

REPUBLIC OF KENYA



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REPORT

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ON

**MASINDE MULIRO UNIVERSITY OF SCIENCE
AND TECHNOLOGY**

FOR THE YEAR ENDED

30 JUNE, 2024.

 NATIONAL ASSEMBLY PAPERS LAID	
DATE:	14 MAR 2025
DAY:	FRIDAY
TABLED BY:	DEPUTY MAJORITY LEADER CHON. OWEN BAYA, MP?
CLERK-AT-THE-TABLE:	IRENE NDUKU



MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2024

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

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I. ACRONYMS AND DEFINITION OF KEY TERMS

A: Acronyms

VC	Vice Chancellor
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
KRA	Kenya Revenue Authority
VAT	Value Added Tax
ROI	Return on Investment
MOU	Memorandum of Understanding
GOK	Government of Kenya
TVET	Technical and Vocational Education Training
MMUST	Masinde Muliro University of science and Technology
PS	Principal Secretary
CS	Cabinet Secretary
A&F	Administration and Finance
ASA	Academic and Student Affairs.
PRI	Planning, Research and Innovation.
Ag	Acting
RA	Registrar Administration
RAA	Registrar Academic Affairs
FY.	Financial Year
IGU	Income Generating Unit
SFP	Statement of Financial Performance
KUCCPS	Kenya Universities and Colleges Central Placement Service
SDHER	State Department for Higher Education and Research

B: Definition of Key Terms

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

Comparative Year - Means the prior period.

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2. UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background information

Masinde Muliro University of Science and Technology (MMUST) is a legal entity established under the Universities Act No 42 of 2012 and domiciled in Kenya. The University operates four (4) satellite campuses namely: Bungoma, Webuye, Butula and Kakuma and Nairobi liaison office.

(b) Principal Activities

The principal activities of the University is to provide University education through teaching, research, innovation and extension services.

• **VISION**

To be the Premier University in Science, Technology and Innovation

• **MISSION**

To provide excellent University education, training and research through integrating science, technology and innovation into quality programs to suit the needs of a dynamic world.

• **PHILOSOPHY**

MMUST holds the view that science and technology is an indispensable tool in harnessing resources of nature for sustainable development and in creating an environment in which human beings can survive and realize their potential. Thus, the human being has the moral obligation to creatively improve the environment. This can be achieved through a well-conceptualized educational, scientific and technological package through which every human being must rightfully experience and acquire the tools to facilitate this philosophy.

To meet the requirements of its Vision, Mission and Philosophy, MMUST upholds the following values:

- i. Customer focus
- ii. Accountability
- iii. Collegiality
- iv. Excellence
- v. Professionalism
- vi. Innovativeness
- vii. Integrity

(c) Key Management

The university day to day management is under the following key Organs;

- University Council
- Vice Chancellor

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- MMUST Management Board
- Deans and Directors

The Council members who held office during the Financial Year ended 30th June 2024 and up to the date of this report were:

No.	Name	Designation	Appointment Date	Retirement Date
1	Dr. Pamela Sitienei	Council Chairman	23-5-2023	23-5-2026
2.	Mrs Susan N.Nyasinga,HSC	Council Member	23-5-2023	23-5-2026
3.	Dr. George Lutomia	Council Member	23-5-2023	23-5-2026
4.	Dr. Kennedy Ochieng Oluong'o	Council Member	23-5-2023	23-5-2026
5.	CPA Grace W. Kimotho	Council Member	23-5-2023	23-5-2026
6.	Ms. Dorothy N.O. Kimeu	Council Member	23-5-2023	23-5-2026
7.	Mr. Bartholomew W. Wanikina	Rep of PS-SDHER/ Council Member	23-5-2023	05-03-2024
8.	Ms. Eunice Wakofula	Rep of PS-SDHER/ Council Member	06-03-2024	05-03-2027
9.	Mr. Peter Muhia Wanjiku	Alternate to CS- National Treasury and Economic Planning/Council Member	05-05- 2021	04-05-2026
10.	Prof. Solomon I. Shibairo	Vice Chancellor & Secretary to Council	27-3-2020	21-09-2026

(d) Fiduciary Management

The key management personnel who held office during the Financial Year ended 30th June 2024 and who had direct fiduciary responsibility were:

No.	Designation	Name
1	Vice Chancellor and Accounting Officer	Prof. Solomon I. Shibairo
2	Deputy Vice Chancellor (A&F)	Prof. John Kuria Thuo
3	Deputy Vice Chancellor (A&SA)	Prof. Hussein Golicha
4	Deputy Vice Chancellor (PRI)	Prof. Charles Mutai
5	Finance Officer	CPA Jared G.O.O. Rading'
6	Procurement Officer	Ms. Scarlet Kavaya
7	Registrar Academic Affairs (RAA)	Prof. Judah Ndiku
8	Registrar (PRI)	Dr. Collins Matamba
9	Registrar Administration (RA)	Dr. Eglay Tsuma
10	Dean of Students	Dr. Bernadette Abwao

(e) Fiduciary Oversight Arrangements

The fiduciary oversight is achieved through the following

- Audit, Governance, Risk Management and Compliance Committee of Council
- Finance, Resource Mobilization and Planning Committee of Council
- Public Investment Committee of Parliament
- Auditor General
- Internal Audit Department

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(e) University Headquarters

P.O. Box 190-50100.
Kakamega-Webuye Road.
Kakamega, Kenya

(f) University Contacts

Telephone: 254 702 597360/1
E-mail: info@mmust.ac.ke, vc@mmust.ac.ke
Website: www.mmust.ac.ke

(g) University Bankers

1. Kenya Commercial Bank Ltd. (Main)
P.O. Box 152
Kakamega, Kenya
2. Co-operative Bank of Kenya Ltd.
P.O. Box 1511
Kakamega
3. ABSA Bank Kenya Ltd.
P.O. Box 1815
Kakamega
4. Standard Chartered Bank Ltd.
P.O. Box 6302
Kakamega
5. National Bank of Kenya Ltd.
P.O. Box 1815
Kakamega
6. Equity Bank Ltd.
P.O. Box 2512
Kakamega
7. Family Bank Ltd.
P.O. Box 1486
Kakamega
8. Diamond Trust Bank
P. O. Box 2480-50100
Kakamega

(h) Independent Auditors

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

(i) Principal Legal Adviser

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

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3. THE UNIVERSITY COUNCIL



Chairperson of Council

Dr. Pamela Sitienei

Independent and born 1982

When Global brands want access to some of the fastest-growing economies in the world, they call Dr. Pamela Sitienei. She has raised over 300 million dollars in project investments and her project investments now have over a billion-dollar valuation.

As the Founder and Chief Executive Officer of the ONAPS Advisory LLC and Chief Vision Officer, Sitienei brings more than 17+ Years' experience of multi-faceted experience in government relations, foreign relations, fund mobilization, international trade, financial services, energy, commodity trading and negotiations. Culturally astute and discerning in her approach, Pamela has an extraordinary track record for structuring complex deals around the globe with major corporations, governments and high-ranking officials. Her ability to nimbly operate in various business capacities has persuasively broadened her reach across continents and industries. Multilingual, Sitienei has easily afforded herself a seat at the global roundtable.

An entrepreneur at heart, Sitienei envisions her firm's role as the most influential, effective and independent organization serving as the voice of Project development in Africa and beyond. In her capacity as Founder and CEO, she leads the operations of the organization from, site development, feasibility, fund mobilization, team creation, contract negotiations, merging & acquisitions in the areas of Energy, Defence, Pharmaceutical Distribution, Real Estate Development, Mining, Information Technology, and Financial structure with top lenders in the world.



During her tenure as the Government Relations/Federal Affairs Specialist, at the American Gas Association (AGA) on Capitol Hill, she gained exposure to policy issues in natural gas and actively liaised with the federal government, to include the executive and legislative branches of former President George Bush, President Barack Obama and President Donald Trump. Her portfolio was State affairs and Federal with emphasis on Renewables, Pipeline Safety, Cybersecurity, Budget under Appropriations, Energy & Natural Resources, Energy & commerce and financial committees. Additionally, she developed an impressive wheelhouse of expertise in areas such as Federal Election Committee laws and regulations, PACs, election cycles, legislative processes, political contributions and disbursements, lobbying disclosure and reporting.

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Outside of her traditional duties at the AGA, Pamela managed the legislative outreach congregation, including legislative forums and supported the Vice President in fundraising. She was also responsible for the preparation, forecasting, monitoring and tracking of the department's budget. She also played a key role on Energize Africa Act, and was appointed a technical advisor at USAID for the Power Africa Initiative. Prior to joining AGA, Pamela spent four years at Zurich North America/Zurich Financial Services. She supported the Vice President's efforts to lobby, build coalitions and sustain relationships with different multi-lateral institutions including, International Finance Corporation, OPIC, World Bank – MIGA and International Monetary Fund. As the manager of the Government & Industry Affairs, she developed business relations with emerging markets; defined project scope, goals and deliverables, which supported the company's business goals in collaboration with senior management & stakeholders. She interpreted and ensured consistent application of organizational policies; negotiated contracts, maintained financial records and managed the department budget of over \$20million.

Pamela received her Undergraduate from University of Central Oklahoma in Journalism and Public Relations. She received, The Prince of Wales Business and Sustainability Leadership Certification from University of Cambridge, London, United Kingdom. She received her honorary doctorate in Divinity from My Life Bible College in Maryland, USA. She is also certified lobbyist by the United States Government Relations Professionals. On unlocking Africa, one of the last places in the world to experience double-digit growth, Pamela serves as a guide to help companies learn where and how to invest in and unlock opportunities. Dr. Sitienei serves as a strategic advisor to several governments, High net worth personalities, energy companies and investors throughout Africa, specifically, Democratic Republic of Congo, Nigeria, Angola, Republic of Congo, Guinea Conakry, Mozambique, South Africa, Namibia, Equatorial Guinea and Kenya. She currently serves on the board of Women Global Leadership Institute and AGTIS, Dubai, UAE.



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 <p>Member</p>	<p>Mrs. Susan N Nyasinga, HSC, Independent and born in 1962</p> <p>Mrs. Susan N Nyasinga, holds a Masters of Arts degree in Counseling Psychology from Daystar University, a bachelor of Arts in Sociology from University of Nairobi (UON), Higher Diploma in Human Resources and Psychological Counseling from Kenya Institute of Management (KIM) and Kenya Institute of Professional Counseling (KIPC) respectively. She holds several Advanced Certificates in Leadership, Management, Women in Leadership, Juvenile Treatment and Child Protection from Kenya School of Government (KSG) and UNAFEI-Japan among other colleges.</p> <p>Mrs. Susan Nyasinga is champion on the Rights of the child and child Protection, a mentor to several College and University students within and outside of Kenya in the field of Psychology, Counseling, Social Work, Community Development, Criminology, Security and Offender Rehabilitation. She was a warded Head of State Commendation medal (HSC) for dedicated Service by the Government of Kenya in 2009.</p>
 <p>Member</p>	<p>Dr. George Lutomia Independent and born 1962</p> <p>Dr. Lutomia's educational qualifications include a PhD in Conflict Resolution and Management. His expertise in conflict resolution has been invaluable in helping students and educational institutions navigate the complex and sometimes challenging dynamics that can arise in the school setting.</p> <p>Furthermore, Dr. Lutomia's experience in education leadership and management is noteworthy. Serving as the County Executive Committee member (Minister) for Education in the Kakamega County Government from 2018-2022, he has played a crucial role in developing policies and procedures that promote effective and efficient management of learning institutions. Earlier, he served as an assistant director of education based at Jogoo house before moving to Kakamega County as CECM. Currently, Dr. George Lutomia is the Chairperson Kakamega County Education Board (CEB)</p>



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 <p>Member</p>	<p>Kennedy Ochieng Olung'o, PhD Independent and born in 1972</p> <p>Dr. Olun'go an experienced, practical and result oriented Consultant with over fifteen (15) years of track record in delivering a diverse range of activities. He supports the business in ten (10) countries, across ABSA Regional Operations (ARO) in achieving organizational goals. Am competent in; planning and organization, decision making and initiating action, adapting and responding to change, high-quality training and researching. Besides, he is proficient in managing existing day-to-day processes while developing and implementing new business strategies in dynamic and high-pressure environments, requiring the ability to multi-task and effectively manage relationships.</p>
 <p>Member</p>	<p>CPA Grace W. Kimotho Independent and born in 1975</p> <p>CPA. Grace Wanja Kimotho (Risk and internal Audit Consultant)</p> <p>Grace is a qualified Accountant, a member of Institute of Certified Public Accountant (ICPAK) and institute of internal auditors (IIA)</p> <p>She holds Master of Science- Finance from University of Nairobi. ISO 9001:2008 and ISO9001:2015 Certifications.</p> <p>Ms. Kimotho has over 15 years' experience in internal audit field.</p>
 <p>Member</p>	<p>Ms. Dorothy N. O. Kimeu, MBS Non-Executive and born in 1959</p> <p>Ms. Kimeu holds a master's of Arts degree in International Studies from the University Of Nairobi (UON) and a bachelor's degree in political Science (Government) from the same University. She holds several advanced certificates in Finance, Administration, Leadership, Management, Negotiations and International development from the University of Connecticut (UCONN) and Policy Research Institute of Japan among several other Institutions.</p> <p>She has also served in several Public Boards namely; National Authority for the Campaign Against Alcohol and Drug Abuse (NACADA), Masinde Muliro University of Science and Technology (MMUST), Kenya Medical Training College (KMTC), African Institute of Capacity Development (AICAD), Kenya National Examinations Council (KNEC), Maasai Mara University (MMara-U), and was chair at the Special Economic Zones Authority (SEZA).</p>

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	<p>Ms. Kimeu is a certified Trustee, a trained Theological Education by Extension (TEE) trainer and is the Vice-chair of Langata High School board of management (BOM). A member of Kenya Association of Public Administration and Management (KAPAM), Women fighting Aids in Kenya (WOFAK) and Mother's Union of Kenya, St Augustine Madaraka Church Parish, All Saint's Cathedral Diocese, Anglican Church of Kenya.</p>
 <p>Member</p>	<p>Mr. Lumbasi Wanikina Bartholomew Independent and born in 1978 Mr. Lumbasi holds MBA in Strategic Management from Jomo Kenyatta University and Master of Education, Bachelor of Education (Economics and Mathematics) from Kenyatta University . He has twenty two (22) years of experience as a civil servant and teaching profession. Rep. PS. State Department for Higher Education and Research</p>
 <p>Member</p>	<p>Ms. Eunice Wakofula Independent and born in 1969 Rep. PS. State Department for Higher Education and Research. Ms. Wakofula holds a Masters in Diplomacy and International Studies from the University of Nairobi, Bachelor of Education from Kenyatta University and a Certificate in Portuguese Language from the University of Brazil. She has over 25 years experience in teaching and administration gathered from various institutions. She is an Assistant Director of Education in the State Department for Higher Education and Research.</p>

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 <p>Member</p>	<p>Mr. Peter Muhia Wanjiku Non-Executive and born 1979 Holds a MBA and BCOM(Finance) Alternate to the Cabinet Secretary to the National Treasury and Planning. He has 13 years' experience in financial management in the Public Sector.</p>
 <p>Vice Chancellor</p>	<p>Prof. Solomon I. Shibairo, B.Sc., MSc, PhD, MKNAS Secretary to Council and born in 1960 Holds PhD (Plant Science, University of British Columbia, Canada), MSc. (Agronomy, The University of Nairobi, Kenya) and BSc (Agriculture, The University of Nairobi) Has had over 35years of University teaching, research, supervision and academic leadership. Held various leadership positions from Chairperson of Department, Dean of a School, and Deputy Vice Chancellor. He was appointed as Vice Chancellor with effect from 23rd September 2021.He is a member of Kenya National academy of Sciences (KNAS), The Food and Technology Platform of Kenya, The Horticultural Society of Kenya and The Soil Science Society of East Africa.</p>

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4. MANAGEMENT TEAM

Name	Academic and Professional Qualifications
 Prof. Solomon I. Shibairo	<p>Vice Chancellor He is a holder of BSc, M.Sc. (UoN), PhD (UBC, Canada). He has over 35 years of University teaching, research, supervision and academic leadership. He is a Professor of Horticulture, specialized in Olericulture.</p> <p>Prof. Shibairo is a member of the Horticultural Association of Kenya and the Kenya National Academy of Sciences. He has taken professional trainings in corporate governance, leadership and performance management among others. Has held various leadership positions from Chairperson of Department, Dean of a School, and Deputy Vice Chancellor. He was appointed as Vice Chancellor of MMUST on 20th March 2020.</p>
 Prof. Charles Mutai	<p>Deputy Vice Chancellor, Planning, Research and Innovation (PRI) BSc (UoN), MSc. (Liverpool), PhD (Athens), Postdoc (China). He is a Professor in the Department of Medical Laboratory Sciences and has over 27 years' experience in the public service. His expertise is in teaching and research in the areas of Pharmacology, Pharmacognosy and Complementary/Alternative Medicine. He is the founder dean of School of Public Health and Biomedical Sciences & Technology and has also served as Deputy Principal in charge of Academic and student Affairs at Turkana University College in Lodwar</p>
 Prof. Hussein Golicha	<p>Deputy Vice Chancellor, Academic and Student Affairs. Prof. Golicha is a holder doctorate degree in physics, specializing in Chemical Physics from Egerton University, Masters in Physics from Kenyatta University and BEd (Maths and Physics) from the University of Nairobi. His areas of academic and research interest are in the fields of Chirality (handedness of nature) and material science. He has supervised multiple post graduate students to successful completion. His major scholarly contribution was his role in the study of Chiral molecules using liquid crystals as hosts. He has contributed immensely to teaching and learning of physics at secondary level through his books. Before joining Masinde Muliro University of Science and Technology (MMUST) in September, 2021, Prof Golicha served as Deputy Vice Chancellor Academic and Student Affairs, at Garissa University.</p>
 Prof. J. Kuria Thuo	<p>Deputy Vice Chancellor, Administration and Finance Prof. Thuo has 28 years working experience in corporate banking, consultancy and university teaching, research and senior management. He is a business management graduate of the University of Nairobi's School of Business with academic qualifications in BCom, MBA and PhD. His professional credentials are: CPA (K) and member of Institute of Certified Public Accountants of Kenya (ICPAK); CPS (K) and member of Institute of Certified Secretaries of Kenya (ICSK); and Chartered Marketer with Chartered Institute of Marketing (CIM, UK).</p>

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CPA Jared G.O.O.
Rading

Finance Officer

He has 21 years of practical and hands on experience in Accounting, Finance, Administration, Procurement and Strategic Leadership. Holds B.Com (Accounting) (KU), MBA (Accounting) (MSU) and is currently pursuing PhD in Accounting at Maseno University. Has a certificate in Strategic Leadership Development Programme (SLDP) from Kenya School of Government. He is a Certified Public Accountant and a registered member of the Institute of Certified Public Accountants of Kenya. He is a Certified Pensions Trustee.



