universities and Colleges Central Placement Service.
- e) Coordination of students exchange programmes.
- f) Implementing, monitoring and evaluation of various projects.
- g) Coordination of Project implementation in University education.
- h) Clearance of students going for foreign training.

**ii. Directorate of Research, Science and Technology (DRST)**

The broad mandate of the Directorate is to promote, facilitate and guide the national research system through policies that rationalize the integration of Research and Development (R&D) into overall national economic development. Its functions include:

- a) Formulation and implementation of policies, strategies and programmes for research management and development;
- b) Management and development of the national innovation system;
- c) Development, promotion and application of science and technology;
- d) International collaborations, partnerships and global obligations in research, science and technology;
- e) National science, technology and innovation statistics;
- f) Linkages between government, research, academia, industry and the society;

**iii. Administration and Planning Department:** The State department has other units, which offer support services to the technical directorates. These are: Administration, Central Planning and Project Monitoring Unit, Legal Unit, Accounts Unit, Finance Department, Human Resource Management and Development Unit, ICT Section, Supply Chain Management Services and Public Communications Unit.

In order to effectively undertake its mandate, the State Department also comprises of Semi-Autonomous Government Agencies (SAGAs) which are charged with various responsibilities as indicated below:

S/No	SAGA	Mandate
1	National Commission for Science, Technology and Innovation (NACOSTI)	To regulate and assure quality in science, technology and innovation sector and advice government in related matters.
2	Kenya National Innovation Agency (KENIA)	To scout for and nurture innovative ideas from individuals, training institutions, the private sector and similar institutions.
3	National Research Fund (NRF)	To Mobilize and channel resources for research, science, technology and innovation
4	Biosafety Appeals Board (BAB)	To make rules and regulation for appeal procedure, hear Appeals from persons aggrieved by decisions made by the National Biosafety Authority (NBA), and communicate decisions to the parties involved and public
5	Higher Education Loans Board (HELB)	To source for funds and finance Kenyan students enrolled in recognized institutions of higher learning. The Board also has the mandate of recovering all mature loans issued since 1974
6	Commission for University Education (CUE)	To accredit and quality assure university education in both public and private universities



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S/No	SAGA	Mandate
7	Universities Funding Board (UFB)	To mobilize resources for financing university education
8	Kenya Universities and Colleges Central Placement Service Board (KUCCPS)	To coordinate placement of Government sponsored students into universities and colleges
9	Universities and Constituent Colleges	To provide university education
10	National Biosafety Authority (NBA),	To exercise general supervision and control over the transfer, handling and use of genetically modified organisms (GMOs).

**LIST OF ACCREDITED UNIVERSITIES**

SNO	Name of University	Year of establishment	Year of award of Charter
<b>Public Chartered Universities</b>			
1	University of Nairobi (UoN)	1970	2013
2	Moi University (MU)	1984	2013
3	Kenyatta University (KU)	1985	2013
4	Egerton University (EU)	1987	2013
5	Jomo Kenyatta University of Agriculture and Technology	1994	2013
6	Maseno University (Maseno)	2001	2013
7	Chuka University	2007	2013
8	Dedan Kimathi University of Technology	2007	2012
9	Kisii University	2007	2013
10	Masinde Muliro University of Science and Technology	2007	2013
11	Pwani University	2007	2013
12	Technical University of Kenya	2007	2013
13	Technical University of Mombasa	2007	2013
14	Maasai Mara University	2008	2013
15	Meru university of Science and Technology	2008	2013
16	Multimedia University of Kenya	2008	2013
17	South Eastern Kenya University	2008	2013
18	Jaramogi Oginga Odinga University of Science and Technology	2009	2013
19	Laikipia University	2009	2013
20	University of Kabianga	2009	2013
21	Karatina University	2010	2013
22	University of Eldoret	2010	2013
23	University of Embu	2011	2016
24	Kibabii University	2011	2015
25	Kirinyaga University	2011	2016
26	Machakos University	2011	2016
27	Murang'a University of Technology	2011	2016

**MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION**  
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<b>28</b>	Rongo University	2011	2016
<b>29</b>	Taita Taveta University	2011	2016
<b>30</b>	The Co-operative University of Kenya	2011	2016
<b>31</b>	Garissa University	2011	2017
<b>Public University Constituent Colleges</b>			
<b>32</b>	Alupe University College (MU)	2015	
<b>33</b>	Kaimosi Friends University College (MMUST)	2015	
<b>34</b>	Tom Mboya University College (Maseno)	2016	
<b>35</b>	Turkana University College (MMUST)	2017	

**(b) Key Management**

The State Department's day –to-day management is under the following key organs:

- Directorate of University Education
- Directorate of Research Management
- Department of Administration and Planning

**(c) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

<b>No.</b>	<b>Designation</b>	<b>Name</b>
1.	Cabinet secretary, Ministry of Education	Prof. George A. O. Magoha, CBS
2.	Chief Administrative Secretary/Principal Secretary, State Department for University Education	Prof. Collette A. Suda, PhD, FKNAS, CBS
3.	Ag. Director, Directorate of Research Management	Dr. Erick Mwangi
4.	Ag. Director, Directorate University Education	Mr. Darius Ogutu
5.	Secretary, Administration	Mr. Peter Okwanyo
6.	Assistant Accountant General	CPA. Robert A. Samuel
7.	Chief Finance Officer	Mr. Samuel Mugambi

**(d) Fiduciary Oversight Arrangements**

**Composition of the Committee Members**

The various committee members within the State Department are drawn from various sectors of the economy and have a wide range of skills and experience and each contributes independently judgement and knowledge of the committee discussions.

On appointment each committee member is provided with a comprehensive and tailored induction processes covering the State Department's business and operations and provided with information relating to their legal and regulatory obligations.

All committee members are required to re-submit themselves for re-appointment after expiry of their term.

**i. Audit and Finance Committee Activities**

The committee was responsible and instrumental in:

- Improving the quality of financial reporting by ensuring the accounts are prepared in a timely and accurate manner to facilitate prompt submission of annual financial statements to the Auditor General with a copy to the National Treasury and the Controller of Budget not later than 30<sup>th</sup> September of each subsequent year as well as submission of quarterly financial statements accounts to the Cabinet Secretary with a copy to the National Treasury and the Controller of Budget not later than fifteen (15) after the end of each quarter.
  
- Reviewing and making recommendations on management programs established to monitor compliance with sound public financial management, internal controls, policies, laws, regulations, procedures and the code of ethics.
  
- Strengthening the effectiveness of the internal audit function including regular review of its capacity, review and approval of the internal audit charter and internal audit annual work plan.

**(e) State Department of University Education Headquarters**

P.O BOX 9583-00200  
Nairobi, Kenya  
Jogoo House B,Harambee Avenue  
Tel: +254-020-3318581  
Fax: +254-020-251991  
Email:info@scienceandtechnology.go.ke

**Entity Contacts**

Tel: +254-020-3318581  
Fax: +254-020-251991

**(f) Entity Bankers**

Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
Nairobi, Kenya

**(g) Independent Auditors**

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

**(h) Principal Legal Adviser**

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

## II. FORWARD BY THE CABINET SECRETARY

### BUDGET ALLOCATION

In the financial year 2018/19 the State Department of University Education had a gross budget of **KShs. 111,863,534,937** which was made up of **KShs. 100,471,475,368** and **KShs. 11,392,059,569** for recurrent and development vote respectively. The State Department was to expend the gross budget under the following 3 programmes: University Education; Research, Science, Technology and Innovation; and General Administration, Planning & support Services.

