

REPUBLIC OF KENYA

PARLIAMENT  
OF KENYA  
LIBRARY




**OAG**



**OFFICE OF THE AUDITOR-GENERAL**

*Enhancing Accountability*

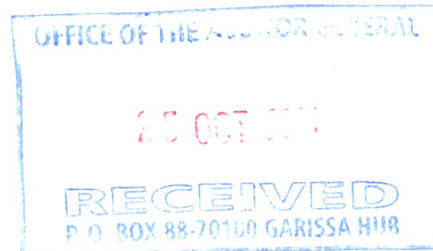
# REPORT

 THE NATIONAL ASSEMBLY PADDIS I AID	
OF	
DATE: 15 FEB 2023	DAY Wed
TABLED BY: LOM	<b>THE AUDITOR-GENERAL</b>
CLERK AT THE TABLE: M. modo	

ON

**GARISSA UNIVERSITY**

**FOR THE YEAR ENDED  
30 JUNE, 2021**



---

## **GARISSA UNIVERSITY**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2021**

---

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

	<b>PAGE</b>
<b>TABLE OF CONTENT</b>	
KEY UNIVERSITY INFORMATION AND MANAGEMENT .....	ii
UNIVERSITY MANAGEMENT BOARD.....	vi
CHAIRMAN’S STATEMENT .....	ix
REPORT OF THE VICE CHANCELLOR .....	xi
REVIEW OF GARISSA UNIVERSITY’S PERFORMACE FOR FY 2020/2021 .....	xiii
CORPORATE GOVERNANCE STATEMENT .....	xvi
MANAGEMENT DISCUSSION AND ANALYSIS.....	xx
ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	xxiv
REPORT OF THE UNIVERSITY COUNCIL .....	xxvii
STATEMENT OF UNIVERSITY COUNCIL’S RESPONSIBILITIES .....	xxviii
REPORT OF THE INDEPENDENT AUDITORS ON GARISSA UNIVERSITY .....	xxix
STATEMENT OF FINANCIAL PERFORMANCE .....	1
FOR THE YEAR ENDED 30 JUNE, 2021 .....	1
STATEMENT OF FINANCIAL POSITION.....	2
STATEMENT OF CHANGES IN NET ASSETS .....	3
FOR THE YEAR ENDED 30 JUNE 2021 .....	3
STATEMENT OF CASH FLOWS .....	4
FOR THE YEAR ENDED 30 JUNE 2021 .....	4
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS .....	5
NOTES TO THE FINANCIAL STATEMENTS .....	6
APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS.....	36
APPENDIX II: PROJECTS IMPLEMENTED BY THE UNIVERSITY .....	38
APPENDIX III: INTER-UNIVERSITY TRANSFERS.....	39
APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES .....	40

## KEY UNIVERSITY INFORMATION AND MANAGEMENT

### (a) Background Information

The Garissa University was established as a constituent college of Moi University on 12<sup>th</sup> August, 2011 through Legal Notice No. 116, the Moi University Act (Cap. 210A), and the Garissa University College Order 2011. The University become a fully pledged public University on 23<sup>rd</sup> October, 2017. At cabinet level, Garissa University is represented by the Cabinet Secretary for Ministry of Education (MOE), who is responsible for the general policy and strategic direction of the University.

Garissa University continues to discharge its three core mandates; teaching/training, research and community outreach. The current student population stands at 1,912 majority been self-sponsored students. The students are spread into four major schools which offer Postgraduate and Bachelor degree programs in Pure & Applied Sciences, Business & Economics, Education, Arts & Social Sciences and Dry Land Environment and Natural Resources. The University has limited physical infrastructure and inadequate academic staffing level to train students in these fields but optimistic to grow if funded well by the government and donor funds.

### (b) Principal Activities

The principal activities of Garissa University is teaching, research and community outreach and its mission is to nurture talent through research, innovation, consultancy, community outreach, entrepreneurship, imparting knowledge and skills to meet the needs of the society.

### (c) Key Management

The Garissa University's day-to-day management is under the following key organs:

1. University Council
2. Vice-Chancellor
3. University Management Board

### (d) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2020 and who had direct fiduciary responsibility were:

S.No.	Designation	Name
1.	Ag. Vice-Chancellor	Prof. Ahmed Abdikadir Osman
2.	Ag. Deputy Vice Chancellor (Academic & Students' Affairs)	Prof. Hussein Sheikh Adams Golicha
3.	Ag. Deputy Vice-Chancellor (Finance, Administrative & Planning)	Prof. Stephen Irura Ng'ang'a
4.	University Librarian	Dr. Iddi Juma
5.	Registrar (Academic and Student's Affairs)	Dr. Stephen Rotich
6.	Ag. Registrar ( Administration and Planning)	Mr. Abdulrahman Hamo
7.	Head of Finance	CPA Mohamed Ali Elmi
8.	Head of Procurement	Mr. Hussein Noor
9.	Assistant Dean of Students	Dr. Noor Mohamed

**KEY UNIVERSITY INFORMATION AND MANAGEMENT (Continued)**

**(e) Fiduciary Oversight Arrangements**

The University has a Council which provides the overall oversight responsibility on the management of the University which includes:- recruitment of staff, approval of statutes of the University and cause them to be published in the Kenya gazette, approval of policies, approval of the budget, manage, supervise and administer the University assets; determine the provisions to be made for capital and recurrent expenditure and for reserves; receive any grants, donations or endowments on behalf of the University; enter into association, collaboration, partnership or linkages with other entities. The University governing Council exercises its governing and operational functions through its established standing committees with clear Terms of Reference. These committees are:

- ❖ Audit, Risk and Compliance committee (ARCC),
- ❖ Academic, Research and Community Outreach committee (ARCOC),
- ❖ Governance, Human Resource and Students Welfare committee (GHRSWC) and
- ❖ Finance, Development and General Purpose committee (FDGPC).

**(f) University Headquarters**

Garissa University  
Main Campus  
P.O. Box 1801 – 70100  
Garissa University Building  
University Way Road, off Kismayu Road  
Garissa, KENYA.

**(g) University Contacts**

Telephone :( +254) 722 583 900  
E-mail: [vc@gau.ac.ke](mailto:vc@gau.ac.ke)  
Website: [www.gau.ac.ke](http://www.gau.ac.ke)

**(h) University Bankers**

1. Kenya Commercial Bank  
Garissa Main Branch  
P.O Box 560 – 70100  
Garissa, Kenya

2. Equity Bank  
Garissa Branch  
P.O. Box 700 – 70100  
Garissa, Kenya.

**(i) Independent Auditors**

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

**(j) Principal Legal Adviser**



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

**THE UNIVERSITY COUNCIL**



The following council members completed their term of 3 years on 26th January 2021 and only four (4) members were left in office and have been overseeing the operations of the University during the remainder period of the financial year.

1. Dr. Christopher G. Gakahu - Chairman of Council
2. Dr. Bertha K. Kaimenyi - Council Member
3. Mr. Jacktone Akelo - Council Member
4. Eng. Mohamed A. Farah - Council Member
5. Mr. William O. Motari - Council Member




The Council members in office as at the end of the financial year are as shown below with Mrs. Amina R. Masoud Elected to Chair the Council in the interim period pending recruitment, appointment and bringing on board replacement of the council members whose term has expired.




 <p>Mrs. Amina R. Masoud Council Member and Acting Chair</p>	<p>Mrs Amina Rashid Masoud was born in 1971</p> <p>She holds a Master’s degree in Business Administration from University of Nairobi and a Bachelor’s degree in Education from Kenyatta University.</p> <p>Ms Amina Masoud has worked in Kenya in different capacities in several sectors for over 20 years.</p> <p>She has served as the first Lamu county executive committee member in charge of lands, urban development, infrastructure, water and natural resources.</p> <p>She has also served in the corporate/strategic planning in different capacities at Telkom Kenya Ltd for over 10 years and shortly at the National Museums of Kenya.</p> <p>She is an independent member of Council</p>
 <p>Mr. Bonface K. Ngigi Rep. PS National Treasury</p>	<p>Mr. Boniface Ngigi was born on 13th March 1978.</p> <p>He holds a Master’s Degree in Project Planning Management from The University of Nairobi and a Bachelor’s of Science in Mathematics (Statistics) form The Catholic University of Eastern Africa.</p> <p>He has vast experience in negotiation of Agreements, Investments, Regional Integration, National Budget preparation, Economic Policy formulation and analysis in areas related to Environment and Natural Resource Governance; Low Carbon, Sustainable Development, Climate Financing, as well as Disaster Risk Financing. Over 12 years in Planning and Budgeting</p> <p>He is the Representative of PS- National Treasury.</p>
	<p>Hassan Duale was born 17<sup>th</sup> June 1977</p> <p>He holds Master’s degree in Education Management and Administration and Master’s Degree in Business Administration</p> <p>Mr. Duale has 20 years’ experience in the education administration and management cutting across the field administration.</p>

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*


 <p>Mr. Hassan Dualle Rep. PS University Education and Research</p>	<p>Mr. Duale is a member of the Kenya Association of Educational Administration and Management.</p> <p>He is the representative of the Principal Secretary State Department of University Education and Research.</p>
 <p>Prof. Ahmed A. Osman Ag. Vice Chancellor/ Council Secretary</p>	<p>Prof. Ahmed A. Osman was born in 20th January 1960</p> <p>He is a Professor of Curriculum &amp; Instructions at Moi University.</p> <p>He holds PhD (Curriculum and Instruction; Supervision of Instruction, Ohio University; M.Ed. (Secondary Education, Ohio University; MA (International Studies, Ohio University; BA (English &amp; History, Ohio); Dip Ed (English Language &amp; Literature, Siriba Teachers College)</p> <p>Has over 30 years of work experience.</p> <p>Currently the acting Vice Chancellor, Garissa University and Secretary to the Council</p>

**UNIVERSITY MANAGEMENT BOARD**

Name	Key Professional/Academic Qualification	Area of Responsibility
 <p><b>Prof. Ahmed A. Osman</b></p>	<p>PhD (Curriculum and Instruction; Supervision of Instruction, Ohio University); M.Ed. (Secondary Education, Ohio University); MA (International Studies, Ohio University); BA (English &amp; History, Ohio);</p> <p>School Administration and Supervision of Instruction, Curriculum planning and Development. Over 30 years of experience in Education.</p> <p>Currently the acting Vice Chancellor, Garissa University and Secretary to the Council</p>	<p><b>Ag. Vice-Chancellor</b></p>
 <p><b>Prof. Hussein Sheikh Adams Golicha</b></p>	<p>PhD (Physics) - Egerton University (1999); MSc (Polymer Physics) – Kenyatta University (1990); Bed (Science) Physics/Maths – University of Nairobi (1984).</p> <p>Over 30 years of experience in teaching/ administration</p>	<p><b>Ag. Deputy Vice Chancellor-</b> Academic and Students’ Affairs</p>
 <p><b>Prof. Stephen Irura Ng'ang'a</b></p>	<p>Doctor of Philosophy in <b>Planning</b> - Maseno University (2011), Master of Philosophy in <b>Entrepreneurship</b> - Moi University (2003), National Diploma in <b>Business Management</b> - The Kenya Institute of Management (1996), Master of Science in <b>Forest Industries Technology</b> - University College North Wales (1993), Graduate Diploma in <b>Timber Technology</b>- Bucks College in United Kingdom (UK) (1990). <b>Diploma in Industrial Education</b>- Kenya Technical Teachers College (1986).</p> <p>Over 30 years’ experience in Teaching/Administration</p>	<p><b>Ag. Deputy Vice-Chancellor</b>-Finance, Administration and Planning</p>