Dr. Eglay Tsuma

Registrar in charge of Administration

She holds BED(Arts)(KU), MSc(HRM) and PhD(HRM) (MMUST) She is responsible for Human Resource Management, Central Services and General Administration in the university. Has 26 years experience in human resource management, teaching and research sectors.



Prof. Judah Ndiku

Registrar in charge of Academic Affairs

Prof. Judah Mualuko Ndiku holds a Doctor of Philosophy degree in Conflict Resolution and Management from Masinde Muliro University of Science and Technology, a Master of Philosophy degree in Educational Administration Planning and Curriculum (*Educational Administration*) and Bachelor of Education (Arts) from Moi University. He is an Associate Professor of Educational Administration and Management and the Registrar Academic Affairs at Masinde Muliro University of Science and Technology. Before his appointment as registrar he served as the Director, Directorate of Curriculum Review and Development, the Executive Dean, School of Education and Chairman of the Department of Educational Planning and Management in the same University. He has a wealth of experience in Higher Education Management, Institutional Quality Audit and Curriculum Review. Before joining the University, he served as a High School teacher where he rose to the rank of a school principal.



Dr. Benedicte Abwao

Dean of Students

Holds MEd (Guidance and Counselling) (KU) and PhD (MMUST) She has over 30 years working experience in management, with 11 years in University Student Affairs Department and 6 years as a member of the University Management Board. She is qualified in Peace and Conflict Management and an expert in Gender issues and is a registered member of CAK, KPCA, KUDSA and DMAK

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Registrar Planning, Research and Outreach



Dr. Collins Matamba

Dr. Matamba holds the distinction of being the first Ph.D. graduate from Masinde Muliro University of Science and Technology (MMUST), with a doctorate in Conflict Resolution and Management. He also earned a Master of Philosophy in Educational Psychology and a Bachelor of Education (Honors) degree from Moi University, complemented by several professional certifications from the Kenya School of Government. Currently serving as the Registrar for Planning, Research, and Innovation at MMUST, Dr. Matamba brings extensive experience in both public service and academia. His tenure as a County Executive Committee Member in Kakamega County was marked by his leadership in spearheading significant infrastructure projects and formulating policies aimed at poverty reduction. As a Senior Lecturer in the Department of Educational Psychology at MMUST, his academic contributions are reflected in numerous publications. Dr. Matamba's leadership, academic, and administrative expertise have been further recognized through various special duties appointments. He is a member of the Association of Disaster Management and Conflict Resolution of Kenya (ADMCRK) and has been honored with the Elder of the Order of the Great Jewel (EGJ) award.

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5. CHAIRPERSON OF COUNCIL'S STATEMENT



On behalf of Masinde Muliro University of Science and Technology (MMUST) Council, it is with great pleasure that I present the Annual Report and Financial Statements of the University for the Financial Year (FY) ended 30th June 2024. The Council was appointed on 23rd May 2023 under the 5th Administration of H.E. Dr. William Samoei Ruto, The President of Kenya and The Commander in Chief of the Kenya Defense Forces. The Council heralded a new dispensation under the Bottom-up Economic Transformation Agenda (BETA).

The University acquired 34 acres of land through National Lands Commission at the Kakamega Rehabilitation School as part of its efforts to expand on its infrastructure requirements necessary for offering high quality academic programmes to meet the global and national demands. Additionally, we invested in construction of Engineering and TVET Complex, Modern Olympic Size Swimming pool, construction of Butula Library, implementation of Solar power grid, construction of a Footbridge and a Police Station. These projects were implemented to improve the lives of our students and communities. The University has planted at least 200,000 trees in the year 2024 in the University, at Kakamega forest and in other Counties across the Country as part of the greening initiative to support climate change mitigation in our Country. The face of the University continues to uplift as infrastructure and greening renovations continue to take place.

The Council has brought in several interested partners who are willing to contribute towards various projects in the University upon the launch of the University Master plan which is in its final stages of development. The Council has also adopted a new Cloud - based ERP that is set to enhance the automation and digitalization aspects of the University towards more modernized growth. The Council additionally launched the 5 year Strategic Plan in March 2024. The MMUST strategy is to unlock the vision of Premier University in Science, Technology and Innovation. In order to achieve this, we shall embed world class University ways of working that transforms our Culture based on a common set of systems, processes and functions. The Council is committed to ensuring that all stakeholders shall align around our strategy, operating philosophy and principles for decision making to become a truly Premier University - one that leads the sector, keeps all of our people safe, generates

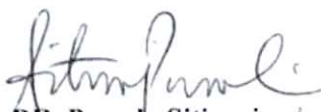
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outstanding returns for our shareholders, and meets the expectations of our communities and other stakeholders.

Our priorities are guided on achieving five Key Result Areas of; Building sustainable Institutional Capacity – People and Culture; Academic Excellence aimed at providing outstanding learning and student experience; Increasing the scale of high-quality high impact Research and Innovation outcomes; Embedding Technology and Automation across the University core activities and Sustainably achieving Financial Stability, Growth and Social Value for the long-term.

The Council has continued to maintain oversight over utilization of resources which has significantly enhanced operational efficiency and effectiveness and also ensured that the University is stable and that peace and tranquility is maintained. We remain focused to attain our aspirations as guided by the Vision: and the mission Statement which leverages on Science, Technology and Innovation to provide excellent university education, training and research to suit the needs of a dynamic world. Given our clarion call; 'the University of Choice' we wish to meet and surpass the expectations of our stakeholders. Therefore, the University Council affirms its commitment to the implementation of this Strategic Plan in partnership with the Government and other stakeholders.

The University Council wishes to thank all stakeholders in particular the Government of Kenya for the continued funding of the University as well as the teaching and non-teaching staff, suppliers, students as well as the community surrounding the University who contributed in one way or another to make the year successful. God bless them all.


DR. Pamela Sitienei
Chairman of Council

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6. REPORT FROM THE VICE CHANCELLOR



It is with great pleasure that I present to you the University's Annual Report and Financial Statements for the Financial Year ended 30th June 2024. As a university, we continue with our quest to make Masinde Muliro University of Science and Technology the Premier University in Science, Technology and Innovation. We are committed to providing better services to all our stakeholders with quality teaching, research and consultancy which constitute our core mandate as a university. The University implemented its objectives with a clear direction in staking its position as a Science, Technology and Innovation institution of higher learning.

Our staff, students and alumni are, as they always have been, the most important part of the University's future. Working together, we will ensure that MMUST continues to be a university of which our people are proud – a great place to work and study, as well as an institution where we successfully utilize new opportunities and further develop a culture of ongoing improvement with respect to all our activities and services.

Financial Stewardship

The University Council has continued to implement reforms aimed at improving the financial health of the University. The reforms have realized the timely preparation of quarterly financial statements, compliance with statutory obligations, increase in staff morale and general improvement in service delivery to our key stakeholders and customers.

In the FY 2023/2024, the University recorded a Deficit of Kshs. (28,946,159) compared to a Deficit of Kshs. 37,365,153 in FY 2022/2023. The deficit was mainly caused by provision for the a third (1/3) of impaired student debtors of Kshs 177,216,393. The Balance Sheet of the University stood at Kshs. 7,255,480,550 as at 30th June 2024 compared to Kshs. 7,167,557,789 as at 30th June 2023. The low marginal increase is attributed to the reduction in current assets as a result of provision for a third (1/3) of the impaired student debtors of Kshs 177,216,3. The liquidity status remained strong with cash balances closing at Kshs. 647,772,459 up from Kshs. 517, 481,332 in FY 2022/2023. The University therefore remained financially stable during the year despite high costs of fuel and other commodities.

Staff welfare

The University spent Kshs. 2,361,546,002 on staff welfare namely; personnel costs, medical expenses, staff training and development and purchase of protective clothing for Kshs. 2,233,504,223, Kshs. 128,317,554, Kshs. 11,782,521 and Kshs. 1,823,518 respectively. All

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these expenditures are aimed at taking good care of our staff as they form the backbone of our university. This staff welfare expenditure accounted for 72% of our total revenues. The University will continue to invest and equip the staff with requisite skills in order to improve productivity.

Infrastructure Development.

The University continued to invest in infrastructure to increase teaching and research space for our students and staff. In the FY 2023/2024, the construction of Engineering and TVET Complex realized with 31% completion rate with total expenditure to date standing at Kshs. 220,463,738. The implementation pace slowed down and is expected to pick in the subsequent year to have the project delivered for use on time. The Olympic size swimming pool and the Footbridge construction commenced and realized 85% and 100% completion rate respectively by 30th June 2024. These are flagship projects for the University as they will contribute significantly to achieving high quality training and research and improvement on the general ambience of the University.

Student welfare

The lives and experiences of our students is key in our mandate as a University. In the year 2023/2024, we supported various activities which involve students such as sports and games, choir and drama, talent scholarships, student leadership and work-study. A new set of student leaders were elected to the MMUSO Council through a competitive, peaceful and democratic election. Our various teams performed very well taking top honors in various sports in the country. The University Council and Management will continue to allocate resources to these activities to promote holistic growth and development of our student. A total of Kshs. 38,433,574 was spent towards these activities in this financial year.

Conclusion

I wish to take this opportunity to thank the Council, the University Management Board, Senate and other organs of the University for their leadership and commitment to the realization of the mandate of the University the FY 2023/2024. I also wish to thank all our students. My appreciation also goes out to the entire staff for their steady commitment that realized the progress recorded in the year ended 30th June 2024. Finally, I wish to particularly appreciate the support of the National Government and other stakeholders in fulfilling their commitments to our university and assure them of our continued cooperation and prudent utilization of resources bestowed on us.

Thank you very much. God bless you.



**Prof. Solomon I. Shibairo, PhD
VICE CHANCELLOR**

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7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE YEAR 2023/2024

MMUST developed its annual work plan and performance contract for FY 2023/2024 based on the targets aimed at pulling the University forward. All heads of cost centres signed cascaded performance contracts with their immediate supervisors. Assessment of the performance for each cost centre is carried out on quarterly basis. The University achieved its performance contract targets set for the FY 2023/2024 as follows:

Table 1: Actual performance contract FY 2023/2024 Achievements

S/No.	Performance Criteria	Unit of Measure	Annual Target (FY)	Actual Performance	Impact of outcomes
A	Financial Stewardship				
A1	Absorption of Allocated Funds(GoK)	%	100.00	94.125	Low Absorption of development funding at 22%
A2	Appropriation -In-Aid	Kshs.	1, 982,181,322	1,894,008,979	High realization at 149%
A3	Absorption of Externally Mobilized Funds	%	100.00 (50M)	94.8 (47.4M)	Exceeded target
A4	Pending Bills Ratio	%	1.00	0	Achieved target
B	Service Delivery				
B1	Implementation of Citizens' Service Delivery Charter	%	100.00	100	Target Achieved
B2	Digitalization of Government Services	%	100.00	100	On course
B3	Resolution of Public Complaints	%	100.00	95	As per CAJ compliance certificate
C	Core Mandate				
C234_1	Student Completion Rate	%	80.00	88.40	The cohort of 2019 admissions was 3,406 of which 3,011 graduated while 395 did not make our 2023 December graduation list
C234_2	Number of Programmes Reviewed	%	5	5	Five programmes from School of Education reviewed and aligned to CBC awaiting submission to CUE
C234_3	Student Mentored	No.	1,100	600	University mentors trained and have started mentorship professional bodies in SOBE, School of Medicine and SPHBS&T undertook career mentorship for 600 students

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C234_4	Increase in Proportion of Academic Staff with PhD Degree	%	2.00	2.2	Annual achievement was additional Eight (8) Lecturers by end of 4 th quarter recruited and 2 awarded making a total of 7 out of 8
C234_5	Number of Students on Continuing Education Programme	No	400	597	On course for undergraduate and postgraduate programmes
C234_6	Intellectual Property Registration	No.	1	1	Registration of 3 IPR expected by end of 4 th quarter
C234_7	Number of Innovations Commercialized	No.	1	2	Achieved
C234_8	Research Out- put Disseminated	No	214	150	Number of journal publication expected to rise by 4 th quarter
C234_9	University industrial Linkages Established	No	14	14	Target exceeded
C234_10	Communities Outreach Programmes	No	14	14	2 medical camps, 3 Education mentorship and 9 programmes in Humanitarian outreach
C234_11	Number of Cultural Events Undertaken	No	1	2	Tamasha week undertaken and the Bull fighting activity was part of the activities
C234_12	Webometrics Ranking	Global Rank	4538	4538	New rankings expected this July
C234_13	Articles Published in Referred Journals	No	100	188	Additional effort required to achieve target of 200
C234_15	Library Resources Enhanced	%	30	100	Process of procurement of 600 textbook is complete leading to realization of 100% for this indicator
C234_16	Strategic Plan Developed	%	20	100	Validation by stakeholders (20%) and approval by university councils (10%) undertaken in the 4 th quarter
C234_17	STI Mainstreaming	%	25	100	Implementing of activities work in progress
C234_18	Project Completion Rate	%	44.86	69.86	Implementation status for 5 projects shown on the attached project implementation matrix
C234_19	Productivity Mainstreaming	%	21.25	78.75	Development of workplace improvement strategy (20%)

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					and completion of productivity index (25%) to be concluded in 4 th quarter
C234_20	Researchers Incentivized	%	10	80	Establishment of research grants office (20%) and done awarding distinguished researchers (20%) to be undertaken in 4 th quarter
C234_22	Compliance with GovernmentCirculars	%	20	54	Required (i) An Audit report on compliance of ALL PSC circulars and SRC advisories (70%) (ii) Submission of a compliance report to CS Ministry of Education (30%)
C234_23	University Niching	%	65	100	Establishment of STEM Lab (20%) achieved
C234_24	Innovative Financing OptionsExplored	Report	2	0	The following not achieved: (i) Review of IGU policy (ii) Renovation of students hostel (iii) Establishment of prior learning certification centre (iv) Enhancement of university endowment fund
C234_25	CBC Readiness	%	65	100	Committee established staff trained and 5 programmes reviewed to align to CBC
D	Implementatio n of Presidential Directives				
D1	Implementation of PresidentialDirectives	%	25	100	Implementation of activities work in progress
E	Affirmative Action in Procurement				
E1	Access to Government Procurement Opportunities	Kshs	9,313,663	90,381,102	Not yet achieved
E2	Promotion of Local Content inProcurement	Kshs	31,000,000	142,400,805	Not yet achieved
F	Cross - Cutting				
F1	Asset Management	%	25	100	Achieved

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F2	Youth Internships/ Industrial Attachments/ Apprenticeships	No	121	490	Target exceeded
F3	Competence Development	%	10	50	Required: (i) A report on addressing of staff skills gaps (30%) (ii) Undertaking staff appraisal and submitting a report (15%) (iii) Implementing appraisal recommendations (15%)
F4	National Values and Principles of Governance	%	60	100	Annual report (60%) to be submitted by 15 th July, 2024 as per guidelines
F5	Road Safety Mainstreaming	%	25	100	Achieved

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8. CORPORATE GOVERNANCE STATEMENT

Corporate governance comprises rules, procedures, regulations and processes through which the University is directed. According to the provision of the University Charter and the University Act No 42 of 2012, MMUST has the following established organs of Governance:

- The Council
- The Senate
- University Management Board

MMUST is committed to mainstreaming best practices in corporate governance. The University has a duty of care to conduct affairs in a responsible and transparent way and to take into account the requirements of funding bodies and other stakeholders.

The University's Council is responsible for enforcing a sound system of internal controls that support the achievement of aims, objectives and implementation of policies enacted while safeguarding the public and other funds and assets for which the Council is responsible. The systems of internal controls are designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness against material misstatement or loss.

The University Council has adopted a Statement of Primary Responsibilities which is published on the University's Strategic Plan and Website. This Statement sets out the Council's responsibilities in respect of the proper conduct of public business, strategic planning, monitoring effectiveness and performance, finance, audit, estate management, human resource management, equality and diversity, student welfare, health and safety and the appointment of the University officers.

i) The Appointment and Retirement of the Council

The Council is the overall Governing Board of the University. The Council is appointed by the Cabinet Secretary responsible for University Education as per the Universities Act No. 42 of 2012. The Council consists of nine (9) members including the Vice Chancellor who is an ex-official member and Secretary to the Council. The Council is appointed for a term of three (3) years to oversee good governance. The Cabinet Secretary ensures rotation of key council positions to ensure continuity upon retirement or expiry of their terms.

ii) The Role and Functions of the Council

Section 35(1) (a) of the Universities Act, No. 42 of 2012 provides for the following roles of the Council to:

- a) Employ staff
- b) Approve the Statutes of the University and cause them to be published in the Kenya Gazette
- c) Approve the policies of the University
- d) Approve the budget
- e) Recommend for appointment of the Vice Chancellor, Deputy Vice Chancellors and Principals of Constituent Colleges through a competitive process; and

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- f) Undertake other functions set out under the Act and MMUST Charter.

iii) Committees of the Council

The Council has various committees that enable it perform its functions with more specialized skills. These committees are headed by a member who's training and professional skills are amenable to offer good work.

The Audit, Governance and Risk Management Committee has in place an approved Audit Charter that spells out the responsibilities of the Committee. It details the type of work and powers that the Committee has. The purpose of the Charter is to assist the Council members in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the University's process for monitoring compliance with laws and regulations and the Code of Conduct.

The following are the Committees of MMUST Council:

- a) Planning, Finance and General Purposes Committee
- b) Academics, Students Affairs, Research, Innovation and Development Committee.
- c) Human Resource Committee
- d) Audit Committee

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iv) Full Council and Committee Meetings

The Council and its committees made several meetings in the financial year 2023/2024. The following are the meetings attended by each Council member in their respective committees and Council.

