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**REPORT**

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**OF**

**THE AUDITOR-GENERAL**

**ON**

**SOUTH EASTERN KENYA UNIVERSITY**

**FOR THE YEAR ENDED  
30 JUNE, 2023**





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**SOUTH EASTERN KENYA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30TH JUNE 2023**

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



**AID TO GREEN**  
ISO 9001: 2015 CERTIFIED





**South Eastern Kenya University  
Annual Report and Financial Statements  
for the financial year ended June 30, 2023**

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**1. Acronyms, Abbreviations and Glossary of Terms**

**A: Acronyms and Abbreviations**

A/C:	Account
ASDSP:	Agricultural Sector Development Support Programme
BBK:	Barclays Bank of Kenya
CO-OP:	Co-operative Bank of Kenya
GCFSI:	Global Centre for Food Systems Innovations
ICRAF:	International Centre for Research in Agroforestry
IGADINWRM:	Intergovernmental Authority for Development Inland Water Resources Management Programme
IGU:	Income Generating Units
IPSASB:	International Public Sector Accounting Standards Board
JKUAT:	Jomo Kenyatta University of Agriculture and Technology
KCB:	Kenya Commercial Bank
MORTEC:	Moringa Technology
NACOSTI:	National Commission for Science Technology and Innovation
NBK:	National Bank of Kenya
NRF:	National Research Fund
RUFORUM:	Regional Universities Forum for Capacity Building
SEKU:	South Eastern Kenya University
TARC:	Trans disciplinary Applied Research Centre

**B: Glossary of Terms**

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

**Comparative year** - means the prior period



## 2. University Information and Management

### (i) Background Information

South Eastern Kenya University was established on 1<sup>st</sup> March, 2013 as a successor to South Eastern University College (SEUCO), which was established on 15<sup>th</sup> July, 2008 as a successor to Ukamba Agricultural Institute (UKAI). South Eastern Kenya University is domicile in Kenya and has two campuses namely Kitui Town Campus and Wote Campus.

At Cabinet level, the University is represented by the Cabinet Secretary for Education, who is responsible for the general policy and strategic direction of the University.

### (ii) Principal Activities

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

The Vision of the University is to be a globally competitive center of excellence in teaching, research and innovation for purposes of transforming human lives.

The Mission is to provide quality and transformative education through teaching, learning, research, extension, innovation and entrepreneurship with emphasis on dry land agriculture, natural resources and environmental management.

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

- (a) **Professionalism:** In all actions and interactions, we maintain ethical behavior, courtesy and professional etiquette.
- (b) **Innovation:** Innovativeness is the hallmark of our business activities through fostering pro-activeness, creativity, and adaptability to change.
- (c) **Integrity:** Transactions are done in honest, transparent and accountable ways.
- (d) **Freedom of thought:** We promote and defend academic freedom.
- (e) **Teamwork:** We maintain a sense of unity and of common interests and responsibilities.
- (f) **Respect for and conservation of the environment:** We strive to respect and protect the natural and working environment.



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**(iii) Key Management**

The management of the University is undertaken by the following organs:

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

**(iv) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Ag. Vice Chancellor	Prof. Francis N Wachira, Ph.D
2.	Deputy Vice Chancellor (Finance, Planning and Development	Prof. Reuben M. Muasya, Ph.D
3.	Deputy Vice Chancellor (Academic, Research and Students Affairs)	Prof. Zipporah Ng'ang'a, Ph.D
4.	Deputy Vice Chancellor (Administration and Human Resources)	Prof. Francis N. Wachira, Ph. D
5.	Director, Facilities Management and Administration	Dr. David Namasaka, Ph.D
6.	Academic Registrar	Dr. John F. Koga, Ph.D
7.	Director, Finance and Accounts	CPA Ferguson Muthui
8.	Ag. Director, Procurement and Supply Chain Management	Henry Maithya
9.	Ag. Director, Human Resource Management	Dr. Jane Weru
10.	Ag. Corporation Secretary and Director Legal Services	Amb. CS. Dr. Koki Muli

**(v) Fiduciary Oversight Arrangements**

- (a) Finance, Development and General-Purpose Committee
- (b) Human Resource and Strategy Committee
- (c) Audit Committee
- (d) Graduation and Sealing Committee

**(vi) Headquarters**

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



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**(vii) Contacts**

Telephone: 0748605996/0748605997

E-mail: [info@seku.ac.ke](mailto:info@seku.ac.ke)

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

**(viii) Bankers**

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

**(ix) Independent Auditors**

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

**(x) Principal Legal Adviser**

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



3. The University Council



1. Mr. Mugambi J. Nyaga

Member/Rep. PS, State Department for Higher Education and Research Ministry of Education.

*Date of Birth:* 8<sup>th</sup> April 1963

*Key Qualifications:*



- i) 2007: Moi University, Masters in Business Administration (HRM)
- ii) 1989: University of Nairobi, Bachelor of Arts Degree; Economics and Sociology.
- iii) 1984: Kenya Advanced Certificate of Education, two Principals and two subsidiary passes.
- iv) 1982: Kenya Certificate of Education: Division One, fourteen points

*Work Experience:*

- i) 2022 to present: South Eastern Kenya University Council Membership
- ii) 2009 to date Director Human Resource Management and Development, Headed Human Resource Function in various Ministries including – Local Government, Regional Development, Prisons Department and Executive of the President (Cabinet Affairs Office) and State Department for University Education and Research.
- iii) 2007-2009: Assistant Director, Human Resource Audit, with Public Service Commission of Kenya. Audited Human resource functions in ministries and Local Authorities.
- iv) 2005-2007: Headed Human Resource Function at the National Treasury
- v) 1990-2004: Human Resource Management Officer – Office of the President in various stations.




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 <p>2. Mr. John N. Mose (Member Representing The National Treasury and Planning)</p>	<p><i>Date of Birth:</i> 2<sup>nd</sup> January, 1980</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>i) 2011 Master of Arts (Economics), University of Nairobi</li> <li>ii) 1996 Bachelor of Arts (Economics), University of Nairobi.</li> <li>iii) Senior Management Course, Kenya School of Government</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>i) 2017 to date: Deputy Director Budget, The National Treasury.</li> <li>ii) 2013-2017: Manager Revenue Allocation &amp; Budget Analysis, CRA.</li> <li>iii) 2011-2013: Principal Fiscal Analyst, OCOB.</li> <li>iv) Senior Economist, Ministry of State for Planning, National Development &amp; Vision 2030</li> <li>v) 2021 to present: South Eastern Kenya University Council Membership</li> </ul>
 <p>3. Amb. Prof. David K. A. Kikaya (Member)</p>	<p><i>Date of Birth:</i> 1<sup>st</sup> October 1947</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>i) 1994: Doctor of Philosophy, University of Bradford, UK-International Relations - (<i>East-West Relations and the Politics of Strategic Resources-Conflict in Central and Southern Africa</i>)</li> <li>ii) 1980: Master of Arts, University of Bradford, UK-International Relations-<i>Peace Studies and Conflict Resolution Strategies</i></li> <li>iii) 1975: Bachelor of Arts, University of Nairobi, Kenya Economics &amp; Sociology</li> </ul> <p><i>Work Experience:</i></p>





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	<ul style="list-style-type: none"> <li>i) 2011: Founder Director – Research Institute for Peace, Policy and International Affairs (RIPPIA)</li> <li>ii) 2003: Professor and Founder; Co-coordinator, International Relations programme, United States International University- <i>Africa</i> Visiting Universities Lecturer: Masinde Muliro, Kisii and Pioneer</li> <li>iii) 2001 - 2003: Ambassador/Permanent Representative, Head of Mission Kenya Mission to U.N. Habitat</li> <li>iv) 1999- 2000: Head of Europe and Commonwealth, Ministry of Foreign Affairs, Kenya</li> <li>v) 4<sup>th</sup> November,2020 to date: South Eastern Kenya University Council</li> </ul>
 <p>4. Harriette Igonanga Chiggai (Member) (Resigned in October 2022)</p>	<p><i>Date of Birth:</i> 19<sup>th</sup> April, 1981</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>i) Master of Business Administration (UoN)</li> <li>ii) Bachelor of Laws degree (LLB) (UoN), University of Nairobi</li> <li>iii) Diploma Kenya School of Law</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>i) 2019 to present: Senior Managing Partner, CALO Law LLP</li> <li>ii) 2011: Manager, Legal Services, ICPAK</li> <li>iii) 2010-2011: Associate Lawyer, Mbaluka &amp; Co. Advocates</li> <li>iv) 2008- 2009 Legal Officer, Zahra Sign Ltd</li> <li>v) 1<sup>st</sup> August, 2020 to present: South Eastern Kenya University Council Membership</li> </ul>



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 <p>5. Mr. Thuita Isaac Gitahi (Member)</p>	<p><i>Date of Birth:</i> 9<sup>th</sup> October, 1959</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>i) 2007 - Masters in Education. (Kenyatta University)</li> <li>ii) 1984 – Bachelors of education (Arts) University of Nairobi</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>i) 2016: Deputy Director University Education</li> <li>ii) 2014: Acting Senior Deputy Director of Education, Primary Education</li> <li>iii) 2011: National Coordinator, ECD and school meals programme (MOEST)</li> <li>iv) 2010: Strategic leadership Development program (KIA)</li> <li>v) 2008: Team Leader and National coordinator ECD investment Prog. (MOEST)</li> <li>vi) 2006: Senior assistant director of Education.</li> <li>vii) 2003: Assistant Director of Quality Assurance and Standard</li> <li>viii) 4<sup>th</sup> November, 2020 to date: South Eastern Kenya University Council Membership.</li> </ul>
 <p>6. Michael Nal Kipkirui (Member)</p>	<p><i>Date of Birth:</i> 21st November, 1964</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>i) 2015: Masters in Project Planning and Management University of Nairobi</li> <li>ii) 2011 Bachelor of Commerce (Financial management) University of South Africa</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>i) 2014 University of Nairobi and University of Kabianga, Part-time Lecturer</li> <li>ii) 1995 -2002: Section Head: Barclays Bank (K) Ltd.</li> <li>iii) 1987 -1995: Clerical officer: Barclays Bank (K) Ltd.</li> </ul>

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	<p>iv) 1<sup>st</sup> August, 2020 to present: South Eastern Kenya University Council Membership</p>
<p>7. Ms. Lydia Mwikali Kaleli (Member)</p> 	<p><i>Date of Birth:</i> 19<sup>th</sup> July 1979</p> <p><i>Key Qualifications:</i></p> <p>i) 2016 Uganda Christian University, Master of Public Health Leadership. 2004 Kenyatta University, Bachelor of Education.</p> <p>ii) 2014 Kenya Institute of Management Higher Diploma in Human Resource Management</p> <p><i>Work Experience:</i></p> <p>i) 2011-To present: Human Resource Officer, Bible Translation and Literacy E.A. ii) 2015-2011: Teacher NPC Senior School. iii) 1<sup>st</sup> August, 2017 to present: South Eastern Kenya University Council Membership</p>
<p>8. Esther Wanjiru Ndirangu (Member)</p> 	<p><i>Date of Birth:</i> 2<sup>nd</sup> April 1966</p> <p><i>Key Qualifications:</i></p> <p>i) 2005: Masters in Educational Leadership and Management. Aga Khan University Karachi, Pakistan. ii) 1990: Bachelor of Education (Science). Kenyatta university.</p> <p><i>Work Experience:</i></p> <p>(i) 2019: Delivery Consultant on Employee productivity</p>



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	<ul style="list-style-type: none"> <li>(ii) 2018: Director Trainer competence based Curriculum</li> <li>(iii) 2017 Ag. CECM Administration and Public service, Kiambu County</li> <li>(iv) 2013: CECM Education, Information, Communication &amp; Technology (ICT), Culture, Kiambu County</li> <li>(v) 1997: Pedagogy Trainer, Aga Khan Education Services Kenya</li> <li>(vi) 1990: Trainer, Teachers Service Commission</li> </ul>
 <p>9. Prof. Geoffrey M. Muluvi, Ph.D (Vice-Chancellor and Secretary to the Council.) Term Ended 19<sup>th</sup> May 2023)</p>	<p><i>Date of Birth:</i> 6<sup>th</sup> June, 1963</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>i) 2012 Eastern and Southern Africa Management Institute, Arusha Tanzania. Master of Business Administration.</li> <li>ii) 1998 University of Dundee, U.K. Doctor of Philosophy (Plant Molecular Genetics), Department of Biological Sciences,</li> <li>iii) 1988 Moi University, Eldoret. Bachelor of Science, Second Class Honours (Upper Division),</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>(i) 20<sup>th</sup> May, 2013- to present: Vice Chancellor, South Eastern Kenya University.</li> <li>(ii) 1<sup>st</sup> March, 2013 up to 19<sup>th</sup> May 2013: Ag. Vice-Chancellor South Eastern Kenya University.</li> <li>(iii) 15<sup>th</sup> March 2010 to 29<sup>th</sup> February 2013: Principal</li> </ul>