 <p><b>Dr. Stephen Rotich, PhD</b></p>	<p>Dr. Stephen Kipkorir Rotich is the Registrar- Academics and students' Affairs (ASA) Division. He has been a senior Lecturer in Research Methods and Education Management, holder of PhD (Education Administration), Moi University, 2014). He has been teaching in University since 2010 and has been a secondary school teacher, principal, trainer of head teachers under KEMI and trainer of secondary teachers under SMASSE.</p>	<p><b>Registrar</b> (Academic &amp; Students' Affairs)</p>
 <p><b>Mr. Abdulrahman Hamo Mohamed</b></p>	<p>PhD (Candidate), Garissa University, Masters in Education (MKU), B.Ed Science (KU), Dip. In Science Education (Kenya Science Teachers College).</p> <p>An accomplished Maths &amp; Chemistry Teacher with an excess of 18 years in Teaching and directing students</p>	<p><b>Ag. Registrar</b> (Administration and Planning)</p>
 <p><b>Dr. Iddi Webukha Juma, PhD</b></p>	<p>D.Phil. in LIS (Moi University), Library and Information Studies. M.Phil. in LIS (Moi), B.Sc. in IS (Moi).</p> <p>Library and Information Studies</p> <p>17 years working experience in Library and Information related sectors both in institutions of higher learning and the civil society.</p> <p>Professional training in Information Science (IT, Media, Publishing and Records Management) with specialization in Library and Information services.</p>	<p><b>The University Librarian</b></p>
 <p><b>CPA Mohamed Ali Elmi</b></p>	<p>MBA (Finance)- JKUAT, B.Com–JKUAT, CPA (K)</p> <p>Professional Accountant with over 10 years' experience in auditing and assurance, Accounting and Finance in both Public and Private Sector.</p>	<p><b>Head of Finance</b></p>

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*

	<p>PhD International Islamic University Malaysia (IIUM)</p> <p>Master of Education (Guidance &amp; Counselling) International Islamic University Malaysia (IIUM)</p> <p>Bachelor Degree in Islamic Law (Sharia) Islamic Univesrity Medina – Saudi Arabia</p> <p>Institute of Arabic language in Medina University – Arabic language</p> <p>Over 10 years of experience in the field of counseling. Well versed in theology and Islamic religion</p>	<p><b>Assistant Dean of Students</b></p>
--	---	--

**Dr. Noor Mohamed  
Abdinoor**

## **CHAIRMAN'S STATEMENT**

It is my pleasure to present to our stakeholders, partners and sponsors Garissa University (GaU) Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2021.

The year has had a lot of ups and downs but I am happy to report that despite it all we still managed to run our programmes and operations to a great extent as planned. This was particularly made possible by quickly adopting to the new ways of doing things, especially by embracing the use of technology to carry out activities virtually. Our ICT infrastructure project came in handy as we tried to set up multiple online trainings and classes for our students. The University was also able to make up for lost time and interruptions in our Almanac that came as a result of a long period of lockdown that was imposed in the FY 2019/2020

During the period under review, the major challenge the University faced was trying to raise the anticipated income of Ksh. 178,000,000 for A in A. Despite the desire to raise our A in A through various activities, the plans were greatly hampered by lockdowns aimed at controlling the spread of the Covid 19. Some of these lockdowns were imposed immediately giving little or no time to make alternative plans. In spite of this challenge, the University was still able to collect 94 M in A in A against a possible 178M. With this, many of our planned activities were not realized. It is however noteworthy to indicate that we greatly reduced our pending bill for the year by almost a half in comparison with last year. This is no mean feat and we will continue to work closely with the management to ensure the achievement of less than 1% of pending bills in the future. Further to this, there was no allocation of development funds in the FY due to the ongoing projects at the University. This has definitely disadvantaged the University especially since there is so much to be done on matters development. We are working closely with the management and the relevant stakeholders to ensure that the projects are completed. Since this may not happen in time for the budget allocation for FY 2021/2022, The Council together with the management is planning to embark on an intensive resource mobilization exercise in bid to secure some development partners for some of the projects we have in the pipeline. It is however our greatest hope that the GoK will consider our pleas for an increase in capitation in order to meet key operation needs of the University.

The University has started growing tremendously and we expect this to continue in the next few years. Our total staff population currently stands at 205, a growth of about 20 staff from the previous year. The new staff are mostly staff in academics where we have the greatest need. The University is particularly in need for academic staff that will spearhead various programmes that will soon be accredited by the CUE. We are also planning to review our current strategic plan where we intend to tailor most of our new programs around the unique environment the university finds itself in. This is our latest strategy to attract both lecturers and students not only from Northern Kenya but also from other parts of the country and internationally in programmes such as Dry land agriculture, Camel related studies, Climate Change, Peace and security studies among many other viable areas. These planned changes will bring about a lot of restructuring and expansion of our capacities to run the programmes. We hope that our partners and stakeholders will support us in this difficult but extremely necessary journey.

In this FY 2020/2021 the university has been in pursuit of partnerships with various stakeholders in bid to secure financial support in running some of our projects. Institutions such as National Environment Management Authority and the Ministry of Environment have donated some water tanks to support conservation efforts at the University. They have also made a pledge to construct a low level water tank of 100,000 litres capacity. This will go a long way in curbing our perennial water shortages and help us focus on our core mandate. The University has also managed to secure the support from the Swiss Embassy where they pledge to contribute over 20M in the next financial year to go towards booting the Institute of Peace and Security Studies

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*

Council and management will strive to ensure government resources are prudently managed to achieve the core mandate and business of the university. However, I would like to make special appeal to the GoK for more funding to enable the University establish the necessary infrastructure considering it is still at its infancy stage requiring enormous resourcing to take off.

Finally, I wish to thank the management, staff, parents/guardians, students, our clients/suppliers and all stakeholders for their continued support. We hope that all stakeholders will continue with zeal to assist Garissa University in its endeavour to achieve greater heights of academic excellence.

We look forward to a greater 2021/2022 Financial Year.

Thank you.



**Ms. Amina Rashid Masoud**  
**Ag. CHAIR OF COUNCIL**

**REPORT OF THE VICE CHANCELLOR**

It is my honour to present the Annual Report and Financial Statements of Garissa University (GaU) for the year ended 30<sup>th</sup> June, 2021 as required by the Universities Act of 2012 and Public Financial Management (PFM) Act, 2012.

During the year under review, the University total income was Kshs 408,131,000 as recurrent capitation and Kshs 94,477,000 as internally generated income bringing the total income to Ksh. 502,608,000. The total expenditure to June 30<sup>th</sup>, 2021 was Ksh 542,030,000 giving a surplus of Ksh 26M. During this period, the cumulative pending bills to suppliers, part time lecturers and other service providers was Ksh. 61,074,000.a reduction by almost 50% from the previous years pending bills.

The total number of staff as at 30<sup>th</sup> June, 2021 stood at 205. It includes 3 top management, 67 staff in grade (11-15), 81 staff in grade (5-10), 48 auxiliary staff in grade (1-4) and 63 Casual workers. The University also has 27 Police Officers who provide additional security services to the University and are paid allowances. Consequently, with the envisaged growth of the University and anticipated rise in staff population, GaU intends to retain, capacity build and motivate the current staff through well-enacted and effected staff development programmes and in compliance with the Staff Audit and Rationalization activity initiated by the University Council in the FY2020/2021. Additionally, plans to recruit more staff especially in the academia and crucial administrative departments are set to be undertaken to meet the growing demand for more staff at the University.

The University Council and management continue to engage with the Government, through the National Treasury and other stakeholders to ensure prudent utilization of Public Funds at the University. We will continue to ensure austerity measures are put in place to bolster sustainability of the institution amid real threats posed by Corona Virus (COVID-19) pandemic to our students' enrolment, teaching and learning continuity, and subsequently our ability to raise internally generated income through tuition fees. We will continue seeking for partnerships, connections and collaborations with international partners who will support the university in development of learning facilities, considering the government has frozen new capital projects due to challenging economic times.

The current student population stands at 1515 spread across four schools offering 26 different programmes. The University is awaiting the placement of more students through Kenya Universities & College Central Placement Services (KUCCPS) for the FY 2021/2022. Apart from the Four Schools ( i. Business; ii. Education; iii. Arts & Social Sciences; and iv. Pure and Applied Sciences) The University also started an Institute of Peace and Security Studies as part of its strategy to offer unique courses. The Institute has attracted potential partners both in Kenya and internationally and we looking to build and sustain this partnerships further.

The Covid 19 pandemic still poses a lot of challenges to the effective and efficient running of programmes and operations by the University. It has been particularly challenging not to be able to plan for classes when we were not sure whether a lockdown would be imposed. On the positive side, the pandemic has enabled us to embrace the use of technology and we have been able to greatly integrate various modes of technology not only in teaching and learning but also in carrying out other crucial operations such as holding meetings. We have since adopted a blended mode of learning that prepares us to continue with our operations whether face to face or virtually.

Covid 19 greatly affected the income generation activities of the University as most of them rely on hire of facilities, student accommodation and meals. This significantly reduced the amount of AIA we had anticipated to raise, consequently the University adhered by very strict austerity measures to

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*

control our expenditure. As a result a number of plans we had for the year were not executed. As a University, we continue to explore other sources of revenues to avoid being over-reliant on government capitation and student fees. One of the key areas we are venturing into is resource mobilization through partnerships with different stakeholders in Kenya and abroad particularly in funding our development projects. We are already in advanced stages in getting support from the Swiss Embassy in Kenya who are willing to fund a few activities in the Institute of Peace and Security Studies. We hope to finalize on the MoU and have some funds to boost our FY 2021/2022 budget.

The focus to seek development partners is majorly because the University, for the third year now, has not been allocated any funds for development projects. This is as a result of the current projects taking a longer time to be completed than anticipated. We however recognize the need to start off key projects such as the construction of the tuition block and the library hence the push towards getting some funding to start off the projects. The current projects are at the very last stages with the Perimeter Wall being at 100% completion pending a few items in the snag list and the 750 Hotel Project being at 99% completion pending external works and some paint work. We are hopeful that the projects will be completed and handed over before the end of the first quarter of the FY 2021/2022.