Table 1: Full Council meetings for 2023/2024

	07/9/2023 (1 st Regular)	11/07/2023 (1 st Special)	18/08/2023 (2 ^d Special)	15/9/2023 (3 rd Special)	13/10/2023 (4 th Special)	3/11/2023 (5 th Special)	21/11/2023 (2 nd Regular)	8/03/2024 (3 rd Regular)	25/03/2024 (6 th Special)	7/06/2024 (4 th Regular)
Prof. Solomon Shibairo	✓	✓	✓	✓	✓	✓	✓	✓		
Prof. Charles Mutai									✓	✓
Dr. Pamela Sitienei	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. George Lutomia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Susan N. Nyasinga HSC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Kennedy Ochieng' Oluong'o	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CPA Grace W. Kimotho	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Dorothy N.O. Kimeu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Peter Muhia Wanjiku	✓	✓	✓	X	✓	X	✓	✓	✓	✓
Mr. Bathlomew W. Wanikina	✓	✓	✓	✓	✓	✓	✓			
Ms. Eunice Wakofula								✓	✓	✓

Table 2: The Planning, Finance and General Purposes Committee Attendance for 2023/24

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	NAME	10/07/2023 (1st Regular)	8/09/2023 (1st Special)	11/10/2023 (2nd Regular)	11/01/2024 (3rd Regular)	24/01/2024 (2nd Special)	25/03/2024 (3rd Special)	2/04/2024 (4th Special)	12/04/2024 (4th Regular)
1	Dr. George Lutomia	✓	✓	✓		✓	✓	✓	✓
2	Dr. Kennedy Ochieng' Oluong'o	✓	✓	✓		✓	✓	✓	
3	Mr. Peter Muhia Wanjiku	✓	✓	X		✓		✓	
4	Mr. Bathlomew W. Wanikina	✓	✓	✓		✓			
5	Ms. Eunice Wakofula						✓	X	
6	Prof. Solomon I. Shibairo	✓	X	✓		✓			
7	Prof. Charles Mutai							✓	

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Table 3: Academics, Students Affairs, Research, Innovation and Development

		11/08/2023 (1 st Regular)	20/10/2024 (2 nd Regular)	28/02-23 (3 rd Regular)	23/05/2024 (4 th Regular)
1	Ms. Susan Nyasinga	✓	✓	✓	✓
2	CPA. Grace Kimotho				✓
3	Dr. George Lutomia	✓	✓	✓	
4	Ms. Dorothy Kimeu	✓	✓	✓	X
5	Mr. Peter Muhia Wanjiku	✓	✓	✓	X
6	Mr. Bathlomew W. Wanikina	✓	✓	✓	
7	Ms. Eunice Wakofula				✓
8	Prof. Solomon I. Shibairo	✓	✓	✓	
9	Prof. Charles Mutai				✓

Committee.

Table 4: The Human Resources Management Committee

	NAME	10/07/2023 (1 st Regular)	11/10/2023 (2 nd Regular)	27/02/2024 (3 rd Regular)	4/05/2024 (4 th Regular)
1	Dr. Kennedy Olungo	✓	✓	✓	
2	Dr. George Lutomia				✓
3	CPA. Grace Kimotho	✓	✓	✓	X
4	Mr. Peter Muhia Wanjiku	✓	✓	X	X
5	Mr. Bathlomew W. Wanikina	✓	✓	✓	
6	Ms. Eunice Wakofula				✓
7	Prof. Solomon I. Shibairo	✓	✓	✓	X

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8	Prof. Charles Mutai					✓
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Table 5: The Audit Committee

	NAME	25/08/2023 1 st Regular)	12/10/2023 (2 nd Regular)	12/01/2024 3 rd Regular	12/04/2024 (4 th Regular)
1	CPA. Grace Kimotho	✓	✓	X	✓
2	Ms. Susan Nyasinga	✓	✓	✓	✓
3	Ms. Dorothy Kimeu	✓	✓	✓	✓
4	Mr. Peter Muhia Wanjiku	✓	✓	✓	✓
5	Mr. Bathlomew W. Wanikina	✓	✓	✓	
6	Ms. Eunice Wakofula				✓

Key:

- ✓ = Attended
- X = Not attended

v) Remuneration of Council

Council members are remunerated for their services in accordance with the prevailing relevant legislative provisions and/or guidance from the relevant authority. In line with best practice, the remuneration should include base pay, attendance allowances and bonuses.

The following shall apply:

i) Chairman

(a) Monthly Honoraria

A monthly taxable honorarium of up to a maximum of Kshs.80, 000 is paid to the Chairman.

(b) Telephone Services for Chairman only

(i) Mobile phone airtime; up to a maximum of Kshs.5, 000/= per month.

(ii) Land-line prepaid telephone card: up to a maximum of Kshs.2, 000 per month.

2) All Members

(a) Sitting Allowance

A taxable sitting allowance of up to a maximum of Kshs.20, 000/= per sitting may be paid to Chairman and members. In addition, sitting allowance may be payable when on official duty in and outside the country.

vi) Conflict of Interest

Conflict of interest may arise where a Council member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Council member's official duties and responsibilities. Conflict may also arise where a Council member uses their office for personal gain.

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Council members are required to avoid conflict of interest and deal at arm's-length in any matter that relates to the organization. However, a Council member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Council. In so reporting, the Council member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Council member shall abstain from decisions where the conflict exists.

The Corporation Secretary should keep a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Council for recording, any other business or interest likely to create a potential conflict of interest.

vii) Evaluation of Council Performance

The Council will conduct an annual evaluation to appraise its performance. This evaluation will be carried out in accordance with the Council Evaluation Tool.

The Council evaluation provides an opportunity for Council members to identify strengths, collective skill gaps and individual areas of improvement. The Council will also review the performance of each committee against the agreed Terms of Reference. The Council will also evaluate the performance of the CEO and Corporation Secretary.

viii) Process of appointment and removal of Council members

i. The relevant appointing authority shall select and appoint Council members. Every appointment shall be by name and by notice in the Kenya Gazette but shall cease if the Council member:

- (a) Serves the appointing authority with a written notice of resignation; or
- (b) Is absent, without the permission of the Chairperson, from three consecutive meetings; or
- (c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
- (d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of Council; or
- (e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of Council.

ii. Any removal of a Council member under (i) above, shall be through formal revocation.

iii. The Corporation Secretary will ensure that a record of the appointment letter, gazette notice and written acceptance by the Council member are kept in the personal file of the Council member.

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9. MANAGEMENT DISCUSSION AND ANALYSIS

a) Financial Operating Results and Review of Performance

The University realized revenue of Kshs 3,390M in the FY 2023/2024. This was an increase in performance from Kshs. 3,036M realized in FY 2022/2023 hence resulting into a marginal revenue increase of 11%. The increase in cumulative revenue for comparable year is attributed to a major increase in the number of first years' admission and increase in tuition fees charged as a result of New Funding Model (NFM). The NFM charges full Differentiated Unit Cost (DUC) per programme with students paying through loans, scholarships and individual contributions based on the need assessment per student. The realized total revenue in FY 2023/2024 was 103% of the annual target of Kshs. 3,301m. The recurrent grants went down Kshs.1, 318m in 2023/2024 due to the new funding model. Recurrent Grants achieved Kshs. 1,318m against a target of 1,318m realizing 100%.

The University expended Kshs. 3,419M in the year under review with employee costs incurring Kshs. 2,362M which is 64% of the total expenditure. Academic expenses towards the core mandate of the University constituted Kshs. 342m which is 9% of the total expenditure. From these indicators it is clear that employee costs will continue to take a large portion of recurrent expenditures in the future.

The University recorded a rise in deficit from Kshs (37M) in 2023/2023 to Kshs (29M) in 2023/2024. This decrease in performance is caused by provision of impaired student debtors of Kshs 177M for the year. The provision is necessary as per policy in order to fairly state the student debtors in the financial statements so as not to carry overstated assets. The University remains solvent and able to meet its obligations for both the short-term and the long-term.

In terms of contribution to revenue by source, in FY 2022/2023 Recurrent Grants contributed 39% to all operating income followed by Tuition and related revenues at 56% with the other sources namely Research Grants, IGU and Other income sources contributing 2.3%, 0.7% and 1.9% of the total revenue respectively.

Table 9.1: Comparative Income Sources

Year	2023/2024		2022/2023		2021/2022		2020/2021	
	Kshs (M)	% age	Kshs (M)	% age	Kshs (M)	% age	Kshs (M)	% age
Recurrent Grants	1,318	39	1,762	58	1,762	56	1,900	62.7
Tuition & Related Charges	1,894	56	1,153	38	1,305	41	1,065	35.17
Research Grants	77	2.3	44	1.5	34	1	23	0.77
IGU	27	0.7	16	0.5	20.7	0.66	18	0.60
Other Income	64	1.9	60	2	44.7	1.4	24	0.73
TOTAL	3,390	100	3,036	100	3,167	100	3,030	100

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Table 9.2: Comparative growth in revenue and surpluses

Year	2024	2023	2022	2021	2020	2019
	Kshs (M)	Kshs. (M)	Kshs. (M)	Kshs. (M)	Kshs. (M)	Kshs. (M)
Revenues	3,390	3,036	3,167	3,028	3,225	2,984
Operating Surplus (Deficit)	(29)	(37)	16	258	296	248
Net Profit Percentage	(0.86)	(1.2)	0.5	8.5	8.9	8.3

Over the last four years we have continued to realize positive results as indicated in table 9.2 except for the current year where the university has recorded a major deficit of 0.86%. This was attributed to a full provision of impaired student debtors of Kshs 450m in the year. With the on-going reforms the University will continue to look at all possible ways of maintaining the reported growth. Changes in university funding especially the implementation of the New Funding Model have given positive indications towards resolution of long-standing financial problems.

Table 9.3: Comparative Financial Position and ratio Analysis

Year	30.06.24	30.06.23	30.06.22	30.06.21	30.06.20
	Kshs (M)	Kshs (M)	Kshs (M)	Kshs. (M)	Kshs. (M)
Assets					
Non- Current Assets					
Property & Equipment & Others	5,686	5,640	5,093	5,044	5088
Total Non- Current Assets	5,686	5,640	5,093	5,044	5,088
Current Assets					
Inventories	12	14	25	36	40
Accounts Receivables	910	995	842	1201	1061
Cash & Bank Balances	648	517	562	517	480
Total Current Assets	1,570	1,526	1,431	1754	1583
TOTAL ASSETS	7,255	7,168	6,524	6,798	6671
EQUITY & LIABILITIES					
Capital Reserves	6,436	6,515	5,893	6,025	5,643
Revenue Reserves (P&L)	(29)	(37)	16	258	296
Total Equity	6,407	6,478	5,909	6,282	5,932
Total liabilities	820	689	621	517	732
TOTAL EQUITY & LIABILITIES	7,255	7,168	6,524	6,798	6,682
Key Ratios					
(i) Current Ratio	1.9	2.2	2.35	3.40	2.19
(ii) Acid Test Ratio	1.9	2.18	2.31	3.336	2.13
(iii) Debt to Assets Ratio	0.11	0.12	0.095	0.075	0.11
(iv) Total Assets Turnover	0.46	0.42	0.48	0.45	0.5
(v) Return on Investments (ROI)	0	0	0.25	4.0	5.0

Table 9.3 shows the growth of the University over a five-year period. The marginal increase in total assets is very low, from Kshs.7,168m in 2023 to Kshs. 7,255m in 2024. The low increase is attributable to a third (1/3) of full provision of impaired student debtors which have proved uncollectable over the years. The total liabilities have slightly increased as a

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result of the ongoing capital projects due to retained project costs payable upon successful completion of the project.

Key financial ratios are indicative of a strong financial position with liquidity covered by more than 1 across all the years. Debts assets ratio shows only 12% debt on our balance sheet in FY 2023/2024.

Return on Investment remained at 0% in 2022/2023 and in 2023/2024. This is an indication of depressed surplus owing to increased costs of operations in the year.

Management continues to deploy relevant strategies to ensure that all required minimal standards in terms of prudent financial management are complied with.

b) Compliance with statutory requirements

The University has complied with all financial statutory requirements namely Pay as You Earn, Value Added Tax, Withholding Tax, National Social Security Fund, National Hospital Insurance Fund, National Industrial Training Act Levy, Pension remittances and statutory reporting requirements. The Management has put in place a robust system to ensure that all timelines with respect to statutory obligations are met without any deviations from the set statutory dates. The University prepares and submits quarterly reports and financial statements as required under Section 83 of the Public Finance Management Act, 2012

c) Key Investments

The University implemented the following investments in the FY 2023/2024

	Project	Total project Cost	Contribution on delivery Mandate	on Project Sustainability Statement	Source of Funding	Actual
1	Swimming Pool	93,719,180	Enhances training of physical education students	Charge reasonable user fees to take care of operations & maintenance of the asset	Internally generated revenues (AIA)	66,637,049
2	Foot Bridge	11,419,395	Enhances accessibility of various installations	Continuous maintenance to ensure usability	Internally generated revenues (AIA)	11,046,070
3	Engineering Complex	716,991,230	Enhances training of Engineering and Technical skills	Charge reasonable user fees to take care of operations & asset maintenance.	GoK Development Grants	220,463,738

d) Risks facing the University

The University activities are exposed to a number of risks that include credit risks, liquidity risks and operational risks among others. Management has put in place various strategies to mitigate the risks. Student debtors remain a key risk area for the University since the average collection period extends beyond the industry benchmarks which is two (2) months. The University has developed an elaborate Risk Register for implementing its risk strategies.

e) Material arrears in statutory/Financial obligations

The University has complied with all financial statutory obligations and has a Tax Compliance Certificate (TCC) valid until 6th September 2024.

f) The entity's financial probity and serious governance issues

There was no financial probity and governance issue during the year under review.

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10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

(i) MMUST Sustainability Statements

Masinde Muliro University of Science and Technology sustainability agenda is focused on meeting the needs of the present without compromising the ability of the future generation in meeting their needs. MMUST is committed to meeting the Environmental, Social and Governance (ESG) standards and expectations. MMUST sustainability refers to doing business responsibly, empowering, protecting future generation and building resilient institution to adapt to challenging environment. The University has invested in the community through sustainable, social and environmental activities and partnerships.

As part of sustainability practice, we have in place an enterprise risk management practice system that takes a net - risk approach which ensures that our leadership is fully and timely informed about significant risks.

Corporate Social Responsibility (CSR), is one of the University's core businesses as provided by the Universities Act 2012 of laws of Kenya which helps in creating a sense of goodwill between the University and its internal and external stakeholders. Through CSR initiatives, MMUST seeks to integrate the interest of all stakeholders including employees, students, partners and the community in its business operations and values. CSR initiatives include: field courses, student community outreach activities, annual Agribusiness trade fair and exhibitions, environmental conservation and sustainability, donating to charities and sponsoring local events. Towards this end, the following activities were carried out to support CSR in 2023-2024 FY.

(ii) Environmental Conservation.

University participated in a tree planting exercises various parts of the county. The MMUST management, together with the MMUST Greening Initiative Committee, MMUST chapter of the Youths for Greening Action Kenya (YGAK), MMUST Dean of Students Office, and with other partners, organized a two hundred thousand (200,000) tree growing exercise at Kaberwa block, Mt Elgon forest in Bungoma county from 13th to 18th May 2024. This initiative aimed to restore 129 acres of the degraded 350 acres targeted by the Kaberwa Forest Station. The exercise dubbed Mt. Elgon 200,000 trees project forms a part of the larger Future in a Million Trees project.

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A section of participants group photo

A total of One hundred and Fifty Five Thousand Six Hundred and Eighty Seven, (155, 687) tree seedlings were planted on 52.6 Ha (129.63 acres) during the period. This was achieved with MMUST participants planting an average of 150 tree seedlings per day for the the six days, with MMUST planting a total of One Hundred and Eight Thousand, (108, 000) seedlings.

As the Mt. Elgon re-afforestation exercise was ongoing, the Kaberwa Forest Station manager Mr. Godfrey Opana requested the Ag. Deputy Vice Chancellor, Prof. Josephine Ngaira during one of her visits on site, that MMUST formally adopt an important water source in one of the blocks allocated for conservation. This is the source of river Chemorir which is a very important source for the river Chemorir wetlands further downstream. The area surrounding this important water source has been severely degraded over time. He advised that the most appropriate immediate remedy was to plant bamboo saplings at the source. In response, Professor Ngaira donated ten bamboo saplings to kick-start this initiative and pledged that the university would take steps to continue with this conservation effort. The ten saplings were immediately planted at source of the river.

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Thank you to all our partners, donors, YGAK volunteers, Bungoma County administration, Kenya Wildlife Service, Kenya Forest Service, KFAs, Naivas, GIT, Victoria Furnitures, Masinde Muliro University of Science and Technology and the Kaberwa Community Members.

#MtElgon200000Trees

Project Patrons:



Supporting Partners:



THE FUTURE IS GREEN!!

info@vfgak.org

[f](#) [X](#) [in](#) @vfgak_kenya

Banner thanking Mt. Elgon 200,000 Seedlings project participants

In September 2023, the University, together with other partners, organized a thirty five thousand (35,000) Mangrove Propagule planting exercise in Port Reitz, Miritini in the Coastal region. This exercise also included a cleanup and sensitization exercise in Changamwe, Mombasa County. The exercise dubbed Mombasa 35,000 Mangroves project forms a part of the larger Future in a Million Trees project. The main sponsoring partner for this event was the organization Tag Dev (Transforming African Agricultural Universities to meaningfully contribute to Africa's growth and development).

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(a) Assistant County Commissioner planting ceremonial mangrove



(b) Dr. Owuor (Left) and Mr. Waswa (Right) – Masinde Muliro University Staff participating in mangrove restoration

On September 27th 2023, a cleanup activity was held in Changamwe Ward, Mombasa County, Kenya. The activity was a collaboration between volunteers from Youths for Green Action Kenya - MMUST and other Chapters, other organizations, local community members, and local authorities led by the Assistant County Commissioner of Changamwe Division, Mr. Nicholas Kaito. The goals of the clean-up activity were to clean up the community sports field and around the community social hall, and to educate the local community on solid waste management. Over 100 tons of solid waste were collected, and the local authorities and community members were educated on the definition of solid waste, types of solid waste, and ways to mitigate solid waste. The volunteers were able to educate the local community on the importance of solid waste management and how to reduce, recycle, reuse, and dispose of solid waste properly.



(a) Volunteers loading trash into removal truck



(b) Assistant County Commissioner, Changamwe, Mr. Nicholas Kaito presiding over cleanup exercise certificate issuance

The tree planting was a success on several fronts. First, it achieved its goal of restoring mangroves at Port Reitz Creek, which was largely destroyed during the construction of Dongo Kundu bridge which passes through the mangrove forest. Secondly, it educated and engaged the local community in mangrove conservation. Third, it created a positive relationship between the volunteers and the local community members which impacted on the interconnectedness and social interrelationship skills to the student volunteers. Both the the

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local administration and community were very grateful for the noble effort towards restoring mangrove cover.