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	<p>South Eastern University College (SEUCO) a Constituent College of the University of Nairobi. (iv) 2007-2010 Deputy Vice Chancellor, Kenyatta University.</p>
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**4. Key Management Team**

<p>1. Prof. Geoffrey M. Muluvi (Vice Chancellor) – Term ended 19<sup>th</sup> May 2023</p>	<p>Refer to page (11)</p>
<div style="text-align: center;">  </div> <p>2. Prof. Francis N. Wachira, Ph.D Ag. Vice chancellor, and Deputy Vice Chancellor (Administration and Human Resources Management)</p>	<p><i>Date of birth:</i> 20<sup>th</sup> March 1963</p> <p><i>Key qualification:</i></p> <ul style="list-style-type: none"> <li>(i) 1996 Dundee University, the United Kingdom, Doctor of Philosophy degree.</li> <li>(ii) 1990 Kenyatta University, Kenya Master of science.</li> <li>(iii) 1986 Kenyatta University, Bachelor of Education (Science)</li> </ul> <p><i>Work Experience</i></p> <ul style="list-style-type: none"> <li>(i) January 2017 – present: Deputy Vice-Chancellor, Administration &amp; Human Resources Management South Eastern Kenya University</li> <li>(i) February 2015-December 2016: Executive Secretary, ASARECA, Uganda</li> <li>(ii) August 2012 – February 2015: Deputy Executive Director, ASARECA, Uganda</li> <li>(iii) November 2009-July 2012: Director, CEO Tea Research Foundation of Kenya</li> </ul> <p><i>Membership:</i></p> <ul style="list-style-type: none"> <li>(i) February 2015-December 2016: Member of Board of Directors, Forum for Agricultural Research in Africa (FARA), Ghana</li> <li>(ii) May 2014-December 2016; Member, Independent Advisory Committee, ICRISAT (International Crops Research Institute for the Semi-Arid Tropics), India</li> <li>(iii) April 2014-December 2016; Member, Steering Committee, Pan African Research Alliance (PASIRA), Uganda</li> <li>(iv) March 2011-September 2012: Member, Kenya Highlands Evangelical University Council, Kenya</li> </ul>





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 <p>3. Prof. Reuben M. Muasya, Ph.D Deputy Vice-Chancellor (Finance, Planning and Development)</p>	<p><i>Date of Birth:</i> 12th September 1960</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>(i) 2001 Wageningen Agricultural University, Netherlands. Doctor of Philosophy</li> <li>(ii) 1996 Moi University, Eldoret. Master of Philosophy,</li> <li>(iii) 1992 University of Eastern Africa Baraton, Bachelor of Science in Agriculture.</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>(i) November 2013 to present: Deputy Vice Chancellor, Finance Planning and Development South Eastern Kenya University.</li> <li>(ii) 14th July 2011 up to October 2013: Director, Kitui Town Campus, SEKU</li> </ul>
 <p>4. Prof. Zipporah Ng'ang'a, Ph.D Deputy Vice-Chancellor (Academic, Research and Students Affairs)</p>	<p><i>Date of Birth:</i> 3rd February 1960</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>(i) 2012 JKUAT, Executive Master of Business Administration.</li> <li>(ii) 1998 Kenyatta University Doctor of Philosophy.</li> <li>(iii) 1988 University of Nairobi, Master of Science in Parasitology.</li> <li>(iv) 1984 University of Nairobi, Bachelor of Science, Second Class Honours (Upper Division)</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>(ii) 2nd December 2013 to present, Deputy Vice Chancellor, Academic, Research and Student Affairs South Eastern Kenya University</li> </ul>

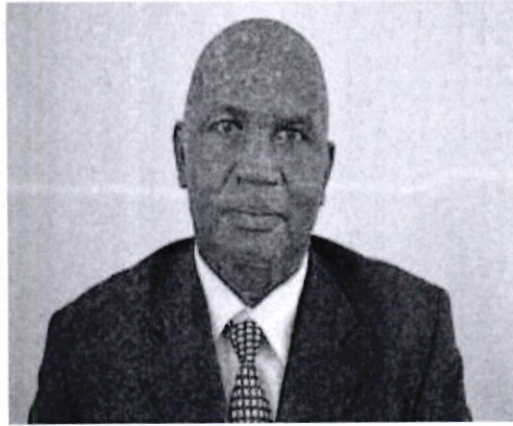


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 <p>5. Dr. John F. Koga, Ph.D Academic Registrar</p>	<p><i>Date of Birth:</i> 1st October, 1960</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>(i) 1994 The University of Leeds, Doctor of Philosophy degree.</li> <li>(ii) 1988 Kenyatta University, Master of Science.</li> <li>(iii) 1985 University of Nairobi, Bachelor of Education, Second Class Honours (Upper Division)</li> <li>(iv) 1981 Kenya Science Teachers College, Certificate of Teacher Education (S1)</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>(i) 1st November, 2010 to present: Academic Registrar, South Eastern Kenya University</li> </ul>
 <p>6. Dr. David Butali Namasaka, PhD. Director, Facilities Management and Administration</p>	<p><i>Date of Birth:</i> 25<sup>th</sup> May 1971</p> <p><i>Key Qualifications:</i></p> <ul style="list-style-type: none"> <li>(i) 2020: Jaramogi Oginga Odinga University of Science and Technology (JOOUST), Doctor of Philosophy in Human Resource Management.</li> <li>(ii) 2016: Kibabii University, Master of Science in Human Resource Management.</li> <li>(iii) 2012: Masinde Muliro University of Science and Technology (MMUST), Master of Science in Disaster Management and Humanitarian Assistance.</li> <li>(iv) 2011: Kenya Institute of Management (KIM), Diploma in Human Resource Management.</li> <li>(v) 1996: University of Nairobi, Bachelor of Education (Arts).</li> </ul> <p><i>Work Experience:</i></p> <ul style="list-style-type: none"> <li>(i) September, 2021 to present, Director Facilities Management and Administration, South Eastern Kenya University.</li> <li>(ii) 2019 to September 2021: Deputy Registrar Planning Partnership, Research and Innovation, Kibabii University.</li> <li>(iii) 2014 to 2019: Deputy Registrar Administration and Human Resource, Kibabii University (KIBU)</li> </ul>



	<p>(iv) 2012 to 2014: Senior Assistant Registrar: (KIBU).</p> <p>(v) 2010 to 2012: Assistant Registrar, Administration and Human Resource, MMUST.</p> <p>(vi) 2007-2010: Senior Administrative Assistant, Central Services, MMUST.</p> <p>(vii) 1996 to 2007: Graduate Teacher, Teachers Service Commission (TSC).</p> <p><i>Membership:</i></p> <p>(i) Practicing Member, Institute of Human Resource Management (IHRM).</p> <p>(ii) Member, Kenya Institute of Management (KIM).</p> <p>(iii) Live Member, The Kenya Red Cross.</p>
<p>7. CPA Ferguson Muthui Director, Finance and Accounts</p> 	<p><i>Date of Birth:</i> 3<sup>rd</sup> September 1979</p> <p><i>Key Qualifications:</i></p> <p>(i) 2017: Kenyatta University, Master of Business Administration (Finance).</p> <p>(ii) 2005: Maseno University, Bachelor of Business Administration (Accounting Option)</p> <p>(iii) 2009: CPA(K)</p> <p><i>Work Experience:</i></p> <p>(i) January, 2022 to present, Director, Finance and Accounts -South Eastern Kenya University</p> <p>(ii) 2014-2021, Finance Officer-County Government of Kitui.</p> <p>(iii) 2010-2014 Accountant-Kitui County Referral Hospital.</p> <p>(iv) 2006-2010, Accounts officer Kenya Commercial Bank</p> <p><i>Membership:</i></p> <p>(i) Member, Institute of Certified Public Accountants of Kenya (ICPAK)</p>



8 Henry Maithya  
Ag. Director, Procurement and Supply Chain  
Management

*Date of Birth: 13<sup>th</sup> March 1969*

*Key Qualifications:*

- (i) 2014: South Eastern Kenya University, Master of Business Administration (Strategic Management).
- (ii) 2010: Catholic University of Eastern Africa, Bachelor of Arts In Social Sciences (Economics & Political Science)
- (iii) 1998: Diploma in Supplies Management (KNEC)

*Work Experience:*

- (i) November, 2022 to present, Ag. Director, Procurement and Supply Chain Management -South Eastern Kenya University
- (ii) 2014-2022, Senior Procurement Officer- South Eastern Kenya University.
- (iii) 2010-2014 Procurement Officer – South Eastern Kenya University.
- (iv) 2000-2010, Procurement Assistant National Water Conservation and Pipeline Corporation.

*Membership:*

- (i) Member, Kenya Institute of Supplies Management (KISM)



9 Dr. Jane Weru  
Ag. Director Human Resource Management

*Date of Birth:* 24<sup>th</sup> January, 1971

*Key Qualifications:*

- i. 2022: Certified Human Resource Professional (Kenya)
- ii. 2014: Doctor of Philosophy in Human Resource Management. Jomo Kenyatta University of Agriculture and Technology
- iii. 2008: Master of science in Human Resource Management. Jomo Kenyatta University of Agriculture and Technology
- iv. 2001: Railway Training Institute: Higher Diploma in Human Resource Management.
- i. 1995: University of Nairobi, Bachelor of Education (Arts).

*Work Experience:*

- ii. Nov 2022 to Date: Ag. Director, Human Resource Management: South Eastern Kenya University
- iii. January, 2017 to October, 2022: Human Resource Manager, Technical University of Mombasa.
- iv. May 2015 to December 2016: Lecturer, South Eastern Kenya University
- v. 2003 to April 2015: Assistant Inspector General, Inspectorate of State Corporations, Office of the President
- vi. September 1999 to March 2003: Man Power Development Officer, Ministry of Labour
- vii. 1995 to August 1999: Graduate Teacher, TSC

*Membership:*

- i. Full Member of Institute of Human Resource Management.





10 Amb.CS, Dr. Koki Muli Grignon  
Ag. Corporation Secretary and Director of Legal Services

*Key Qualifications:*

- (i) Doctor (Ph.D.) in Law - University of Dar-es-Salaam, Tanzania, (October 2012 - October 2018) - Graduated on November 30th, 2022.
- (ii) Masters in Arts – Safeguarding and Securing Human Rights, University of London, UK, October 1995 – June 1996.
- (iii) Diploma in Law and Legal Practice, Kenya School of Law, Nairobi, January 1991 – November 30th, 1991.
- (iv) Bachelor of Law (LL.B (Hons)), University of Nairobi, Kenya, June 1987 – April 1990.

*Work Experience*

- (i) Ag. Corporation Secretary and Director of Legal Services-South Eastern Kenya University
- (ii) Inaugural Ag. Dean, SEKU School of Law: March 1st, 2023.- South Eastern Kenya University
- (iii) Director, Directorate of Council Affairs, Linkages and International Programmes (DCALIP), Office of the Vice Chancellor, South Eastern Kenya University (SEKU) – 1st December 2021 – 1st December 2022.
- (iv) Head Council Secretariat, Office of the Vice Chancellor, SEKU – 16th February 2021 – 1st December 2021.
- (v) Senior Judicial Affairs Officer and Officer-in-Charge of Rule of Law Section, United Nations Mission in the Sudan (UNMIS), Juba, South Sudan: March 1st – June 30th 2011.
- (vi) Managing Partner/Consultant, Electoral Leadership Institute (ELI), Nairobi, May 1st, 2008 – October 30th, 2010.
- (vii) Executive Director & Secretary to the Board, Institute of Education in Democracy (IED), Nairobi: February 1st, 2002 - April 2nd, 2008
- (viii) Intern/Researcher, United Nations High Commissioner for Refugees, Nairobi (with regular visits to Kakuma and Dadaab Refugee Camps), 26th June 1997 – 31st Dec 1998.