In FY 2020/2021 the University has performed better than in the previous years in the implementation of the Performance Contract. This is majorly attributed to having less targets that require funding. This was deliberate in our development of the contract since insufficient funding was the key inhibitor in implementing the contract. The University is currently preparing for external evaluation and at the same time preparing the draft PC for the FY 2021/2022

I would like to appreciate our staff and student who went over and above the challenges we've had this year, our partners who have stood by us despite a lot of uncertainty and the Government of Kenya for prompt financial support despite the difficult financial situation in the Country brought on by the Covid 19 Pandemic. We are grateful to all our stakeholders and remain steadfast in carrying out our mandate.

Thank you.



**Prof. Ahmed A. Osman, PhD**  
**AG. VICE CHANCELLOR**

**REVIEW OF GARISSA UNIVERSITY'S PERFORMANCE FOR FY 2020/2021**

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

The University has seven strategic pillars/key result areas within its Strategic Plan for the FY 2018/2019- 2022/2023 and are aligned to annual performance contract. Assessment of the University's performance against its annual work plan is done on a quarterly basis. GaU performance against its targets set for the FY 2020/2021 period for its key strategic pillars, as indicated in the diagram below.

Strategic Pillar	Objective	Key Performance Indicators	Activities	Achievements
<b>Pillar 1: Policy and Corporate Governance</b>	To improve policy and corporate governance for enhancing accountability and decision making	<ul style="list-style-type: none"> <li>✓ Approved policies</li> <li>✓ Ongoing ISO Certification process</li> <li>✓ Annual Work Plan Developed</li> <li>✓ Workshops on awareness held</li> <li>✓ Reports on Staff performance appraisal</li> <li>✓ Workshops held on corruption prevention</li> <li>✓ workshop held on gender and equality</li> </ul>	<ul style="list-style-type: none"> <li>✓ Train process owners on ISO 9001:2015</li> <li>✓ Develop policies to support implementation of the Strategic plan (SP)</li> <li>✓ Conduct a workshop in conjunction with EACC on continual fight against corruption</li> <li>✓ Partner with the National Gender and Equality Commission to conduct an empowerment workshop on gender and equality</li> </ul>	<ul style="list-style-type: none"> <li>✓ Development and approval of Human Resource Policy Manual and Procedures.</li> <li>✓ Staff were trained on ISO 9001:2015 procedures.</li> <li>✓ Developed an Annual Work plan to guide in the implementation of the SP</li> <li>✓ One workshop held to sensitize staff on anti-corruption</li> <li>✓ One empowerment workshop on gender mainstreaming and equality.</li> </ul>
<b>Pillar 2: Resource Mobilization and Management of Financial resources</b>	Attracting at least 2 donor funded projects per department per year	<ul style="list-style-type: none"> <li>✓ Donor Funded Projects increased</li> <li>✓ A-in- A increased</li> </ul>	<ul style="list-style-type: none"> <li>✓ Attracting at least 2 donor funded projects per department per year.</li> <li>✓ Increasing income from IGAs by 20% per year.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Initiated and signed partnership and funding MOU with Embassy of Switzerland for funding support in 2021/2022 FY</li> <li>✓ A in A target decreased by 53% due to COVID 19</li> </ul>
<b>Pillar 3: Quality Undergraduate and Graduate Education</b>	To enhance access, equity, quality, relevance and equality in undergraduate and	Academic Programs Developed relevant to the society needs	<ul style="list-style-type: none"> <li>✓ Develop (2) new programmes per year and review existing programs at the end of the academic cycle</li> <li>✓ Managing and maintain academic quality system as per ISO 9001:2015</li> </ul>	<ul style="list-style-type: none"> <li>✓ Three curricula developed an approved by committee of deans pending senate and CUE approvals</li> <li>✓ ISO 2009:2015 pending not yet</li> </ul>

Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021

	graduate education		standards and national academic quality regulatory bodies requirements ✓ Establishing linkages with other international universities.	fully operationalized to insufficient budget, but it is ongoing. ✓ Signed MoU with the Embassy of Switzerland incorporates exchanges programmes
<b>Pillar 4: Management of Human Resources.</b>	✓ To attract, develop, motivate and retain efficient staff of the highest integrity and make GaU an employer of choice.	<ul style="list-style-type: none"> <li>✓ Additional Staff Recruited</li> <li>✓ Staff appraised to gauge productivity</li> <li>✓ Management staff trained</li> <li>✓ No. of staff leadership trainings &amp; Compliance</li> <li>✓ Increase in productivity and effectiveness.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Undertake staff performance appraisal based on the negotiated and agreed performance targets.</li> <li>✓ To capture, organize and process data and information on staff recruitment, career progression, training data, absenteeism figures, and competency profiles and staff satisfaction</li> <li>✓ Instill integrity in the workforce.</li> <li>✓ Provision of high quality &amp; accessible medical care.</li> </ul>	<ul style="list-style-type: none"> <li>✓ All staff appraised by 30th June 2021 and reports assessed.</li> <li>✓ Recruited 8 new staff</li> <li>✓ Staff placed under comprehensive medical cover</li> <li>✓ Developed and approved HR Procedure Manual</li> <li>✓ Staff sensitized on the HR Manual and Procedure Policy and integrity in service</li> <li>✓ Data base of staff information in place</li> </ul>
<b>Pillar 5: Infrastructure ( facilities and space management)</b>	To provide adequate space, facilities and services and managing them effectively and responsibly for the benefit of stakeholders.	<ul style="list-style-type: none"> <li>✓ Ongoing Development/construction projects completed</li> <li>✓ Forest cover increased</li> <li>✓ Rehabilitated and renovated facilities</li> </ul>	<ul style="list-style-type: none"> <li>✓ Upgrade and expand the existing facilities to provide secure working environment.</li> <li>✓ To renovate, repair and maintain the existing facilities.</li> <li>✓ Champion sustainable environmental conservation and protection.</li> <li>✓ Develop bills of quantities for new proposed development projects</li> </ul>	<ul style="list-style-type: none"> <li>✓ Perimeter wall project 100% complete</li> <li>✓ Student Hostel project 99% complete</li> <li>✓ Planted 1000 trees during the world environmental day with water system for their sustainable growth.</li> <li>✓ Bills of quantities for renovations and repairs of existing projects are in place</li> <li>✓ Two laboratories renovated &amp; fitted with modern equipment</li> </ul>

Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021

<b>Pillar 6; Information Communication Technology</b>	To institutionalize appropriate internal and external ICT network and connectivity.	<ul style="list-style-type: none"> <li>✓ ICT network reliability</li> <li>✓ Secure network and university data.</li> <li>✓ 20% learning undertaken through the website</li> </ul>	<ul style="list-style-type: none"> <li>✓ Continually update the website system based on emerging technologies</li> <li>✓ Utilize the website for publicity &amp; emerging technology</li> <li>✓ Institutionalize ICT</li> </ul>	<ul style="list-style-type: none"> <li>✓ Website up to date on current affairs.</li> <li>✓ 70% of key operations undertaken and approved through ERP</li> <li>✓ Operational efficiency achieved</li> <li>✓ ICT network reliability enhanced</li> </ul>
<b>Pillar 7: Community Collaboration and Corporate Social Responsibility</b>	To improve university community collaboration and contributing effectively to socio economic development through active participation in CSR activities.	<ul style="list-style-type: none"> <li>✓ No. of students on attachments per year</li> <li>✓ Commitment in the performance</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide students attachments with the community</li> <li>✓ Participate in Garissa town clean up event</li> <li>✓</li> </ul>	<ul style="list-style-type: none"> <li>✓ Over 80% of students at the University are attached to institutions within Garissa County</li> <li>✓ Cleaning up of the town undertaken in collaboration with NEMA and County Government of Garissa and the Community</li> </ul>

## **CORPORATE GOVERNANCE STATEMENT**

Garissa University's corporate objective is to create long-term value in academic and research through creation, conservation and dissemination of knowledge. This will be done by nurturing of talent through research, innovation, consultancy, community outreach, entrepreneurship, imparting knowledge and skills to meet the needs of society as prescribed in the mission statement and through the provision of innovative customer and market-focused academic programmes.

In line with PFM Act of 2012, Sec. 68, Garissa University accounting officer is accountable to the National Assembly for ensuring that the public resources are used in a way that is; lawful and authorised; and effective, efficient, economical and transparent.

### **Corporate Governance Principles**

In pursuit of the corporate objective, we have committed to the highest level of governance and strive to foster a culture that values and rewards exemplary academic excellence within clear ethical standards and corporate integrity with respect for others. The University Council's governance role, basis and conduct of business are guided by the University Act no. 42 of 2012; Mwongozo code 2015; Commission for University Education regulations and standards 2014 and Garissa University charter and statutes 2017. As per the Universities Act 2012, the Council is expected to Employ staff, Approve statutes of the University and cause them to be published in Kenya Gazette, approve policies of the university and the budget; Appoint the Vice Chancellor, Deputy Vice Chancellor and Principals of Constituent Colleges through a competitive process and undertake other functions set out under the Universities Act, the Statutes and the Charter of the University.

In our view, the Governance responsibility is not only a matter for the Council; good governance culture must be permeated through the entire University system. The current social-economic business and political environment that the University operates in underscores the need for continued high standards of corporate governance and accountability. The emerging realities unmasked by the implementation of the constitution and enlarged space for more enlightened clientele calls for diligence in governance. The Governance of the University has to be sound in order to deal with any of the unpredictability of today's world.

### **Appointment of Council**

The initial 3 – year contract term for five (5) members of Council lapsed on 26<sup>th</sup> January, 2021. The Council has since been composed of four (4) members inclusive of the CEO/Secretary. The members possess extensive experience in various disciplines all which are applicable in the overall governance of the University.

The Council has the right balance of skills and experience appropriate for the University where they all participate in decision making.

current University Council members were gazetted and appointed on 26<sup>th</sup> January, 2018 vide gazette notice no. 924 and 926 and sworn into office on 26<sup>th</sup> March, 2018 to assume their oversight role as per the University Act of 2012.

### **Size and composition of Council**

The current University Council consists of four (4) members inclusive of the CEO/Secretary. The University has written to the CS Education to fast track the appointment of new members of Council in line with the Mwongozo guidelines that the Board should consist of seven (7) to nine (9) members. The current Council composition has the right balance of skills and experience appropriate for the University where they all participate in decision making.

### Induction and Evaluation

The University was able to carry out the board evaluation in liaison with SCAC on 2nd November, 2020. The evaluation was based on a number of categories including the mandate execution, strategy and Performance contract functions of the board; composition of the board etc. The average score upon evaluation was 4.2652 (85.30%). After evaluation the Council deliberated on how to improve its performance and develop and improvement performance plan as guided by SCAC. The Council is committed to improving its performance and that will be evidenced in the next Council evaluation exercise.