(iii) Employee welfare

The University continues to take the welfare of its staff very seriously and as such has developed and implemented various policies and regulations. Negotiations for Staff welfare CBA are ongoing.

The following have been achieved in this area:

- i) Approval of Human Resource Policy Manual 2023
- ii) Terms of Service 2023
- iii) Negotiated three internal CBAs with unions.
- iv) Conducted staff training needs assessment.
- v) Conducted and effected staff promotions
- vi) Established Occupational Safety and Health Committee in compliance with OSHA 2007
- vii) Provided protective devices for staff working in risky areas.
- viii) Implemented Health Workers Allowances as per SRC Circular
- ix) Trained and mentored staff on new skills in various areas.

(iv) Market place practices

MMUST efforts as a responsible service provider are as follows:

a) Responsible competition practice.

- i) All our charges are approved after all stakeholder consultations
- ii) We conduct all our procurements in accordance with the law.
- iii) We do not condone corruption in all our dealings
- iv) We are apolitical as an institution of higher learning

b) Responsible Supply chain and supplier relations

MMUST continues to adopt best practices in its dealings with its suppliers and creditors by performing the following:

- i) Carrying out prequalification of suppliers
- ii) Promoting transparency and competitiveness in the tendering process
- iii) Compliance with the law in procurement
- iv) Prompt settlement of supplier accounts
- v) Timely resolution of supplier complaints

c) Responsible marketing and advertisement-

MMUST ensures responsible marketing and advertisement as follows:

- i) Allocate marketing opportunities equally to all players
- ii) Review of advertisement content and ethical selection of channels
- iii) Prompt payment to service providers

d) Product stewardship

MMUST consolidates its offerings through:

- i) Differentiated product offering
- ii) Market research to inform consumer needs
- iii) Quality service delivery.

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(v) Corporate Social Responsibility/Community Engagement

a. Mmust Officially Launches Tree Planting Initiative in Kakamega Forest as it Leads The 'Green Revolution' Across the Country

MMUST on 3 June, 2024 officially launched a tree planting initiative in Kakamega forest as it takes the lead in championing the 'green revolution' across the country. The tree planting exercise, which took place near Lianungu village, was attended by a number of stakeholders including the Western Region Forest Service, Youth for Green Action Kenya- MMUST Chapter, Kenya Red cross- MMUST Chapter, St. John's Ambulance- MMUST Chapter and the community around Lianungu. The event was graced by the Acting Deputy Vice Chancellor, Planning Research and Innovation- Prof. Josephine Ngaira who was representing the Acting Vice Chancellor, Prof. Charles Mutai.



Prof. Josephine Ngaira, Acting DVC PRI leading tree planting session at Kakamega Forest.

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b. Hygiene: Pad Drive for Standard Eight Candidates at Kakamega Muslim Primary.



Kakamega Muslim Primary is one of the twenty five primary school in the Kakamega central sub county. It has a student population of 400 and staff size of 21. The school has a candidate class of 103 sitting for KCPE this year. Many adolescents in schools have challenges of menstrual hygiene. This challenge ranges from lack of understanding of body physiological changes taking place during this period, lack of sanitary pads or appropriate methods of disposal. This challenges usually affect learning of many adolescent girls.

Clubs from Masinde Muliro University of Science and Technology, namely: Peace Ambassadors Kenya MMUST Chapter, Kenya Red Cross MMUST Chapter, Youths for Green Action Kenya, Disaster and Environmental Management Association, Peer counseling club, and Rotaract MMUST chapter partnered to donate sanitary pads for Kakamega Primary Standard Eight candidates sitting for their Kenya Certificate of Primary Education.

Objective of the event.

- 1) To support the girl child by donating pads for candidate girls to use during the examination period and educate the boy child.

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- 2) To give a health talk to sensitize learners on of menstrual hygiene and sanitation.
- 3) To promote the candidates health and well-being during the Kenya certificate of primary education examinations.
- 4) To promote environmental conservation through planting of trees planted during the

Recommendations for future

1. Plan early for mobilization for the event to raise adequate resource
2. Identify and engage partners with similar Corporate Social Responsibility interests.
3. Lobby for other services related to school mentorship to be included in the programme .



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12. STATEMENT OF UNIVERSITY COUNCIL'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012, section 14 of the State Corporations Act and the Universities Act No. 42 Of 2012 require the Council to prepare financial statements in respect of that University, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for that year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

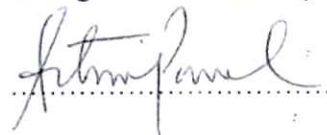
The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012, the State Corporations Act and the Universities Act No. 42 of 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2024, and of the University's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The University's financial statements were approved by the Council on 24th September 2024 and signed on its behalf by:



Dr. Pamela Sitienei
Chairman of Council



Prof. Solomon I. Shibairo
Vice Chancellor

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11. REPORT OF THE UNIVERSITY COUNCIL

The University Council submit their report together with the audited financial statements for the year ended June 30th, 2024 which show the state of Masinde Muliro University of Science and Technology's affairs.

Principal activities

The principal activities of the University are teaching, research, innovation and extension services.

Financial Performance

The University recorded a deficit of Kshs. **(28,946,159)** for the Financial Year ending 30th June 2024, a rise from Kshs. **(37,148,582)** deficit registered in the previous period ended 30th June 2023.

Council

Members of the University Council who served during the year are shown on part 3 of this report

Auditors

The Auditor General is responsible for the statutory audit of the Masinde Muliro University of Science and Technology in accordance with the Public Audit Act of 2015.

By Order of the Council

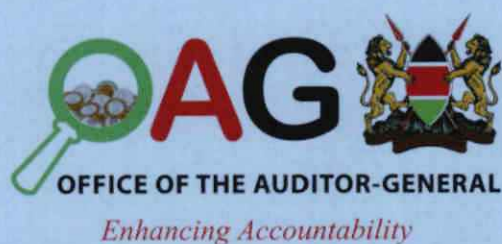
Sign.....

Date: 27th Sept. 2024

Prof. Solomon I. Shibairo

Vice Chancellor & Secretary to Council

REPUBLIC OF KENYA



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2024

PREAMBLE

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

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

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 Masinde Muliro University of Science and Technology set out on pages 1 to 60 which comprise of the statement of financial position as at 30 June, 2024 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 effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Masinde Muliro University of Science and Technology as at 30 June, 2024, 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, and the Universities Act, 2012.

Basis for Qualified Opinion

Long Outstanding Students Debtors

The statement of financial position reflects receivables from exchange transactions balance of Kshs.781,264,264 which is net of provision for bad debts totaling Kshs.247,764,291 as disclosed in Note 22 to the financial statements. Included in the receivables balance is an amount of Kshs.1,012,081,297 relating to students debtors, out of which a balance of Kshs.540,473,294 is in respect to students debtors which had been outstanding for more than 365 days as at 30 June, 2024.

In the circumstances, the recoverability of the student debtors balance of Kshs.1,012,081,297 could not be confirmed.

The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Masinde Muliro University of Science and Technology 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.

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. Except for the matter 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

1.Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and the Report on Lawfulness and Effectiveness in Use of Public Resources. However, the Management has not resolved the issues or given any explanation for the delay in resolving the issues.

2.Ownership of Turkana University College Land

Available information indicates that the Turkana University College which is a constituent college of Masinde Muliro University of Science and Technology sits on land valued at Kshs.80,000,000. The land which was originally titled under Mount Kenya University who were the previous owners is yet to be transferred to Masinde Muliro University of Science and Technology for onward transfer to Turkana University College. As at the time of the audit in November, 2024 there was no evidence provided from Registrar of Lands on the progress of land registration in favour of Turkana University College.

Other Information

Management is responsible for the other information set out on page iv to xliii which comprise of University Information and Management, the University Council, Management Team, Chairperson of Council's Statement, Report from 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's 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 conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the 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. Failure to Use Market Survey Price Index

Review of the procurement records provided by Management revealed that, there was no evidence that the head of procurement unit had used market survey price index, which is intended to guide procurement decisions and ensure items are procured at prevailing market prices. This was contrary to Regulation 91(4) of the Public Procurement and Asset Disposal Regulations, 2020, which states that, before any decision to award a procurement under a request for quotation, the head of the procurement function shall by way of professional opinion make a recommendation based on a market survey.

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

2. Delay in Appointment of University Chancellor

Review of records provided for audit revealed that during the year under review, the University operated without a Chancellor, after the expiry of the term of the immediate former Chancellor in December, 2022. The University hierarchy was therefore not properly constituted which hindered strategic decisions and leadership. This was contrary to Section 38 (1)(a) of the Universities Act, 2012 which provides that every university shall have a Chancellor, who shall be appointed, in the case of a public university, by the President in accordance with the procedure set out in the Second Schedule.

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

3. Excess Wage Bill

The statement of financial performance as disclosed in Note 12(a) to the financial statements reflects an amount of Kshs.2,361,546,002 relating to employee costs. The

amount represents 70% of the University's total revenue for the year of Kshs.3,389,656,060. This is contrary to Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which states that expenditure on the compensation of employees shall not exceed 35% of total revenue.

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

4.Non-Adherence to the Law on Ethnic Diversity of Staff

Analysis of the payroll and staff list provided for audit review revealed that during the year under review, the University had 949 employees, both teaching and non-teaching and on permanent and pensionable terms. However, out of the total number, 623 employees or 66% were from one ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community.

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

5.Non-Adherence to One Third Basic Salary Rule

The statement of financial performance reflects an amount of Kshs.2,361,546,002 in respect of compensation of employees which, as disclosed in Note 12(a) to the financial statements, includes Kshs.1,178,711,726 being basic salaries of permanent employees. However, review of the Integrated Payroll and Personnel Database (IPPD) as at 30 June, 2024 revealed that four (4) employees were earning net salaries that were less than one-third of their basic salaries. This is contrary to Section 19(3) of the Employment Act, 2007 which provides that total deductions from salaries of employees shall not exceed two-thirds of their respective basic salaries.

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

6. Effectiveness in Management of the Donor Funded Research Grants

The statement of financial performance reflects an amount of Kshs.76,860,348 in respect of research grants as disclosed in Note 7(a) to the financial statements. It was observed that Management issues research funds as imprest to the principal investigators as and when required, and the control of the issued funds is handled by the principal investigators, which are in turn accounted for as surrendered imprests. However, there was no documented policy or service level agreement between the University and principal investigators involved in research work provided for audit review, indicating the role of the University in oversight of the donor funded expenditure.

In the circumstances the effectiveness of the management of the research grants amounting to Kshs.76,860,348 could not be confirmed.

7.Unutilized Annual Leave Days

Review of the University's Human Resource records revealed that six hundred and seventeen (617) officers, comprising of board of Management, six-teen (16), teaching staff, one hundred and sixty-nine (169) and non-teaching staff, four hundred and thirty-two (432) officers have not been consistently taking their annual leave, some dating back to 2015 leave year. This was contrary to the directive by Head of Public Service Circular and Section 6.3 of the Human Resource Policy and Procedure Manual,2022.

In the circumstances, Management was in breach of law.

8.Delayed Construction of Olympic Size Swimming Pool and Associated Works

The University awarded a contract for the proposed construction of Olympic size swimming pool and associated works to a local firm at a contract sum of Kshs.78,200,692. The contract period was 52 weeks starting from 29 July, 2021 and ending 28 July, 2022. Due to the additional works not in the original bill of quantities, the contractor was given an extension period to complete the work by 15 March, 2024 with a revised contract sum of Kshs.93,719,181. However, the audit inspection conducted on 26 September, 2024 revealed the following:

- I. As at the time of inspection only 77% of the work had been done whereas the University had paid to the contractor a total of Kshs.65,122,906 or 69.49% of the contract sum.
- II. The contract period had lapsed and the contractor was on site without an extension letter.
- III. The performance bond and insurance of the project had already lapsed.
- IV. Works relating to the construction of baby pool, roofing of the VIP spectator lounge, landscaping, parking shade and pavements, tiling of the pool, painting of windows and gate fixing had not been done.

In the circumstances, the University may not have obtained value for money from the project.

9.Failure to Carry Out Safety and Health Audits

Review of the work place safety documents provided for audit verification revealed that, there were no safety and health audits carried out by the University during the year under review. This is contrary to Section 11(1) of the Occupational Safety and Health Act,2007, which requires that the occupier of a workplace shall cause a thorough safety and health audit of his workplace to be carried out at least once in every period of twelve months by

a safety and health advisor who shall issue a report of such an audit containing the prescribed fee and shall send a copy of the report to the Director.

In the circumstances, Management was in breach of law and health and safety of the University staff, students and other stakeholders may have been compromised.

10. Long Outstanding Staff Debtors

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.129,126,165, which as disclosed in Note 23 to the financial statements includes an amount of Kshs.19,189,758 relating to outstanding staff imprest. This amount includes a balance of Kshs.2,118,960 owed by staff who have since left employment and whose recovery is doubtful, and a balance of Kshs.17,070,798 which was due for surrender as at 30 June, 2024 but was not surrendered, and whose subsequent clearance dates were not provided for audit review.

This was contrary to Regulation 93 (5) of the Public Finance Management (National Government) Regulations, 2015 which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station.

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

The audit was conducted in accordance with ISSAIs 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

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

Basis for Conclusion

1. Weaknesses in Internal Audit Function

1.1. Late Submission of Internal Audit Work Plan

Review of the records from the internal audit unit of the University revealed that the work plan for the financial year 2023/2024 was submitted and approved by the audit committee

on 28 August, 2023 against the stipulated deadline of 15 February, 2023. This was contrary to Regulation 170(2) of the Public Finance Management (National Government) Regulations, 2015 which requires that, the annual work plan developed in Paragraph (1) shall be submitted to the audit committee by 15th February each financial year; and approved by the audit committee and shared with the Accounting Officer of that entity, in sufficient time for conclusion in the budget of that entity.

1.2. Lack of Performance Appraisal of the Internal Audit Function

Review of the records and reports revealed that, the Audit Committee did not carry out annual review of the independence, performance and competency of the internal audit unit and comment on their effectiveness in the annual report. In addition, the internal audit unit did not go through a professional assessment of its effectiveness done by a professional body or recognized institution which should be done once every three (3) years but not more than five (5) years. This has never been done since the inception of the University. This was contrary to Regulation 166 (1) (2) and (3) of the Public Finance Management (National Government) Regulations, 2015.

1.3. Lack of Fraud Reporting Mechanism/ Whistle blowing

It was observed that, the University has no mechanism where fraud can be reported by staff or any other person in confidence and without exposing the identity of the person reporting, besides what the internal audit may come to know and initiate an investigation. This is contrary to clause 3.3.3 of the Kenya Gazette No.40 dated 15 April, 2016 on Audit Committee guidelines, which requires that the audit committee should review arrangements by which staff of the entity or any other person may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

In the circumstances, the effectiveness of the University's internal audit function could not be confirmed.

2. Unaccounted for Motor Vehicle

Review of the ownership documents relating to assets provided for audit verification revealed that, a motor vehicle, Nissan NU41 make, was recorded in the fixed asset register. However, physical existence of the motor vehicle was not confirmed.

In the circumstances, the effectiveness of the University's assets management could not be confirmed.

3. Weaknesses in the Information Communication Technology (ICT) Internal Control Environment

Review of the University's ICT environment revealed that, the University has an Enterprise Resource Planning (ERP) system. However, the entire University ICT

infrastructure had no Antivirus software in place and licensed office suits package during the year under review. Further, physical inspection conducted in August, 2024 on key ICT installations that houses the main database of the University revealed that the register that is supposed to monitor any staff or individual authorized or otherwise to carry maintenance and checks was not updated, the last entry being in April, 2024.

In the circumstances, the effectiveness of the University's ICT internal controls environment could not be confirmed.

The audit was conducted in accordance with ISSAIs 2315 and 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 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 the 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 sustain services, disclosing, as applicable, matters related to sustainability of the services and using the applicable basis of accounting unless Management is aware of the intention to terminate the University or cease its 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, the 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


31 December, 2024

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
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14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2024

Details	Notes	2024	2023
Revenue from non-exchange transactions		Kshs	Kshs
Recurrent Grant(GoK)	6(a)	1,318,827,678	1,762,741,502
Research Grants	7(a)	76,860,348	45,142,114
Total Revenue from non-exchange transactions		1,395,688,026	1,807,883,616
Revenue from exchange transactions			
Tuition and Related Charges	8(a)	1,894,110,812	1,152,747,122
Income Generating Units	9(a)	27,227,454	15,927,992
Other Income	10(a)	64,467,791	34,125,160
Finance income	11	8,161,976	25,598,418
Total Revenue from exchange transactions		1,993,968,033	1,228,398,692
Total Revenue		3,389,656,060	3,036,282,308
Expenses			
Employee costs	12(a)	2,361,546,002	2,304,214,177
Depreciation and amortization	13	142,882,332	154,822,147
Repairs and Maintenance Expenses	14(a)	36,838,218	28,159,267
Contracted Services	15(a)	99,808,213	109,178,090
Use of good and services	16(a)	227,192,879	164,528,690
Academic (Teaching, Research and Extensions)	17(a)	342,232,934	288,753,381
Remuneration of Council	18(a)	30,885,289	22,144,256
Chancellor Expenses	19(a)	0	1,630,882
Provision for bad debts	20	177,216,352	0
Total expenses		3,418,602,218	3,073,430,890
Surplus/(Deficit)		(28,946,159)	(37,148,582)

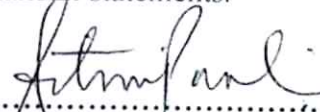
The notes set out on pages 1 to 48 form an integral part of these financial statements.