#### i. Programme 1: University Education

The objective of this programme is to enhance access, equity, quality and relevance of university education through training research and Innovation. This programme was allocated **KShs 109,177,137,250** representing 97.50% of the budget. A total of **KShs 99,239,613,493** was spent under the following sub programmes:

- a. Sub-programme S.P.1.1: University Education
- b. Sub-programme SP1.2: Quality Assurance and Standards
- c. Sub-programme SP1.3: Higher Education Support Services

#### ii. Programme 2: Research, Science, Technology and Innovation

The objective of this programme is to develop, harness and integrate research, science, technology and innovation in national production system. This programme was allocated **KShs. 2,468,410,851** representing 2.20% of the budget. A total of **KShs 2,370,658,982** was spent under the following sub programme:

- a. Sub-programme S.P.2.1: Research Management and Development
- b. Sub-programme SP2.2: Science & Technology Development and Promotion
- c. Sub-programme SP2.3: Knowledge & Innovation Development & Commercialization

#### iii. Programme 3: General Administration, Planning & support Services

The objective of this programme is to improve tracking of implementation of development policies, strategies and programmes. This programme was allocated **KShs. 217,986,836** representing 0.20% of the budget. A total of **KShs 188,045,623** was spent under the following sub programme:

- a. Sub-programme SP3.1: General Administration, Planning & support services

**MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION****Reports and Financial Statements****For the year ended 30 June 2019****Key Performance Highlights**

Below is an overview of the financial performance for the year ended 30 June 2019 as reported in the detailed financial statements together with the commentary and comparative analysis against budget and prior year for the key items in the financial statements.

**Financial Performance Summary****Actual Performance against Budget for Year to 30 June 2019**

<b>Financial Performance</b>	<b>Printed Estimates</b>	<b>Actual</b>	<b>Variance</b>	<b>%</b>
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>Utilisation Variance</b>
Total Receipts	111,863,534,937	101,798,544,306	10,064,990,631	91%
Total Payments	111,863,534,937	101,798,318,096	10,065,216,841	91%
<b>Surplus for the Year</b>		226,210	(226,210)	

Actual receipts by the state department stood at 9% below budget while actual payments were 9% below budget. This is attributable to underutilisation of budget allocation for acquisition of assets and under collection of A.I.A from universities.

**Budget Utilisation**

The State Department spent **KShs. 101,798,318,097** against an approved budget of **KSh.111,863,354,937** representing absorption rate of **91%**. Utilisation of the budget was carried out through various activities (economic classifications) as shown in the chart below:

	<b>Approved Budget Allocation</b>	<b>Actual Payments</b>	<b>Variance</b>
Compensation of Employees	198,000,000	193,191,653	4,808,347
Use of goods and services	628,637,831	545,330,147	83,307,684
Subsidies	56,000,000	56,000,000	0
Transfers to Other Government Units	99,185,038,679	89,827,490,594	9,357,548,085
Other grants and transfers	252,000,000	250,258,161	1,741,840
Social Security Benefits	2,500,000	513,018	1,986,982
Acquisition of Assets	11,541,358,427	10,925,534,524	615,823,903
Other Expenses			
<b>Total Payments</b>	<b>111,863,534,937</b>	<b>101,798,318,097</b>	<b>10,065,216,840</b>

### **Key Achievements of the State Department in the FY 2018/19**

The State department accomplished the following during FY 2018/19:

**Enrolment and Placement:** Total enrolment in both public and private universities stood at 513,182 in 2018/19 having declined by 1.7% from the previous year. This decline is partly attributed to the reduction in number of candidates scoring a minimum university entry score of C+ (plus) and above in KCSE examinations since 2016. In 2018/19, the number of female students in public and private universities accounted for 40.1 per cent and 45.8 per cent, respectively, of the total enrolment. Placement of Government sponsored students in both public and private universities rose 88,620 in 2017/18 FY to 89,486 in 2018/19 financial year. An additional 98,393 applicants were placed to TVET programmes (diploma, craft certificate and artisan certificate).

**Capitation Student Loans and Bursaries:** To support the students enrolled in higher education, the Ministry provided capitation grants, student loans and bursaries. In 2018/19 FY, KES 36 Billion was apportioned to public universities with private Universities receiving KES 2 Billion as a grant for Government Sponsored Students. The Ministry through the Higher Education Loans Board (HELB) provided loans to 307,305 Students in 2018/19 FY. The funds disbursed for loans amounted to Ksh 8.9 Billion. The number of students receiving bursary funds was 41,207 in 2018/19 with total value of Kshs 211 Million.

**Research Fund:** The National Research Fund successful awarded various grants in the different categories to support competitively selected research projects. The successful completion of on-going research projects will be a critical milestone in the realization of the Government goal to promote research and development in the country. There was a total of 632 Projects to be funded with a total cost of Kshs. 1,380,000,000. The average project cost was Kshs. 2,183,544 and the amount disbursed was Kshs. 1,817,211,671

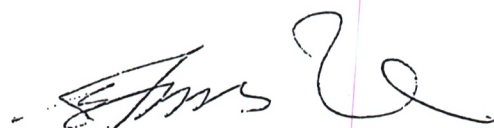
**Implementation of Capital Projects:** As part of the enhancement of quality higher education and research the Ministry is implementing various capital projects in the University and Research sector. In 2018/19 the state department for University Education and Research supported capital projects to the tune of Kshs 7.9 Billion. These projects include: Kenya Advanced Institute of Science and Technology (KAIST), Centers of Excellence Project (ACE II) project, GOK/ADB Support to HEST project, National Science and Technology Parks, National Physical Science Research Laboratory (NPSRL) and the development of infrastructure in public Universities.

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*Policy Development:* In the 2018/19 financial year the ministry finalized the preparation of various policy and strategy documents that are aimed to promotion of accessible and quality education, training and research. These include; Sessional Paper on Education and Training, the National Education Sector Plan, the ST&I policy and the National research Priorities. These policies are aligned to the ST&I and the Education and Training Sector Third Medium-term Plans; the four pillars of transformation (Big Four Initiatives); and other national priorities. National Education Sub Sector Program (NESSP) is also envisaged to give the sub sector direction on issues concerning university education and Science, Technology and Innovation

*Performance Management:* In order to enhance efficiency and effectiveness in service delivery in the sector, the Ministry implemented performance contracts for all agencies in the sector for the year 2018/19. In addition staffs were trained on transiting from International Standard Organization (ISO 9001:2008) to ISO 9001:2015, on-line Staff Performance Appraisal System (SPAS), role of the Ministerial Human Resource Management Advisory Committee and induction of new employees on the functions and the structure of the State Department in the Ministry of Education.



**Prof. George A. O. Magoha, CBS**

**Cabinet Secretary**

### III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department of University Education is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the year ended 30 June 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department of University Education accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended 30 June 2019, and of the entity's financial position as at that date. The Accounting Officer in charge of the State Department of University Education further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

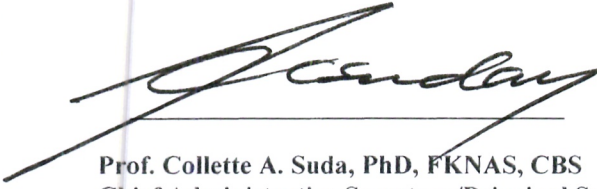
The Accounting Officer in charge of the State Department of University Education confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

**MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION**  
**Reports and Financial Statements**  
**For the year ended 30 June 2019**

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**Approval of the financial statements**

The State Department for University Education financial statements were approved and signed by the Accounting Officer on 30/9/ 2019.



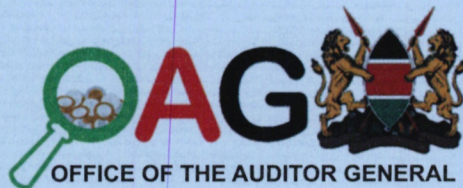
Prof. Collette A. Suda, PhD, FKNAS, CBS  
Chief Administrative Secretary/Principal Secretary



CPA. Robert Asumani Samuel  
Assistant Accountant General  
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# REPUBLIC OF KENYA

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## REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR UNIVERSITY EDUCATION FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of State Department for University Education set out on pages 1 to 20, which comprise the statement of assets and liabilities as at 30 June, 2019, and the statement of receipts and payments, statement of cash flows and summary statement of appropriation-recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the State Department for University Education as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Unconfirmed Receipt of Grants

The statement of receipts and payments for the year ended 30 June, 2019 reflects transfers to other Government Units figure of Kshs.89,827,490,592, which as disclosed in Note 7 to the financial statements, includes a balance of Kshs.1,976,016,602 in respect of grants to thirty (30) private universities for 29,729 government sponsored students. However, no confirmations from the recipient private universities on the number of government students who were actually admitted and are still in these institutions was availed for audit review. In addition, no reports by the State Department officials on verification of the said students in the specific universities were availed for audit review. This is contrary to provisions of Section 23(2)c of the Public Finance Management (National Government) Regulations, 2015 which guide transfer of funds to institutions within and outside Government.