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**5. Chairman's Statement**

On behalf of the Council, I am pleased to present the South Eastern Kenya University Annual Report and Financial Statements for the financial year ended 30th June 2023. The period under review was post COVID-19 and challenging as the University was recovering from the effects of the pandemic on normal operations. Despite these challenges, I am pleased to report that the University continued to deliver on its key mandate of teaching and learning, research and innovation, outreach and community service. The Council is indeed pleased with the actions taken by the University to ensure quick recovery of its operations in line with government guidelines.

During the period under review, the University realized significant achievements, notwithstanding the financial and operational challenges experienced during the recovery phase of Covid-19. These included making resumption of physical learning and resumption of operations. Another key milestone achieved during the year was the completion of the modern infrastructure facilities at our newly constructed campuses in Wote and Kitui town and the College of humanities in line with the University's 2019-2023 Strategic Plan.

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

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

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



.....  
**Chairman of Council**



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**6. Report of the Vice-Chancellor**

I am delighted to present the Annual Report and Financial Statements of the South Eastern Kenya University for the year ended 30th June 2023. The financial year under review began on a slow recovery pace from the effects of the COVID 19 pandemic which had adversely affected the university operations. This prompted the university to innovate ways to respond to this challenge so that it could continue to maintain its operations during the period. I am pleased to report that the university fraternity has continued to observe COVID 19 protocols. Further the University also partnered with the Ministry of Health to have all its employees inoculated with booster vaccines.

The University realised a total of Kshs.1.227 billion in recurrent revenue composed of Appropriation in Aid (AIA) of Kshs.287.5 million which translates to 23.4% and recurrent grants of Kshs.940.3 million which translates to 76.6%. The University received a total of Kshs.37.9 million from the Government as capital grants to finance the ongoing infrastructure projects.

As part of its strategy to achieve operational sustainability, the University continued to rationalize and manage costs through restructuring and review of existing policies to cut on operating cost. The total recurrent expenditure, inclusive of assets impairment and amortization, amounted to Kshs.1.258 billion with employee costs accounting for Kshs.933.5 million which is 74.15% of the total operational cost.

Through capital grants received from the Government, the University continued to implement key infrastructure projects included in the university Strategic Plan 2019-2023 namely: College of Humanities, Wote and Kitui campuses. Further, the University continued to invest in capital assets financed from internally generated funds and capital grants from the government. The university focused on enhancing capacity to deliver services by procuring furniture and ICT infrastructure for both students and staff. As a result, the total asset base stood at Kshs.3.54 billion as at the end of the financial year under review.

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

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



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



**7. Statement of Performance against Predetermined Objectives for FY 2022/2023**

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

South Eastern Kenya University has five strategic pillars and objectives within its Strategic Plan for the 2019- 2023. These strategic pillars are as follows:

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

South Eastern Kenya University develops its annual work plans based on the above five pillars. Assessment of the University's performance against its annual work plan is done on a quarterly basis. South Eastern Kenya University achieved its performance targets set for the 2022/2023 financial period under its five strategic pillars, as indicated in the matrix below:



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



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



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Strategic Pillar	Strategic Objectives (SO)	Key Performance indicators	Activities	Achievements
			programme for staff	
Pillar 5: Promote partnerships and enhance resource mobilization	SO14: To mobilize -adequate resources to sustain and advance university activities	Number of acres utilized	1. Utilize SEKU lands and other properties to generate income	Planted 10,000 seedlings in 20 acres of SEKU land
		Number of livestock increased		
		Number of farm enterprises commercialized	2. Commercialize the farm	Commercialize on going
		Non-conventional sources of funds identified	3. Implement resource mobilization policy	Implementing resource mobilization policy
		Curricula for short courses developed	4. Develop and implement short courses	Short courses established
		No of linkages and partnerships established	5. Establish partnerships and Linkages for resource mobilization	Partnerships and Linkages established
		Marketing plan developed	6. Develop and implement a marketing plan	Marketing plan developed



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**8. Corporate Governance Statement**

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

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

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

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

**(a) Chancellor**

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

**(b) Council**

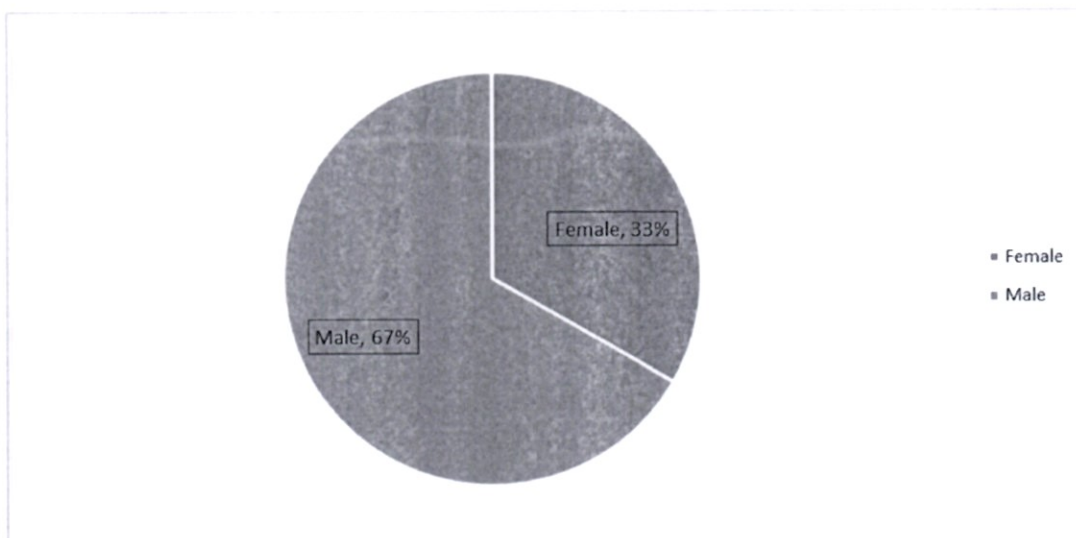
Section 18 of the Charter provides that there shall be a University Council. During the period under review the Council consisted of (9) members led by a non-executive and independent Chairman, an executive Vice Chancellor and Secretary to the Council, the Principal Secretary National Treasury, Principal Secretary Ministry of Education and five independent and non-executive members.

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

The tenure of the current Council begun on 4<sup>th</sup> November, 2020.



Council Diversity



In compliance with the Constitution, the Council composition in terms of male and female Council members was 67% and 33% respectively.

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

**(c) Responsibilities of the Council**

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

- (i) Determining the University's vision, mission and core values
- (ii) Deciding its strategic objectives
- (iii) Ensuring establishment of an organizational structure and procedures to achieve the objectives.

The Council sets out objectives and ensures that procedures and practices are in place to protect the University's assets and reputation. It also reviews the strategic direction of business plans presented by the Management, reviews processes for the identification and management of business risks and

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compliance with key regulatory and legal issues. It also provides oversight of performance against targets and objectives.

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

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

**(d) Council Meetings**

The Council meets once every three months and has a formal schedule of agenda items for deliberations. Members of the Council are given appropriate and timely information to maintain full and effective control over strategic, financial and operational issues of the University. The Council is not involved in the conduct of day-to-day business as this is a responsibility given to the Vice-Chancellor. It, however, retains responsibility for determining the direction of the University.

**(e) Council Attendance**

The Council held various regular and special meetings in the year under review. Attendance to the Council meetings was as follows:

No.	Name	Designation	Regular	Special	Total
1	Amb. Prof. David Kikaya	Member	8	2	10
2	Mr. Isaac Thuita	Member	10	1	11
3	Mrs. Lydia Kaleli	Member	9	5	14
4	Mr. John Mose	Rep. PS National Treasury	14	3	17
5	Ms. Harriette Chiggai	Member	3	-	3
6	Mr. Michael Nal Kipkirui	Member	9	3	12
7	Mr. Paul Mwangi	Rep. PS SDUER	2	-	2
8	Mr. Mugambi Nyaga	Rep. PS SDUER	11	3	14
9	Prof. Geoffrey Muluvi	VC/Secretary	19	4	23

**(f) Council Remuneration**

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



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Total Council expense for the year was Kshs 8,325,583.00. The University neither grants personal loans nor gives guarantees to members of the Council.

**(g) Conflict of Interest and Declaration of Interest**

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

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

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

**(h) Council Committees**

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

**(i) Finance, Development and General Purposes Committee**

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

**(ii) Audit Committee**

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

**(iii) Human Resources and Strategy Committee**

- (a) To review and make recommendations to the Council on staff Terms and Conditions of Service.
- (b) To examine and recommend career structures within the University.



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- (c) To establish and generally oversee Staff Retirement Benefits Pension Scheme.
  - (d) To provide strategic directions to the university.
  - (e) To consider and recommend for approval of strategic plans.
- The Committee meets on a quarterly basis and as necessary.

**(iv) Graduation and Sealing Committee**

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

The Committee meets once in a year and as necessary.

**(v) Senior Staff Appointments and Disciplinary Committee**

This is an ad-hoc committee whose terms of reference are:-

- (a) To consider all appointments of staff in Grade 1-2,
- (b) To consider all appointments of staff for grade 3 following recommendations by promotions and appraisal committee of management,
- (c) To consider disciplinary cases for grade 1-2 and make recommendations to the cabinet secretary for necessary action,
- (d) To consider and determine appeals made by staff in grade 3-6.

The Committee meets as and when necessary.

**(i) Management Structure**

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

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

**(j) Internal Controls**

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

**(k) Authorizations**

Expenditure of the University is authorized in accordance with set policies and procedures. There is a budget and a procurement plan which are approved by the Council. The Council receives



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regular management accounts comparing actual outcomes against budget as a means of monitoring actual financial performance.

**(I) Internal Audit**

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

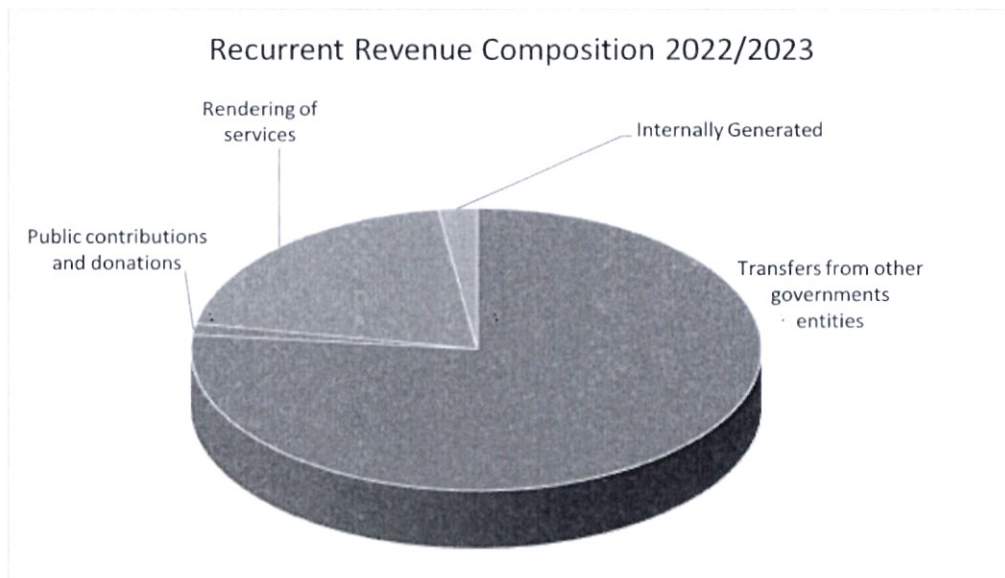


## 9. Management Discussion and Analysis

### *Operational and financial performance of the University*

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

Revenue from exchange transactions comprising of tuition fees and related charges, rental and other incomes increased by 11.0% as compared to 2021/2022 financial year. The composition of the various sources of revenue during the year is presented in the diagram below.