 Prof. Solomon Shibairo
 Vice Chancellor



 CPA Jared G. O. O. Rading
 Head of Finance
 ICPAK Number 6143



 Dr. Pamela Sitienei
 Chair of the Council

Date: 27/9/2024

Date: 27/9/2024

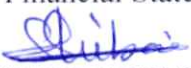
Date: 27/9/2024

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
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15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024

Details	Notes	2024	2023
		Kshs	Kshs
ASSETS			
Current assets			
Cash and cash equivalents	21	647,772,459	517,481,332
Receivables from exchange transactions	22	781,264,264	911,436,567
Receivables from non-exchange transactions	23	129,126,165	83,703,138
Inventories	24	11,693,645	14,386,300
Total Current Assets		1,569,856,533	1,527,007,337
Non-current assets			
Property, plant and equipment	25	5,672,289,716	,632,638,468
Biological Assets	26	1,184,200	1,588,100
Intangible assets	27	0	210,174
Butula Campus Development Project	28	12,150,142	6,113,710
Total non- current assets		5,685,624,058	5,640,550,452
TOTAL ASSETS		7,255,480,591	7,167,557,789
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	29	179,106,814	165,424,222
Refundable deposits from customers	30	432,333,995	353,749,176
Deferred income	32	84,894,110	54,889,185
Employee benefit obligation	34	61,754,589	49,443,678
Total current liabilities		758,089,508	623,506,261
Long term Liabilities			
Refundable deposits from customers	30A	53,581,033	51,960,033
Butula Campus Development Grant	31	7,849,858	13,886,290
Total Long-term liabilities		61,430,891	65,846,323
Total Liabilities		819,520,399	689,352,584
Net Assets (Total assets - Total Liabilities)		6,435,960,192	6,478,205,205
Represented by			
Capital Reserves		4,137,995,854	4,188,019,890
Revenue Surplus		-28,946,159	-37,148,582
Revaluation Reserves		2,326,910,497	2,327,333,897
Total Net Assets		6,435,960,192	6,478,205,205

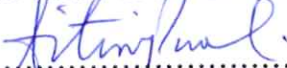
The Financial Statements set out on pages 1 to 48 were signed on behalf of the Council by:


 Prof. Solomon Shibaio
 Vice Chancellor

Date: 27/9/2024


 CPA Jared G. O. O. Rading
 Head of Finance

ICPAK Number 6143
 Date: 29/9/2024


 Dr. Pamela Sitienei
 Chairman of the Council

Date: 27/9/2024

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
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16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2024.

Details	Capital Grants Reserves	Accumulated Revenue Reserves	Revaluation Reserves	Total
Balance at June, 30 2022	3,565,174,414	16,155,630	2,327,488,997	5,908,819,040
Movement of Revenue to Capital Reserves	16,155,630	(16,155,630)		-
Surplus / Deficit for the year	(1)	(37,148,582)		(37,148,583)
Capital Grants for the year	626,725,087			626,725,087
Prior Year Adjustment	(20,035,240)			(20,035,240)
Revaluation Reserves			- (155,100)	(155,100)
Balance at June, 30 2023	4,188,019,890	(37,148,582)	2,327,333,897	6,478,205,205
Movement of Revenue to Capital Reserves	(37,148,582)	37,148,582		-
Surplus / Deficit for the year		(28,946,159)		(28,946,159)
Capital Grants for the year	39,786,432			39,786,432
Prior Year Adjustment	(52,661,884)			(52,661,884)
Trial Balance Suspense	-			-
Revaluation Reserves			- (423,400)	(423,400)
Balance at June, 30 2024	4,137,995,854	(28,946,159)	2,326,910,497	6,435,960,192

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17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2024

Details	Notes	2023/2024	2022/2023
		KES	KES
Cash flows from operating activities			
RECEIPTS			
Recurrent Grants	6(b)	1,208,925,371	1,762,741,502
Research Grants	7(b)	111,700,243	55,095,638
Tuition and Related Fees	8(b)	1,908,941,350	1,059,005,760
Income Generating Unit	9(b)	14,641,231	8,021,029
Other income	10(b)	37,427,818	19,566,917
Finance income	11	8,161,976	25,598,418
Underspent Imprest		3,007,918	5,269,996
Total Receipts		3,292,805,908	2,935,299,260
PAYMENTS			
Employee costs	12(b)	2,357,265,272	2,230,116,241
Repairs and maintenance Expenses	13(b)	33,755,712	23,817,170
Contracted services	14(b)	101,827,345	102,469,934
Use of Goods and Services	15(b)	219,663,157	169,888,183
Academic (Teaching, Research and Extensions)	16(b)	288,177,679	298,055,888
Remuneration of directors	17(b)	32,095,973	22,864,878
Chancellors Expenses	18(b)	0.00	842,900
Refundable deposits from Customers	30(b)	13,645,031	7,863,494
Prepayment Outflow	16	1,677,754	636,505
Total Payment		3,048,107,923	2,856,555,194
Net Cash flows from operating activities		244,697,985	78,744,066
Cash flows from investing activities			
Purchase of Property, Plant, Equipment and Intangible Assets	25 & 26	(188,359,840)	(158,757,220)
Net Cash flows from investing activities		(188,359,840)	(158,757,220)
Cash flows from financing activities			
Capital Grant Receipts		73,952,982	35,000,000
Net cash flows from financing activities		73,952,982	35,000,000
Net increase/(decrease) in cash & cash equivalents		130,291,127	(45,013,154)
Cash and Cash Equivalents at Beginning of the Year		517,481,332	562,494,486
Cash and Cash Equivalents at End of the Year		647,772,459	517,481,332

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18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2024

Details	Original budget	Adjustments	Final budget	Actual Outcome	Performance Difference	Variance
	2023/2024	2023/2024	2023/2024	2023/2024	2023/2024	%
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Recurrent Grants	1,318,827,678	-	1,318,827,678	1,318,827,678	-	100
Capital Grants	135,202,000		135,202,000	33,750,000	101,452,000	25
Research Grants	50,000,000	-	50,000,000	76,860,348	(26,860,348)	154
Tuition and Other Related Fees	1,869,448,322	-	1,869,448,322	1,894,110,812	(24,662,490)	101
Retained Earnings	203,860,000		203,860,000	154,609,840	49,250,160	76
Income generating Unit	25,482,000		25,482,000	27,227,454	(1,745,454)	107
Other Income	27,242,000	-	27,242,000	64,467,791	(37,225,791)	237
Finance income	10,000,000	-	10,000,000	8,161,976	1,838,024	82
Total Income	3,640,062,000	-	3,640,062,000	3,578,015,899	62,046,101	98
Expenses						
Employee costs	2,364,109,000		2,364,109,000	2,361,546,002	2,562,998	100
Depreciation and amortization	142,000,000		142,000,000	142,882,332	(882,332)	101
Repairs and Maintenance Expenses	38,300,000		38,300,000	36,838,218	1,461,782	96
Contracted Services	109,500,000		109,500,000	99,808,213	9,691,787	91
Use of goods and services	214,966,000		214,966,000	227,192,879	(12,226,879)	106
Academic (Teaching, Research and Extensions)	378,800,000		378,800,000	342,232,934	36,567,067	90
Remuneration of Council	30,500,000		30,500,000	30,885,289	(385,289)	101
Provision for bad debts	22,825,000	0	22,825,000	177,216,352	(154,391,352)	776
Capital Expenditure	39,062,000		339,062,000	188,359,840	150,702,160	56
Total Expenditure	3,640,062,000	-	3,640,062,000	3,606,962,058	33,099,942	99
Surplus	-	-	0	(28,946,159)	-	

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
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Notes to the Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2024

This budget statement relates to the approved Budget for Financial year 2023/2024 and was prepared on the same basis as per reporting and therefore requires no reconciliation.

1. The recurrent grants support from the National Government of Kshs. 1,318,827,678 was realized against planned amount of Kshs 1,318,827,678 thus registering 100% performance. This showed commitment from the National government to continue supporting the University.
2. The capital grants support from the National Government of Kshs. 33,750,000 was realized against planned amount of Kshs 135,202,000 thus registering 25% performance.
3. Research Grants income was realized Kshs. 76,860,348 against a projection of Kshs. 50,000,000 resulting into a performance of 154%. The absorption was within expectations in receipt and usage of the funds by the academic staff engaged in research and proposal writing.
4. Tuition and related charges recorded Kshs. 1,894,165,312 against a target of Kshs. 1,869,448,322 resulting into a performance of 101% of the budget amounts. The performance was within the expectations.
5. Retained Earnings: the university utilized Kshs 154,609,840 against a target of Kshs. 203,860,000 resulting into a performance of 76% of the budget amounts
6. Income Generating Unit realized Kshs. 27,227,454 against a target of Kshs. 25,482,000 which is 107%. The performance was within the expectations.
7. Other Income realized Kshs. 64,467,791 against a target of Kshs. 27,242,000 giving a performance of 237%. This was boosted by payment of long outstanding claim by Cooperative bank.
8. Employee costs recorded Kshs. 2,361,546,001 against a target of Kshs. 2,364,109,000 yielding 100% of the budget. This was achieved due to prudent budget management and employment practices.
9. Depreciation provision registered 101% against the budget. This largely depends on the level of Property, Plant & Equipment maintained in the year. There was a transfer of Kshs. 96m from work in progress to Buildings and Equipment which increased the base for depreciation calculation thus overrunning the provision in the budget. The details of this increase are contained in Note 25 of the financial statements.
10. Repairs and Maintenance recorded 96% performance of Kshs 36,838,218 against a budget of Kshs 38,300, 000 for the year on account of improved cost management and scheduled annual work plan adherence.

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11. Contracted services registered a performance of Kshs 99,808,213 which is 91% of the budgeted figure of Kshs 109, 500,000. This was due to prudent cost management.
12. Use of goods and services recorded 106% of the budget. This was a result of prudent cost management on the part of the University.
13. Academic (Teaching, Research and Extensions) expenses registered 90% against the budget. This was low on account of school practice and industrial attachment which started in May 2023 and spilled over to July 2024. The surrenders had not been expensed by 30th June 2023
14. Council Expenses registered 101% performance against budget. All the meetings were conducted as planned and therefore this was prudent utilization of the budget by the governance wing of the University.
15. Chancellor's Expenses recorded 0% of the budget.
16. The provision for bad debts was Kshs 177,216,352 in the year which is 776% of the allocated amount. The high increase is as a result of a third (1/3) of full provision of the impaired student debtors which have proved uncollectable over the years. The amount is Kshs 247,764,291 less Kshs 70,547,939 provided in previous years. The council approved the write off during its meeting held on 24th September 2024.
17. Capital Expenditure registered 56% against the budget. This was low on account of slow pace of implementation of major construction projects i.e. Engineering complex and swimming pool.

**MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2024**

19. NOTES ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Masinde Muliro University of Science & Technology (MMUST) is established by and derives its authority and accountability from the Universities Act of 2012 (No 42 of 2012). The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activities are teaching, research, innovation, and extension services.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. The asset valuation process was completed and the report prepared, thus the assets have been recognized in the financial statements. The financial statements were prepared in conformity with International Public Sector Accounting Standards (IPSAS), which allows the use of estimates and assumptions. IPSAS requires management to exercise judgment in the process of applying the University accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University. The level of rounding is to the nearest whole number.

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2024.

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

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024

Standard	Effective date and impact:
IPSAS 43 Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p>

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
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Standard	Effective date and impact:
	The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li data-bbox="592 1787 1410 1980">i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.

MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS
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Standard	Effective date and impact:
	<ul style="list-style-type: none"> ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
IPSAS 49- Retirement Benefit Plans	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

iii. Early adoption of standards

The University did not early – adopt any new or amended standards in year 2019.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The University recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are 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. 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.

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 realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

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.

Sale of goods

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

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

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Dividends or similar distributions must be recognized when the shareholder's or the University's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly in May 2020. 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 University upon receiving the respective approvals in order to conclude the final budget.

The University's budget is prepared on same basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance so is the budget.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the University operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The University is not registered for payment of corporation tax as it is exempted by virtue of it offering social services and established by the Government of Kenya.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments

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in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable University and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

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

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

e) Property, plant and equipment

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

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the University will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the University.

Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

h) 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:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- 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.

i) Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The University determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the University has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

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Impairment of financial assets

The University assesses at each reporting date whether there is objective evidence that a financial asset or a University of financial assets is impaired. A financial asset or a University of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the University of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

1. The debtors or a University of debtors are experiencing significant financial difficulty
2. Default or delinquency in interest or principal payments
3. The probability that debtors will enter bankruptcy or other financial reorganization
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

b) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The University determines the classification of its financial liabilities at initial recognition.

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

j) Inventories

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

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

- Raw materials: purchase cost using the weighted average cost method

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- Finished goods and work in progress: cost of direct materials and labor 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 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.

k) Provisions

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

l) Contingent liabilities

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

m) 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.

n) Nature and purpose of reserves

The University creates and maintains reserves in terms of specific requirements. Capital reserves are meant for development and expansion of long term assets while revenue reserves are for accumulation of operating surpluses which are then used for reinvestment purposes. Revaluation reserves are for asset maintenance and impairments.

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o) Changes in accounting policies and estimates

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

p) Employee benefits

Retirement benefit plans

The University provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an University pays fixed contributions into a separate University (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. The University remits all contributions to the MMUST RBS on time and no amounts are owing as at 30th June 2024.

q) Foreign currency transactions

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

r) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

s) Related parties

The University regards a related party as a person or a University with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa. Members of key management are regarded as related parties and comprise the Directors/ Council, the Vice Chancellor and Senior Managers.

t) Service Concession Arrangements

The University analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the University recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

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u) 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. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

v) Comparative figures

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

w) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The University based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the University. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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:

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

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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.

Notes to the Financial Statements (Continued)

NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
6(a)	Recurrent Grant (GoK)		
	July	109,902,307	146,895,125
	August	109,902,307	146,895,125
	September	109,902,305	146,895,125
	October	109,902,307	146,895,125
	November	109,902,307	146,895,126
	December	109,902,306	146,895,125
	January	109,902,307	146,895,126
	February	109,902,307	146,895,126
	March	109,902,305	146,895,124
	April	109,902,307	146,895,125
	May	109,902,306	146,895,125
	June	109,902,307	146,895,125
	Sub total	1,318,827,678	1,762,741,502
6(b)	Recurrent Grant Receipts		
	Recurrent Grant Reported	1,318,827,678	1,762,741,502
	less accrued (Receivable)	109,902,307	0
	Cash received	1,208,925,371	1,762,741,502
7(a)	Research Grants	76,860,348	45,142,114
	Detailed reconciliation provided under Note (32)		
7(b)	Research Grants Receipts		
	Opening Balance	-54,889,185	-44,628,179
	Less recognized in statement of financial performance	76,860,348	45,142,114
	Less Closing Balance	84,894,110	54,889,185
	Management income	4,834,970	0
	Total Research Grants Received	111,700,243	55,403,120
8(a)	Tuition and Related Charges		

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
	Tuition Fees	1,556,319,157	710,629,487
	Registration fees	1,144,000	3,739,500
	ID charges	1,250	8,500
	Activity fees	11,525,500	16,831,550
	Amenity fees	11,645,000	16,950,550
	Medical fees	20,240,831	28,009,085
	Students Organizational Fee	4,699,600	6,698,950
	Examination fees	50,821,585	71,168,105
	ICT levy	60,524,900	85,877,465
	Teaching Practice	0	5,500
	Field Trips	1,481,500	2,038,000
	Thesis	11,952,300	17,563,130
	Supervision	19,500,250	27,119,000
	Professional Insurance Indemnity	696,500	718,500
	Library Fees	36,056,600	51,147,900
	Graduation Fees	23,942,250	21,827,065
	Skill Laboratory Fee	1,375,100	1,863,600
	KUCCPS Processing Fee	353,000	5,996,500
	Hospital Consumables	4,501,500	4,575,100
	Medical Insurance	152,500	151,500
	Appraisal Forms	3,000	10,100
	Psychiatry Case Presentation Forms	0	1,500
	Practical Fee /Clinical Placements	1,725,550	3,800,150
	Attachment	45,552,950	49,333,715
	Computer Laboratory Costs	3,227,000	3,433,600
	Laboratory Fees	2,144,800	1,686,500
	Board (KNDI)	0	9,600
	Training Fees	3,000	138,600
	Referral/Supplementary	13,147,900	8,134,950
	Damages	6,300	5,450
	Application fees	3,540,824	2,441,410
	Late application fees	0	500
	Project fees	2,480,000	3,410,500
	Extended Supervision fee (Fee)	0	1,500
	Examination for revised thesis	27,500	32,265
	Lesson Plan	158,565	142,895
	Examination Fee - PHD	700,000	308,600
	Old students receipts	10,000	500

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
	Alumni	3,000	10,700
	Field work fee	3,302,000	3,368,000
	Student smart card charges	575,100	3,062,000
	Mmust-Inst Ethical review committee	222,000	322,000
	CUE Levy Fund	348,000	173,100
	Total Tuition and Related Income	1,894,110,812	1,152,747,122
8(b)	Tuition and Related Charges Receipts		
	Tuition and related charges as per SFP	1,894,110,812	1,152,747,122
	Less: Increase in receivables	14,830,538	-93,741,362
	Cash collected	1,908,941,350	1,059,005,760
9(a)	Income Generation Units		
	Farm income	374,503	242,983
	Catering	21,193,052	11,335,995
	MMUST FM	15,000	42,000
	Book Shop	319,950	162,134
	Rental Estate Income	2,131,364	504,000
	Estate Sell of Grass	12,100	18,120
	Sale from production unit	3,113,485	1,254,700
	Hire of Venues / Trappers/ Equipment	68,000	2,368,060
	Total Income From IGU	27,227,454	15,927,992
9(b)	Income generating Units		
	Reported as per billings	27,227,454	15,927,992
	Less: Accrued	(12,586,223)	-7,906,963
	Cash collected from IGU	14,641,231	8,021,029
10(a)	Other Income		
	Accommodation	32,135,595	24,058,850
	Fines & Penalties	835,900	1,276,650
	Misc. Income	10,039,906	1,400,600
	Sale of Tender Documents	180,030	0
	Prize and awards	0	120,000
	Foreign Exchange gain/ loss	-6,612,912	6,313,050
	Research Income	4,834,970	0
	Revenue from collaborations	1,449,115	850,500
	Library Income	0	22,010
	Workshop & Conferences	2,272,278	83,500
	Settled claim income	19,332,909	