## **2. Grants and Transfers to Other Government Units**

The statement of receipts and payments reflects transfers to other Government Units figure of Kshs.89,827,490,592 which, as disclosed in Note 7 to the financial statements, includes Kshs.79,943,771,622 in respect of current grants to Government Agencies and other levels of Government. However, a review of the records maintained by the State Department revealed the following unsatisfactory matters:

### **2.1 Disbursements to Jomo Kenyatta University of Agriculture and Technology**

During the year under review Kshs.110,467,995 was disbursed to Jomo Kenyatta University of Agriculture and Technology for construction of a new administration block against an approved budget amount of Kshs.103,420,000. The contract for the construction of the new administration block was executed on 14 December, 2012 at a contract price of Kshs.285,919,713. A review of the University Council's special meeting minutes dated 17 June, 2019 indicated that the project stalled in 2016 and that the contract sum was increased by Kshs.62,447,206 from the original contract price of Kshs.285,919,713 to Kshs.348,366,919.30. However, documentation supporting the payment of Kshs.110,467,995 and progress report on whether the stalled project will be revived, completed and put to use, were not availed for audit review.

### **2.2 Disbursements to Machakos University**

During the year under review Kshs.37,500,000 was disbursed to Machakos University for extension of ADB Building. The disbursement was done against 2017/2018 Local Purchase Orders totalling Kshs.19,749,133 while the remaining disbursement of Kshs.17,750,867 was not supported. Further, Kshs.220,000,000 was disbursed to the Institution for construction of a tuition block against the approved budgeted amount of Kshs.149,737,500 resulting to an excess disbursement of Kshs.70,262,500.

### **2.3 Disbursements to Karatina University**

Payment records held at the State Department indicate that amounts of Kshs.119,175,132 and Kshs.148,262,855 were disbursed to Karatina University for construction of a library and a resource center respectively. However, the disbursements for the library were not supported by valuation certificates while payments for the resource center were in respect to a 2011/2012 contract. No information has been availed to ascertain that these contracts are still ongoing to date and the status of the projects.

### **2.4 Disbursements to Maasai Mara University**

During the year under review, the State Department disbursed Kshs.200,340,000 and Kshs.75,898,140 to Maasai Mara University for the construction of a tuition block and perimeter wall respectively. A review of payment records indicate that the tuition block contract sum was Kshs.410,700,000 plus 10% consultant fee totalling to Kshs.451,770,000 while the perimeter wall was for a contract sum of Kshs.87,219,440. Information available indicates that amounts totalling Kshs.485,835,000 and

Kshs.95,135,640 have been disbursed in respect to the tuition block and perimeter wall respectively in the last 3 years. However, the excess disbursements of Kshs.34,065,000 and Kshs.7,916,200 for the two projects respectively has not been explained. The excess disbursements totalling Kshs.41,981,200 above the contract sums is irregular and contrary to the Public Finance Management Act, 2012.

## **2.5 Disbursements to Maseno University**

On 1 August, 2016, Maseno University entered into a contract for construction of an administration block at a contract price of Kshs.89,900,246. A review of the payment records indicates that Kshs.121,250,000 has been disbursed towards the administration block. No explanation for the excess expenditure of Kshs.31,349,754 has been availed for audit review.

Under the circumstances, the accuracy and completeness of the current grants to Government Agencies and other levels of Government could not be ascertained.

## **3. Unapproved Expenditure on Repair of Motor Vehicle**

The statement of receipts and payments reflects an expenditure of Kshs.545,330,148 under use of goods and services, which as disclosed in Note 5 to the financial statements, include an amount of Kshs.506,920 incurred on routine maintenance – vehicles and other transport equipment. The expenditure of Kshs.506,920 was in respect of motor vehicle repairs of GKB 411F which had been involved in an accident. The police abstract availed for audit review indicates that the accident occurred at Shauri Moyo Government Quarters on 19 April, 2019 through careless driving of the vehicle of the other party. However, whereas the Insurer of the other party accepted to honor the claim, it is not clear why the State Department incurred the cost of repair on its behalf.

In the circumstances public funds may have been lost as no information has been provided to confirm that the funds incurred for the repair were refunded by the Insurance Company.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of State Department for University Education 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 opinion.

## **Key Audit Matters**

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

## **Other Matter**

### **1. Budget Control and Performance**

#### **1.1 Budget Under Absorption**

The State Department for University Education had a total budget of Kshs.111,863,534,937 for the financial year 2018/2019 comprising of Kshs.100,471,475,368 for recurrent and Kshs.11,392,059,569 for development votes respectively. However, the total actual expenditure was Kshs.101,812,416,076 resulting to an overall budget under-absorption of Kshs.10,051,118,861 or 9%. The under absorption of the approved budget is an indication of activities planned for but not implemented by the State Department hence denying Kenyan citizens the desired services.

#### **1.2 Under-Collection of A-I-A**

The State Department for University Education realized Appropriations-in-Aid of Kshs.40,988,810,636 against approved estimates of Kshs.49,780,884,087 resulting into under-collection of Kshs.8,792,073,451 or approximately 18% of the total estimated collections. The under collection is an indication of projects planned for but not implemented by the various Institutions denying Kenyan citizens the desired services.

#### **1.3 Unauthorized Expenditure**

During the year under review, examination of accounting records indicated that a sum of Kshs.1,054,629,381 was disbursed to five (5) universities namely Machakos University, Jomo Kenyatta University of Science and Technology, Tom Mboya University College, Kibabii University College and Meru University of Science and Technology against a collective budget of Kshs.922,550,000, thus exceeding the budget allocation by Kshs.132,079,381.

Although Management indicated that the payments were processed and disbursed to the Universities before the supplementary budget was approved by Parliament in June, 2019, these amounts have not been recovered to date.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

## **Basis for Conclusion**

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

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

### **Conclusion**

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

### **Basis for Conclusion**

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

### **Responsibilities of Management and those charged with Governance**

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

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

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

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

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

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

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become

inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

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

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

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

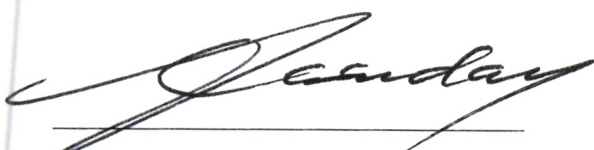
**18 February, 2021**

**MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION**  
**Reports and Financial Statements**  
**For the year ended 30 June 2019**

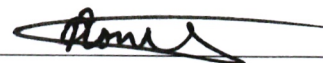
**V. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2018/2019	2017/2018
		Kshs	Kshs
<b>RECEIPTS</b>			
Transfers from National Treasury	1	60,823,831,650	58,258,304,212
Proceeds from Foreign Borrowings	2	2,191,483,943	1,996,175,590
Proceeds from Sale of Assets	3	38,797,326,693	30,246,810,669
<b>TOTAL REVENUES</b>		<b>101,812,642,286</b>	<b>90,501,290,471</b>
<b>PAYMENTS</b>			
Compensation of Employees	4	193,191,653	203,590,830
Use of goods and services	5	545,330,148	453,314,843
Subsidies	6	56,000,000	56,000,000
Transfers to Other Government Units	7	89,827,490,592	78,954,488,440
Other grants and transfers	8	250,258,161	272,060,217
Social Security Benefits	9	513,018	2,495,936
Acquisition of Assets	10	10,939,632,504	10,559,654,639
<b>TOTAL PAYMENTS</b>		<b>101,812,416,076</b>	<b>90,501,604,904</b>
<b>SURPLUS</b>		<b>226,210</b>	<b>(314,433)</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2019 and signed by:



Prof. Collette A. Suda, PhD, FKNAS, CBS  
**Chief Administrative Secretary/Principal Secretary.**

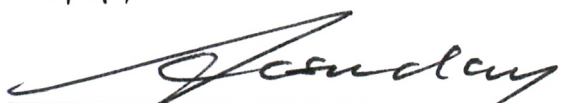


CPA. Robert Asumani Samuel  
**Assistant Accountant General.**  
**ICPAK No. 10100**

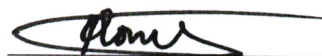
VI. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2019

	Note	2018-2019	2017-2018
		Kshs	Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	11A	441,076	420,247
Cash Balances	11B	88,600	303,467
		<b>529,676</b>	
<b>Total Cash and cash equivalent</b>			<b>723,714</b>
		-	
Accounts receivables – Outstanding Imprests	12		0
		<b>529,676</b>	
<b>TOTAL FINANCIAL ASSETS</b>			<b>723,714</b>
<b>FINANCIAL LIABILITIES</b>			
Accounts Payables – Deposits and retentions	13	-	0
<b>NET FINANCIAL ASSETS</b>		<b>529,676</b>	<b>723,714</b>
<b>REPRESENTED BY</b>			
<b>Fund balance b/fwd</b>	14	723,714	242,675,199
Prior year adjustment	15	(420,248)	(241,637,052)
<b>Surplus/Deficit for the year</b>		<b>226,210</b>	<b>(314,433)</b>
<b>NET FINANCIAL POSITION</b>		<b>529,676</b>	<b>723,714</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2019 and signed by:



Prof. Collette A. Suda, PhD, FKNAS, CBS  
Chief Administrative Secretary/Principal Secretary.

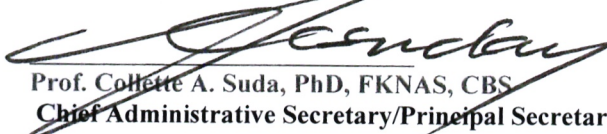



CPA. Robert Asumani Samuel  
Assistant Accountant General.  
ICPAK No. 10100

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2018/2019	2017/2018
		Kshs	Kshs
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts for operating income</b>			
Transfers from National Treasury	1	60,823,831,650	58,258,304,212
		<b>60,823,831,650</b>	<b>58,258,304,212</b>
<b>Payments for operating expenses</b>			
Compensation of Employees	4	(193,191,653)	(203,590,830)
Use of goods and services	5	(545,330,148)	(453,314,843)
Subsidies	6	(56,000,000)	(56,000,000)
Transfers to Other Government Units	7	(89,827,490,592)	(78,954,488,440)
Other grants and transfers	8	(250,258,161)	(272,060,217)
Social Security Benefits	9	(513,018)	(2,495,936)
<b>Adjusted for:</b>			
Changes in receivables		-	230,008
Changes in payables		-	(372,594)
Adjustments during the year	15	(420,247)	(241,637,052)
<b>Net cashflow from operating activities</b>		<b>(30,049,372,169)</b>	<b>(21,925,425,692)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Assets	3	38,797,326,693	30,246,810,669
Acquisition of Assets	10	(10,939,632,504)	(10,559,654,639)
<b>Net cash flows from Investing Activities</b>		<b>27,857,694,189</b>	<b>19,687,156,030</b>
<b>CASHFLOW FROM BORROWING ACTIVITIES</b>			
Proceeds from Domestic Borrowings		-	-
Proceeds from Foreign Borrowings	2	2,191,483,943	1,996,175,590
Repayment of principal on Domestic and Foreign borrowing		-	-
<b>Net cash flow from financing activities</b>		<b>2,191,483,943</b>	<b>1,996,175,590</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>			
		<b>(194,038)</b>	<b>(242,094,072)</b>
<b>Cash and cash equivalent at BEGINNING of the year</b>		<b>723,714</b>	<b>242,817,785</b>
<b>Cash and cash equivalent at END of the year</b>		<b>529,677</b>	<b>723,714</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30/9/ 2019 and signed by:

  
 Prof. Collette A. Suda, PhD, FKNAS, CBS  
 Chief Administrative Secretary/Principal Secretary.

  
 CPA. Robert Asumani Samuel  
 Assistant Accountant General.  
 ICPAK No. 10100

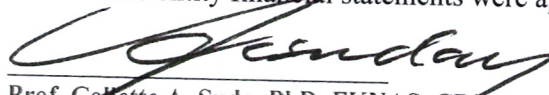
MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION  
 Reports and Financial Statements  
 For the year ended 30 June, 2019

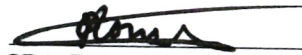
VII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED FOR THE YEAR ENDED 30 JUNE 2019

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e e=c-d	f=d/c %
	<b>RECEIPTS</b>						
	Exchequer releases	34,810,346,885	27,272,303,966	62,082,650,851	60,823,831,650	1,258,819,200	98%
	Proceeds from Domestic and Foreign Grants	800,000,000	(586,940,431)	2,213,059,569	2,191,483,943	21,575,625	99%
	Proceeds from Sale of Assets	19,303,050,000	28,264,774,518	47,567,824,518	38,797,326,693	8,770,497,825	82%
	<b>Total Receipts</b>	<b>56,913,396,885</b>	<b>54,950,138,053</b>	<b>111,863,534,93</b>	<b>101,812,642,286</b>	<b>10,050,892,651</b>	<b>91%</b>
				7			
	<b>Payments</b>						
21	Compensation of Employees	99,000,000	99,000,000	198,000,000	193,191,653	4,808,347	98%
22	Use of goods and services	915,023,411	(286,385,580)	628,637,831	545,330,143	83,307,688	87%
25	Subsidies	28,000,000	28,000,000	56,000,000	56,000,000	0	100%
263	Transfers to Other Government Units	48,767,474,045	50,417,564,634	99,185,038,679	89,827,490,592	9,357,548,087	91%
261/2/4	Other grants and transfers	126,000,000	126,000,000	252,000,000	250,258,161	1,741,839	99%
27	Social Security Benefits	1,250,000	1,250,000	2,500,000	513,013	1,986,987	21%
31	Acquisition of Assets	6,976,649,429	4,564,708,998	11,541,358,427	10,939,632,504	601,725,923	95%
	<b>Grand Total</b>	<b>56,913,396,885</b>	<b>54,950,138,053</b>	<b>111,863,534,93</b>	<b>101,812,416,076</b>	<b>10,051,118,861</b>	<b>91%</b>
	<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>226,210</b>	<b>(226,210)</b>

- a. Utilisation of social security benefits stood at 21%. this was due to minimal demand for the expense during the year.  
 b. the changes between the original and final budget are as a result of reallocations within the budget

The entity financial statements were approved on 30/9/ 2019 and signed by:

  
 Prof. Collette A. Suda, PhD, FKNAS, CBS  
 Chief Administrative Secretary/Principal Secretary.