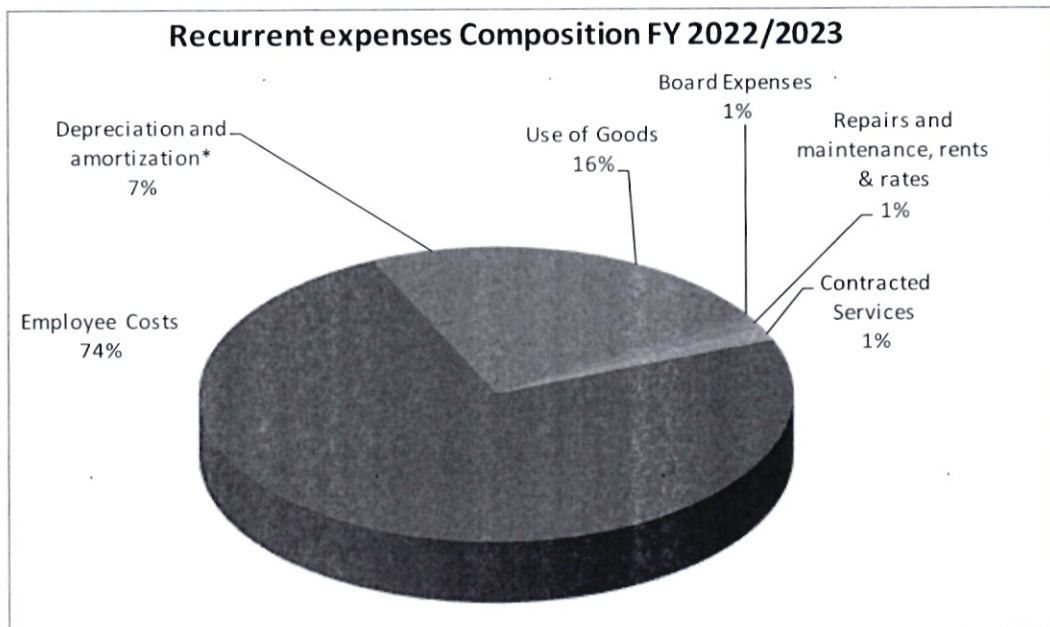
The university receives government funding to finance both recurrent and development expenditure. Over the years, the government funding has been low and has not matched the growth of the University given that the university is relatively young and growing.

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

During the period under review, the operational costs increased by 2.0%. The increase is mainly attributed resumption of normal operations following the disruption of the academic activities due to the COVID-19 impacted on the expenditure items related to academic services. Employee costs is the major expenditure item accounting for 74.2% of the total operational expenses.



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

Through government support, the University was able to complete three key projects namely: College of Humanities and Social Sciences, Wote and Kitui campuses. The university made significant progress during the financial year in terms of infrastructure development. The university also made infrastructure upgrades in Migwani Center and Mutit Andei Center in preparation for the registration of TVET (Technical Vocational Educational Training Centers).

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

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

		
College of Humanities and Social Sciences	Tuition and Office Block Kitui Campus	Tuition and Office Block-Wote Campus

*University's compliance with statutory requirements and other financial obligations*

The University is in compliance with all the statutory requirements and no foreseeable potential contingent liabilities exist. The University complied with statutory requirements by remitting PAYE, NSSF, NHIF, Pension deductions, HELB and other statutory deductions within the prescribed timelines.

*Major risks facing the University*

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



## **10. Environmental and Sustainability Reporting**

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

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

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

### **(i) Sustainability strategy and profile**

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

### **(ii) Environmental performance**

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

In the Performance Contract cycle FY 2022/2023, the University had two of the performance criteria within the Big Four Initiatives, a core mandate for (1) development for climate smart technologies and (2) community outreach programme in public health by participating in cleaning local markets and environmental conservation by raising at least one thousand (1000) tree seedlings in the University Tree nursery for planting within South Eastern Kenya University and in at least 2 (two) public institutions.



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During the 2022/2023 financial year, the University donated tree and flower seedlings to neighboring public schools.

South Eastern Kenya University is in the process of developing an environmental policy to guide the institution in management of biodiversity, waste management and reducing environmental impact of its activities, programs, projects and plans. However, one of its core mandates is to play a leading role in the development and expansion of opportunities for learning and research in Agriculture, Forestry, Mining, Energy, Water and Environmental Sciences in arid and semi-arid lands.

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

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

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

***(b) Development of Centre for Climate Smart Technologies***

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

***(c) Community Service Programme Carried out***

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

**(iii) Employee welfare**

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

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



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provisions for considering gender, disability and ethnicity to ensure equal opportunity for all applicants. The policies are reviewed from time to time and as when need arises.

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

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

**(iv) Market-place practices**

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



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**(a) Responsible competition practices**

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

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

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

**(b) Responsible supply chain and supplier relations**

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

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

**(c) Responsible marketing and advertisement**

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

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



**(d) Product stewardship**

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

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

Moreover, curriculum development goes through the following stages/committees

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

**(v) Corporate Social Responsibility/Community Engagements**

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

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

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

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

In its Performance Contract cycle for the FY 2022/2023, the University had two of the performance criteria within the Big Four Initiatives, a core mandate for (1) development for climate smart technologies and (2) community outreach programme in public health by



**South Eastern Kenya University**  
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participating in cleaning local markets and environmental conservation by raising at least one thousand (1000) tree seedlings in the University Tree nursery for planting within SEKU and at least 2 (two) public institutions.

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



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**11. Report of the University Council**

The South Eastern Kenya University Council submits its report together with the un-audited financial statements for the year ended June 30, 2023.

**(i) Principal activities**

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

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

**(ii) Results**

The results of the University for the Financial Year ended June 30, 2023 are set out on page 1 to pages 36



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**(iii) University Council**

The members of the University Council who served during the year are shown on pages vii to xi in accordance with Regulation (12) of the University Charter. The tenure of the serving Council begun on 4<sup>th</sup> November, 2020.

**(iv) Auditors**

The Auditor General is responsible for statutory audit of the University in accordance with Article 229 of the Constitution of Kenya, 2010 and the Public Audit Act 2015.

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

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



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

Date: 7/08/2024



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**12. Statement of University Council Responsibilities**

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

The Council is responsible for the preparation and presentation of the University financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended 30th June 2023. 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) Safe-guarding the assets of the University.
- (v) Selecting and applying appropriate accounting policies and
- (vi) Making accounting estimates that are reasonable in the circumstances.

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

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



**South Eastern Kenya University  
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**Approval of the financial statements**

The University's financial statements were approved by the University Council on 27<sup>th</sup> September 2023 and signed on its behalf by:



.....  
**Esther Wanjiru Ndirangu**  
Session Chairperson



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



South Eastern Kenya University  
Annual Report and Financial Statements  
for the financial year ended June 30, 2023

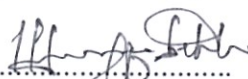
14. Statement of Financial Performance for the year ended 30th June 2023

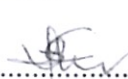
	Notes	2022-2023 Kshs	2021-2022 Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other governments entities	6	940,357,506	939,189,868
Public contributions and donations	7	15,563,370	2,478,795
<b>Total revenue from non-exchange transactions</b>		<b>955,920,876</b>	<b>941,668,663</b>
<b>Revenue from exchange transactions</b>			
Rendering of services	8	245,237,424	232,242,856
Sale of goods	9	15,478,673	14,075,742
Rental revenue from facilities and equipment	10	1,818,077	2,817,266
Other income	11	9,223,011	8,252,626
<b>Total revenue from exchange transactions</b>		<b>271,757,185</b>	<b>257,388,490</b>
<b>Total revenue</b>		<b>1,227,678,061</b>	<b>1,199,057,153</b>
<b>Expenses</b>			
Use of goods and services	12	196,817,114	177,547,001
Employee costs	13	933,581,112	943,746,289
Board Expenses	14	8,325,583	8,635,686
Depreciation and amortization expense	15	85,298,093	69,515,194
Repairs and maintenance	16	15,946,925	12,189,122
Contracted services	17	18,958,698	17,425,518
<b>Total Expenses</b>		<b>1,258,927,525</b>	<b>1,229,058,811</b>
<b>Other gains/(losses)</b>			
Gain/Loss on foreign exchange transactions	18	172,285	(173,791)
<b>Surplus/ (deficit) before tax</b>		<b>(31,077,180)</b>	<b>(30,175,449)</b>

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

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

  
Prof. Douglas Shitanda, PhD.  
Vice-Chancellor

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

  
Esther Wanjiru Ndirangu  
Session Chairperson

Date: 7/03/2024

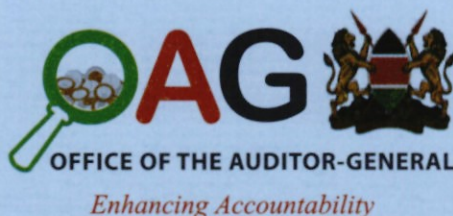
Date: 7/3/2024

Date: 7/3/2024



# REPUBLIC OF KENYA

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HEADQUARTERS  
Anniversary Towers  
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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON SOUTH EASTERN KENYA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2023

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### 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.
- 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.

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

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

### REPORT ON THE FINANCIAL STATEMENTS

#### Qualified Opinion

I have audited the accompanying financial statements of South Eastern Kenya University set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2023 and the statement of financial performance, statement of net assets, statement of cash flows and statement of comparison of budget and actual amounts for

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

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of South Eastern Kenya University as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Valuation and Ownership of Land**

The statement of financial position and as disclosed in Note 15(a) to the financial statements reflects property, plant and equipment balance of Kshs.3,315,986,462. Included in the balance are six (6) parcels of land out of which three (3) parcels with a value of Kshs.1,046,550,000 and three (3) parcels with undetermined value have not been included in the financial statements. Further, the parcels of land are yet to be registered in the name of the University due to land disputes.

In the circumstances, the accuracy, completeness, validity and ownership of property, plant and equipment balance of Kshs.3,315,986,462 could not be confirmed.

#### **2. Valuation of Motor Vehicles and Furniture**

The statement of financial position and as disclosed in Note 15(a) to the financial statements reflects property, plant and equipment balance of Kshs.3,315,986,462. The balance includes net book values of Kshs.58,306,852 and Kshs.9,934,906 for furniture, plant and equipment and motor vehicles respectively. Review of the University asset register revealed that twenty-eight (28) motor vehicle and furniture that were fully depreciated but in use had not been revalued and included in the financial statements.

In the circumstances, the accuracy, completeness, valuation of property, plant and equipment balance of Kshs.3,315,986,462 could not be confirmed.

#### **3. Accuracy of Depreciation Charge**

The statement of financial performance reflects depreciation and amortization expense of Kshs.85,298,093 as disclosed in Note 15 to the financial statements. However, Note 15(a) to the financial statements reflect total depreciation charge for the year of Kshs.82,307,575 resulting in unreconciled variance of Kshs.2,990,518.

Further, Note 15(a) to the financial statements on property, plant and equipment movement schedule reflects depreciation adjustment on furniture, plant and equipment of Kshs.19,499,346 in the year 2021 instead of revalued motor vehicles. The valuation report for the motor vehicles revalued in 2021 was not provided for audit. In addition,

Management did not have a depreciation and revaluation policies for management of the University assets.

In the circumstances, the completeness and accuracy of the depreciation and amortization expenses of Kshs.85,298,093 could not be confirmed.

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

The statement of financial position reflects receivables from exchange transaction balance of Kshs.73,459,579 as disclosed in Note 20(a) to the financial statements. Included in the amount is Kshs.57,487,768, Kshs.15,080,461, Kshs.412,400, Kshs.211,000 and Kshs.267,950 on student debtors, general debtors, internal debtors, BOC cylinders and Kenya Power and Lighting Company (KPLC) deposits. However, the University has not demonstrated efforts made towards recovery debts owed or debt recovery policy that would ensure effective management and control of the receivables. Failure to recover the debts promptly may lead to loss of funds.

In the circumstances, the recoverability of the receivables totalling Kshs.73,459,579 could not be ascertained.

#### **5. Unsupported Contingent Liability Balance**

The statement of financial position and as disclosed in Note 26 to the financial statements reflects contingent liabilities of Kshs.3,454,154. However, records provided revealed that the amount was outstanding interest accrued and penalties as a result of delayed PAYE for the financial year 2015/2016 and which the University had petitioned Kenya Revenue Authority for write-off. Further, schedules and ledgers in support of the outstanding amount of Kshs.3,454,154 were not provided for audit.

In the circumstances, the accuracy, validity and completeness of the balance of Kshs.3,454,154 disclosed as contingent liabilities could not be confirmed.

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

#### **Emphasis of Matter**

##### **Uncertainty Relating to Going Concern**

The statement of financial performance indicate that the University recorded a deficit of Kshs.31,077,180 during year under review (2021/2022 - Kshs.30,175,450). Further, the current liabilities balance of Kshs.263,628,881 exceeded the current assets balance of Kshs.210,846,278 resulting into negative working capital of Kshs.52,782,603 indicating that the University is technically insolvent. In addition, trade and other payables increased by Kshs.24,038,545 from Kshs.177,610,541 in the previous year to Kshs.201,649,086

indicating the University's inability to pay its creditors in time. The University's ability to sustain its operations and deliver services to the targeted community in the foreseeable future could not be confirmed.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the report for the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, Management has not resolved the issues or given any explanation for failure adhere to the requirements of the Public Sector Accounting Standards Board template.