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
	Total Sundry Incomes	64,467,791	34,125,160
10(b)	Other Income Receipts		
	Billings as per GL	64,467,791	34,125,160
	Less: Accrued	(27,039,973)	(14,558,243)
	Cash collected from other income	37,427,818	19,566,917
11	Finance Income		
	Interest income	8,161,976	25,598,418
	Sub total	8,161,976	25,598,418
12(a)	Employee Costs		
	Basic salaries	1,178,711,726	1,156,877,307
	Pension contribution	209,043,627	206,809,937
	CBA settlement expenses	3,441,409	0
	House Allowances	406,166,021	412,419,794
	Car Allowances	139,749,589	142,685,719
	Casual workers	7,033,731	0
	Passage and Baggage Allowances	166,080	679,740
	Part-time Payments	87,748,700	95,592,883
	Non- practicing Allowance	2,950,000	4,761,733
	Telephone Allowance	13,256,352	12,503,203
	Risk Allowance	7,330,550	7,429,817
	Acting Allowance	3,091,413	2,442,375
	Extraneous Allowance	31,019,254	33,467,800
	Responsibility Allowance	28,540,321	27,525,277
	Emergency call Allowance	1,728,000	2,448,000
	Housing levy expense	22,693,816	0
	Leave Allowance	8,969,100	9,333,400
	Entertainment Allowance	23,979,626	22,284,432
	Special Duty Allowance	23,412	24,766
	Tool Allowance	24,180	24,180
	Domestic servant and Gardener	2,161,613	1,920,000
	Other Personal Allowances	150,201	249,157
	Disturbance and Settlement Allowance	338,600	529,200
	Stipend	480,000	490,000
	Gratuity expenses	45,439,747	34,875,725
	Management Allowance	1,545,161	1,200,000

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
	Professorial Allowance	3,968,445	3,520,000
	Uniform Allowance	60,000	80,000
	Medical Expenses	128,317,554	120,675,732
	Book Allowance	3,186,000	3,184,000
	Water and Electricity	231,774	180,000
	Total Personnel Emoluments	2,361,546,002	2,304,214,177
12(b)	Employee Costs payments		
	Opening Balance liability	120,397,981	48,279,575
	Expenses for the period	2,361,546,001	2,304,214,177
	Less: closing liability	(124,678,711)	(120,397,981)
	Actual payments	2,357,265,271	2,232,095,771
13	Depreciation and Amortization		
	Depreciation of Buildings	74,408,851	72,773,621
	Depreciation of Computers and appliances	9,146,141	9,056,584
	Depreciation of Furniture and Fittings	7,901,203	10,809,942
	Depreciation of Motor vehicles	5,188,620	18,833,306
	Amortization of software	210,174	210,173
	Depreciation on Plant and equipment	37,563,030	38,048,631
	Depreciation on Library Books and Journals	8,464,313	5,089,890
	Total Depreciation	142,882,332	154,822,147
14(a)	Repairs and Maintenance		
	Repair and Maintenance of Motor vehicles	8,662,398	4,207,311
	Maintenance of Plant, Furniture and Equipment	3,921,395	1,903,799
	Maintenance of Computers	5,474,154	6,035,366
	Maintenance of Buildings	17,165,916	12,034,571
	Maintenance of Play Grounds and Parks	1,127,171	1,660,020
	Maintenance of Fences and Walls	487,184	2,318,200
	Total Maintenance Expenses	36,838,218	28,159,267
14(b)	Repairs and Maintenance Payments		
	Expenses for the year as per SFP	36,838,218	28,159,267
	Accrued expenses/ Prepayments	3,082,506	(4,342,097)
	Payments for the year	33,755,712	23,817,170

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
15(a)	Contracted Services		
	Cleaning Services	13,228,945	12,361,865
	Insurance Expenses	43,331,232	30,128,469
	Legal Expenses	0	10,462,503
	Rent and Rates	10,164,000	18,612,080
	Security Services	33,084,036	37,613,173
	Total Contracted Services	99,808,213	109,178,090
15b)	Contracted Services payments		
	Expenses for the year per SFP	99,808,213	109,178,090
	Accrued Expenses/ Prepayments	2,019,132	-6,708,156
	Payments for the year	101,827,345	102,469,934
16(a)	Use of Goods and Services		
	Advertising and Publicity Expenses	1,729,409	2,681,912
	Audit fee	5,741,569	3,197,723
	Alcohol and drug abuse expenses	883,640	801,700
	Bank Charges -Finance cost	1,400,584	2,357,510
	Catering Expenses	13,011,240	14,801,193
	Contingency liability	19,413,465	10,787,616
	Corporate Social Responsibility (ESG)	6,656,884	1,415,218
	Couching and mentoring	1,330,210	1,068,785
	Covid -19 Mitigation Expenses	0	110,600
	DRAMA Festivals	2,193,830	1,959,480
	Electricity	21,109,121	16,362,953
	External Travelling and Accommodation Expenses	5,553,628	1,453,576
	Fumigation Expenses	573,100	13,500
	IGU Expenses	4,925,556	6,884,647
	Inter-University Games	8,302,656	7,012,690
	Office Expenses	1,984,320	1,996,376
	Office Stationery	11,593,321	12,920,031
	Official entertainment	1,000,420	1,130,591
	Performance Contracting Costs	2,282,810	1,878,090
	Postal and Courier Expenses	680,738	1,032,523
	Public Celebrations and Funerals	2,145,961	2,181,660
	Publishing and printing	1,968,800	1,079,100
	Purchase of Uniforms and Clothing	1,823,518	1,716,864
	Show and Exhibitions	969,900	927,380
	Special Projects	5,876,671	6,548,900

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
	Sports Equipment	1,497,260	0
	Taxes Paid	14,689,021	1,519,548
	Telephone Expenses	907,849	20,000
	Training and Staff Development Expenses	11,782,521	7,687,979
	Transport Operating Expenses	25,066,396	19,419,657
	Traveling and Accommodation	6,888,038	8,292,338
	Tender Expenses	1,028,620	992,835
	UMB EXPENSES	5,105,610	5,139,187
	University Choir	2,952,530	2,744,180
	Institutional planning expense	12,440,949	0
	Corruption mitigation expense	1,268,000	0
	Valuation Services	473,080	129,360
	Water and Conservancy	19,941,654	16,262,988
	Total Use of Good and Services	227,192,879	164,528,690
16b)	Use of Goods and Services		
	Expenses for the year per SFP	227,192,878	164,528,690
	Accrued Expenses/ Prepayments	-7,529,721	5,359,493
	Payments for the year	219,663,157	169,888,183
17(a)	Academic (Teaching, Research & Extension)		
	Affiliation fees	2,536,900	3,693,673
	Alumni expenses	1,409,600	1,117,850
	KNUT Mmust scholarship expense	385,468	0
	Botanical garden expense	202,763	0
	Careers week	1,490,240	1,889,885
	Commission for University Education Expenses	9,245,120	9,261,550
	Disability Mainstreaming expenses	889,750	1,394,700
	Donor funded research expenses	76,860,348	45,142,114
	Examination Expenses	13,643,350	10,151,185
	External examiners expenses	8,424,972	7,425,232
	Graduation Expenses	30,324,974	10,125,812
	HIV/AIDS Expenses	716,595	1,266,950
	Inaugural Lectures expenses	2,973,062	1,634,817
	Internet connectivity expenses	38,172,671	29,560,015
	ISO- QA Activities	4,457,682	2,567,508
	KUCCPS Processing Expenses	5,398,100	5,000,000
	Library expenses	1,895,839	1,685,870
	MMUSO	7,543,120	8,684,285

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
	MMUST Merit Scholarship	440,000	3,639,667
	Mmust scholarship	3,916,350	3,001,000
	MMUST Talent Scholarship	3,930,800	4,001,520
	MMUST WORKSTUDY SUPPORT PROGRAMMES	6,973,568	6,518,648
	New Programs and Curriculum Review	2,953,090	9,236,588
	PSSP Expenses	777,527	4,798,836
	Research Expenses (URF)	20,428,349	21,522,774
	Robotics Development Expenses	2,200,880	4,138,540
	Seminars and Conferences	6,507,954	3,578,259
	Senate Expenses	1,985,505	3,147,349
	Student Registration Expenses	2,149,500	2,206,925
	SGS Election & Training	5,039,810	5,115,000
	Students Practical Expenses	11,333,395	13,681,520
	Tamasha	1,368,500	2,074,460
	Teaching Material	10,651,271	11,868,166
	Teaching Practice and Field Attachment	42,996,103	31,489,852
	Thesis Supervision Expenses	8,419,276	9,926,906
	Student smart refunds expenses	0	2,071,612
	Publicity of Academic programs	2,583,220	3,000,723
	TVET Expenses	1,007,280	3,133,590
	Total Academic (Teaching, Research and Extensions)	342,232,932	288,753,381
17(b)	Academic (Teaching, Research and Extensions) Payments		
	Expenses for the year per SFP	342,232,932	288,753,381
	Accrued Expenses/ Prepayments	(54,055,253)	9,302,507
	Payments for the year	288,177,679	298,055,888
18(a)	Remuneration of Council		
	Council Expenses		0
	Council honoraria expenses	960,000	640,000
	Council travel expenses	7,221,683	4,562,684
	Council subsistence allowances	8,990,000	6,085,060
	Council training expenses	1,789,100	1,148,400
	Council catering expenses	1,316,506	774,791
	Council stationery expenses	140,000	64,758

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
	Council sitting allowances	9,468,000	7,913,330
	Council Medical expenses	1,000,000	955,233
	Total	30,885,289	22,144,256
18(b)	Remuneration of Council		
	Expenses for the year per SFP	30,885,289	22,144,256
	Accrued Expenses/ Prepayments	(1,210,684)	720,622
	Payments for the year	32,095,973	22,864,878
19	Chancellor Expenses	0	1,630,882
20	Bad debts Provision		
	Provision for bad and doubtful debts		
	1-92 days Kshs 45,412,301 Nil provision		
	93-184 days Kshs. 96,939,871 Nil Provision		
	185-275 days Kshs. 41,984,391 @5% Provision	2,099,220	
	276-366 days Kshs. 39,504,149 @5% Provision	1,975,207	
	366-1095 days Kshs.135,296,883@5%Provision	6,764,844	
	Over 4 years doubtful Kshs. 219,732,083@10%	21,973,208	
	Bad debts Kshs 433,211,619 @1/3 provision	144,403,873	
	Total Provision	177,216,352	
	The provision for doubtful debts has been determined as per the policy. Additionally, we have provided a third of the accounts declared as bad. The total assessment of accounts considered bad is Kshs. 433,211,619.		
	Management has provided for 1/3 of this amount at Kshs. 144,403,873 for FY 2023/2024 and the balance in the next reporting period. Management has taken this decision since it is yet to get approval from the National Treasury.		
21	Cash and Cash Equivalents		
	MMUST KCB 1101811269 (Deposit Recurrent)	63,780,388	147,245,775
	MMUST KCB Payments 1101922109(Tuition)	554,746	4,443,015
	MMUST BBK 8080317 IGU	11,287,716	7,211,165
	MMUST NBK 0100370554000 (Tuition)	976,584	3,622,374
	MMUST Coop Bank 01129033999900 (tuition)	9,900,555	1,250,407

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NO	DETAILS	2024	2023
		Amount in Kshs	Amount in Kshs
	MMUST Equity Bank 050029463103	240,601,829	227,453,764
	MMUST Family Bank 078000012655	201,842,145	116,209,776
	MMUST KCB 1101811331 (payment)	13,373,437	1,205,084
	MMUST Standards Bank 0102098712400 (research grants)	4,937,721	2,231,193
	MMUST Standard Bank 8702098712400 (Research grants)	96,349,140	6,608,779
	MMUST Diamond Trust Bank Euro 0092700001	4,168,199	0
	Total Cash and Cash Equivalents	647,772,459	517,481,332
22	Receivables from Exchange Transactions		
	IGU Receivable	12,057,866	10,402,782
	Prepaid Expenses	4,889,392	6,474,892
	Student Debtors	1,012,081,297	965,106,832
	Less provision for bad debts	(247,764,291)	(70,547,939)
	Total Receivables from Exchange Transactions	781,264,264	911,436,567
	Student Debtors Aged Analysis		
	1-92 Days	45,415,301	
	93-184 Days	96,939,871	
	185-275 Days	41,984,391	
	276-366 Days	39,504,149	
	Over 366 Days	788,240,585	
	Total Student debtors	1,012,081,297	
23	Receivables from Non-Exchange Transaction		
	Staff Imprest	19,189,758	43,500,156
	Salary advance	34,100	0
	GOK capitation receivables	109,902,307	0
	Capital Grant Receivable	0	40,202,982
	Total Receivables from Non-Exchange Transactions	129,126,165	83,703,138
24	Inventories		
	Clinical Drugs Stocks	1,904,275	1,712,574
	Dry Food Stock	453,414	677,707
	Estate Building Materials	4,682,054	5,741,374
	Stationery Central Stores	4,653,902	6,254,645
	Total Inventory and Stores	11,693,645	14,386,300
25	Property, Plant and Equipment	5,672,289,716	5,632,638,468

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25 (a) Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020). These amounts were adopted on 30th June 2024

25 (b) Property, Plant and Equipment at Cost

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

	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	2,826,760,000	0	2,826,760,000
Buildings	2,976,354,052	607,045,869	2,369,308,183
Plant And Machinery	503,628,044	398,143,750	105,484,294
Motor Vehicles, Including Motorcycles	230,436,274	209,681,335	20,754,939
Computers And Related Equipment	218,885,970	207,796,306	11,089,664
Office Equipment, Furniture, And Fittings	171,767,496	147,819,958	23,947,538
Library Books	61,230,837	43,243,987	17,986,850
Work in Progress	296,958,246	0	296,958,246
Total	7,286,020,920	1,613,731,204	5,672,289,716

Property plant and Equipment includes the following assets that are fully depreciated:

	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	315,812,897	315,812,897
Motor Vehicles including Motorcycles	209,681,791	209,681,791
Computers and Related Equipment	191,420,079	191,420,079
Office Equipment, Furniture and Fittings	108,557,866	108,557,866
Library Books	27,373,583	27,373,583
Total	852,846,216	852,846,216
26 Biological Assets (Livestock)		
Opening Balance		1,588,100
Additions during the year		19,500
Disposals for the year		45,200
Profit / (Loss) on revaluation		0
Closing Balance		1,184,200
		1,588,100

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	Biological assets relate to livestock kept for teaching and research purposes.		
27	Intangible Assets		
	Total Book Value 30th June 2023	22,470,955	22,470,955
	Accumulated Amortization as at 30th June 2022	22,050,608	22,050,608
	Charge for the year	210,174	210,174
	Total Accumulated Amortization as at 30th June 2023	22,260,782	22,260,782
	Closing Balance 30th June 2023	210,174	210,174
	Charge for the year	210,174	
	Closing Balance 30th June 2024	0	
28	Butula Campus Development Project	12,150,142	6,113,710
	Balance B/F	6,113,710	0
	Receipts for the year	6,036,432	6,113,710
	Payments for the year	0	
	Closing Balance	12,150,142	6,113,710
29	Trade and Other Payables from Exchange Transactions		
	Accounts recurrent Payables	10,459,828	13,612,094
	Insurance Claim	1,225,260	1,422,320
	Projects Retention Money	5,198,064	5,198,064
	With Holding Tax Payables	18,670,951	16,774,766
	Bank Staff Loans Deductions	32,228,934	33,474,863
	Other Staff Deductions	8,678,129	4,185,057
	Payee	38,076,608	37,480,042
	Payroll Net pay	1,447,459	938,530
	NSSF	1,234,228	2,078,380
	NHIF	1,421,450	1,450,300
	Sacco Deduction	13,027,057	12,361,113
	Staff Pension Contributions	25,274,376	24,693,958
	Kusu MMUST Chapter	462,367	464,930
	Kudheia MMUST Chapter	95,782	102,390
	UASU MMUST Chapter	1,210,145	1,208,994
	Provision for Part time lecturers	130,753	130,753
	Group life insurance fund	200,000	
	Out Put Vat	7,198,762	7,177,238
	Withholding VAT @ 2%	2,388,435	721,743
	Withholding VAT @2% of 114	160,332	165,175
	Staff Tuition Deduction	6,858	6,858
	Helb Loan Deductions	16,471	530,246

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	Provision for thesis supervision	-14	-14
	University fund control account	3,341,505	
	Housing levy payable	5,647,374	
	Customer Prepayments	0	0
	Quick pay returns	1,305,700	1,246,422
	Total Trade and Other Payables	179,106,814	165,424,222
	Aged analysis		
	Under One year	173,908,750	141,388,043
	1-2 years	5,198,064	1,051,798
	2-3 years	0	1,158,224
	Over 3 years	0	21,826,157
	Total	179,106,814	165,424,222
30	Refundable deposits from Customers (Current Liabilities)		
	Prepayments	380,037,698	285,866,174
	CDF Control	24,007,862	27,007,930
	HELB Control	1,655,501	8,534,276
	Direct deposit allocation fund acc.	26,632,934	32,340,796
	Total Refundable Deposits (Current Liabilities)	432,333,995	353,749,176
30A	Refundable deposits from Customers (Long Term Liabilities)		
	Caution Money	52,881,033	51,260,033
	Endowment Fund	700,000	700,000
	Total Refundable Deposits (Long Term Liabilities)	53,581,033	51,960,033
	Total Refundable Deposits (30+30A)	485,915,028	405,709,209
	Balance B/F	405,709,209	429,168,820
	Receipts for the year	53,030,423	0
	Payments for the year	27,175,396	-23,459,611
	Closing Balance	485,915,028	405,709,209
	Aged Analysis		
	Under One year	78,498,247	17,380,296
	1-2 years	61,692,822	17,041,527
	2-3 years	56,862,746	24,548
	Over 3 years	288,861,212	385,149,127
31	Butula Campus Research fund	7,849,858	13,886,290
	Balance B/F	13,886,290	20,000,000
	Receipts for the year	0	
	Payments for the year	6,036,432	6,113,710
	Closing Balance	7,849,858	13,886,290

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32	Deferred Income		
	Research Grants & Donations	84,894,110	54,889,185

RESEARCHER (PI)	BAL B/F- 01/07/2023	RECEIPTS 2023- 2024	MANAGEMENT FEE	AMOUNT EXPENDED	BALANCE
VICTOR DINDA	96,800.00	-	-	-	96,800.00
STUDENT RESEARCH FUNDS	1,080,000.00	-	-	-	1,080,000.00
	400.00	-	-	-	400.00
PROF OMOLO	9,297.00	-	-	-	9,297.00
PROF OBIRI	478,615.00	-	-	-	478,615.00
NRF	804,200.00	-	-	220,000.00	584,200.00
NRF	254,805.00	-	-	-	254,805.00
MR.RONALD MICHEKA	1,263,293.33	2,048,513.00	102,425.65	3,106,545.00	102,835.68
DR. VITALIS OGEMAH	1,974.88	-	-	-	1,974.88
PROF.HASSAN WERE	100.37	-	-	-	100.37
PROF CHINA/DORCAS MAINA	25,182.75	-	-	-	25,182.75
DR.JOHN MUOMA	2,783.20	-	-	-	2,783.20
PROF.SIMALA	160,028.88	-	-	-	160,028.88
DR.JAMES KULUBI	3,146.00	-	-	-	3,146.00
	22,026.26	-	-	-	22,026.26
	61,256.80	-	-	-	61,256.80
PROF WILIAM SHIVOGA	777.31	-	-	-	777.31
DR.CELINE	2,491.45	-	-	-	2,491.45
	417.14	-	-	-	417.14
DR.Omulkher	106,162.68	-	-	-	106,162.68
	263.00	-	-	-	263.00
	3,002.79	-	-	-	3,002.79
PROF HASAN WERE	3,973,733.07	-	-	2,869,060.00	1,104,673.07
MR.RONALD MICHEKA	539,431.07	-	-	493,074.00	46,357.07
MR RAFAEL O ODONGO	7.34	-	-	-	7.34
DR.CATHERINE AURA	1,610.52	-	-	-	1,610.52
DR.ANTHONY SIFUNA	591,677.92	-	-	239,600.00	352,077.92
DR.KILUVA					