### Council Meetings

The University Council meets at least quarterly in accordance with the Mwongozo Code of Conduct unless urgent matters call for special meeting. The main aim of the regular Council meetings is to consider reports from the committees of Council for final resolutions. Members receive adequate notice and board papers in advance to enable them review and prepare for the meeting. In all the meetings, the agenda includes item on declaration of conflict of interest and any conflict of interest declared is recorded in the Conflict of Interest book and minutes.

During the FY 2020/2021, the University Council had twenty (20) meetings, six (6) regular Council meetings; two (2) special meetings; Audit, Risk and compliance (ARCC) two (2) meetings, Academic, Research Community Outreach Committee (ARCOC) two (2) meetings, Finance, Development and General Purpose Committee (FDGPC) five (5) meetings; Governance, Human Resource and Students Welfare Committee (GHRSWC) had two (2) meetings and one (1) Ad hoc meeting. Individual attendance is as tabulated below.

### Full Council meeting attendance

**Table 1: The Committee members and number of meetings held during the year are tabulated below:**

S.NO	NAME	REGULAR MEETINGS	SPECIAL MEETINGS	ADHOC MEETINGS	MISSED MEETINGS	TOTAL
1.	Dr. Christopher Gakahu	5	1	1	-	7
2.	Dr. Bertha K. Kaimenyi	5	1	1	-	7
3.	Eng. Mohamed A Farah	5	1	1	-	7
4.	Mr. Jackton Akelo	5	1	1	-	7
5.	Mr. William O. Motari	5	1	1	-	7
6.	Mr. Hassan Duale	8	2	1	0	11
7.	Mrs. Amina R. Masoud	8	2	1	0	11
8.	Mr. Evans A. Atambo	5	1	1	-	7
9.	Mr. Boniface K. Ngigi	8	2	1	0	11
10.	Prof. Ahmed O. Warfa	8	2	1	0	11

**NB: The contract term had expired in January 26<sup>th</sup> 2021 for all members who attended a total number of seven (7) meetings**

### Council Committees

The University Council established four (4) standing committees that assist to discharge its functions. These committees are:

#### Audit, Risk and Compliance Committee (ARCC)

Garissa University Council aspires to use the public resources at its disposal in an efficient and accountable manner. In line with the The Kenya Gazette No. 2690 of 15<sup>th</sup> April, 2016, and PFM Act Sec. 73, an audit committee was established to provide independent advice and assurance of the University's strategy, performance and compliance to different statutes.

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*

In compliance with PFM Regulations, 2015, the committee members have the relevant qualifications and expertise in audit, finance and risk management in public service. At least there is a representative from Treasury and a member of a professional body with good standing. The committee has a charter that describes its oversight mandate.

The ARCC plays a key role with respect to the integrity of the entity's financial information, its system of governance, risk and internal controls, and the legal and ethical conduct of management and employees. The committee is required to review and report to the Council on the comprehensiveness, reliability and integrity of internal controls measures; quality assurance and standards required providing effective monitoring of processes, management of risk, recommend to the Council policies in respect to management and control systems on internal business processes including accounting policies, anti-fraud and whistle blowing consider an approved annual audit plan and advice the University Council on matters relating to the security of the University, staff and students and review and advice Council on all matters relating to the risk management framework and internal audit functions of the University.

**Table 2: The ARCC Committee members and number of meetings held during the year are tabulated below:**

S.NO	NAME	ATTENDED MEETINGS	MISSED MEETINGS	TOTAL
1.	Mr. William Ogwagwa Motari (Chairperson)	2	-	2
2.	Mr. Jackton Akelo	2	-	2
3.	Mrs. Amina Masoud	2	-	2
4.	Mr. Boniface K. Ngigi	2	-	2

**Finance, Development and General Purpose (FDGP) Committee**

The committee critically scrutinizes the budget and other financial requirements before they are presented to the full Council. It oversees the University's financial affairs on behalf of the Council; develops strategies to guide the growth of the University and monitors its implementations; Reviewing the University's financial strategy for approval by the Council; Dealing with strategic issues concerning financial risk management and advising the Council appropriately; Reviewing the University's annual financial statements and reporting to the Council; Receiving and considering annual external audit reports submitted by External Auditors and, making recommendations to the Council; Reviewing the University's financial regulations from time to time and recommending any necessary changes in those regulations to the Council.

**Table 3: The FDGP Committee members and number of meetings held during the year are tabulated below:**

S.NO	NAME	ATTENDED MEETINGS	MISSED MEETINGS	TOTAL
1	Dr. Bertha K. Kaimenyi	5	-	5
2	Eng. Mohamed A Farah	4	1	4
3	Mr. Hassan Duale	4	-	4
4	Mrs. Amina R. Masoud	3	2	3
5.	Mr. Evans A. Atambo	1	-	1
6.	Mr. Boniface K. Ngigi	5	-	5
7.	Prof. Ahmed O. Warfa	5	-	5

**NB:** Mr. Hassan Duale replaced Mr. Atambo as the PS Education representative to Council

**Academic, Research & Community Outreach (ARCO) Committee**

The committee advises on the development and implementation of academic and research programmes and policies; make recommendations for the sourcing, administration and distribution of scholarships; oversee a reward scheme for excellence in teaching, research and extension; receive regular reports from and provide advice to the Deputy Vice Chancellor Academic and Student Affairs on the development of policy and procedures relating to academic and research and consider and report any matter referred to it by the Council and the Senate. The committee also advises the university on its Community Outreach mandate.

**Table 4: The ARCO Committee members and number of meetings held during the year are tabulated below:**

S.NO	NAME	ATTENDED MEETINGS	MISSED MEETINGS	TOTAL
1.	Dr. Bertha K. Kaimenyi	2	0	2
2.	Eng. Mohamed A Farah	2	0	2
3.	Mr. Jackton Akelo	2	0	2
4.	Mr. Hassan Duale	1	1	1
5.	Prof. Ahmed O. Warfa	1	1	1

**Governance, Human Resource & Students Welfare (GHRSW) Committee**

The Committee oversees the formulation and subsequent monitoring and review of policies and strategies on employment of all University staff, including policies on recruitment and selection of, staff development and training, performance management schemes and salaries and other conditions of service; Monitoring key performance indicators as agreed by the Council; Receiving and considering proposals on strategy and policy in all matters relating to the recruitment, reward, retention, motivation and development of the University's staff, and making recommendations to the University Council; Receiving reports from the Management Board relating to promotion, re-grading, the award of additional salary increments and contribution payments to salaried staff; Receiving and considering reports from the Management Board concerning the terms and conditions of service of employees of the University, and making recommendations to the University Council.

**Table 5: The Committee members and number of meetings held during the year are tabulated below:**

S.NO	NAME	ATTENDED MEETINGS	MISSED MEETINGS	TOTAL
1.	Mr. Jackton Akelo	2	0	2
2.	Mr. William O. Motari	2	0	2
3.	Mrs. Amina R. Masoud	2	0	2
4.	Mr. Boniface K. Ngigi	2	0	2
5.	Prof. Ahmed O. Warfa	2	0	2

During the FY 2020/2021 Council approved among other things the budget, Staff Establishment and procurement plan as well as the respective quarterly financial statements that were submitted to National Treasury on time.

The Council acknowledges the need for strategic partnerships and encourages the participation of the private sectors in our financial matrix. The pressing needs for more financing and the clear needs for transparency makes engagement with and reporting to the government and other stakeholders more

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*

important. The increasing requirement for prudent financial management has heightened the level of interest in the university's approach to risk management and assurance.

The Council governs the University consistent with the stated business strategy indicated in the University's values of equity, team work, meritocracy, accountability, academic freedom and excellence, and probity all contributing to the commitment to transparency and high-quality governance system.

Garissa University incurred a total expenditure of **Kshs. 6,983,637** in facilitating the council to attend meetings, which includes a monthly allowance of **Kshs 87,000** (Gross) for the chairman.

**Table 6: The Council Gross Expenditure:**

S/No.	Name	Position	QT1	QT2	QT3	QT4	GROSS AMOUNT
1	Prof. Hellen Sambili	Chancellor	300,000	300,000	300,000	300,000	<b>1,200,000</b>
2	Dr. Christopher G. Gakahu	Chairman	369,400	390,669	151,312	-	<b>911,381</b>
3	Mr. Hassan Dualle	Rep. PS MOE	92,000	309,636	217,545	231,387	<b>850,568</b>
4	Dr. Bertha Kaimenyi	Member	138,000	437,000	50,000	-	<b>625,000</b>
5	Eng. Mohamed Ali Farah	Member	121,000	485,069	316,338	-	<b>922,407</b>
6	Mr. Jacktone Akelo	Member	46,000	252,800	25,000	-	<b>323,800</b>
7	Mr. William Ogwagwa Motari	Member	46,000	457,578	25,000	-	<b>528,578</b>
8	Mr. Boniface Ngigi	Rep. PS Treasury	92,000	179,600	237,064	252,664	<b>761,328</b>
10	Mrs. Amina R Masoud	Member	92,000	342,275	185,850	240,450	<b>860,575</b>
	<b>Total</b>		<b>1,296,400</b>	<b>3,154,627</b>	<b>1,508,109</b>	<b>1,024,501</b>	<b>6,983,637</b>

**Note:** In fourth quarter only 3 council members were in office and the rest of the member time lapsed by January 2021.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Section A: The University's operational and financial performance**

The University received exchequer grants amounting to Ksh 408,131,000. In addition GaU collected Kshs. 94,477,000 as internally generated Income (A-I-A) from tuition and other income sources.

Garissa University still faces tough times ahead as the budgetary allocation for all operating vote heads is grossly inadequate with no capital development budgetary allocation, yet as a young University, GaU is at a rapid growth stage with students population increasing, new programs are developed, human capital expected to grow as well as expansion of physical infrastructure starting with lecture halls, staff offices, laboratories, library facilities as well as recreational facilities. All this could not be factored in the 2020/2021 FY Budget due to constraint in financial resources available. It is however noteworthy though, that concerted efforts are being made in resource mobilization to enable GaU meet its mandate. Several collaborative research proposals are being developed and it is anticipated that they will be considered positively to boost research funding and meet the quarter expected by the Commission for University Education (CUE). GaU has also made contacts and proposal with potential development partners and are hoping to have joint programs in infrastructure and curriculum development towards the development of an Institute for Peace and Security Studies (IPSS).

### **Section B: University's compliance with statutory requirements**

During the period under review, the University complied with its statutory obligations including compliance with Public Procurement Regulations, remittance of PAYE, NHIF, NSSF, NITA and HELB within the stipulated deadlines.

### **Section C: Key projects and investment decisions the University is planning/implementing**

The University has the following on-going projects:

#### **1. Construction of 750 capacity Students' Hostel:**

The project is funded by the Government of Kenya with an initial cost of Kshs. 427,103,221.60. Upon variation, the project costs Kshs. 531,412,385. Currently Kshs. 521,654,051 has been paid and it is about 98% complete

#### **2. Construction of Perimeter wall (Fence):**

The project initial cost was Kshs. 123,265,532. This has since been varied to Kshs. 147,057,712. It is currently over 100% complete and a sum of Kshs. 147,057,712 has been paid to the contractor, out of which 10% has been retained being retention money. It is anticipated that this projects will be completed and handed over during the 1st quarter of 2021/2022 FY.