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

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters described in the Report on Lawfulness and Effectiveness in Use of Public Resources, 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. Non-Compliance with the Public Sector Accounting Standards Board Guidelines**

Review of the financial statements for the year ended 30 June, 2023 provided for audit revealed that the University Information and Management was at page iii instead of iv and the contacts were at page v instead of vi. Further, the Council diversity was at page xxvii instead of xxviii while the numbering of the Notes to financial statements lacked consistency. In addition, the statement of cash flows reflects receipts from public contributions and donation as Kshs.15,478,673 instead of Kshs.15,563,370 thereby distorting the total receipts.

In the circumstances, Management was in breach of the Public Sector Accounting Standards guidelines.

## **2. Non-Compliance with the Law on Public Procurement**

The statement of financial performance reflects that the University incurred expenses totalling Kshs.1,258, 927,525. Review of the revised procurement plan revealed that the procurement plan was not presented in accordance with the format outlined in the revised schedule of threshold matrix since the category of procurement of goods, services and works above Kshs.3,000,000 which required framework contract or open tender was not considered.

Further review of records revealed that the University procured goods and services amounting to Kshs.110,541,233 through request for quotations. However, some goods and services procured were above the threshold for request for quotations as approved in the procurement plan and budget.

In addition, expenditure on use of goods and services include reflect catering and accommodation costs totalling Kshs.13,543,212 which further include an expenditure of Kshs.1,000,000 in respect of procurement of 500 mattresses. Review of the payment vouchers and the supporting documents revealed that the process of issuing and evaluating the quotations, and professional opinion by the head of procurement was not carried out as per the Public Procurement and Assets Disposal Act, 2015 and Regulations, 2020. Further, Management has not explained the method of procurement used to procure the mattresses.

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

## **3. Non-Compliance with the Vice Chancellor Terms of Service**

Review of human resource records revealed that the terms of service dated 01 July, 2014, for the former Vice Chancellor ended on 19 May, 2023 and was subsequently removed from the payroll in the month of May, 2023. However, he was reinstated back in payroll in the month of June, 2023 under the same terms for the Vice Chancellor having been appointed as a teaching Professor in the department of life sciences on 20 May, 2023 without following the due recruitment process.

In the circumstances, the regularity of the terms of service for the Professor/former Vice Chancellor could not be confirmed.

## **4. Non-Compliance with the Law on National Cohesion**

Review of the human resource data and records revealed that the University had a total of four hundred and sixty-six (466) employees out of which, two hundred and fifty-three (253) or 54% of the workforce were from the dominant ethnic community in the region. This is contrary to the provisions of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires that no public establishment shall have more than one third of its staff from the same ethnic community.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015 and based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Report on the Effectiveness of Internal Controls, Risk Management and Governance, 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. Delay in Appointment of Council Chairperson**

Review of records revealed that the term of the Council Chairperson came to an end on 23 May, 2023. However, at the time of the audit in August, 2023 the position of the Chair had not been filled and efforts to have the term of the previous Chairperson extended through two letters written to the Cabinet Secretary Ministry of Education had not been responded to.

In the circumstances, the effectiveness and leadership of the University Council in making key decisions could not be confirmed.

#### **2. Lack of Internal Controls on Payroll Management**

The statement of financial performance and as disclosed in Note 13 to the financial statements reflects employee costs amounting to Kshs.933,581,112. Review of the payroll and salary payment process revealed that the payroll management was domiciled under the department of finance instead of human resource. The payroll management and salary payment processes lacked segregation of responsibilities which expose the University to financial vulnerabilities.

In the circumstances, the effectiveness of internal controls over payroll management could not be confirmed.

#### **3. Lack of Updated Assets Register**

The statement of financial position and as disclosed in Note 15 to the financial statements reflect total assets owned by the University of Kshs.3,315,986,462 including the work in progress. However, the asset register provided lacked key information which includes make/model, date of delivery, installation date, original location, depreciation

rate, annual depreciation, accumulated depreciation, net book value and assets condition as required. Further, the four (4) projects completed were not included in the assets register even after being completed in the year 2021.

In the circumstances, the effectiveness of internal controls over asset management could not be confirmed.

#### **4. Delay in Remittance of Statutory Deductions**

Review of human resource records revealed that the University made late remission of employee deductions to the National Social Security Fund (NSSF) for the months of May and June, 2023 contrary to Section 20(1A) of the NSSF Act of 2013 which states that an employer shall pay the contribution under Sub-Section (1) on the ninth day of each month or on such later date as the Board may, in consultation with the Cabinet Secretary, prescribe. The late remittance attracted penalty of Kshs.98,172 which the University could have avoided.

In the circumstances, the effectiveness of internal controls over-payroll deductions could not be confirmed.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 Management and the University Council**

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

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

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

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

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

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

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

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

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

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

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

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

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

**Nairobi**

**21 March, 2024**


South Eastern Kenya University  
Annual Report and Financial Statements  
for the financial year ended June 30, 2023


15. Statement of Financial Position as at 30th June 2023

		2022-2023 Kshs	2021-2022 Kshs
<b>Assets</b>	<b>Notes</b>		
<b>Current assets</b>			
Cash and cash equivalents	19	111,687,997	93,699,340
Receivables from exchange transactions	20a	73,459,579	70,683,596
Receivables from non-exchange transactions	20b	20,245,760	-
Inventories	21	5,452,942	5,991,059
<b>Total current assets</b>		<b>210,846,278</b>	<b>170,373,995</b>
<b>Non-current assets</b>			
Property, plant and equipment	17a	3,315,986,462	3,329,727,727
Intangible Assets	17b	5,981,036	8,971,554
Biological assets	22	9,124,604	8,456,860
<b>Total assets</b>		<b>3,541,938,379</b>	<b>3,517,530,137</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables from exchange transactions	23	201,649,086	177,610,541
Unexpended research grants	24	29,056,986	26,110,553
Refundable deposits from students-caution money	25	29,468,655	26,905,315
Contingent liabilities	26	3,454,154	3,454,154
<b>Total current liabilities</b>		<b>263,628,881</b>	<b>234,080,563</b>
<b>Net assets</b>			
Revenue reserves	27	(244,872,299)	(201,736,465)
Capital fund	28	2,958,159,112	2,920,163,352
Revaluation reserve	29	565,022,686	565,022,686
<b>Total net assets</b>		<b>3,278,309,498</b>	<b>3,283,449,573</b>
<b>Total net assets and liabilities</b>		<b>3,541,938,379</b>	<b>3,517,530,137</b>

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

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

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

  
.....  
Esther Wanjiru Ndirangu  
Session Chairperson

Date: 7/03/2024

Date: 7/3/2024

Date: 7/3/2024



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**16. Statement of Changes in Net Assets for the year ended 30th June 2023**

	Capital fund Kshs	Revenue reserves Kshs	Revaluation reserve Kshs	Total Kshs
Balance as at 1 July 2021	2,810,163,352	(163,819,902)	565,022,686	3,211,366,136
Surplus/Deficit for the period	-	(30,175,449)	-	(30,175,449)
Adjustment on previous years student balances	-	(5,691,848)	-	(5,691,848)
Prior year adjustments- Expenses	-	(21,548,611)	-	(21,548,611)
Prior year adjustments- Depreciation invoices reversed	-	19,499,346	-	19,499,346
Valuation of Land & Building at Mwingi	-	-	-	-
Capital grants received in the year	110,000,000	-	-	110,000,000
<b>Balance as at 30 June 2022</b>	<b>2,920,163,352</b>	<b>(201,736,464)</b>	<b>565,022,686</b>	<b>3,283,449,574</b>
Balance as at 1 July 2022	2,920,163,352	(201,736,464)	565,022,686	3,283,449,574
Surplus/Deficit for the period	-	(31,077,180)	-	(31,077,180)
Adjustment on previous years student balances	-	(4,313,364)	-	(4,313,364)
Prior year adjustments- Expenses	-	(7,745,292)	-	(7,745,292)
Prior year adjustments- Depreciation	-	-	-	-
Valuation of Land & Building at Mwingi	-	-	-	-
Capital grants received in the year	37,995,760	-	-	37,995,760
<b>Balance as at 30 June 2023</b>	<b>2,958,159,112</b>	<b>(244,872,299)</b>	<b>565,022,686</b>	<b>3,278,309,499</b>



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17. Statement of Cash Flows for the year ended 30th June 2023

	Notes	2022-2023 Kshs	2021-2022 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	6	940,357,506	939,189,868
Public contributions and donations	7	15,478,673	14,075,742
Rendering of services	8	245,237,424	232,242,856
Sale of goods	9	15,478,673	14,075,742
Rental revenue from facilities and equipment	10	1,818,077	2,817,266
Other income	11	9,223,011	8,252,626
<b>Total receipts</b>		<b>1,227,593,364</b>	<b>1,210,654,099</b>
<b>Payments</b>			
Use of goods and services	12	196,817,114	177,547,001
Employee costs	13	933,581,112	943,746,289
Board Expenses	14	8,325,583	8,635,686
Repairs and maintenance	16	15,946,925	12,189,122
Contracted services	17	18,958,698	17,425,518
<b>Total payments</b>		<b>1,173,629,433</b>	<b>1,159,543,617</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>53,963,931</b>	<b>51,110,483</b>
<b>Cash flow from investing activities</b>			
Purchase of Non-current assets	15	(9,889,421)	(10,572,627)
Work in progress	15	(58,676,890)	(92,391,612)
<b>Net cash flow from investing activities</b>		<b>(68,566,310)</b>	<b>(102,964,239)</b>
<b>Cash flow from financing activities</b>			
Increase /(Decrease) in revenue reserves	26	35,086,796	(27,240,459)
Capital grants receivable from Government	20b	(20,245,760)	-
Capital grants received from Government	27	17,750,000	110,000,000
<b>Net cash flow from financing activities</b>		<b>32,591,036</b>	<b>82,759,541</b>
Increase/Decrease in cash and cash equivalents		17,988,657	(20,167,612)
Cash and cash equivalents at 1 July 2022	19	93,699,340	113,866,952
Cash and cash equivalents at 30 June 2023	19	111,687,997	93,699,340



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**18. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2023**

	Original budget	Adjustment	Final budget	Budget	Actual on	Performance	% of utilization
	FY 2022-2023 Kshs	Kshs	FY 2022-2023 Kshs	Cumulative to date Kshs	comparable basis Kshs	difference Kshs	
<b>Revenue</b>							
<b>Non-exchange transactions</b>							
Transfers from other governments entities	940,357,506	-	940,357,506	940,357,506	940,357,506	-	100%
Public contributions and donations	13,000,000	(1,500,000)	11,500,000	11,500,000	15,563,370	4,063,370	120%
<b>Exchange transactions</b>							
Rending of services	233,200,000	11,000,000	244,200,000	244,200,000	245,237,424	1,037,424	105%
Internally Generated	22,800,000	(1,300,000)	21,500,000	21,500,000	26,731,402	5,231,402	117%
<b>Total revenue</b>	<b>1,209,357,506</b>	<b>8,200,000</b>	<b>1,217,557,506</b>	<b>1,217,557,506</b>	<b>1,227,889,701</b>	<b>10,332,195</b>	<b>102%</b>
<b>Expenses</b>							
Use of Goods	203,601,093	8,668,998	212,270,091	212,270,091	196,856,470	15,413,621	93%
Board Expenses	8,000,003	400,001	8,400,004	8,400,004	8,325,583	74,421	99%
Repairs and maintenance, rents & rates	11,750,005	4,310,001	16,060,006	16,060,006	15,946,925	113,081	99%
Contracted Services	19,500,000	-	19,500,000	19,500,000	18,958,698	541,302	97%
Employee Costs	966,506,405	(5,179,000)	961,327,405	961,327,231	933,581,112	27,746,293	97%
Depreciation and amortization*	-	-	-	-	85,298,093	-	-
Internally funded capital items	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>1,209,357,506</b>	<b>8,200,000</b>	<b>1,217,557,512</b>	<b>1,217,557,505</b>	<b>1,258,966,881</b>	<b>43,888,724</b>	<b>103%</b>
<b>Surplus/Deficit for the period</b>					<b>(31,077,180)</b>		



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**19. Notes to the Financial Statements**

**1. General information**

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

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

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

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

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

**3. Summary of significant accounting policies**

**a) Revenue recognition**

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



**i) Revenue from non-exchange transactions – IPSAS 23**

**Revenue**

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

**Transfers from other government entities**

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

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

**ii) Revenue from exchange transactions – IPSAS 9**

**Rendering of services**

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

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



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**Sale of goods**

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

**Rental income**

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

**b) Budget information – IPSAS 24**

The original budget for 2022-2023 financial year was approved by the Council on 11<sup>th</sup> June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget.