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	1,179,588.30	-	-	-	1,179,588.30
	3,975.00	-	-	-	3,975.00
DR.ANTHONY SIFUNA	1,848.05	-	-	-	1,848.05
DR.KONYOLE	109,557.14	-	-	-	109,557.14
DR.ANTHONY SIFUNA	1,847.79	-	-	-	1,847.79
PROF OBIRI/KALEB	963,423.44	-	-	770,500.00	192,923.44
OPTOMETRY DEPT	735,920.84	658,304.75	32,915.24	1,092,400.00	268,910.35
	222.50	-	-	-	222.50
	831,250.00	-	-	-	831,250.00
DR.KONYOLE	8,384,347.86	763,160.62	38,158.03	8,207,230.00	902,120.45
PROF.SABUNI	17,059.40	-	-	-	17,059.40
PROF.ORATA	805,741.63	-	-	646,187.00	159,554.63
DR.KILUVA	526,157.12	-	-	-	526,157.12
PROF.SABUNI	270,727.00	-	-	-	270,727.00
DR.ROSE OPIYO	5,732,194.11	3,736,690.78	186,834.54	4,570,000.00	4,712,050.35
DR.C.AURA	105,268.25	-	-	-	105,268.25
PROF HASSAN WERE	8,028.50	-	-	-	8,028.50
EMMILY NGENO- R.ONGULU	78,347.00	-	-	-	78,347.00
RONALD MICHEKA	1,045,565.00	-	-	622,121.00	423,444.00
DR.C.AURA	164,372.02	175,703.28	8,785.16	301,000.00	30,290.14
DR.ANTHONY SIFUNA	50,563.08	5,341,011.44	267,050.57	4,327,142.11	797,381.84
DR.MUGENI	108,000.00	-	-	-	108,000.00
DR.ANTHONY SIFUNA	114,358.37	170,629.50	8,531.48	89,304.76	187,151.64
DR.A OKOTH	32,907.23	99,716.75	4,985.84	89,014.10	38,624.04
FIDELIS MAMBO	1,805,396.05	13,156,510.48	87,024.52	12,386,401.00	2,488,481.01
DR.KANDA-PHD STUDENT	19,636.70	-	-	-	19,636.70
DR.TECLA SUM	4,319,860.50	-	-	2,781,195.00	1,538,665.50
DR.FRED LISOUZA	3,815,658.31	-	-	1,079,800.00	2,735,858.31
DR.NICODEMUS NYANDIKO	6,009,196.40	-	-	4,129,509.36	1,879,687.04
DR.ANTHONY SIFUNA	8,164,683.66	9,047,733.27	352,386.67	12,159,021.65	4,601,008.61

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MMUST-CLIMATE CHANGE SUMMITT	-	150,000.00	7,500.00	-	142,500.00
PROF.V.MAURICE OMOLO	-	2,866,361.00	143,318.05	2,189,715.00	533,327.95
PROF. P BUKHALA/KALEB	-	1,397,450.00	-	1,397,450.00	-
PROF.W SHIVOGA/PROF. F.ORATA	-	4,278,007.92	213,900.40	2,683,480.00	1,380,627.52
PROF F. ORATA	-	287,375.00	-	287,374.50	0.50
DR. OGEMAH	-	8,092,458.15	404,622.91	4,922,170.00	2,765,665.24
PROF.V.MAURICE OMOLO	-	7,499,950.00	374,997.50	336,600.00	6,788,352.50
DR.MAXWEL MAGETO	-	1,059,581.60	52,979.08	-	1,006,602.52
PROF F. ORATA	-	944,102.75	47,205.14	443,824.00	453,073.61
DR.P.OGUTU/H.MABWI	-	5,464,117.59	273,205.88	2,872,810.00	2,318,101.71
PAMOJA CALL RESEARCH PROJECTS-PROF MUOMA	-	1,715,896.00	85,794.80	885,205.00	744,896.20
CGHP WORKFORCE PROJECT-DR KOKONYA	-	3,398,810.00	169,940.50	-	3,228,869.50
DENNIS OCHIENO/JAIRUS ANALE	-	347,918.00	17,395.90	-	330,522.10
RONALD MICHEKA,DR.D BARASA & MUDOGO	-	199,800.00	9,990.00	-	189,810.00
DR.N NYANDIKO, MWENDWA & OMUTEREMA	-	4,196,970.88	209,848.54	-	3,987,122.34
PROF.MARTIN WANJALA & KALEB MWENDWA	-	30,535,271.88	1,526,763.59	-	29,008,508.29
PROF.LYDIA WAMOCHA/ROSE SHIKURI	-	4,168,198.85	208,409.94	662,615.00	3,297,173.91
Total	54,889,185.01	111,700,243.49	4,834,969.93	76,860,348.48	84,894,110.09

33	Employee Benefit Obligation		
	Gratuity	61,754,589	49,443,678
	Total	61,754,589	49,443,678
	Balance B/F	49,443,678	
	Provision for the year	45,439,747	34,875,725
	Payments for the year	(33,128,836)	
	Closing Balance	61,754,589	49,443,678

Description	Defined Contrib	Post-employe	Other Benefi	(Current FY)	(Comparative FY)
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	Contribution Plan	Health and medical benefits	Life insurance		
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	61,754,589	49,443,678
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	61,754,589	49,443,678

Retirement benefit Asset/ Liability

The Entity operates a defined contribution benefit scheme for employees on permanent and pensionable terms from July 1, 2003. The scheme is administered by Octagon Pensions Services Limited while KCB Bank Ltd are the custodians of the scheme. Employees contribute at the rate of 10% of the monthly basic salary while the employer contributes 20% of the monthly basic salary. Being a defined contribution benefits plan, the Scheme does not have to do an actuarial valuation every year.

The University also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Entity's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at Kshs. 2,160 per employee per month. Other than NSSF the Entity also has a defined contribution scheme operated by the university as MMUST staff retirement benefit scheme. Employees contribute 10% while employers contribute 20% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

34	Capital Development Grants		
	MMUST- Capital Received	33,750,000	35,000,000
	MMUST- Capital receivable	0	40,202,982
	Donation of equipment		1,408,395
	Butula campus	6,036,432	6,113,710
	Acquisition of land (Desktop Valuation)		544,000,000
	Total Capital Grants	39,786,432	626,725,087
35	Changes in revenue reserves		
	Details		0
	Tuition fees and related charges		
	Other Debits	(53,962,703)	(21,447,184)

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Other Credits	1,300,819	1,411,944
Total	(52,661,884)	(20,035,240)

36. Prior Year Adjustment

The Statement of Changes in Net Assets for the year ended 30th June 2024 reflected an amount of Kshs. 52,661,884. This adjustment refers to transactions affecting students opening balances for prior periods. The nature of the business of the University warrants corrections in student's accounts when necessary to reflect the correct reality of student lives. We have provided the detailed schedules and journal vouchers for such adjustments.

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S/No.	Case No.	Parties	Subject	Status	Liability/Cost Implications	Remarks
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37. Contingent Liabilities

The University had a number of cases that were in court touching on various issues. The University discloses these liabilities herein for proper information.

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1.	Bungoma ELRC Petition No. E005 of 2021	Dr. Ferdinand Chirure Nyongesa vs. MMUST	Employment Dispute	The matter was dismissed in favor of MMUST. It is pending Appeal in Kisumu by the Petitioner	Kshs. 5,000,000.00/-	Attorney General acting for MMUST
2.	Kakamega ELC 11 of 2020	Midland Investment Properties vs. MMUST	Contract Dispute	The matter is pending payment of Kshs. 33,000,000.00/- though the dispute now is whether payment be made to the Advocate's given account or the account of Midland which is not given	Kshs. 166,000,000.00/-	Shitsama & Company Advocates are acting for MMUST - Legal fees at Kshs. 8,000,000.00/-
3.	Kakamega ELC 257 of 2016	David Keli Kiilu vs. MMUST & 10 Others	Land Dispute	The matter is set for Hearing on 21 st October, 2024	Value of land in dispute is Kshs. 50,000,000.00/-	Shitsama & Company Advocates are acting for MMUST - Legal fees at Kshs. 8,000,000.00/-
4.	Kakamega Constitutional Petition No. 12 of 2019	Mutimba Cresser vs. MMUST	Revocation of Academic certificates	The Court ruled that the Plaintiff be re-issued with a Degree certificate. The same was presented to UMB and approval for re-issuance was given.	Kshs. 500,000.00/-	Wekesa Simiyu Advocates acting for MMUST Fee note is yet to be submitted
5.	Bungoma ELRC Cause No. E023 of 2022	Dr. Ferdinand Chirure Nyongesa vs. MMUST	Employment Dispute	The matter is pending on Appeal	Kshs. 1,000,000.00/-	Attorney General acting for MMUST

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6.	Bungoma ELRC No. E025 of 2022	Dr. George Odongo vs. MMUST	Employment Dispute	Judgment delivered. Partial payment was made and matter was closed	Kshs. 661,772.00/-	Attorney General acting for MMUST Judgment entered against MMUST
7.	Bungoma Petition no. E015 of 2022	Vincent Chibini Malaya vs. MMUST	Employment Dispute	Matter dismissed upon settlement. Appeal withdrawn	Kshs. 25,000,000.00/-	G & A Advocates LLP acting for MMUST Fee Note balance is Kshs. 3,750,000.00/-
8.	Kitale ELC No. 48 of 2019	Mude Hussein Mohammed & 5 Others vs. MMUST	Land Dispute	Hearing on 23 rd & 24 th October, 2024	Value of the land	Kitiwa & Company Advocates acting for MMUST
9.	Kakamega Constitutional Petition No. E022 of 2022	Johnson Simiyu Litiema vs. MMUST	Human Rights Petition	Matter ruled in favour of MMUST. Plaintiff has appealed	Kshs. 500,000.00/-	Attorney General acting for MMUST
10.	Mumias CMCC Suit No. E5 of 2021	John Litiema & 5 Others vs. MMUST	Defamation	Withdrawn	Kshs. 500,000.00/-	Attorney General acting for MMUST
11.	Kakamega ELC No. 363 of 2017	Midland Properties Investment Limited vs. MMUST	Contract Payment Dispute	Hearing	Kshs. 25,000,000.00/-	Shitsama & Company Advocates are acting for MMUST

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12.	Kakamega CMCC No. 200 of 2023	Jonathan Omunyolo T/A Namo Italiano (K) Ltd vs. MMUST	Contract Dispute	Order was made for payment of Kshs. 2,850,527.70/- by letter from the DVC A&F, which is hereby attached. Court entered Consent of the same.	Kshs. 2,860,510.00/-	Attorney General acting for MMUST
13.	Lodwar CMCC No. E004 of 2024	Loogis Eyanae Ekitela vs. MMUST	Claim for compensation following loss of life in RTA involving University motor vehicle	Matter referred to the Insurer of the motor vehicle	General and Special damages	Matter referred to Insurer of University M/V Reg. No.KBJ 262U - Kenyan Alliance Insurance Co. Ltd
14.	Kakamega CMCC No. E012 of 2024	Mary Ambotse vs. MMUST	Claim for compensation following injuries sustained in RTA involving University motor vehicle	Matter referred to the Insurer of the motor vehicle - Court Mention on 30.07.2024	General and Special damages	Matter referred to Insurer of University M/V Reg. No.KCT 721Y - Kenyan Alliance Insurance Co. Ltd
15.	Kakamega ELRC No. E018 of 2024	Universities Academic Staff Union (UASU) MMUST Chapter vs. MMUST	Employment/Labour Dispute	Matter set for Mention for Pre-Trial directions on 16.07.2024	Retirement date extensions	Attorney General acting for MMUST
16.	Nairobi ELRC No. 512 of 2019	Prof. Fredrick Otieno Vs. MMUST and 3 Others	Employment Dispute	Widow of the Plaintiff is pursuing Claim for Wrongful Dismissal	Damages for Wrongful Dismissal	Attorney General is acting for MMUST

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17.	Kakamega High Court Commercial and Tax Division	Wekesa & Simiyu Advocates	Legal Fees Dispute	The Applicant Counsel had filed a comprehensive cost for services rendered over several years putting it at Kshs. 1,369,310.00/-. We objected to the same and the Court had it taxed to Kshs. 357,310.00/- on 3 rd July, 2024. The same is now due and payable as per the Demand Notice but we have sought for time on the basis of the new Financial Year requirements		
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38. Related Party Disclosures

Details	2024	2023
Council Remuneration	30,885,289	22,144,256
Chancellor Expense	0	1,630,882

39. Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The University's financial risk management objectives and policies are detailed below:

(i) Credit risk

The University has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University's management based on prior experience and their assessment of the current economic environment.

30 th June 2023	Fully Performing	Past Due but not impaired	Past due and impaired	Total
	Kshs.	Kshs.	Kshs.	Kshs.
Financial Assets				
Receivables from Exchange Transactions	911,436,567			911,436,567
Receivables from Non-Exchange Transactions	83,703,138			83,703,138
Cash at Bank	517,481,333			517,481,333
Gross financial assets	1,512,621,038		-	1,512,621,038
30 th June 2024	Fully Performing	Past Due but not impaired	Past due and impaired	Total

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	Kshs.	Kshs.	Kshs.	Kshs.
Financial Assets				
Receivables from Exchange Transactions	781,264,223			781,264,223
Receivables from Non-Exchange Transactions	129,126,165			129,126,165
Cash at Bank	647,302,143			647,302,143
Gross financial assets	1,557,692,531	-	-	1,557,692,531

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University's directors, who have built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the University under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June (Current FY)				
Trade payables			179,106,814	179,106,814
Current portion of borrowings			0	0
Provisions			0	0
Deferred income			84,894,110	84,894,110
Employee benefit obligation			61,754,589	61,754,589
Total			325,755,513	325,755,513
As at 30th June (Previous FY)				
Trade payables			165,424,222	165,424,222
Current portion of borrowings				
Provisions				
Deferred income			54,889,185	54,889,185
Employee benefit obligation			49,443,678	49,443,678
Total			269,757,085	269,757,085

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(iii) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the University on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The University's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The University has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Year ended 30th June 2023	US\$	Total
	Kshs.	Kshs.
Financial Assets		
Trade Receivables.		995,139,705
Trade Payables		(689,352,584)
Borrowings		0
Net Exposure		0
		305,787,121
Year ended 30th June 2024	US\$	Total
	Kshs.	Kshs.
Financial Assets		0
Trade Receivables.		910,390,388
Trade Payables		(819,520,399)
Borrowings		0
Net Exposure		246,095,324

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b) Interest rate risk

Interest rate risk is the risk that the University's financial condition may be adversely affected as a result of changes in interest rate levels. The University's interest rate risk arises from bank deposits. This exposes the University to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the University's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavored to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The University analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Using the end of the year figures, the sensitivity analysis indicates no impact on the statement of financial performance. This is due to the fact that at the end of the financial year there was no investment that would be affected by fluctuations in the interest rate.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value

Determination of fair value and fair values hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the University's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The University considers relevant and observable market prices in its valuations where possible.

a) Financial instruments not measured at fair value (Continued)

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Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Entity's capital risk management is to safeguard the Entity's ability to continue as a going concern. The Entity capital structure comprises of the following funds:

Description	2024	2023
	Kshs	Kshs
Revaluation Reserve	2,326,910,497	2,327,333,897
Retained Earnings	3,292,538,135	3,411,294,804
Capital Reserve	816,511,519	776,725,087
Total Funds	6,435,960,151	6,515,353,788
Total Borrowings	0	0
Less: Cash and Bank Balances	(647,772,459)	(517,481,332)
Net Debt/(Excess Cash And Cash Equivalents)	5,788,187,692	5,997,872,456
Gearing	0	0

40. Related Party Balances

Nature of related party relationships

Entities and other parties related to the University include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the University, holding 100% of the University's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the University, both domestic and external. Other related parties include:

- i) The National Government;
- ii) Ministry of Education
- iii) Commission for University Education
- iv) MMUST Council
- v) Turkana University College

41. Events after the Reporting Period

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

42. Ultimate and Holding University

The University is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

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43. Biological assets

Biological Assets are animals that are kept by the University for the purpose of teaching and research in the furtherance of its core mandate. The products such as milk and eggs derived from such biological assets are sold and income thereof recognized as per the relevant accounting policy.

44. Currency

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

45. Co-operative Bank Debt of Kshs. 18,279,388.65

The University sometimes in 2012 lodged a claim against Co-operative Bank of Kshs. 18,279,388.65 which was a result of reversals effected by the bank on the University bank account without justifiable grounds or reference to the University. This amount of Kshs 18,279,388.65 is composed of both principal and interest amounts of Kshs 7,396,900 and 10,882,488.65 respectively.

This disclosure follows the requirement of the IPSAS relating to a contingent asset such that we make a disclosure in the notes. The Council engaged the bank to reach an amicable settlement.

On 14th June 2024, Co-operative bank paid the claim in full amounting to Kshs 19,332,909 thus closing the matter.

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20. APPENDICES

Appendix 1: IMPLEMENTATION STATUS OF AUDITOR GENERAL'S RECOMMENDATIONS

The following is the summary of issues raised by the Auditor General and management comments on the status of implementation. 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.