#### **3. Construction of the borehole:**

This project was funded by the Ministry of Water and Irrigation, through the Northern Water Board, drilled a borehole within the university premises during the financial year 2016/2017 and installed a solar power water pumping system. The water requires desalination in order to provide the desired quantity and quality of water. The project has had siltation challenges that have led to frequent pump failures. Efforts to fix the siltation and desalination problems has proved futile and the project is yet to be officially handed over to the University.

#### **4. Priority Development Projects**

GaU Identified the following three projects as its main priority projects;

- i) Tuition Block with an Auditorium
- ii) Ultra -Modern Library complex housing the school of Information sciences

iii) Medical Laboratory

iv) Water Harvesting, bore hole water treatment, storage and reticulation

Preparation of Drawings and Tender documents for the Tuition block and the Library have been developed and re-submitted to the MoE budget committee for consideration for funding during the 2021-2022 FY budget. In addition, GaU is working with development partners in setting up and developing Infrastructure for a GaU Institute for Peace and Security Studies

#### **Section D: Major Risks Facing the University**

The following are some risks that the University faced during the Reporting period:

- i. Covid 19 Pandemic- COVID-19 has posted huge challenge to the world and Garissa University is not exceptional. Covid 19 pose a lot of risk and still raging. However, below are key risk associated with it: -
  - a) **Business Continuity risk.** Critical staff may contract the disease and affect the university operation though in short terms. The University is encouraging all staff to get vaccinated.
  - b) **Revenue risk.** The University is closed indefinitely; this is lead to reduce or no revenue leading to inability to meet organization obligation. This risk has multiplier effect on other risk and can cause a lot of challenge (risk) to university
  - c) Reduced employees' **productivity** due to stress and absenteeism even if they are considered essential.

While Covid 19 pandemic risk has taken top position but other key risks remain as they are.

- ii. **Budgetary Provisions-** Following the award of charter, financial need of the university increased however the availability and allocation of resource from the government has moved from bad to worse, hence increasing the liquidity risk exposure, compound by this, is the fact that the university has low stream of internally generated revenue that is, it only relies on tuition and accommodation charges from students.
- iii. **Civil action-** There are employees in university who have been on casual terms for more than three years and may take action to seek redress. There also other staff members who have been on same grade for long without promotion as per negotiated CBAs.
- iv. **Strategic risk –** Strategic risk –The university face strategic risk because of its failure to attract enough students whether Government sponsored (GSSP) or Private sponsored (PSSP). This is due to several factors among them shared students facilitated by KUCCPS during the placement of students to Universities, programs offered since most of the clients ask for medical, Agricultural and engineering courses, Security due to historical attack, form four students' performance in KCSE and competition among others institutions.
- v. Technological Risks

The risks associated with provision of ICT services can be grouped in the following categories:

**1. Covid-19 Challenges**

The Covid19 pandemic has disrupted all operations across the globe. A most important mitigation measure is the use of technology. Indeed towards the end of last quarter of the year, it is the technology that has enabled the University to run its functions. There is need to expand the technology capacity further to allow an opportunity for distance and open learning.

**2. Human Resource Capacity**

The University is currently working with limited ICT personnel who are required to serve the ever-expanding needs of the university. The University is currently training staff on Online Teaching and Learning and have developed a collaborative proposal to improve its digital learning infrastructure.

**Section E: Material arrears in statutory/financial obligations**

During the period under review, we had no outstanding statutory/financial obligations. However, as at the reporting period, pending bills to suppliers and service providers amounted to Kshs. **65,774,000.**

**Section F: The University's financial probity and serious governance issues**

In the FY 2020-2021, Garissa University strictly adhered to the code of ethics especially being honest in all financial matters. Further, there has been no serious governance issue during the period

## **ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

One of the key mandates of GaU is to develop an institution of excellence in community service through provision of sustainable educational, cultural, professional, technical and vocational services to the community and, in particular, the fostering of corporate social responsibility. This is further defined in our current strategic plan through the key result area on Community Collaboration and Corporate Social Responsibility.

Below is a brief highlight of our achievements in each pillar

### **1. Sustainability strategy and profile**

GaU recognizes the importance of sustainable development and has established a clear and long term road map it requires to tackle impacts at a local and global level as outlined in its Strategic Plan. The University is focused on infrastructural and key policy and programmes to enable it to keep up with the competition and emerging trends. The University is at the verge of completing three key development projects i.e. the ERP, Perimeter Wall and 750 Hotel projects which will pave way for other development projects. The major challenge has been the lack of funding, especially since there was no allocation of development funds for the FY 2020/2021. Curricula developed during the period under review are cognisant of the local and international best practices as well as emerging trends. The Governance Curriculum in particular was developed to provide training in management of County affairs and devolution, a fairly new concept in Kenya.

### **2. Environmental performance**

The University is in the process of implementing a comprehensive proposal to utilize waste water in the creation of nature parks both within the University and Garissa County in support of conservation and waste water management. In addition, the University has developed a framework to ensure 10% forest cover within the University by 2022. The greatest challenge to the University in its conservation efforts has been the lack of adequate water. However, we have proposals to desalinate the borehole water and utilize solar technology to pump water to aid in these efforts. The University also has a long term plan to shift to 100% use of solar power.

### **3. Employee welfare**

The University has developed policies that will help in the management of staff and improve productivity. The policies had gone through the entire approval process and they are all approved by council. They include; communication policy, transport policy, Internship policy, Gender mainstreaming policy, Disability mainstreaming policy, security policy, the Human Resource Policies and Procedures manual. These policies provide guidelines on recruitment process that is based on gender ratio, disability ratio among other factors. The university is investing on staff training and Development. In the 2020/21 FY, over 10 training programs were organized on need basis.

In the 2020/21 financial year, the University has conducted performance appraisal for all its staff. Prior to the exercise, supervisors (Registrars, University Librarian, Deans, Directors and HoDs) were trained on the performance appraisal and its importance. All members of staff were also sensitized on performance Management and how it's connected to reward and recognition. The University has a robust policy on safety, staff and their legal dependants are under comprehensive medical insurance and group life assurance.

#### 4. Market place practices-

a) **Responsible competition practice.**

In the FY 2020/2021, GaU developed comprehensive risk assessment and Mitigation plans in ever department in order to identify and curb incidences of corruption. It has also adopted a zero tolerance to corruption policy by ensuring all its engagements are above board and in line with the regulations from the relevant authorities. The University also encourages fair competition and responsible political involvement among the students by encouraging and ensuring strict adherence to the Student Council Constitution and the amended University Act 2015.

b) **Responsible Supply chain and supplier relations-** GaU upholds fair procurement practises that are strictly in line with the Public Disposal and Procurement Act. In the FY2020/2021, the University was also able to reduce its pending bills (mostly through payment of suppliers)

c) **Responsible marketing and advertisement-** All Adverts and marketing messages placed in the university website during the period under review upheld the principle of fairness and equity by including clauses encouraging persons with disabilities Youth and Women to apply for the positions/participate as well as incorporating other directives from relevant authorities from time to time.

d) **Product stewardship-** Through the directorate of Quality assurance, the University developed the Academic Quality Assurance Policy that content delivery is in line with the regulations by the Commission for University Education and other relevant authorities. Our service charter revised during the period under review is also aimed at safeguarding our clients' rights and interests.

#### 5. Corporate Social Responsibility/Community Engagements;

In the spirit of delivering social corporate responsibility, the University, through the Directorate of PC&ISO and the HIV/AIDs Committee in collaboration with the National Aids Control Council commemorated the world AIDS Day (WAD) on 1<sup>st</sup>December, 2020. The global theme for this year was **Global Solidarity, Shared Responsibility** and the County Theme is **Komesha HIV and Covid-19**. The University in collaboration county Government and National Aids Control Council celebrated this year WAD by providing less fortunate students with Maisha Kit. The event took place at UmulKheir Orphanage Garissa Sub-county.



Fig 2: Student receiving HIV information from the Regional Coordinator NACC

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*

The University donated assorted items during the event including surgical masks, Hand sanitizers, Bar Soaps and food items



Fig 3: Assorted from different partners

Garissa University had engaged the community in the education sector through the Office of Career Services. This was particularly aimed at promoting career development and leadership skills of youths and young generations in secondary schools. Personnel from Career department visited several schools in Garissa County. In the financial year 2020/2021 social corporate related activities was delivered to five secondary schools in Garissa County. These outreach services included intensive career development talk and motivation talk for candidates. Specifically, career development programme imparted skills on career exploration, career decision-making, information about world of work and choosing career trajectory. The table below provides details of the functions, dates and themes of the programmes.

<b>Sno.</b>	<b>Programme</b>	<b>School</b>	<b>Date</b>
1	Career guidance	County High School	16/03/2021
2	Career guidance	Al-Ibrahim Integrated High school	13/03/2021
3	Career development session	Mwangaza high school	30/06/2021
4	Career development session	Airport view secondary school	30/06/2021
5	Career development session	Iftin girls high school	30/06/2021

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*

## **REPORT OF THE UNIVERSITY COUNCIL**

The University Council submits their report together with the audited financial statements for the year ended June 30, 2021 which show the state of the Garissa University's affairs.

### **Principal activities**

The principal activity of the Garissa University is to nurture talent through research, innovation, consultancy, community outreach, entrepreneurship, imparting knowledge and skills to meet the needs of the society.

### **Results**

The results of the Financial Performance of the University for the Year ended June 30, 2021 are set out on page I

### **Council Members**

The members of the University Council who served during the year are shown on pages iv, v, vi and vii.

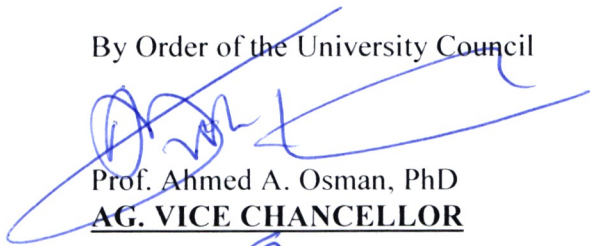
### **Dividends/Surplus remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. Garissa University is not a regulatory entity and did not make any surplus during the year (FY 2020/2021 Nil) and hence no remittance to the Consolidated Fund.

### **Auditors**

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

By Order of the University Council

  
Prof. Ahmed A. Osman, PhD  
**AG. VICE CHANCELLOR**

Date: 15/07/2021

*Garissa University:  
Annual Report and Financial Statements  
For the year ended June 30, 2021*

## **STATEMENT OF UNIVERSITY COUNCIL'S RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act, require the University Council to prepare financial statements in respect of Garissa University, which give a true and fair view of the state of affairs of the University at the end of the financial period and the operating results of the University for that period. The University Council are also required to ensure that the University keeps proper accounting records which disclose, with reasonable accuracy, the financial position of the University. The University Council are also responsible for safeguarding the assets of the University.