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

**Statement of comparison of budget and actual amounts:**

**Recurrent Grants**

The Government allocated the University Kshs. 940,357,506.00 This amount was duly received in the financial year.



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**Tuition and other related fees**

The University initially projected to collect Kshs. 277,200,000.00 in the financial year. The university managed to realize a total of kshs. 287,532,195. This was attributed to increased student activities during the financial year.

**Administration expenses**

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

**Employee costs**

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

**Revision of the budget**

Unexpected decrease or increase in some of the budget line items necessitated a realignment of the expenditure. This was approved by the University Council on 15<sup>th</sup> June, 2023.

**c) Biological assets – IPSAS 27**

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

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



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**Biological assets**

Category	Balance as at 1 July 2022	Addition	Disposal	Total	Revaluation gain/loss	Balance as at 30th June 2023
	Kshs	Kshs	Kshs		Kshs	
Cattle	3,438,720	-	-107,200	3,331,520	618,040	3,949,560
Poultry	192,900	-	-78,300	114,600	98,650	213,250
Goats	4,381,480	-	-632,050	3,749,430	805,706	4,555,136
Pigs	431,760	-	-115,931	315,829	78,829	394,658
Donkey	12,000	-	-	12,000	0	12,000
<b>Total</b>	<b>8,456,860</b>	<b>-</b>	<b>-933,481</b>	<b>7,523,379</b>	<b>1,601,225</b>	<b>9,124,604</b>

Revaluation of biological assets is based on the following assumptions:

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

**d) Property, plant and equipment – IPSAS 17**

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

Property, plant and equipment under construction has been valued on the basis of expenditure incurred and certified work certificates up to 30<sup>th</sup> June, 2023. Work in Progress is not depreciated. The total cost of a project will be transferred to the relevant asset class on completion and then depreciated.

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



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Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

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

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

**Software amortization**

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

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

**Land ownership**

The ownership of land- parcels reference L.R. No. 209/10350 (Nairobi), L.R No. 13529 (Kitui) and L.R. No. 12970 (Emali) which is the land amounting to Kshs. 1,036,600,000 included in the Plant, Property and Equipment schedule have not been registered in the name of the University as a result of land disputes.

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

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

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

The University has physical possession and title deeds over the land which was received as a donation on 13<sup>th</sup> July, 2015 and 22<sup>nd</sup> September, 2015 respectively. These parcels of land are



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valued at Kshs. 3,200,000 and Kshs. 6,750,000 respectively. The valuation of the building in Mwingi/Nzeluni/1970 is valued at Kshs.39,000,000.00

(ii) Land in Kitui

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

(iii) Land in Wote town

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

(iv) Land in Mtito-Andei

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

**Fully depreciated assets**

Included in the net book value of motor vehicles is revaluation resulting from vehicles which had been depreciated on a straight line basis.

**Financial instruments**

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

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

**e) Research and development costs**

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



- (i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- (ii) Its intention to complete and its ability to use or sell the asset
- (iii) How the asset will generate future economic benefits or service potential
- (iv) The availability of resources to complete the asset
- (v) The ability to measure reliably the expenditure during development

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

#### **Unexpended research grants**

This represents unspent external grants and donations for sponsored research and other restricted purposes. The balance has decreased from the previous year due to the timing of research expenditures. This amounted to Kshs.28,931,831.00 which is recognized as unexpended research grants.

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

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

#### **f) Inventories – IPSAS 12**

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

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

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



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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.

**g) Provisions – IPSAS 19**

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

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

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

**h) Contingent liabilities**

The University had a potential liability relating to penalty and interest due to delayed payment of tax expense (PAYE) lost through fraud for the month of June 2015. This amount of Kshs.3,454,154.00 is recognized as a contingent liability in the statement of financial position pending determination of a petition written to Kenya Revenue Authority for its write off.

**i) Contingent assets**

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



**j) Changes in accounting policies and estimates – IPSAS 3**

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

**k) Employee benefits**

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

**l) Foreign currency transactions – IPSAS 4**

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

**m) Cash and cash equivalents**

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

**n) Deferred Income tax**

Pursuant to section 26 of the Income Tax Act CAP. 470. the University is exempted from paying income tax. However, income from employment or from services rendered to the University and



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paid to the individuals is subjected to Pay as You Earn and remitted to the Government. Similarly, no deferred tax arises from University operations.

**o) Comparative figures**

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



**p) Significant judgments and sources of estimation uncertainty – IPSAS 1**

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

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

**q) Useful lives and residual values**

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

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

**r) 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.

**s) Related party disclosures– IPSAS 20**

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

Related party transactions: -

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



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

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

(i) Members of the University Management Board

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

(ii) The Council

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

<b>Board expenses</b>	<b>2022-2023</b>	<b>2021-2022</b>
Sitting allowance	2,380,000	3,500,000
Travelling and accommodation allowances	5,891,583	4,347,353
Training Expenses	54,000	-
Honorarium		788,333
<b>Total council expenses</b>	<b>8,325,583</b>	<b>8,635,686</b>

**t) Financial risk management objectives and policies- IPSAS 30**

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

Risk management is carried out by the University Management Board under the supervision of the University Council. Management in conjunction with the Council Audit Committee then identifies, evaluates and addresses risks accordingly abiding to policies approved by the Council.



They also review market trends and information available to evaluate the potential exposures and then arrive at strategies to mitigate against market risks.

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

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

### **Currency risk**

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

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

### **Credit risk**

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

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



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

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

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

**Classification of credit risk bearing assets**

The table below shows the ageing profile of trade receivables:

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

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



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**Credit risk**

**Credit risk**

As at 30 June 2023	Fully performing Kshs	Past due Kshs	Impaired Kshs
Students debtors	57,487,768	-	-
General debtors	935,599	14,000,000	-
Internal debtors	258,600	-	-
Bank balances	111,687,997	-	-
<b>Total</b>	<b>170,369,964</b>	<b>14,000,000</b>	<b>-</b>
As at 1 July 2022	Fully performing	Past due	Impaired
Students debtors	55,120,750	-	-
General debtors	756,496	14,000,000	-
Internal debtors	327,400	-	-
Bank balances	93,699,340	-	-
<b>Total</b>	<b>149,903,986</b>	<b>14,000,000</b>	<b>-</b>

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

**Liquidity risk**

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

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

The University manages liquidity risk through continuous monitoring of forecast and actual cash flows. The University also maintains a balanced budget and produces quarterly management accounts to monitor performance. An annual procurement plan is drawn at the beginning of every



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financial year to guide on commitments to be made in the year taking into account the resources envelop.

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

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

**Liquidity risk**

As at 30th June 2023	6 months Kshs	6-12 months Kshs	1> years Kshs	Total Kshs
Capital Creditors	0	-	-	0
Recurrent creditors suppliers	19,010,499	-	-	19,010,499
Contractor's retention	7,969,858	-	-	7,969,858
Commissioner of domestic taxes (Withholding tax)	592,229	-	-	592,229
Withholding tax (VAT)	2,207,287	-	-	2,207,287
Refundable customer deposits	80,788	-	-	80,788
<b>Total</b>	<b>29,860,662</b>	<b>-</b>	<b>-</b>	<b>29,860,662</b>
As at 1 July 2022				
Capital Creditors	408,074	-	-	408,074
Recurrent creditors suppliers	2,677,379	-	-	2,677,379
Contractor's retention	7,216,185	3,754,840	-	10,971,025
Commissioner of domestic taxes (Withholding tax)	36,290	-	-	36,290
Withholding tax (VAT)	1,921,576	-	-	1,921,576
Refundable customer deposits	80,788	-	-	80,788
<b>Total</b>	<b>12,340,292</b>	<b>3,754,840</b>	<b>-</b>	<b>16,095,132</b>

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

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

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



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

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

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

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

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

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

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

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

IPSAS 39 replaced IPSAS 25 Employee Benefits.

Changes include:

- 1) Removing an option that allows an entity to defer the recognition of changes in the net defined benefit liability



- 2) Introducing the net interest approach for defined benefit plans
- 3) Amending certain disclosure requirements for defined benefit plans and multi-employer plans.
- 4) Simplifying the requirements for contributions from employees or third parties to a defined benefit plan when those contributions are applied to a simple contributory plan that is linked to service and removing requirements for composite social security programmes.

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

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

#### **Other Improvements to IPSAS**

- (i) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks.
- (ii) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved.
- (iii) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.
- (iv) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard.

#### **IPSAS 41: Financial Instruments Applicable: 1<sup>st</sup> January 2023:**

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



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

**IPSAS 42: Social Benefits Applicable: 1<sup>st</sup> January 2023**

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

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

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

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



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*Early adoption of standards*

The university did not early – adopt any new or amended standards in year 2022/2023.

**v) Subsequent events – IPSAS 14**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023



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Notes to the Accounts for the year ended 30th June 2023 (Continued)

**6 Transfers from other governments entities**

	2022-2023 Kshs	2021-2022 Kshs
<b>(a) Recurrent grants</b>		
Bank statement date		
03/08/2022	78,363,126	78,042,723
08/09/2022	78,363,126	78,042,723
29/09/2022	78,363,124	78,042,723
03/10/2022	78,363,126	78,042,723
10/11/2022	78,363,126	78,042,723
30/12/2022	78,363,125	78,042,723
02/02/2023	78,363,126	78,042,723
17/03/2023	78,363,126	78,042,723
14/04/2023	78,363,124	78,042,723
05/05/2023	78,363,126	78,042,723
09/06/2023	78,363,126	79,381,316
27/06/2023	78,363,125	79,381,322
<b>Total recurrent grants</b>	<b>940,357,506</b>	<b>939,189,868</b>

These are non-conditional funds received from the Government to support recurrent expenditure of the University.

**(b)Capital grants**

27/10/2022	17,750,000	55,000,000
04/07/2023	20,245,760	55,000,000
<b>Total capital grants</b>	<b>37,995,760</b>	<b>110,000,000</b>

These are conditional funds received from the Government to support development expenditure of the University.

**7 Public contributions and donations**

	2022-2023 Kshs	2021-2022 Kshs
NABWIG		1,118,348
ISAAA AFRICENTRE		300,000
KCSAP SEKU-KALRO Climate Smart Bee Keeping Project		1,060,447
PBL BIO AFRICA PROJECT-C/O DR JULIUS KIL	1,593,277	
INTERNATIONAL FOUNDATION % J .MUSAU	1,901,469	
UNIVERSITY OF OXFORD C/O DAVID M. K	1,936,541	
STITCHING IHE DELFT C/O DR MOSES MWANGI	3,649,452	
ROTARY FOUNDATION	2,108,470	
GOOGLE IRELAND	4,374,160	
<b>Total Public contributions and donations</b>	<b>15,563,370</b>	<b>2,478,795</b>



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**Notes to the Accounts for the year ended 30th June 2023 (Continued)**

**8 Rendering of Services**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Tuition Fees	131,314,161	122,837,550
Application Fees	313,000	308,290
Registration	6,784,500	6,668,000
ID Fees	807,500	19,500
Activity Fees	6,458,450	6,042,500
Student Medical Fees	13,661,280	12,722,340
Examination Fees	19,764,500	18,788,000
Library Fees	12,091,125	11,451,750
Supervision	90,000	66,000
Field Trips/Attachment	296,000	686,500
Thesis fees	121,000	165,150
Project fees	260,000	218,000
Computer Fees	19,384,000	18,169,901
Teaching Practice Fees	4,424,000	9,162,862
Accommodation fees	18,930,033	18,862,863
Smartcard Fee	500	1,874,250
Material Development Fee	987,300	152,000
Insurance Fee	388,000	528,900
Field/Industrial/Workshop/Internal Attachment	3,415,000	193,000
Laboratory/Workshop Fee	262,500	1,664,000
Tests & Vaccination Fee	90,000	116,500
Practical/Research Seminars Fee	52,000	50,000
Clerkship/Clinical Attachment Fee	52,000	19,000
Hospital Consumables Fee	156,000	20,000
Workshop Fee	2,395,000	66,000
Center Fess TVET	438,000	
Geological Field Mapping Fee	20,000	1,390,000
Clinical Placement Fees	2,281,575	
<b>Total Rendering of Services</b>	<b>245,237,424</b>	<b>232,242,856</b>