  
 CPA. Robert Asumani Samuel  
 Assistant Accountant General.  
 ICPAK No. 10100

**MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION**  
**Reports and Financial Statements**  
**For the year ended 30 June 2019**

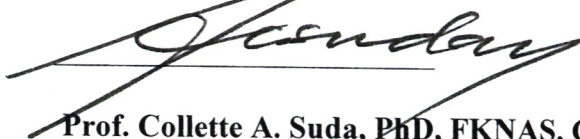
**VIII. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT FOR THE YEAR ENDED 30 JUNE 2019**

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation Difference to Final Budget
		a	b	c=a+b	d	e=d-c	f=d/c %
	<b>RECEIPTS</b>			-			
	Exchequer releases	24,272,346,885	28,631,303,966	52,903,650,850	52,861,447,015	42,203,835	100%
	Proceeds from Sale of Assets	19,303,050,000	28,264,774,518	47,567,824,518	38,797,326,693	8,770,497,825	82%
	<b>Total Receipts</b>	<b>43,575,396,885</b>	<b>56,896,078,484</b>	<b>100,471,475,368</b>	<b>91,658,773,708</b>	<b>8,812,701,660</b>	<b>91%</b>
	<b>PAYMENTS</b>						
21	Compensation of Employees	99,000,000	99,000,000	198,000,000	193,191,653	4,808,347	98%
22	Use of goods and services	180,063,411	131,614,421	311,677,831	282,272,844	29,404,987	91%
25	Subsidies	28,000,000	28,000,000	56,000,000	56,000,000	-	100%
263	Transfers to Other Government Units	38,364,434,045	51,733,564,634	90,097,998,679	81,910,788,224	8,187,210,455	91%
261/2/4	Other grants and transfers	126,000,000	126,000,000	252,000,000	250,258,161	1,741,839	99%
27	Social Security Benefits	1,250,000	1,250,000	2,500,000	513,018	1,986,982	21%
31	Acquisition of Assets	4,776,649,429	4,776,649,429	9,553,298,858	8,965,273,805	588,025,053	94%
	<b>Grand Total</b>	<b>43,575,396,885</b>	<b>56,896,078,484</b>	<b>100,471,475,368</b>	<b>91,658,297,705</b>	<b>8,813,177,663</b>	<b>91%</b>
	<b>Surplus/Deficit</b>	-	-	-	<b>476,003</b>		

**Notes**

- a. Utilisation of social security benefits stood at 21%.this was due to minimal demand for the expense during the year.  
b. the changes between the original and final budget are as a result of reallocations within the budget

The entity financial statements were approved on 30/9/ 2019 and signed by:



**Prof. Collette A. Suda, PhD, FKNAS, CBS**  
**Chief Administrative Secretary/Principal Secretary.**



**CPA. Robert Asumani Samuel**  
**Assistant Accountant General.**  
**ICPAK No. 10100**

**MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION**  
**Reports and Financial Statements**  
**For the year ended 30 June 2019**

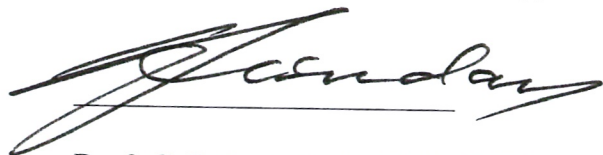
**IX. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE 2019**

Code	Revenue/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilisation Difference	% of Utilisation
		a	b	c=a+b	d	e=c-d	f=d/c %
	<b>RECEIPTS</b>			-			
	Exchequer releases	10,538,000,000	(1,359,000,000)	9,179,000,000	7,962,384,635	1,216,615,365	87%
	Proceeds from Domestic and Foreign Grants	2,800,000,000	(586,940,431)	2,213,059,569	2,191,483,943	21,575,626	99%
	<b>Total Receipts</b>	<b>13,338,000,000</b>	<b>(1,945,940,431)</b>	<b>11,392,059,569</b>	<b>10,153,868,578</b>	<b>1,238,190,991</b>	<b>89%</b>
	<b>Payments</b>						
21	Compensation of Employees						
22	Use of goods and services	734,960,000	(418,000,000)	316,960,000	263,057,304	53,902,696	83%
25	Subsidies						
263	Transfers to Other Government Units	10,403,040,000	(1,316,000,000)	9,087,040,000	7,916,702,368	1,170,337,632	87%
261/2/4	Other grants and transfers			-		-	
27	Social Security Benefits			-		-	
31	Acquisition of Assets	2,200,000,000	(211,940,431)	1,988,059,569	1,974,358,699	13,700,870	99%
	<b>Grand Total</b>	<b>13,338,000,000</b>	<b>(1,945,940,431)</b>	<b>11,392,059,569</b>	<b>10,154,118,371</b>	<b>1,237,941,198</b>	<b>89%</b>
	<b>Surplus/Deficit</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>(249,793)</b>		

**NOTES**

- a. *the changes between the original and final budget are as a result of reallocations within the budget*

The entity financial statements were approved on 30/9/ 2019 and signed by:



**Prof. Collette A. Suda, PhD, FKNAS, CBS**  
**Chief Administrative Secretary/Principal Secretary**



**CPA. Robert Asumani Samuel**  
**Assistant Accountant General**  
**ICPAK No. 10100**

MINISTRY OF EDUCATION, STATE DEPARTMENT FOR UNIVERSITY EDUCATION

Reports and Financial Statements

For the year ended 30 June 2019

X. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Descriptio	Approved Budget	Actual Payments	Variance
<b>Default - Non Programmatic</b>	<b>0</b>	<b>0</b>	<b>0</b>
Default - Non Programmatic	0	0	0
<b>University Education</b>	<b>109,177,137,250</b>	<b>99,239,613,493</b>	<b>9,937,523,757</b>
University Education	93,074,409,131	83,751,201,163	9,323,207,968
Quality Assurance and Standards	764,771,077	756,168,565	8,602,512
Higher Education Support Services	15,337,957,042	14,732,243,764	605,713,278
<b>Research, Science, Technology and Innovation</b>	<b>2,468,410,851</b>	<b>2,370,658,982</b>	<b>97,751,869</b>
Research Management and Development	2,170,009,153	2,086,784,509	82,224,644
Knowledge and Innovation Development and Commercialization	37,041,530	36,916,095	125,435
Science and Technology Development and Promotion	261,360,168	261,056,357	303,811
<b>General Administration, Planning and Support Services</b>	<b>217,986,836</b>	<b>188,045,623</b>	<b>29,941,213</b>
Headquarters Administrative Services	217,986,836	188,045,623	29,941,213
<b>Grand Total</b>	<b>101,812,416,076</b>		<b>10,079,314,820</b>

This statement is a disclosure statement indicating the utilisation in the same format at the Entity's budgets which are programme based.

**XI. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2019**

The principle accounting policies adopted in the preparation of these financial statements are set out below:

**1. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

**2. Reporting Entity**

The financial statements are for *The State Department for University Education*. The financial statements encompass the reporting entity as specified under Section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the entity:

- a) Support to enhancement of quality and relevance in higher education.
- b) Construction of KAIST at Konza technologies
- c) Construction of canters for excellence (ACEII)

*The projects have been consolidated under this financial statements*

**3. Reporting Currency**

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

**4. Significant Accounting Policies**

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**a) Recognition of Receipts**

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

▫ **Transfers from the Exchequer**

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

▫ **External Assistance**

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30<sup>th</sup> June 2019, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

▫ **Other receipts**

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

**b) Recognition of Payments**

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

▫ **Compensation of Employees**

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

▫ **Use of Goods and Services**

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

▫ **Interest on Borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they are paid for.

▫ **Repayment of Borrowing (Principal Amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

▫ **Acquisition of Fixed Assets**

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**5. In-kind Contributions**

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

**6. Third Party Payments**

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

**7. Cash and Cash Equivalents**

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

**Restriction on Cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2019, this amounted to Kshs zero compared to Kshs zero in prior period as indicated on note 11A.

There were no other restrictions on cash during the year.