The University Council are responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year period ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose, with reasonable accuracy, at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The University Council accept 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 PFM Act, 2012 and University's Act Section 47 (1) to (3). The University Council are of the opinion that the University's financial statements give a true and fair view of the state of the University's transactions during the financial year ended June 30, 2021, and of the University's financial position as at that date. The University Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

### **Approval of the financial statements**

The University's financial statements were approved by the University Council on **2nd September, 2021** and signed on its behalf by:



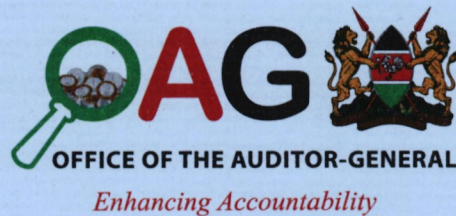
**Mrs. Amina R. Masoud**  
**Ag. Chair of Council**



**Prof. Ahmed A. Osman, PhD**  
**Ag. Vice-Chancellor**

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
E-mail: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON GARISSA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2021

---

### 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 Government achieves value for money and that such funds are applied for intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment, and the 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 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 Garissa University set out on pages 1 to 37, which comprise the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets,

statement of cash flows and the 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 Garissa University as at 30 June, 2021 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Universities Act, 2012.

### **Basis for Qualified Opinion**

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

The statement of comparison of budget and actual amounts reflects development capitation amount received in the year under review of Kshs.28,437,000 which is not included in the statement of changes in net assets. Further, the statement reflects capital expenditure amount of Kshs.10,022,000 which differs with the property plant and equipment additions amount of Kshs.61,386,000 reflected under Note 18 to the financial statements, resulting to an unexplained and unreconciled variance of Kshs.51,364,000.

In the circumstances, the accuracy of the financial statements for the year ended 30 June, 2021 could not be confirmed.

#### **2. Unconfirmed Retention Funds Balance**

The statement of financial position and the corresponding Note 21 to the financial statements reflects refundable deposits from customers balance of Kshs.62,921,000 as at 30 June, 2021. Included in this balance is Kshs.54,575,000 in respect of retention monies deducted from payments made to contactors engaged by the University for various contracts between 30 June, 2014 and 30 June, 2020. However, Management did not maintain a deposits cash book for the retained funds which were paid into the University's Collection Account held at a local bank that had a balance of Kshs.1,539,000 as at 30 June, 2021. Review of the other creditors' schedule provided revealed that retention fund totalling to Kshs.22,649,753 were irregularly used to settle part-time lecturers' claims in the financial years between 2017 to 2019 instead of being paid to respective contractors on lapse of contracts liability periods.

In the circumstances, the accuracy and completeness of the retention funds balance of Kshs.54,575,000 as at 30 June, 2021 could not be confirmed.

#### **3. Unsupported Expenditure**

##### **3.1 Board Expenses**

The statement of financial performance reflects Board expenses totalling to Kshs.12,230,000. However, included in this amount is expenditure totalling to Kshs.5,461,649 which was not supported with evidence on the attendance of virtual and

physical Council meetings, evidence for submission of the annual Board's calendar of events to the State Corporation Advisory Committee (SCAC), copies of Board Member's appointment letters and report of Academic Research and Community Outreach Committee on inspection of the University on preparedness for in-person learning.

### **3.2 Security Allowances**

The statement of financial performance and the corresponding Note 10 to the financial statements reflects employees costs expenditure of Kshs.387,140,000. The expenditure includes an amount of Kshs.6,519,000 in respect to allowances paid out to police officers offering security services to the University. Review of payment vouchers and other supporting schedules provided for audit, revealed that the officers were paid top-up allowances ranging from 50% to 72% of their normal basic pay. However, a written Memorandum of Understanding between the University and the National Police Service (NPS) was not provided for audit.

In the circumstances, the accuracy, completeness and validity of the expenditure totalling to Kshs.11,980,649 for the year ended 30 June, 2021 could not be confirmed.

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

### **Key Audit Matters**

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

### **Other Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.725,207,000 and Kshs.547,263,000 respectively, resulting to an under-funding of Kshs.177,944,000 or 25% of the budget. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.725,207,000 and Kshs.522,801,000 respectively, resulting to an under-absorption of Kshs.202,406,000 representing 28% of the budget.

The underfunding and under absorption may have negatively impacted on service delivery to the public.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Irregular Approval of Revised Budget**

Review of the University's budgeting process established that graduation expenses and staff medical care were allocated additional funds of Kshs.724,216 and Kshs.5,545,000 in the month of March and May, 2021, respectively through budget reallocation. The revised budget was approved by three (3) Council Members contrary to the requirement of Section 36(1) of the Universities Act, 2012 which states that the Council of a Public University shall consist of nine (9) persons appointed by the Cabinet Secretary. Hence there was no proper governing organ established by the University to approve the revised budget.

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

The audit was conducted in accordance with 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Lack of Risk Management Policies and Audit, Risk and Compliance Committee Quorum**

During the financial year under review, the University operated without a documented Risk Management Policy Framework contrary to the requirements of Treasury Circular No.3/2009 of 23 February, 2009 which requires all heads of public institutions to develop

and implement a risk management framework as a fundamental step towards establishing an accountable and innovative public service. In addition, the University Council's Audit Committee had two (2) members whose terms of contracts had lapsed forcing the Committee to hold only two (2) meetings during the year under review due to lack of quorum.

In the circumstances, Management was not guided on evaluation, ranking and prioritizing critical risks and on implementing measures to mitigate them.

## **2. Lack of a Business Continuity Plan/IT Disaster Recovery Plan**

The University's Management has put in place several IT systems including ERP-Microsoft Dynamics, Memory Soft Payroll Management, Micro Invest-Catering Services Management and KOHA-Library Service Management. However, Management has not developed Business Continuity or IT Disaster Recovery Plan.

In the circumstances, loss of data, significant delays or disruptions of activities may occur in-case of a disaster.

## **3. Unsupported Payments on Part Time Lecturers**

The statement of financial performance reflects an expenditure of Kshs.109,081,000 under use of goods and services. Included in the amount is Kshs.30,249,000 spent on remuneration to part time lecturers. However, review of payment records and supporting documents for expenditure amounting to Kshs.23,195,885, revealed that most appointment letters for the part time lecturers were issued and signed after services had already been rendered.

In the circumstances, Management exposed the Institution to the likelihood of litigations by the part-time lecturers where they were engaged without valid contracts.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

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

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

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

The University Council is responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how the University 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 the Management.
- Conclude on the appropriateness of the Management's use of the going concern 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 as a going concern. 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 as a going concern.
- 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 the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

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

  
CPA Nancy Gathungu, CBS  
AUDITOR-GENERAL

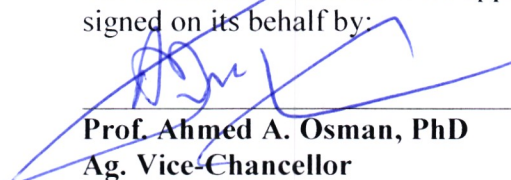
Nairobi


26 July, 2022


**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE, 2021**

	Notes	2020-2021 Kshs'000'	2019-2020 Kshs'000'
<b>Revenue from non exchange transactions</b>			
Government Grants & Capitation	6(a)	408,131	537,460
Internal Borrowings	6(c)	-	-
<b>Sub-Total</b>		<b>408,131</b>	<b>537,460</b>
 <b>Revenue from exchange transactions</b>			
Tuition & Related Charges	7	102,526	75,751
Rental Revenue from facilities and equipment	8	2,827	31,316
Sundry Income	9	5,342	11,064
<b>Sub-Total</b>		<b>110,695</b>	<b>118,131</b>
 <b>Total revenue</b>		<b>518,826</b>	<b>655,591</b>
 <b>Expenses</b>			
Employee costs	10	387,140	361,165
Board Expenses	11	12,230	13,523
Depreciation and Amortization Expense	12	29,305	20,540
Repairs and Maintenance	13	4,328	5,139
Use of goods & Services	14	109,081	115,966
<b>Total expenses</b>		<b>542,084</b>	<b>516,334</b>
 Surplus before Tax		<b>(23,258)</b>	<b>139,257</b>
Taxation		-	-
<b>Surplus for the period</b>		<b>(23,258)</b>	<b>139,257</b>

The notes set out on pages 6 to 35 form an integral part of these Financial Statements  
The financial statements were approved by the University Council on **2nd September, 2021** and signed on its behalf by:

  
Prof. Ahmed A. Osman, PhD  
Ag. Vice-Chancellor

  
CPA Mohamed Ali Elmi  
Head of Finance  
ICPAK No. 12733

  
Mrs. Amina Rashid  
A.g. Chair of Council

Date 15/10/2021


Date 15-10-2021

Date 15.10.2021


STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

	Notes	2020-2021 Kshs'000'	2019-2020 Kshs'000'
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	15	75,448	138,083
Trade & Other Receivables	16	20,981	29,748
Inventories	17	9,890	9,959
<b>Total Current Assets</b>		<b>106,319</b>	<b>177,791</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	18	1,360,126	1,097,781
Intangible assets	19	14,783	
<b>Total Non-Current Assets</b>		<b>1,374,909</b>	<b>1,097,781</b>
<b>Total Assets</b>		<b>1,481,228</b>	<b>1,275,571</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other Payables from exchange transactions	20	65,774	126,899
Refundable Deposits from customers	21	62,921	17,464
<b>Total Current Liabilities</b>		<b>128,695</b>	<b>144,363</b>
<b>Non-Current Liabilities</b>			
Non-current employee benefit obligation		-	-
Deferred tax liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>128,695</b>	<b>144,363</b>
<b>RESERVES</b>			
Revenue Reserve		115,999	139,257
Capital Reserves		703,455	703,455
Revaluation Reserves		533,079	288,391
<b>Total Net Assets</b>		<b>1,352,533</b>	<b>1,131,103</b>
<b>TOTAL RESERVES &amp; LIABILITIES</b>		<b>1,481,228</b>	<b>1,275,571</b>


The Financial Statements were signed on behalf of the University Council by:

  
Prof. Ahmed A. Osman, PhD  
Ag. Vice-Chancellor

Date... 15/10/2021

  
CPA Mohamed Ali Elmi  
Head of Finance  
ICPAK No. 12733

Date... 15-10-2021

  
Mrs. Amina Rashid  
A.g. Chair of Council

Date... 15.10.2021

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Capital Reserves Kshs ' Restated	Revaluation Reserves Kshs ' Restated	Revenue Reserves Kshs ' Restated	Total Reserves Kshs ' Restated
	Kshs'000'	Kshs'000'	Kshs'000'	Kshs'000'
<b>As at 1 July 2019</b>	<b>697,034</b>	<b>276,000</b>	<b>2,629</b>	<b>975,663</b>
Surplus/(deficit) for the period	-	-	139,257	139,257
Transfers from Revenue Reserves	2,629	-	(2,629)	-
Transfers from Capital Reserves	-	-	-	-
Transfer of excess depreciation on revaluation	3,792	(3,792)	-	-
Grants received during the year	-	-	-	-
Revaluation for the year	-	16,183	-	16,183
Prior years adjustments	-	-	-	-
<b>As at 30 June, 2020</b>	<b>703,455</b>	<b>288,391</b>	<b>139,257</b>	<b>1,131,103</b>
<b>As at 1 July 2020</b>	<b>703,455</b>	<b>288,391</b>	<b>139,257</b>	<b>1,131,103</b>
Surplus/(deficit) for the period	-	-	(23,258)	(23,258)
Transfers from Revenue Reserves	-	-	-	-
Transfers from Capital Reserves	-	-	-	-
Transfer of excess depreciation on revaluation	-	-	-	-
Grants received during the year	-	-	-	-
Revaluation for the year	-	244,688	-	244,688
Prior years adjustments	-	-	-	-
<b>As at 30 June, 2021</b>	<b>703,455</b>	<b>533,079</b>	<b>115,999</b>	<b>1,352,533</b>

**Note:**

**a) Capital reserve**

This represents the net worth of the University at the end of the reporting period and forms the net assets of the institution.