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



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Notes to the Accounts for the year ended 30th June 2023 (Continued)

9 Sale of Goods

	2022-2023	2021-2022
	Kshs	Kshs
Food sales- income generating activities	3,765,148	3,937,873
Farm proceeds	1,090,391	1,012,400
Accommodation receipts guest house	2,044,945	2,038,062
Students mess sales-Pay as you eat	8,563,128	6,723,094
Sale of Masks	9,560	168,300
Sale of Sanitizers	5,500	190,013
Sale of honey	-	6,000
	<b>15,478,673</b>	<b>14,075,742</b>

10 Rental Revenue from Facilities and Equipment

	2022-2023	2021-2022
	Kshs	Kshs
Hire of academic gowns	487,700	1,072,050
Hire of conference facilities	124,000	-
Rent income	1,206,377	1,745,216
<b>Totals Rental Revenue from Facilities and Equipment</b>	<b>1,818,077</b>	<b>2,817,266</b>

11 Other incomes

	2022-2023	2021-2022
	Kshs	Kshs
Increase in net worth of biological assets	667,744	-
Library fine	15,526	6,716
General fines-keys and others	2,874,271	2,228,347
Proceeds from disposal of Assets	23,000	-
Insurance Claim	895,348	-
Graduation fees	3,563,920	5,516,500
Miscellaneous income	981,431	491,523
Catering & Accommodation Related Fines	180,771	-
Tender fees	21,000	-
Other grants and donations	-	9,540
<b>Total other incomes</b>	<b>9,223,011</b>	<b>8,252,626</b>



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**Notes to the Accounts for the year ended 30th June 2023 (Continued)**

**12 Use of Goods and Services**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Student bursaries	460,970	399,998
Guest house and Cafeteria	4,963,648	4,301,566
Staff travelling and subsistence	7,376,298	10,218,811
External travel and accommodation	273,694	1,341,744
Staff training and development	321,725	714,954
Staff and dependent fees waiver	496,320	-
Medical insurance cover and staff hospitalization expenses	48,695,783	41,450,926
Audit fees for the year	696,000	696,000
Staff performance appraisal and reviews	13,920	18,000
Postage and courier services	98,648	36,265
Electricity expenses	19,188,480	16,948,055
Water expenses	9,498,325	11,599,295
General insurances - properties and others	9,276,900	6,463,199
Professional, Legal and other fees	5,755,861	2,894,591
Official entertainment	672,554	170,206
Conference and seminars	555,104	1,159,405
Internet and ICT Expenses	18,254,153	18,025,049
Office running	3,755,582	6,003,655
Management, Senate and other internal committee	1,447,325	2,283,507
Performance contracting	322,438	-
Telephone	103,293	131,519
Farm	1,252,740	967,944
Transport operating	8,680,222	7,352,741
AS&DA, HIV/AIDS Control unit	309,220	75,556
Catering and accommodation	13,543,212	8,608,776
Printing and publishing	295,030	244,000
Marketing, Publicity & advertising	4,371,634	5,430,529
Teaching materials expenses	4,826,245	4,885,661
Graduation expenses	2,485,667	1,944,694
Sports expenses	1,055,850	736,919
Teaching practice & field attachment	3,495,175	4,684,948
Academic field trips	928,106	678,670
Externally Funded research expenses	12,616,937	13,087,553
External examiners exp/subsistence allowance	1,978,353	960,000



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Student activities	1,273,740	355,576
Library expenses	2,613,189	889,028
Academic Quality Control	4,207,000	960,000
TVET Expenses		86,000
Internally funded research	125,155	
Decrease in net worth of biological assets		257,450
Bank charges, commissions and errors	532,622	484,210
<b>Total Use of Goods</b>	<b>196,817,114</b>	<b>177,547,001</b>



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**Notes to the Accounts for the year ended 30th June 2023 (Continued)**

**13 Employee costs**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Basic pay	446,914,428	435,609,723
House allowance	187,688,885	179,934,441
Commuting allowance	66,441,892	64,997,057
Entertainment allowance	9,759,710	9,564,936
Hardship allowance	45,239,156	47,479,942
Professorial allowance	475,000	400,000
NSSF-employer contribution	3,082,680	236,000
Pension-employer contribution	81,336,613	79,834,881
Acting allowance	676,277	133,838
Leave travelling allowance	2,287,634	2,098,061
Responsibility allowances	16,125,743	15,760,506
Allowances arrears	3,300,773	1,461,952
Uniform expense	30,000	117,000
Book Journal/ICT allowance	1,902,500	1,842,500
Gratuity and pensions contributions	6,827,382	12,454,410
Passage, baggage and leave days	118,318	213,628
Teaching claims - part time lecturers	7,904,750	34,595,156
Casual labour expenses	10,877,566	13,427,837
Telephone allowances	5,948,274	5,889,322
Time tabling allowances	346,800	255,000
Facilitation allowance	469,000	372,000
Extraneous allowances	9,715,278	8,087,690
Security guard allowances	2,076,000	2,064,000
Water and electricity allowances	2,562,500	2,465,129
Risk allowances	895,963	760,541
Other employee allowances	20,577,991	23,690,741
<b>Total employee costs</b>	<b>933,581,112</b>	<b>943,746,289</b>



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Notes to the Accounts for the year ended 30th June 2023 (Continued)

14 Board Expenses	2022-2023 Kshs	2021-2022 Kshs
Sitting allowance	2,380,000	3,500,000
Travelling and accommodation allowances	5,891,583	4,347,353
Training Expenses	54,000	-
Honorarium		788,333
<b>Total council expenses</b>	<b>8,325,583</b>	<b>8,635,686</b>
<b>15a Property, Plant and Equipment</b>	<b>2022-2023 Kshs</b>	<b>2021-2022 Kshs</b>
Depreciation expense - Property, Plant & Equipment	82,307,575	66,524,676
<b>15b Property, Plant and Equipment- Intangible Assets</b>	<b>2022-2023 Kshs</b>	<b>2021-2022 Kshs</b>
<b>Cost</b>		
as at 1st July 2022	14,952,590	14,952,590
Additions	-	-
<b>Cost as at 30 June 2023</b>	<b>14,952,590</b>	<b>14,952,590</b>
<b>Amortization</b>		
As at 1st July 2022	(5,981,036)	(2,990,518)
Amortization	(2,990,518)	(2,990,518)
As at 30 June. 2023	<b>(8,971,554)</b>	<b>(5,981,036)</b>
<b>Net Book Value</b>	<b>5,981,036</b>	<b>8,971,554</b>
<b>Depreciation and amortization expense</b>	<b>2022-2023 Kshs</b>	<b>2021-2022 Kshs</b>
Depreciation expense - Property, Plant & Equipment	82,307,575	66,524,676
Amortization expense - Intangible	2,990,518	2,990,518
<b>15c Total Depreciation and amortization expense</b>	<b>85,298,093</b>	<b>69,515,194</b>

Depreciation is only charged on completed projects based on applicable depreciation rates. No depreciation charge is made on work in progress.



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Notes to the Accounts for the year ended 30th June 2023 (Continued)

15a. Property, Plant and Equipment

Description	Land	Land improvements	Buildings	Furniture, plant & equipment	Motor vehicles	Computers	Work in Progress	Total
As at 1 July 2021	1,046,550,000	225,178,961	974,536,204	187,761,482	80,920,812	45,424,166	1,142,685,027	3,718,009,243
Additions	-	-	-	3,292,392	3,030,000	4,250,235	92,391,612	88,011,648
Disposal	-	-	-	-	-	-	-	-
Capitalization	-	-	-	-	-	-	-	-
Adjustment on Revaluation	-	-	-	-	-	-	-	-
As at 30 June 2022	1,046,550,000	225,178,961	974,536,204	191,053,874	83,950,812	49,674,401	1,235,076,639	3,806,020,891
As at 1 July 2022	1,046,550,000	225,178,961	974,536,204	191,053,874	83,950,812	49,674,401	1,235,076,639	3,806,020,891
Additions	216,000	-	-	9,297,321	-	376,100	58,676,890	68,566,310
Disposal	-	-	-	43,188,087	-	-	-	-
Capitalization	6,924,342	-	1,239,786,838	-	-	-	(1,289,899,267)	-
Adjustment on Revaluation	-	-	-	-	-	-	-	-
As at 30 June 2023	1,046,550,000	232,319,303	2,214,323,042	243,539,281	83,950,812	50,050,501	3,854,262	3,874,587,200
Depreciation & Impairment/Amortization	-	(5,556,338)	(109,770,889)	(171,620,332)	(47,947,000)	(44,373,274)	-	(429,267,833)
As at 1 July 2021	-	(11,258,948)	(19,490,724)	(14,091,912)	(20,230,203)	(1,452,889)	-	(66,524,676)
Depreciation	(11,258,948)	-	(19,490,724)	(14,091,912)	(20,230,203)	(1,452,889)	-	(66,524,676)
Dep't. Adj. on Furrn, Plant & Equip	(66,815,286)	(129,261,613)	(166,212,898)	(68,177,203)	(45,826,163)	(476,293,163)	-	(476,293,163)
As at 30 June, 2022	-	(66,815,286)	(129,261,613)	(166,212,898)	(68,177,203)	(45,826,163)	-	(476,293,163)
As at 1 July 2022	-	(66,815,286)	(129,261,613)	(166,212,898)	(68,177,203)	(45,826,163)	-	(476,293,163)
Depreciation	(11,615,965)	(44,286,461)	(19,019,531)	(5,838,703)	(1,546,915)	-	-	(82,307,575)
Dep't. Adj. on Revalued M/V	(78,431,251)	(173,548,074)	(185,232,429)	(74,015,906)	(47,373,077)	-	-	(558,600,738)
As at 30 June, 2023	-	(78,431,251)	(173,548,074)	(185,232,429)	(74,015,906)	(47,373,077)	-	(558,600,738)
Net Book Value	1,046,550,000	153,888,052	2,040,774,968	58,306,852	9,934,906	2,677,423	3,854,262	3,315,986,462
As at 30 June 2023	1,046,550,000	153,888,052	2,040,774,968	58,306,852	9,934,906	2,677,423	3,854,262	3,315,986,462
As at 30 June, 2022	1,046,550,000	158,363,675	845,274,591	24,840,976	15,773,609	3,848,238	1,235,076,639	3,329,727,728



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**Notes to the Accounts for the year ended 30th June 2023 (Continued)**

**16 Repairs and maintenance, rents & rates**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Repairs and maintenance of motor vehicles	7,298,760	7,498,656
Repairs and maintenance of buildings	4,679,019	2,464,080
Repairs and maintenance equipment & machinery	3,526,159	1,706,177
Rent and rates	-	-
Land improvement expenses	442,987	520,210

**17 Contracted Services**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Cleaning and Sanitary Services	9,164,798	9,087,998
Security services	9,793,900	8,337,520
<b>Total contracted services</b>	<b>18,958,698</b>	<b>17,425,518</b>

**18 Gain/Loss on foreign exchange transactions**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Loss on foreign exchange	(39,355)	(189,382)
Gain on foreign exchange	211,641	15,591
<b>Total Gain/Loss on foreign exchange transactions</b>	<b>172,285</b>	<b>(173,791)</b>



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**Notes to the Accounts for the year ended 30th June 2023 (Continued)**

**19 Cash and cash equivalents**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>(i) Current accounts</b>		
NBK Fees collection A/C No.01021052862000	31,297,330	1,372,419
NBK Development A/C No.01021053129200	13,292,579	42,588,580
NBK Income generating units A/C No.01021053129100	1,901,684	2,326,181
NBK Research A/C No.01021053302500	33,783,240	31,041,621
NBK Dollar A/C No.02020052862000	478,500	433,317
NBK Euro A/C No.03020052862000	4,368,737	4,203,894
NBK Payment A/C No.01020088710300	4,498,764	83,444
NBK Catering and accom. A/C No.01020088710400	579,662	1,488,758
NBK Caution money A/C No.01020017462300	3,812,460	2,804,990
KCB Fees collection A/C No.1127693166	1,633,287	2,329,679
Co-op. Bank Fees collect. A/C No.01129300544600	12,418,292	192,901
Equity Bank Fees collect. A/C No.0720295920757	906,865	693,314
ABSA Bank Fees collect. A/C No.2021558152	909,497	1,778,462
Family Bank Fees collect. A/C No.072000038445	458,334	105,831
<b>Total of current accounts</b>	<b>110,339,231</b>	<b>91,443,391</b>
<b>(ii) Others</b>		
M-PESA Fees payment account	219,213	2,252,964
M-PESA IGU payment account	1,129,553	2,985
<b>Total of others</b>	<b>1,348,766</b>	<b>2,255,949</b>
<b>Total cash and cash equivalents</b>	<b>111,687,997</b>	<b>93,699,340</b>



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Notes to the Accounts for the year ended 30th June 2023 (Continued)

20a Receivables from exchange transactions

	2022-2023 Kshs	2021-2022 Kshs
<b>Receivables from exchange transactions</b>		
Outstanding imprest	-	-
Students debtors	57,487,768	55,120,750
General debtors	15,080,461	14,756,496
Internal debtors	412,400	327,400
<b>Other current assets</b>		
BOC cylinders deposits	211,000	211,000
KPLC co ltd. deposits	267,950	267,950
<b>Total receivables from exchange transactions</b>	<b>73,459,579</b>	<b>70,683,596</b>

Ageing analysis: (Refundable deposits- Student debt and other current assets)	2022-2023	% of the Total	2021-2022	% of the Total
Under one year	7,693,675	13%	9,727,850	17%
1-2 years	49,794,093	86%	45,392,900	82%
2-3 years		0%		0%
Over 3 years	478,950	1%	478,950	1%
<b>Total</b>	<b>57,966,718</b>		<b>55,599,700</b>	

20b Receivables from non-exchange transactions

	20,245,760	-
<b>Total receivables</b>	<b>93,705,339</b>	<b>70,683,596</b>

This denotes a commitment from the Government on account of development grants due in the quarter of which were received after the quarter end on 4th July 2023.