AUDIT ISSUE	AUDITORS OBSERVATION	MANAGEMENT ACTION	Focal Person	Status	Timelin e												
BASIS OF QUALIFIED OPINION 1. Lack of Ageing Analysis of Student Debtors	<p>The statement of financial position reflects a total net balance of Kshs.911,436,567 in respect of receivables from exchange transactions as disclosed under Note 22 to the financial statements. Included in this is a balance of Kshs.965,106,832 relating to student debtors, out of which a balance of Kshs.699,125,023 are in respect of student debtors which have been outstanding for more than 365 days.</p> <p>In the circumstances, the accuracy and completeness of the student debtors balance of Kshs.965,106,832 could not be confirmed.</p>	<p>Management wishes to clarify that students in the University undertake courses ranging from four to six years in order to fully accomplish their studies. We also have postgraduate programmes such as PhDs which take inordinate amount of time to clear.</p> <p>To shed more light on the same, we have provided the aging analysis for auditors' further review as reproduced below:</p> <table border="1" data-bbox="1114 734 1390 1193"> <thead> <tr> <th>Days</th> <th>Amount (Kshs)</th> </tr> </thead> <tbody> <tr> <td>0-92</td> <td>44,411,507.75</td> </tr> <tr> <td>93-184</td> <td>116,127,950.33</td> </tr> <tr> <td>185-275</td> <td>54,828,773.90</td> </tr> <tr> <td>276-365</td> <td>50,554,976.90</td> </tr> <tr> <td>Over 365</td> <td>699,186,623.12</td> </tr> </tbody> </table>	Days	Amount (Kshs)	0-92	44,411,507.75	93-184	116,127,950.33	185-275	54,828,773.90	276-365	50,554,976.90	Over 365	699,186,623.12	Finance Officer	Unresolved	
Days	Amount (Kshs)																
0-92	44,411,507.75																
93-184	116,127,950.33																
185-275	54,828,773.90																
276-365	50,554,976.90																
Over 365	699,186,623.12																

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		<table border="1" data-bbox="1043 228 1498 295"> <tr> <td data-bbox="1043 228 1245 260">Total</td> <td data-bbox="1245 228 1498 295">965,109,832.00</td> </tr> </table> <p data-bbox="999 336 1541 523">It is worth noting that a good number of our students defer their studies due to inability to clear all the fees for each semester thus causing the accumulation of the debts. These students later on come back and clear their fees and continue with their studies.</p> <p data-bbox="999 563 1541 719">Management has continued to review these debts with a view of taking appropriate action on cases such as deceased students, expelled students and making recommendations to Council for guidance.</p> <p data-bbox="999 759 1541 818">Appendix 1 in soft (detailed Student debtors aging report)</p>	Total	965,109,832.00			
Total	965,109,832.00						
<p data-bbox="118 1026 353 1082">2. Outstanding Co-operative Bank Debt</p>	<p data-bbox="380 890 976 1145">As previously reported, Note 44 to the financial statements reflects a balance of Kshs.18,279,389 which comprises principal amount of Kshs.7,396,900 and interests of Kshs.10,882,489 relating to amount owed to the University by the Co-operative Bank of Kenya. This was a result of reversals effected by the bank on the account in 2012 without reference to Management.</p> <p data-bbox="380 1153 976 1305">Although Management indicate they made the claim for the same, there were no acknowledgement from the bank receiving the claim provided for audit review. In the circumstances, the recoverability of the amount could not be confirmed.</p>	<p data-bbox="999 1026 1541 1114">The debt has since been recovered. See attached Bank statement and receipt (Appendix 2)</p>	<p data-bbox="1559 898 1771 930">Finance Officer</p>	<p data-bbox="1814 898 1937 930">Resolved</p>			

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	Vice Chancellor	Resolved
<p>The statement of comparison of budget and actual amounts reflects receipts budget and actual on comparable basis amounts of Kshs. 3,486,709,988 and Kshs. 3,195,039,528 respectively, resulting to underfunding of Kshs. 291,670,460 or 8% of the budget.</p> <p>Similarly, the statement reflects actual expenditure of Kshs. 3,232,188,110 against approved budget of Kshs.3,486,709,988 resulting to underperformance of Kshs.254,521,878 or 7% of the budget.</p> <p>i. The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public</p>	<p>Budget absorption stood at 93% due to actual revenue generated which also stood at 92%. We adopted prudent approach so that we do not create a lot of expenditure against low income.</p> <p>Most of our activities were rationalized to fit within the approved budget taking into account the actual revenue realized.</p> <p>We achieved our objectives as disclosed on page 5 of the Annual Report and Financial Statements on table 1 (See attached copy).</p>	
<p>4.Unresolved Prior Year Matters</p> <p>In the audit of the previous year, several issues were raised in the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on effectiveness of Internal Controls, Risk management and Governance.</p> <p>However, although Management has indicated in the progress on follow-up of prior year auditor's recommendations section that some issues have been resolved while others have not been resolved. However, no explanation and documentary evidence was provided on how the issues indicated as resolved were resolved and why the rest of the issues have not been resolved, as required by the Public Sector Accounting Standards Board reporting template.</p>	<p>All the prior years matters were resolved by the Parliamentary Investment Committee except for matters raised in the financial statements for the year ended 30th June 2022 which will be handled accordingly</p>	<p>Vice Chancellor Deputy Vice Chancellor Registrar Academic Affairs Finance Officer ICT Manager</p>

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<p>5. Projects Implementation</p>	<p>1. Construction of Olympic Size Swimming Pool and Associated Works</p> <p>The University awarded a contract for the proposed construction of Olympic size swimming pool and associated works to a local firm at a contract sum of Kshs.78,200,692.</p> <p>The contract period was 52 weeks starting from 29 July, 2021 and ending 28 July, 2022. Due to the additional works not in the original bills of quantity the contractor was given an extension period to complete the work by 26 January 2023 with a revised contract sum of Kshs.96,493,278. However, during the audit inspection done on 8 February 2024 the following observations were made:</p> <p>i) As at the time of inspection 76% of the work had been done. However, the University had paid a total of Kshs.65,141,176 or 83.3% of the contract sum to the contractor.</p> <p>ii)The contract period had elapsed and the contractor was still on site without an extension letter.</p> <p>iii) The performance bond and insurance of the project had already expired</p> <p>iv) Works which included baby pool, roofing of the VIP spectator lounge, landscaping and parking, tiling of the pool, painting and windows and gate fixing had not been done.</p> <p>In the circumstances, the university may not have obtained value for money from the project.</p> <p>1. Construction of Proposed Library and Associated Works Phase I</p> <p>The University awarded a tender for the construction of proposed Library at Butula Study Centre to a local firm, at a contract sum of Kshs.19,020,990. The contract</p>	<p>Management wishes to clarify that it had extended the completion date for this project to 15th March 2024 as per the request of the Contractor and it is expected that the project will be delivered.</p> <p>Management will take necessary actions as per the signed contract to ensure that the project is completed at no additional costs for the University. We have attached approval for request for extension.</p> <p>Management has entered into mutual termination agreement with the contractor since he has abandoned the works as contracted. We will conduct project appraisal and ensure that the separation is amicable to avoid financial loss risks.</p>			
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	<p>period was as from 6 July 2022 to 5 July 2023. As at the time of audit, the contractor had been paid a total of Kshs.6,004,510 or 32%. Review of project records revealed that the contract period had elapsed, the contractor had abandoned the site and the works had stalled at about 50%.</p> <p>In the circumstances, the University may not have obtained value for money from the project.</p> <p>3. Stalled Biometric Gadgets</p> <p>The statement of financial performance reflects an amount of Kshs.28,159,267 in respect of repairs and maintenance which, as disclosed under Note 14(a) to the financial statements, includes an amount of Kshs.6,035,366 relating to maintenance of computers, out of which Kshs.1,335,590 was incurred on supply of assorted items for ICT department and installation of ten (10) biometric gadgets within the University. However, audit verification revealed that although the gadgets had been fully paid for, they had not been installed.</p> <p>In the circumstances, the University may not have obtained value for money from the project</p>		<p>Estates Officer</p> <p>Vice Chancellor</p>	<p>Ongoing</p> <p>Ongoing</p>	
<p>6. Outstanding Imprests</p>	<p>The statement of financial position reflects a balance of Kshs. 83,703,138 in respect of receivables from non-exchange transactions which as disclosed in note 23 to the financial statements includes an amount of Kshs.43,500,156 relating to outstanding staff imprests. The receivable include a balance of Kshs.2,118,960 owed by staff who have since left employment and a balance of Kshs.41,381,190 which was due for surrender as at 30 June 2023 and whose subsequent clearance</p>	<p>Management wishes to clarify that as at 30th June 2023 Kshs. 43,500,156 was outstanding as imprests as observed. However, as at 30th June 2024, Kshs. 35,768,755 had been surrendered back.(see attached schedule)</p> <p>Management had noted Kshs. 2,146,960 was outstanding against staff who had exited the service of the University without clearance. The</p>	<p>UMB</p>	<p>Resolved</p>	<p>30th September 2023</p>

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	<p>dates were not provided for audit. No explanation was provided for failure to surrender or recover the long outstanding imprests. This is contrary to Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015 which provides that a holder of a temporary imprest shall surrender or account for the imprest within seven (7) working days after returning to duty. In the circumstances, Management was in breach of the law.</p>	<p>University is pursuing all leads on the whereabouts of these staff for recovery purposes. Management is currently recovering Kshs. 950,000 from defaulted staff (See attached recoveries) and will ensure that all outstanding amounts are fully surrendered.</p>			
<p>7. Excess wage Bill 1.</p>	<p>The statement of financial performance as disclosed in Note 12(a) to the financial statements reflects an amount of Kshs.2,304,214,177 relating to employee costs. The amount represents 76% of the University's total revenue for the year of Kshs.3,036,282,308. This is contrary to Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015, which states that expenditure on the compensation of employees shall not exceed 35% of the revenue. In the circumstance, the University is in breach of the law</p>	<p>The University being a service delivery institution largely depends on both academic and non-academic staff to offer these services including teaching, training and research and community outreach. The University has an approved staff establishment of 1641 staff against 972 staff in post during the year under review. (see attached Staff establishment). We are automating most of our activities to reduce the reliance on staff in order to reduce the numbers and hence the expenditure on staff costs.</p>	<p>University Management Board</p>	<p>Yet to be closed</p>	

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<p>8. Non-Compliance with Implementation of E-procurement</p>	<p>Review of procurement records revealed that the university procured goods, works, and services amounting to Kshs.1,096,231,614. However, the procurement was not undertaken through e-procurement contrary to Regulation 49(2) of the Public Procurement and Asset Disposal Regulations of 2020 and Part IV of the Executive Order No.2 of 2018 that directed all public procuring entities to undertake all their procurement through the e-procurement.</p> <p>In the circumstances, Management is in breach of the law.</p>	<p>Compliance of Executive Order No.2 of 2018 MMUST as a procuring entity is in compliant with the Executive order No. 2 of 2018 because we submit our various reports under the Act and Regulations through the Public Procurement Information Portal and maintain and continuously update and publicize as prescribed in the Executive Order. Attached are the various reports generated from the Public Procurement Information Portal Implementation of E- procurement Electronic Government Procurement (e- GP) is the use of information and communication technologies (e.g the internet) to enable a more efficient and transparent exchange of information, interaction and transactions between government and suppliers of goods, works and services. As per the cabinet paper dated Monday, 15th January, 2024 cabinet approved the implementation of Electronic Government Procurement. Effective 1st July, 2024, all ministries, state departments and county governments are anticipated to have fully transitioned to the e-GP system. The Director, Public Procurement Department National Treasury in a forum of all heads of procuring entities communicated the steps to e-GP roll out as follows:</p> <ul style="list-style-type: none"> • User Acceptance Testing and Continuous piloting of e- GP system Phase I Modules (August 2023 – June 2024) • Development of e-GP System Phase II Modules namely: Stores Management, 	<p style="text-align: right;">Procurement Officer Vice Chancellor</p>	<p style="text-align: center;">Work in progress</p>	
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		<p>e- Auctions, e- Catalogues; e- Compliance, e- Appeals, e- Debarment, e-Appraisal, e- Reverse Auction (January – June 2024)</p> <ul style="list-style-type: none"> • Training of Suppliers, Procuring entities, Financial Institutions, Oversight Agencies and Other Stakeholders (April – June 2024) • Roll- out of e- GP system from July 2024 Attached is the cabinet paper dated Monday 15th January, 2024 			
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<p>9. Non-adherence to One Third Basic Salary Rule</p>	<p>The statement of financial performance reflects an amount of Kshs.2,304,214,177 in respect of compensation of employees which, as disclosed in Note 12(a) to the financial statements, includes Kshs.1,156,877,307 being basic salaries of permanent employees. However, review of the Integrated Payroll and Personnel Database (IPPD) as at 30 June, 2023 revealed that fifty (50) employees were earning net salaries that were less than one-third of their basic salaries. This is contrary to Section 19(3) of the Employment Act, 2007 which provides that total deductions from salaries of employees shall not exceed two-thirds of their respective basic salaries.</p> <p>In the circumstances, the Management is in breach of the law</p>	<p>The reason for this is that in February 2023, the NSSF Act No. 45 of 2013 became operational. We implemented the new rates for NSSF contributions as follows: Kshs. 360.00 for TIER I and Kshs. 720.00 for TIER II. This was a total of Kshs. 1,080.00 up from the Kshs. 200.00 staff we contributing earlier. This increase had a profound effect on the payroll as most staff already had prior commitments in their payslips and their net salaries were just at the brink of the one third of basic pay. We made adjustments for those who had little room for adjustments. Unfortunately, some had no room for further adjustment in their payslips and we could not terminate their prior commitments with Banks and SACCOS.</p> <p>Management will continue to monitor the situation and advise staff members to limit future commitments in order to fit within available ability on their pay slips.</p>	<p>Registrar Administration Finance Officer</p>	<p>Partly resolved</p>	<p>30th September 2023</p>
<p>10. Non-Utilization of Leave Days</p>	<p>Audit examination of key Management staff of the University revealed that seventeen (17) staff members had accumulated unutilized leave days ranging between 50 and 248 leave days, some dating back to 2016. This was contrary to the directive by Head of Public Service Circular and Section 6.3 of Human Resource Policy and Procedures Manual 2022.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>It has been observed that Senior Managers are not proceeding on leave contrary to government circulars and Section 6.3 of the Human Resource Policy and Procedures Manual 2022. The Registrar Administration has communicated to Senior Managers and other staff would like to proceed on leave. Leave Days not taken shall be forfeited as per the circular from the Head of Public Service.</p> <p>Attached find the Annual Leave Rota for Senior Management and a communication to Staff made by the Registrar Administration.</p>	<p>Vice Chancellor DVC (A&F) Registrar Administration</p>	<p>Partly resolved</p>	<p>30th September 2023</p>

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<p>11. Non-Adherence to the Law on Ethnic Diversity of Staff</p>	<p>Analysis of the payroll and staff list provided for audit review revealed that during the year under review, the University had 972 employees, both teaching and non-teaching and on permanent and pensionable terms. However, out of the total number, 654 employees or 67% were from one ethnic community. This is contrary to Section 7(2) of the National Cohesion and Integration Act, 2008, which provides that no public establishment shall have more than one third of its staff from one ethnic community.</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>Management wishes to clarify that efforts have been on since this law came into effect to reduce the impact of dominant community in the employment at the University. Diversity has been achieved in top management and this will continue in other segments of the University. It is worth noting that the lower cadre of the staff were employed before the enactment of this law and we are doing everything possible to ensure that replacements reflect diversity of our country and its people.</p> <p>However, the University is yet to comply with the National Cohesion Integration Act, 2008 on ensuring that no public establishment shall have more than one third of its staff from the same ethnic community.</p> <p>The University Management has put in place measures to manage staff recruitment and the wage bill. These measures include freezing of employment for non-academic staff in non-core areas such as cleaning and security and strict adherence to the Constitution of Kenya, 2010 and the NCI Act, 2008.</p> <p>Whereas some of the members of staff recruited to perform duties in non-core areas during the period 2007-2012 are still in service, there has been a gradual reduction of members in this category due to retirement and natural attrition.</p>	<p>Vice Chancellor</p>	<p>Unresolved</p>	<p>Open due to the fact that the University is a service institution with top expenses being staff costs.</p>
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<p>12. Misallocation of Expenditures</p>	<p>The statement of financial performance reflects use of goods and services amount of Kshs. 164,528,690 which, as disclosed in Note 16(a) to the financial statements, includes expenditures amounting to Kshs.7,7687,979 and Kshs.5,139,187 relating to training and staff development and University Management Board (UMB) expenses respectively. Review of supporting documents provided for audit revealed that the payments were made on account of allowances to members of staff working on a taskforce, and not the two expenditure items indicated. However, no evidence was provided to confirm that a reallocation of expenditure was approved by the University Council. Further, a report of the taskforce was not provided to confirm the work of the taskforce. In the circumstances, Management was in breach of the law relating to budgetary control.</p>	<p>I) Proper controls exist through proper requests to the accounting officer who considers the merit of each request and approves it for implementation. The responsible officer then prepares a budget outlining the activities to be executed to which funds are released and duly accounted for. II) Allowances for performance of such tasks are facilitative in nature such as per diem or honoraria which are approved either by SRC or University Council(see attached extract of Council approved HRP&P Manual)</p>	<p>Deputy Vice Chancellor A&F Vice chancellor Finance Officer</p>	<p>ongoing</p>	<p>open</p>
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Appendix II: CAPITAL PROJECTS COMPLETION STATUS AS AT 30TH JUNE 2024

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Swimming Pool	93,719,180	66,637,049	85%	30,000,000	1,420,443	AIA
2	Foot Bridge	11,419,395	11,046,070	100%	3,000,000	901,469	AIA
3	Engineering Complex	716,991,230	220,463,738	31%	135,202,000	68,724,898	GoK Dev Grants

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Appendix III: Transfer from Other government Entities

Breakdown of Transfers from the State Department of University Education				
FY 23/24				
a.	Recurrent Grants			
	MMUST			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		July	109,902,307	2023/2024
		August	109,902,307	2023/2024
		September	109,902,305	2023/2024
		October	109,902,307	2023/2024
		November	109,902,307	2023/2024
		December	109,902,306	2023/2024
		January	109,902,307	2023/2024
		February	109,902,307	2023/2024
		March	109,902,305	2023/2024
		April	109,902,307	2023/2024
		May	109,902,306	2023/2024
		June	109,902,307	2023/2024
		Sub total	1,318,827,678	
b.	Development Grants			
	MMUST			
		<u>Bank Statement Date</u>	<u>Amount (Kshs)</u>	<u>Indicate the FY to which the amounts relate</u>
		March 2024- Engineering Complex	33,750,000	2023/2024
		TOTAL	<u>33,750,000</u>	

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

Finance Officer
MMUST

Head of Accounting Unit
State Dept. of University Education

Sign -----

Sign-----