**b) Revaluation Reserve**

The University carried out valuation of its buildings in the year 2020 and the revaluation reserve represents the value of buildings over and above the value before the valuation and hence forms the net asset of the institution.


**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

		2020-2021	2019-2020
		Kshs'000'	Kshs'000'
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government grants and Capitation	22(a)	438,626	526,743
Tuition fees & Related Charges	22(b)	81,537	70,956
Rental revenue from facilities and equipment	8	2,827	31,316
Sundry Income	9	5,342	11,064
<b>Total Receipts</b>		<b>528,332</b>	<b>640,079</b>
<b>Payments</b>			
Employees Costs	23(a)	411,953	374,085
Board Expenses	23(b)	12,153	14,315
Repairs and Maintenance	23(c)	4,215	5,505
Use of goods & Services	23(d)	102,661	134,909
<b>Total Payments</b>		<b>530,983</b>	<b>528,814</b>
<b>Net cash flows from operating activities</b>		<b>(2,650)</b>	<b>111,265</b>
<b>Cash flows from investing activities</b>			
Purchase of Property, Plant, Equipment and Intangible assets	18	(44,083)	(8,818)
Increase in Capital-Work in Progress (WIP)	18	(20,673)	(55,739)
(Decrease)/Increase in Refundable Deposits	24	4,771	10,333
<b>Net cash flows used in investing activities</b>		<b>(59,985)</b>	<b>(54,224)</b>
<b>Cash flows from financing activities</b>			
Capital Grants	6(b)	-	-
Internal Borrowings	6(c)	-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(62,635)</b>	<b>57,041</b>
Cash and cash equivalents at 1st July, 2020	15	<b>138,083</b>	<b>81,042</b>
<b>Cash and cash equivalents at 30th June, 2021</b>	<b>15</b>	<b>75,448</b>	<b>138,083</b>

The Financial Statements were signed on behalf of the University Council by:

  
Prof. Ahmed A. Osman, PhD  
Ag. Vice-Chancellor

Date.....15/10/2021.....

  
CPA Mohamed Ali Elmi  
Head of Finance  
ICPAK No. 12733

Date.....15-10-2021.....

  
Mrs. Amina Rashid  
Ag. Chair of Council

Date.....15.10.2021.....

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 30 JUNE 2021**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (ON COMPARABLE BASIS) FOR THE YEAR ENDED 30 JUNE 2021							
Description	Notes	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of Utilization
		Ksh ''000''	Ksh ''000''	Ksh ''000''	Ksh ''000''	Ksh ''000''	
		a	b	c=(a+b)	d	e= (c-d)	f= (d/c)
<b>Revenue</b>							
Recurrent Capitation	a	518,625	-	518,625	408,131	110,495	21
Development Capitation		28,437	-	28,437	28,437	-	-
Tuition & related charges	b	161,780	-	161,780	102,526	59,254	37
Other Income	c	16,365	-	16,365	8,169	8,195	50
<b>Total income</b>		<b>725,207</b>	<b>-</b>	<b>725,207</b>	<b>547,263</b>	<b>177,944</b>	
<b>Expenses</b>							
Use of Goods & Services	c	237,004	6,948	243,951	109,081	134,870	45
Employee Costs		438,970	-6,598	432,372	387,140	45,232	90
Board Expenses		12,566	-350	12,216	12,230	14	100
Depreciation & Amortization		-	-	-	-	-	-
Repairs & Maintenance Costs	d	8,231	-	8,231	4,328	3,903	53
Capital Expenditure	e	28,437	-	28,437	10,022	18,415	35
<b>Total expenditure</b>		<b>725,207</b>	<b>-</b>	<b>725,207</b>	<b>522,801</b>	<b>202,406</b>	
<b>Surplus for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Budget notes:**

1. Explanation of differences between actual and budgeted amounts (10% over/ under) IPSAS 24.14

(a) The variance amount in Recurrent Capitation reported in this statement of Kes. 110,495 is as a result of Supplementary No. II of 2019/20 FY, which was received in June 2020 and reported previously.

(b) & (c) The Adverse Variance is as a result of the university's inability to collect tuition fees & other associated charges and a result Covid-19 Pandemic that saw students learn from home from March 2020 to October, 2020.

(c) & (d) The Favourable Variance is due to subdued University activities and operations following the out break of the COVID-19 Pandemic and its ensuing impact from March 2020, through the end of the period under review.

(e) The variance is as a result of low absorption of development funds by the contractors

2. Explanation of changes between original and final budget indicating whether the difference is due to reallocations or other causes. (IPSAS 24.29). The changes under Employee Costs and Board Expenses were mainly done to release and avail more resources to secure Staff Medical Cover in May 2021 and to finance the University's Second Graduation Ceremony held in March 2021, respectively.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Garissa University is established by and derives its authority and accountability from the Universities Act of 2012. It is wholly owned by the Government of Kenya and is domiciled in Kenya. The principal activity of Garissa University is to nurture talent through research, innovation, consultancy, community outreach, entrepreneurship, imparting knowledge and skills to meet the needs of the society.

### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

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

### 3. ADOPTION OF NEW AND REVISED STANDARDS

#### 1. Adoption of New and Revised Standards

##### i. New and amended standards and interpretations in issue effective in the year ended 30 June 2021.

Standard	Impact
Other Improvements to IPSAS	<p><b>Applicable: 1<sup>st</sup> January 2021:</b></p> <p>a) 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.</p> <p>b) 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.</p> <p>c) 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.</p> <p>d) 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. <i>The University adopted IPSAS in the year ended 30 June 2014 and therefore provisions of first time adoption of accrual basis does not apply to the University.</i></p>

##### ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link</li> </ul>

Standard	Effective date and impact:
	<p>between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>The University does not have Financial Instruments and therefore the standard does not apply.</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b> 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: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <i>The University does not have a social benefit schemes and therefore the standard does not apply</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued. 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. <i>The University does not have Financial Instruments and therefore the standard does not apply.</i></p>

### iii. Early adoption of standards

The University did not early – adopt any new or amended standards in year 2021.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Revenue recognition

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

##### Fees, taxes and fines

The University recognizes revenues from student fees, government capitation and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the University and the fair value of the asset can be measured reliably.

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

***Rendering of services***

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

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

***Sale of goods***

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

***Interest income***

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

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

***Rental income***

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

**b) Budget information**

The original budget for FY 2020-2021 was approved by the National Assembly on 10<sup>th</sup> June, 2020. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Kes. 94 Million on the 2020-2021 budget following the University Council's approval.

The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a

classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

**c) Taxes**

***Current income tax***

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

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

***Deferred tax***

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

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of the asset or as part of the expense item, as applicable

Receivables and payables are stated with the amount of sales tax included

Amount of sales tax recoverable from, or payable to, the taxation authority is included as receivables or payables in the statement of financial position

**Property, plant and equipment**

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 Company recognizes such parts as individual assets with specific useful lives and depreciates them separately. 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 met. Repair and maintenance costs are recognized in surplus or deficit as incurred. Assets acquired in a non-exchange transaction for nil or nominal consideration are measured at their fair value.

**Depreciation:** Fixed assets are stated at cost or valuation, less accumulated depreciation. Depreciation is calculated on the straight line basis, at annual rates equal to the carrying values of the assets over their expected useful lives. Assets acquired are depreciated from the date of acquisition.

The annual depreciation rates in use are:

Buildings	2%
Furniture, Plant and Equipment	12.5%
Library Books	12.5%
Motor Vehicles	25%
Computers and peripheral devices	33 <sup>1</sup> / <sub>3</sub> %
Academic Gowns	5%

Freehold land is not depreciated as it is deemed to have an infinite life. Leasehold land is amortised over the unexpired lease period.

### Work in progress

Work in progress represents properties (buildings) and Perimeter wall construction. It is carried at cost, less any recognized impairment loss. Depreciation of these assets commences when the assets are ready for their intended use on the same basis as other buildings.

### e) Leases

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

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. If there is no reasonable certainty that the Entity will obtain ownership of the asset at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

### f) Intangible assets

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

Computer Software including ERP is recognized as intangible assets and amortized at a rate of 12.5%

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

### Research and development costs

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

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

The Entity's intention to complete and its ability to use or sell the asset

The Entity's ability to measure reliably the expenditure during development

The availability of resources to complete the asset

The Entity's ability to measure reliably the expenditure during development

*Garissa University  
Annual Report and Financial Statements  
For the Year Ended June 30, 2021*

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.

**Financial instruments**

*Financial assets*

*Recognition and measurement*

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

*Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments quoted in an active market. After initial measurement, such financial assets are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

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

There is objective evidence that a financial asset is impaired if the carrying amount of financial assets is

*Garissa University*  
*Annual Report and Financial Statements*  
*For the Year Ended June 30, 2021*  
***Financial liabilities***

***Initial recognition and measurement***

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

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

***Loans and borrowing***

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

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

**i) Inventories**

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

Costs incurred in bringing each product to its present location and cond follows:

- Raw materials: purchase cost using the weighted average cost m
- Finished goods and work in progress: cost of direct materials manufacturing overheads based on the normal operating ca costs

After initial recognition, inventory is measured at the lower However, to the extent that a class of inventory is dist nominal charge, that class of inventory cost.

Freehold land is not depreciated as it is deemed to have an infinite life. Leasehold land is amortised over the unexpired lease period.

#### **Work in progress**

Work in progress represents properties (buildings) and Perimeter wall construction. It is carried at cost, less any recognized impairment loss. Depreciation of these assets commences when the assets are ready for their intended use on the same basis as other buildings.