21 Inventories

	2022-2023 Kshs	2021-2022 Kshs
Central store inventory	4,282,465	4,918,506
Cleaning materials	99,630	74,704
Food stuffs inventory	157,665	365,012
Medical drugs	242,240	119,742
Farm inventory	670,942	513,095
<b>Total inventories</b>	<b>5,452,942</b>	<b>5,991,059</b>

22 Biological assets

	2022-2023 Kshs	2021-2022 Kshs
Cattle	3,949,560	3,438,720
Poultry	304,900	192,900
Goats	4,651,144	4,381,480
Pigs	207,000	431,760
Donkey	12,000	12,000
<b>Total biological assets</b>	<b>9,124,604</b>	<b>8,456,860</b>



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**Notes to the Accounts for the year ended 30th June 2023 (Continued)**

**23 Trade and other payables from exchange transactions**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Unpaid contractors certificates		408,074
Recurrent creditors suppliers	19,010,499	2,677,379
Retention-contractors	7,969,858	10,971,025
Commissioner of domestic taxes (Withholding tax)	592,229	36,290
Withholding VAT	2,207,287	1,921,576
Customer deposits (refundable)	80,788	80,788
Insurance and investments	127,928	159,528
Net outstanding salaries	780,216	2,264,355
Pay as you earn tax	35,908	-
Other Payables -Accrued Creditors	8,089,766	
SEKU pension scheme	680,123	680,123
Kenya Univ. and Colleges Placement Services fee	201,100	181,600
Student pre-paid fees	76,890,062	70,568,162
Provision for part-time claims	55,688,900	64,933,257
Provision for audit fees	696,000	696,000
HELB-Loan	7,553,552	4,636,143
CDF- Constituency Development Fund	6,045,494	5,847,844
Imprest recoveries refund	328,437	289,893
SEKU-general recoveries	2,630,975	2,430,595
Other sponsors	1,133,155	1,220,905
Un-identified direct banking	2,647,174	1,977,430
Students Union membership and subscription fees	7,470,033	5,360,073
Quality Assurance Fee	408,000	155,000
Quality Audit Fee (KMLTTB)	66,000	61,000
Accreditation Fee (KMLTTB)	88,000	35,200
Indexing Fee (KMLTTB)	140,400	18,300
TVET KNEC Examination Fees	80,400	
Students General Recoveries	6,800	
<b>Total</b>	<b>201,649,086</b>	<b>177,610,541</b>

<b>Ageing analysis: (Trade and other payables)</b>	<b>2022-2023</b>	<b>% of the Total</b>	<b>2021-2022</b>	<b>% of the Total</b>
Under one year	53,400,414	26%	53,226,814	30%
1-2 years	14,808,706	7%	12,337,319	7%
2-3 years	77,751,065	39%	54,514,428	31%
Over 3 years	55,688,900	28%	57,531,979	32%
<b>Total</b>	<b>201,649,085</b>		<b>177,610,541</b>	



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**Notes to the Accounts for the year ended 30th June 2023 (Continued)**

**24 Unexpended research grants**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance at the beginning	26,110,553	36,719,311
Research grants received during the year (2022/2023)	15,563,370	2,478,795
Research grants paid during the year (2022/2023)	(12,616,937)	(13,087,553)
<b>Balance at the end</b>	<b>29,056,986</b>	<b>26,110,553</b>

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

**25 Refundable deposits from students-caution money**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance at the beginning	26,905,315	24,605,725
Caution money collected in financial year 2022/2023	4,127,200	4,281,960
Caution money paid and reversed in 2022/2023	(1,563,860)	(1,982,370)
<b>Balance at the end</b>	<b>29,468,655</b>	<b>26,905,315</b>

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

**26 Contingent liabilities**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Tax penalty and interest	3,454,154	3,454,154

The penalty arose as a result of payment of PAYE in 2015/2016 financial year. Kenya Revenue Authority has been petitioned to write it off.

**27 Revenue reserve**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
The figures are made up as follows:		
Balance at the beginning	(201,736,464)	(163,819,902)
Prior Year Adjustments-Expenses	(7,745,292)	(3,456,089)
Prior Year Adjustments Parttime Claims		(18,092,522)
Prior Year Adjustments -Depreciation	-	19,499,346
Deficit/Surplus for the year	(31,077,180)	(30,175,449)
Adjustment on depreciation of revalued motor vehicles		
Adjustment on previous years invoices overcharge reversed		-
Adjustment on previous years student balances	(4,313,364)	(5,691,848)
<b>Balance at the end</b>	<b>(244,872,299)</b>	<b>(201,736,464)</b>

This constitutes the accumulated surplus and deficits over the period the University has been in existence



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**Notes to the Accounts for the year ended 30th June 2023 (Continued)**

**28 Capital fund**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance at the beginning	2,920,163,352	2,810,163,352
Capital grants received in the year	37,995,760	110,000,000
<b>Balance at the end</b>	<b>2,958,159,112</b>	<b>2,920,163,352</b>

**29 Revaluation reserves**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance at the beginning	565,022,686	565,022,686
Motor vehicles revaluation		
Valuation of land at Mwingi		
Adjustment of depreciation on revalued motor vehicles		
<b>Balance at the end</b>	<b>565,022,686</b>	<b>565,022,686</b>

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

**30 Cash flow Adjustments**

	<b>2022-2023</b>	<b>2021-2022</b>
	<b>Kshs</b>	<b>Kshs</b>
HELB-Loan	7,553,552	4,636,143
CDF- Constituency Development Fund	6,045,494	5,847,844
Other sponsors	1,133,155	1,220,905
Cash flow adjustments-	24,138	(78,421,802)
<b>Total Cash flow Adjustments</b>	<b>14,756,339</b>	<b>(66,716,910)</b>

**31. Events after the reporting period**

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

**32. Ultimate and holding entity**

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

**33. Currency**

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



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20. Appendices

Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref. No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe
1	Overstatement of Employee costs	Overstated part time claims were adjusted and financial statements amended accordingly	Resolved	N/a
2	Overstatement of Revenue from Exchange Transactions	The increase of tuition fees was as result of adjustments of fees for those students who were invoiced for other charges such as retakes, supplementary and fees adjustments for those who had deferred their studies but had reported	Resolved	N/a
3	Land parcels in Nairobi, Kitui and Emali not registered in the name of the University and valuation of Kitui and Wote campuses land	The process of issuing the title has been hindered by several court cases pending in court details of which have been presented. The University has started process of valuing the land in Kitui and Wote.	In progress	Continuous
4	Unsupported and irregular prior year adjustments	The details of the adjustments relating to the prior year balances have been provided	Resolved	N/a
5	Receivables from Kitui County government	The university is in the process of instituting legal action for recovery of the amount owed.	In progress	Continuous
6	Irregular payment of professional fees	The council approved the budget to be paid as reimbursable and the amount was within the approved budget for the project consultancy fees	Resolved	N/a
7	Irregular acting allowances	The officer was appointed in acting capacity and issued with appointment letter and served until the position was filled substantively	Resolved	N/a
8	Failure to comply with the approved staff establishment	The University did not have sufficient funds to hire staff to fill all the positions and the additional number of staff was as a result of CUE recommendation in which	Resolved	N/a



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Ref. No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Status: (Resolved /Not Resolved)	Timeframe
		the establishment was approved by the University council in a meeting held on 10th December 2021		
9	Incomplete asset register	The university is in the process of acquiring an asset management software to be utilised in managing university assets and updating the asset register	Resolved	N/a

Prof. Douglas Shitanda, Ph.D

Vice-Chancellor

Sign.....

Date.....7/03/2024



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**Appendix II: Projects implemented by South Eastern Kenya University**

	Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement	Consolidated in these financial statements
						(Yes/No)	(Yes/No)
1	Construction of Wote Campus		GoK	4 Years	304,251,760	N/A	Yes
2	Construction of Kitui Campus		GoK	4 Years	292,924,686	N/A	Yes
3	Construction of College of Humanities and Social Sciences.		GoK	4 Years	442,343,411	N/A	Yes

**Status of Projects completion**

Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
Construction of Wote Campus	304,251,760	310,015,742	100%	-	-	GoK
Construction of Kitui Campus	292,924,686	286,695,154	100%	-	-	GoK
Construction of College of Humanities and Social Sciences.	442,349,411	426,500,524	100%	37,995,760	37,995,760	GoK



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**Appendix III: Inter-Entity Transfers**

ENTITY NAME:		South Eastern Kenya University		
Break down of Transfers from State Department for University Education and Research				
FY 2022/2023				
a.	Recurrent Grants			
		Bank Statement date	Amount (Kshs.)	Financial Year the amount relate
		03/08/2022	78,363,126.00	2022/2023
		08/09/2022	78,363,126.00	2022/2023
		29/09/2022	78,363,124.00	2022/2023
		03/10/2022	78,363,126.00	2022/2023
		10/11/2022	78,363,126.00	2022/2023
		30/12/2022	78,363,125.00	2022/2023
		02/02/2023	78,363,126.00	2022/2023
		17/03/2023	78,363,126.00	2022/2023
		14/04/2023	78,363,124.00	2022/2023
		05/05/2023	78,363,126.00	2022/2023
		09/06/2023	78,363,126.00	2022/2023
		27/06/2023	78,363,125.00	2022/2023
		<b>Total</b>	<b>940,357,506.00</b>	
b.	Development Grants			
		Bank Statement date	Amount (Kshs.)	Financial Year the amount relate
		30/09/2022	17,750,000	2022/2023
		04/07/2023	20,245,760	2022/2023
		<b>Total</b>	<b>37,995,760</b>	

**CPA Ferguson Muthui  
Director, Finance and Accounts**

**Head of Accounting Unit  
Ministry of Education**

Sign.....



Sign.....




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Appendix IV: Transfers from Other Government Entities

Name of the MDA/ Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	03/08/2022	Recurrent	78,363,126	78,363,126	-				78,363,126
	08/09/2022	Recurrent	78,363,126	78,363,126					78,363,126
	30/09/2022	Development	17,750,000	-	17,750,000				17,750,000
	03/10/2022	Recurrent	78,363,124	78,363,124					78,363,124
	29/09/2022	Recurrent	78,363,126	78,363,126					78,363,126
	10/11/2022	Recurrent	78,363,126	78,363,126					78,363,126
	30/12/2022	Recurrent	78,363,126	78,363,125					78,363,125
	02/02/2023	Recurrent	78,363,126	78,363,126					78,363,125
	17/03/2023	Recurrent	78,363,126	78,363,126					78,363,125
	14/04/2023	Recurrent	78,363,124	78,363,124					78,363,125
	05/05/2023	Recurrent	78,363,126	78,363,126					78,363,125
	09/06/2023	Recurrent	78,363,126	78,363,126					78,363,125
	27/06/2023	Recurrent	78,363,125	78,363,125					78,363,125
	04/07/2023	Development	20,245,760		20,245,760				20,245,760
<b>Total</b>			<b>978,353,267</b>	<b>940,357,506</b>	<b>37,995,760</b>				<b>978,353,264</b>