**8. Accounts Receivable**

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

**9. Accounts Payable**

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

**10. Pending Bills**

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

**11. Budget**

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1<sup>st</sup> July 2018 to 30<sup>th</sup> June 2019 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

**12. Comparative Figures**

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

**13. Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2019.

**14. Related Party Transactions**

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**XII. NOTES TO THE FINANCIAL STATEMENTS**

**1 TRANSFER FROM THE NATIONAL TREASURY**

Description	2018-2019	2017-2018
	Kshs	Kshs
Total Exchequer Releases for quarter 1	8,113,492,870	17,148,470,836
Total Exchequer Releases for quarter 2	16,279,156,465	13,733,276,656
Total Exchequer Releases for quarter 3	16,386,346,665	9,256,456,700
Total Exchequer Releases for quarter 4	20,044,835,650	18,120,100,020
<b>TOTAL</b>	<b>60,823,831,650</b>	<b>58,258,304,212</b>

**2 PROCEEDS FROM FOREIGN BORROWINGS**

Description	2018-2019	2017-2018
	Kshs	Kshs
Foreign Borrowing – Draw-downs Through Exchequer		
Foreign Borrowing - Direct Payments	2,191,483,943	1,996,175,590
Foreign Currency and Foreign Deposits		
<b>TOTAL</b>	<b>2,191,483,943</b>	<b>1,996,175,590</b>

**3 PROCEEDS FROM SALE OF ASSETS**

Description	2018-2019	2017-2018
	Kshs	Kshs
Receipts from the Sale of Inventories, Stocks and Commodities (AIA FROM UNIVERSITIES)	36,877,703,350	28,350,856,411
Repayments from Domestic Loans to Individuals and Households (AIA FROM HELB)	1,919,623,343	1,695,954,258
Receipts from the Sale of Strategic Reserves Stocks		
<b>TOTAL</b>	<b>38,797,326,693</b>	<b>30,246,810,669</b>

**4 COMPENSATION OF EMPLOYEES**

Description	2018-2019	2017-2018
	Kshs	Kshs
Basic salaries of permanent employees	116,333,105	121,827,561
Personal allowances paid as part of salary	76,858,548	81,763,270
<b>TOTAL</b>	<b>193,191,653</b>	<b>203,590,830</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

Compensation of employees is as summarised:

**IPPD SUMMARY FY 2018/2019**

<b>MONTH</b>	<b>AMOUNT (KSHS)</b>
Jul-18	15,717,865.20
Aug-18	16,016,919.75
Sep-18	14,844,691.95
Oct-18	16,095,377.25
Nov-18	16,392,319.10
Dec-18	16,386,701.60
Jan-19	15,807,864.00
Feb-19	16,125,317.85
Mar-19	16,518,449.45
Apr-19	15,682,663.40
May-19	15,976,795.25
Jun-19	15,622,030.00
<b>SUB-TOTAL</b>	<b>191,186,994.80</b>
<b>LESS</b>	
NACOSTI NOV (2630101)	(321,550.00)
NACOSTI DEC (2630101)	(321,550.00)
NACOSTI OCT (2630101)	(353,550.00)
<b>SUB-TOTAL</b>	<b>190,190,344.80</b>
<b>PAYMENT OUTSIDE PAYROLL</b>	
PAID THROUGH VOUCHERS	<b>3,001,308.40</b>
<b>GRAND TOTAL</b>	<b>193,191,653.20</b>

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**5 USE OF GOODS AND SERVICES**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Utilities, supplies and services	11,671,509	39,000
Communication, supplies and services	21,613,239	4,226,978
Domestic travel and subsistence	28,044,288	33,297,444
Foreign travel and subsistence	11,780,297	4,831,833
Printing, advertising and information supplies & services	9,124,455	1,349,251
Rentals of produced assets	70,832,081	24,823,249
Training expenses	134,365,962	161,430,042
Hospitality supplies and services	19,563,509	5,878,378
Specialised materials and services	162,642,805	183,112,720
Office and general supplies and services	21,148,280	4,676,278
Other operating expenses	15,209,324	13,594,750
Routine maintenance – vehicles and other transport equipment	6,053,935	1,731,850
Routine maintenance – other assets	18,067,181	12,467,939.20
Fuel Oil and Lubricants	15,213,283	1,855,131
<b>TOTAL</b>	<b>545,330,148</b>	<b>453,314,843</b>

**6 SUBSIDIES**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Subsidies to Public Corporations	56,000,000	56,000,000
AICAD		
<b>TOTAL</b>	<b>56,000,000</b>	<b>56,000,000</b>

**7 GRANTS AND TRANSFERS TO OTHER GOVERNMENT ENTITIES**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Current Grants to Government Agencies and other Levels of Government	79,934,771,622	75,341,178,940
Other Current Transfers, Grants and Subsidies	1,976,016,602	2,000,000,000
Capital Grants to Government Agencies and other Levels of Government	7,916,702,368	1,613,309,500
<b>TOTAL</b>	<b>89,827,490,592</b>	<b>78,954,488,440</b>

The above transfers were made to the self-reporting entities in the year. (See annex 3)

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**8 OTHER GRANTS AND TRANSFERS**

Description	2018-2019	2017-2018
	Kshs	Kshs
Membership dues and subscriptions to international organizations	13,258,161	23,025,188
Scholarships and other educational benefits	237,000,000	249,035,029
<b>Total</b>	<b>250,258,161</b>	<b>272,060,217</b>

**9 SOCIAL SECURITY BENEFITS**

Description	2018-2019	2017-2018
	Kshs	Kshs
Government pension and retirement benefits	513,018	2,495,936
<b>TOTAL</b>	<b>513,018</b>	<b>2,495,936</b>

**10 ACQUISITION OF ASSETS**

	2018-2019	2017-2018
	Kshs	Kshs
<b>Non Financial Assets</b>		
Purchase of Buildings	1,973,911,199	1,669,481,107
Purchase of Office Furniture and General Equipment	447,500	384,800
Purchase of Specialised Plant, Equipment and Machinery	-	1,629,050
<b>Sub Total</b>	<b>1,974,358,699</b>	<b>1,671,494,957</b>
<b>Financial Assets</b>		
Domestic Public Non-Financial Enterprises	8,965,273,805	8,888,159,682
<b>Sub Total</b>	<b>8,965,273,805</b>	<b>8,888,159,682</b>
<b>TOTAL</b>	<b>10,939,632,504</b>	<b>10,559,654,639</b>

**11 BANK AND CASH**

**11A: BANK ACCOUNTS**

Name of Bank, Account No. & currency	Exc rate (if in foreign currency)	2018-2019	2017-2018
		Kshs	Kshs
Central Bank of Kenya, 10001S1354, Recurrent Kes-S D U E	1	243,369	412,112
Central Bank of Kenya, 10001S1585, Development Kes - S D U E	1	197,707	8,135
Central Bank of Kenya, 10001S1947, Deposits Kes - S D U E	1		
<b>Total</b>		<b>441,076</b>	<b>420,247</b>

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**11B: CASH IN HAND**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Cash in Hand – Held in domestic currency	88,600	303,467
<b>TOTAL</b>	<b>88,600</b>	<b>303,467</b>

**Cash in hand analysis**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Headquarters, JOGOO HOUSE B, Cashoffice Location 1	88,600	303,467
<b>TOTAL</b>	<b>88,600</b>	<b>303,467</b>

Board of survey reports for the banks and cash have been attached as appendices to the financial statements.

**12 ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Government Imprests	-	-
Salary advances	-	-
District suspense		
Clearance accounts		-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**13 ACCOUNTS PAYABLE**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Deposits	-	-
		-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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**14 FUND BALANCE BROUGHT FORWARD**

<b>Description</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank accounts	420,247	242,009,647
Cash in hand	303,467	808,138
Receivables - Outstanding Imprests	-	230,008
Payables - Deposits	0	(372,595)
<b>TOTAL</b>	<b>723,714</b>	<b>242,675,199</b>

**15 PRIOR YEAR ADJUSTMENTS**

<b>Description of the error</b>	<b>2018-2019</b>	<b>2017-2018</b>
	<b>Kshs</b>	<b>Kshs</b>
Adjustments on bank account balances	420,247	241,637,052
<b>TOTAL</b>	<b>420,247</b>	<b>241,637,052</b>

*The adjustments to bank balances refer to amounts recovered by exchequer.*

**16 RELATED PARTY DISCLOSURES**

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the State Department For University Education,

- Other Ministries Departments and Agencies and Development Projects;
- State Corporations and Semi-Autonomous Government Agencies.

**Related party transactions:**

	<b>2018- 2019</b>	<b>2017- 2018</b>
	<b>Kshs</b>	<b>Kshs</b>
<b><u>Transfers to related parties</u></b>		
Transfers to SCs and SAGAs	89,828,206,094	75,341,178,940
<b>Total Transfers to related parties</b>	<b>89,828,206,094</b>	<b>75,341,178,940</b>
<b><u>Transfers from related parties</u></b>		
Transfers from the Exchequer	60,823,831,650	58,258,304,212
<b>Total Transfers from related parties</b>	<b>60,823,831,650</b>	<b>58,258,304,212</b>

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**17 OTHER IMPORTANT DISCLOSURES**

**17.1: PENDING ACCOUNTS PAYABLE**

	<b>Balance b/f FY 2017/2018</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2018/2019</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Construction of buildings	275,453,361	0	(275,453,361)	0
Supply of goods	47,222,431	0	(47,222,431)	0
<b>Total</b>	<b>322,675,792</b>	<b>0</b>	<b>322,675,792</b>	<b>0</b>

**17.2: OTHER PENDING PAYABLES**

	<b>Balance b/f FY 2017/2018</b>	<b>Additions for the period</b>	<b>Paid during the year</b>	<b>Balance c/f FY 2018/2019</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Amounts due to SDUE entities (grants)	989,063,130	0	(989,063,130)	0
<b>Total</b>	<b>989,063,130</b>	<b>0</b>	<b>989,063,130</b>	<b>0</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**18 PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observation from Audit</b>	<b>Management comments</b>	<b>Focal Point person to resolve the issue</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1.0	Pending bills	Settled in FY18/19	Accounts	Resolved	2019
2.0	Use of goods and services	Rent payment for NACOSTI supported	Administration	Resolved	2019
3.0	Prior year matters			Responses With PAC (awaiting recommendations)	



Prof. Collette A. Suda, PhD, FKNAS, CBS  
 Chief Administrative Secretary/Principal Secretary



CPA. Robert Asumani Samuel  
 Assistant Accountant General  
**ICPAK No. 10100**

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**ANNEX 1 - SUMMARY OF FIXED ASSET REGISTER**

<b>Asset class</b>	<b>Historical Cost b/f</b>	<b>Additions during the year</b>	<b>Disposals during the</b>	<b>Transfers in/(out)</b>	<b>Historical Cost c/f</b>
Buildings and structures	2,670,067,946.00	1,959,813,219.00			<b>4,629,881,165.00</b>
Transport equipment	3,797,600.00				<b>3,797,600.00</b>
Office equipment, furniture and fittings	616,400.00	447,500.00			<b>1,063,900.00</b>
Purchase of Specialised Plant, Equipment and Machinery	7,269,390.00				<b>7,269,390.00</b>
<b>Total</b>	<b>2,681,751,336.00</b>	<b>1,960,260,719.00</b>			<b>4,642,012,055.00</b>

Included in note no 10 acquisition of assets is a figure of Kshs **8,965,273,805** which falls under non-financial assets. This figure represents **HELB** disbursements.

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**ANNEX 2 – LIST OF PROJECTS IMPLEMENTED BY THE ENTITY**

<b>Ref</b>	<b>Project Name</b>	<b>Principal activity of the project</b>	<b>Accounting Officer</b>	<b>Project consolidated in these financial statements(yes/no)</b>
1	Support To Enhancement Of Quality And Relevance In Higher Education	(i) To Finance the purchase of identified equipment for existing laboratories/workshops in target faculties of engineering and applied sciences in eight universities: (ii) Capacity building of existing staff in engineering and applied sciences at Master's and Doctorate levels (iii) The project will support the construction of a teaching, learning and experiential centre at WMI.	Prof. Collette A. Suda, PhD, FKNAS, CBS	YES
2	Construction of Centres of Excellence (ACE II)	(i) Build institutional capacity to provide quality post graduate education with relevance to the labour market. (ii) Develop and enhance partnerships with other academic institutions (national, regional and international) to pursue academic excellence. Develop and enhance partnerships with industry and private sector to generate greater impact.	Prof. Collette A. Suda, PhD, FKNAS, CBS	YES
3	Construction of KAIST at Konza Technopolis	To promote relevant Research and Development through promotion of industrial- academic collaboration for stimulating of technological and industrial transformation. This aims at making Kenya industrially competitive in the globe by transforming it into an industrializing middle-income country as envisioned in the Kenya vision 2030.	Prof. Collette A. Suda, PhD, FKNAS, CBS	YES

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**ANNEX 3 – LIST OF SCs, SAGAs AND PUBLIC FUNDS UNDER THE STATE DEPARTMENT OF UNIVERSITY EDUCATION**

<b>Sc, Saga Or Public Fund's Name</b>	<b>Amount Transferred During The Year (recurrent)</b>	<b>Amount Transferred During The Year(development)</b>	<b>Amount Transferred During The Year( Cba Arreas)</b>	<b>Inter- entity reconciliations done?(yes/no)</b>
Alupe UC	134,068,478	260,000,000	19,666,507	yes
Bomet University College	111,865,422	250,000,000	19,666,507	yes
Chuka University	1,182,363,483	301,153,394	79,429,468	yes
Construction of Centres of Excellence		304,285,012		yes
Construction of Wangari Mathai Inst. of Peace & Environmental Studies		31,171,540		yes
Co-operative UC	199,535,176	164,860,991	34,143,356	yes
Dedan Kimathi University of Technology.	651,166,508	234,797,091	83,674,195	yes
Egerton University	1,489,848,659	284,936,947	348,975,754	yes
Embu University	470,934,259	226,360,000	42,813,055	yes
Garissa UC	220,363,879	303,557,357	19,777,913	yes
Gatundu UC	111,865,422	0	19,666,507	yes
Jaramogi Oginga Odinga University of Science and Technology	894,720,427	191,090,469	96,879,246	yes
Jomo Kenyatta University of Agriculture and Technology	2,503,892,160	187,441,364	428,898,030	yes
Kaimosi University College	153,071,869	146,949,838	19,666,507	yes
Karatina University	637,886,470	267,437,987	68,038,421	yes
Kibabii University College	554,717,371	137,147,435	50,723,316	yes

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Kirinyaga UC	279,043,556	210,566,122	35,585,730	yes
Kisii University	990,404,541	500,418,837	150,747,067	yes
Koitalel Samoei University	111,865,422	33,773,028	21,112,336	yes
Laikipia University of Technology	784,651,554	21,140,007	77,269,549	yes
Maasai Mara University	920,053,027	276,238,140	59,780,902	yes
Machakos University	869,524,574	257,500,000	65,879,047	yes
Maseno University	1,456,316,287	280,000,000	204,196,521	yes
Meru University of Science and Technology.	622,553,362	222,540,582	53,672,954	yes
Moi University	2,939,074,901	288,529,240	510,340,142	yes
Multimedia University of Kenya	385,183,648	241,258,080	67,511,562	yes
Murang'a University College	406,318,750	220,000,000	45,516,353	yes
Pwani University	640,401,009	54,037,500	76,889,152	yes
Rongo UC	477,135,830	317,731,778	60,882,858	yes
Science & tech programme activities		161,110,344		Not self reporting
South Eastern Kenya University	689,322,099	245,590,000	66,717,158	yes
Taita Taveta UC	328,166,017	148,775,715	32,559,647	yes
Technical University of Kenya	1,630,524,659	175,637,756	257,904,336	yes
Technical University of Mombasa	825,247,242	104,750,000	106,397,026	yes
Tom Mboya University College	167,044,992	250,000,000	19,666,507	yes
Turkana university college	111,865,422	301,944,250	19,666,507	yes
University of Eldoret	1,717,874,187	89,541,564	159,663,858	yes
University of Kabianga	688,518,942	224,430,000	89,346,466	yes
Biosafety Appeals Board	26,664,032			Not self reporting
Commission for Universities Education	181,271,077			yes
<b>Directorate of Higher Education(annex4)</b>	<b>5,199,999,998</b>			<b>Not self reporting</b>
Higher Education Loans Board (HELB) Bursaries.	211,188,118			yes

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Kenya National Innovation Agency (KENIA).	35,827,036			Not self reporting
Kenyatta University	2,739,757,303		550,269,767	yes
Masinde Muliro University	1,526,838,330		172,487,330	yes
National Commission for Science Technology and Innovation	231,360,168			yes
National Research Fund	1,817,211,671			yes
Open University				
Pan African University	69,104,911			
Tharaka University College			19,666,507	yes
The Kenya Universities and Colleges Central Placement Services	23,861,148			yes
University Funding Board	29,338,356			yes
University of Nairobi	4,607,256,522		944,251,937	yes
<b>AIA COMPONENT</b>	<b>36,877,703,350</b>			
<b>GROSS EXPENDITURE</b>	<b>79,934,771,624</b>	<b>7,916,702,368</b>	<b>5,200,000,000</b>	

**HELB** disbursements of Kshs **8,965,273,805** is Included in note no 10 under acquisition of non-financial assets

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**ANNEX 4: OTHER CURRENT TRANSFERS -(TO PRIVATE UNIVERSITIES)**

	Amount
	KSHS
AFRICA INTERNATIONAL UNIVERSITY	92,714,629.90
AFRICA NAZARENE UNIVERSITY	23,568,124.90
BARATON UNIVERSITY OF EAST AFRICA	128,260,321.40
CATHOLIC UNIVERSITY OF EASTERN AFRICA	170,916,463.50
DAYSTAR UNIVERSITY	45,457,029.20
EAST AFRICA SCHOOL OF THEOLOGY	4,998,305.10
GREAT LAKES UNIVERSITY OF KISUMU	33,315,476.50
GRE TSA UNIVERSITY	50,432,377.00
INTERNATIONAL LEADERSHIP UNIVERSITY	295,175.50
KABARAK UNIVERSITY	245,556,512.80
KENYA COLLEGE OF ACCOUNTING	166,315,004.90
KENYA HIGHLANDS EVANGELICAL UNIVERSITY	30,321,084.90
KENYA METHODIST UNIVERSITY	164,042,153.70
KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY	6,270,839.85
LUKENYA UNIVERSITY TRUST	23,131,921.60
MARIST INTERNATIONAL UNIVERSITY COLLEGE	9,091,405.80
MOUNT KENYA UNIVERSITY	422,435,521.70
PAN AFRICAN CHRISTIAN UNIVERSITY	18,199,210.10
PIONEER INTERNATIONAL UNIVERSITY TRUST REGISTERED TRUSTEES	39,405,931.70

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RIARA UNIVERSITY	21,774,114.35
SCOTT CHRISTIAN UNIVERSITY	26,159,110.10
ST PAULS UNIVERSITY	44,066,424.60
TANGAZA UNIVERSITY COLLEGE	4,074,894.40
THE EAST AFRICAN UNIVERSITY	44,250,089.20
THE MANAGEMENT UNIVERSITY OF AFRICA	12,712,225.80
THE PRESBYTERIAN UNIVERSITY OF EAST AFRICA	48,369,428.00
UUMA university TRUST REGISTERED TRUSTEES	8,205,879.20
UNITED STATES INTERNATIONAL UNIVERSITY AFRICA	9,501,372.30
UZIMA UNIVERSITY COLLEGE	30,366,431.40
ZETECH UNIVERSITY	51,813,142.65
<b>GRAND TOTAL</b>	<b>1,976,016,602.05</b>



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**ANNEX 5- AIA RECURRENT 2018/2019**

	<b>Budget</b>	<b>CAPTURED IN IFMIS</b>	<b>DEFICIT</b>
ALUPE UNIVERSITY COLLEGE	14,139,000.00	14,139,000.00	-
BOMET UNIVERSITY COLLEGE	53,542,000.00	46,439,000.00	7,103,000.00
CHUKA UNIVERSITY	873,479,142.00	873,479,142.00	-
COMMISSION FOR UNIVERSITY EDUCATION	198,000,000.00	189,397,489.00	8,602,511.00
COOPERATIVE UNIVERSITY OF KENYA	710,800,000.00	564,874,239.00	145,925,761.00
DEDAN KIMATHI UNIVERSITY	622,563,029.00	320,888,045.00	301,674,984.00
EGERTON UNIVERSITY	1,500,605,991.00	1,444,417,071.00	56,188,920.00
GARISSA UNIVERSITY COLLEGE	145,572,413.00	137,019,000.00	8,553,413.00
GATUNDU UNIVERSITY COLLEGE			-
JARAMOGI ODINGA OGINGA UNIVERSITY	708,920,238.00	540,811,649.00	168,108,589.00
JOMMO KENYATTA UNIV.OF AGRIC&TECH	5,866,510,377.00	4,593,769,385.00	1,272,740,992.00
KAIMOSI UNIVERSITY COLLEGE	132,896,000.00	90,542,000.00	42,354,000.00
KARATINA UNIVERSITY	336,556,000.00	325,717,555.00	10,838,445.00
KENYA UNIVERSITY AND COLLEGES CPS	385,500,000.00	385,499,999.00	1.00
KENYATTA UNIVERSITY	4,595,245,000.00	4,595,245,000.00	-
KIBABII UNIVERSITY	377,215,401.00	377,215,401.00	-
KIRINYAGA UNIVERSITY	154,148,475.00	154,148,475.00	-
KISII UNIVERSITY	1,683,720,000.00	1,293,682,124.00	390,037,876.00
KOITALEL SAMOEI UNIVERSITY			-
LAIKIPIA UNIVERSITY	785,555,400.00	384,312,617.00	401,242,783.00
MACHAKOS UNIVERSITY	538,896,928.00	505,626,670.00	33,270,258.00
MASAI MARA UNIVERSITY	300,000,000.00	300,000,000.00	-
MASENO UNIVERSITY	1,262,883,782.00	1,262,883,782.00	-

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MASINDE MULIRO UNIVERSITY	1,212,670,500.00	1,212,670,500.00	-
MERU UNIVERSITY OF SCI&TECH	280,000,000.00	280,000,000.00	-
MOI UNIVERSITY	3,998,346,227.00	2,905,372,951.00	1,092,973,276.00
MULTIMEDIA UNIVERSITY OF KENYA	705,000,000.00	570,787,813.00	134,212,187.00
MURANGA UNIVERSITY COLLEGE	158,000,000.00	158,000,000.00	-
NACOSTI	30,000,000.00	29,696,189.00	303,811.00
OPEN UNIVERSITY			-
PAN AFRICAN UNIVERSITY			-
PWANI UNIVERSITY	435,175,000.00	435,175,000.00	-
RONGO UNIVERSITY	393,892,251.00	393,892,251.00	-
SOUTH EASTERN KENYA UNIVERSITY	403,800,000.00	305,604,090.00	98,195,910.00
TAITA TAVETA UNIVERSITY	170,662,728.00	160,206,231.00	10,456,497.00
TECHNICAL UNIVERSITY OF KENYA	932,800,000.00	932,800,000.00	-
TECHNICAL UNIVERSITY OF MOMBASA	969,360,420.00	802,805,047.00	166,555,373.00
TOM MBOYA UNIV COLLEGE	53,097,000.00	53,097,000.00	-
TURKANA UNIVERSITY COLLEGE	79,000,000.00	38,955,731.00	40,044,269.00
UNIVERSITY OF ELDORET	695,851,000.00	695,851,000.00	-
UNIVERSITY OF EMBU	357,900,000.00	357,900,000.00	-
UNIVERSITY OF KABIANGA	420,387,820.00	420,387,820.00	-
UNIVERSITY OF NAIROBI	12,518,204,000.00	8,724,394,084.00	3,793,809,916.00
		<b>36,877,703,350.00</b>	<b>8,183,192,772.00</b>
HELB	2,506,928,396.00	1,919,623,343.00	587,305,053.00
	<b>47,567,824,518.00</b>	<b>38,797,326,693.00</b>	<b>8,770,497,825.00</b>

**ANNEX 6- REPORTS GENERATED FROM IFMIS**

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Receipts and Payments Statement
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