#### **e) Leases**

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

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

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

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

#### **f) Intangible assets**

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

Computer Software including ERP is recognized as intangible assets and amortized at a rate of 12.5%

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

#### **g) Research and development costs**

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

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

each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

### **Sales tax**

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

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

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

## **d) Property, plant and equipment**

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

**Fixed Assets Depreciation:** Fixed assets are stated at cost or valuation, less accumulated depreciation. Depreciation is calculated on the straight line basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives. Assets acquired during the year are depreciated from the date of acquisition.

The annual depreciation rates in use are:

Buildings	2%
Furniture, Plant and Equipment	12.5%
Library Books	12.5%
Motor Vehicles	25%
Computers and peripheral devices	33 <sup>1</sup> / <sub>3</sub> %
Academic Gowns	5%

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.

## h) Financial instruments

### Financial assets

#### Initial recognition and measurement

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

#### Loans and receivables

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

#### Held-to-maturity

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

#### Impairment of financial assets

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

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

### **Initial recognition and measurement**

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

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

### **Loans and borrowing**

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

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

## **i) Inventories**

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

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

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

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

## **j) Provisions**

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or

service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

#### ***Contingent liabilities***

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

#### ***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.

#### **k) Nature and purpose of reserves**

The University has a capital reserve which represents the government interest in the net assets/equity of the University and is a combination of contributed capital by the government and the aggregate of the University's accumulated surpluses or deficit and reserves that reflect the net assets/equity attributable to the University operations.

#### **l) Changes in accounting policies and estimates**

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

#### **m) Employee benefits**

##### **Retirement benefit plans**

The University provides retirement benefits for its employees. 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.

The University made its fixed contribution to Moi University Pension Scheme during the period under review.

**n) Foreign currency transactions**

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

The University did not engage in foreign currency transactions during the year under review.

**o) Borrowing costs**

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

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

The University did not have any borrowings during the period under review.

**p) Related parties**

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. Members of key management are regarded as related parties and comprise the University Council, the Vice Chancellor, Deputy Vice Chancellors and University management Board.

**q) Service concession arrangements**

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

The University did not have any service concession arrangements during the year under discussion.

**r) Cash and cash equivalents**

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

officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

**s) Comparative figures**

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

**t) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

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

**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.

## 6. GOVERNMENT GRANTS AND CAPITATION

### a) UNCONDITIONAL GRANTS

Month	Description	2020-2021 Kshs'000'	2019-2020 Kshs'000'
Jul/20	Supplementary	-	30,494
Jul/20	Monthly Capitation	-	-
Aug/20	Monthly Capitation	68,022	67,828
Sep/20	Monthly Capitation	-	33,914
Oct/20	Monthly Capitation	68,022	-
Nov/20	Monthly Capitation	-	67,828
Dec/20	Monthly Capitation	34,011	33,914
Jan/21	Monthly Capitation	34,011	-
Feb/21	Monthly Capitation	34,011	33,914
Mar/21	Monthly Capitation	34,011	33,914
Apr/21	Monthly Capitation	34,011	33,914
May/21	Monthly Capitation	34,011	133,914
Jun/21	Monthly Capitation	68,022	33,914
Jun/21	Monthly Capitation	-	33,914
<b>Total</b>		<b>408,131</b>	<b>537,460</b>

## 7. TUITION & RELATED CHARGES

Description	2020-2021 Kshs '000'	2019-2020 Kshs '000'
Tuition Fees & Other charges	102,183	75,421
Application Fees	343	330
Graduation Fees	-	-
<b>Total</b>	<b>102,526</b>	<b>75,751</b>

## 8. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	Cumulative to date	Cumulative to date
	2020-2021 Kshs '000'	2019-2020 Kshs '000'
Hire of University facilities	521	28,863
Staff House Rentals	2,306	2,453
<b>Total</b>	<b>2,827</b>	<b>31,316</b>

## 9. OTHER INCOME

<b>Description</b>	<b>2020-2021 Kshs '000'</b>	<b>2019-2020 Kshs '000'</b>
Accommodation	2,092	2,866
Catering	2,433	2,666
Research Grants	803	44
Others (Donation)	-	30
Fines & other charges	14	5,458
<b>Total</b>	<b>5,342</b>	<b>11,064</b>

## 10. EMPLOYEE COSTS

<b>Description</b>	<b>2020-2021 Kshs '000'</b>	<b>2019-2020 Kshs '000'</b>
Gross Salary	339,100	317,391
Employer Pensions & Provident Contributions	25,951	19,612
Casual Wages	15,293	17,734
Police Allowances	6,519	6,428
Gratuity	278	-
<b>Total</b>	<b>387,140</b>	<b>361,165</b>

## 11. BOARD EXPENSES

<b>Description</b>	<b>2020-2021 Kshs '000'</b>	<b>2019-2020 Kshs '000'</b>
Council Remuneration	1,660	11,279
Council Expenses	10,570	2,244
<b>Total Council Expenses</b>	<b>12,230</b>	<b>13,523</b>
Senate & Deans' committee Expenses	-	-
<b>Total Committee Expenses</b>	<b>-</b>	<b>-</b>
<b>Total Board Expenses</b>	<b>12,230</b>	<b>13,523</b>

**12. DEPRECIATION AND AMORTIZATION EXPENSE**

<b>Description</b>	<b>2020-2021 Kshs '000'</b>	<b>2019-2020 Kshs '000'</b>
Property, plant and equipment	27,193	20,540
Intangible assets	2,112	-
<b>Total</b>	<b>29,305</b>	<b>20,540</b>

**13. REPAIR AND MAINTENANCE EXPENSE**

<b>Description</b>	<b>2020-2021 Kshs '000'</b>	<b>2019-2020 Kshs '000'</b>
Maintenance of Hostel facilities	-	100
University Vehicles	217	708
Buildings and Stations	-	3,001
Maintenance of water & Sewerage	-	163
Generator fuel & Maintenance	-	-
General Refurbishment	4,111	1,167
<b>Total</b>	<b>4,328</b>	<b>5,139</b>

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

**14. USE OF GOODS & SERVICE**

<b>Description</b>	<b>2020-2021 Kshs '000'</b>	<b>2019-2020 Kshs '000'</b>
Insurance	930	-
Postage & Telegram Expenses	9	-
Office Expenses	-	58
News papers & Periodicals	-	14
Electricity Expenses	3,275	3,448
Water & Sewerage expenses	2,452	3,247
Advertising & Publicity	372	-
Legal expenses	-	38
Open Day & Cultural Expenses	-	-
Staff Medical Care	25,439	6,219
Medical Expenses-Drugs purchase	2,359	1,769
Recruitment Expenses	1,489	-
Computer Expenses & software	353	15
Internet services & communication Exps	2,795	1,848
ICT Infrastructure & ERP Expenses	602	837
Bank Charges	3,445	264
Subsistence & Travelling Costs	3,250	7,206
Cleaning Materials & Detergents	386	1,295
Security Services, System & Equipment	-	130
Catering Expenses-(Food )	9,256	20,861
Catering Expenses-(Fuel)	705	1,151
Vehicle Fuel and oil	585	718
ISO certification Expenses	211	85
Purchase of Plant & Equipment	-	10
Purchase of furniture & fitting	821	11
Stationeries	1,546	1,121
Purchase of Uniforms	350	-
Computers & Accessories	361	560
Purchase of Catering Equipment	-	1,219
Purchase of Hostel Material	257	1,527
Purchase of Sports Equipment	-	241
Purchahse of water supply equipment	-	32
Graduation Expenses	4,109	1,369

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

**14. USE OF GOODS & SERVICE (Continued)**

GUSO Welfare	1,224	1,311
Conferences & Seminars	-	203
Research Programme Expenses	966	545
External Examiners	1,019	1,089
Development of academic Programmes	604	320
Subscriptions to Professional bodies	-	246
Performance Contracting	435	1,728
Teaching Materials	836	-
KUCCPS Charges	-	249
Commission for Universty Education expense (CUE)	1,580	-
Library Books & Journals	-	7,186
Library Subscription	532	1,069
Training & capacity building	627	320
Examination Materials & Expenses	1,105	629
Teaching practise	2,109	889
Industrial Attachment	2,240	3,134
Purchase of lab equipment	-	1,500
Part-Time Lecturers	30,249	34,892
Sports & Recreational Activities	152	1,199
Student fees Refund	48	253
Feasibility study, Project preparation & Design and	-	482
Hire of facilities	-	3,425
Maintainace of computers	-	5
<b>Total</b>	<b>109,081</b>	<b>115,966</b>

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

**15. CASH AND CASH EQUIVALENTS**

Description	2020-2021	2019-2020
	Kshs '000'	Kshs '000'
<b>(a) Cash and cash equivalents</b>		
Current accounts	75,448	138,083
<b>Total</b>	<b>75,448</b>	<b>138,083</b>
<b>(b) Current account</b>		
<b>Financial institution</b>	<b>2020-2021</b>	<b>2019-2020</b>
<b>Bank Details</b>	<b>Account No.</b>	<b>Kshs</b>
KCB-Payment Account-	1136134727	5,858
KCB- Deposit A/c-	1136134816	1,323
KCB- Collection Account-	1136134514	1,539
Equity-GSSP Collection A/c-	0580261358416	24,121
Equity-PSSP Collection A/c-	0580261358406	31,403
Equity- Catering & Acc A/c-	0580261526380	11,204
<b>Sub- total</b>	<b>75,448</b>	<b>138,083</b>
<b>Grand total</b>	<b>75,448</b>	<b>138,083</b>

**16. RECEIVABLES FROM EXCHANGE TRANSACTIONS**

Description	2020-2021	2019-2020
	Kshs '000'	Kshs '000'
Student Receivables-Outstanding Fees	20,981	29,748
Staff Receivables- Imprest Debtors	-	-
Others(Specify)	-	-
<b>Totals</b>	<b>20,981</b>	<b>29,748</b>

**17. INVENTORIES**

Description	2020-2021	2019-2020
	Kshs	Kshs
Central-stores	1,978	1,846
Consumable stores	4,077	-
Medical supplies-Clinic store	185	1,210
Catering store	3,629	3,776
Labs stores	21	3,127
<b>Total</b>	<b>9,890</b>	<b>9,959</b>

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

**18. PROPERTY, PLANT AND EQUIPMENT**

COST/VALUATION	Leasehold Land Kshs '000'	Buildings Kshs '000'	Motor vehicles Kshs '000'	Furniture, Plant & Equipment Kshs '000'	Computers, Copiers & Printers Kshs '000'	Capital-Work in Progress (W.L.P) Kshs '000'	Total Kshs '000'
<b>At 1 July 2019</b>	35,000	324,475	-	70,261	11,753	680,110	1,121,599
Disposals Capitalization	-	-	-	-	-	-	-
Additions	-	-	-	4,069	4,750	54,916	63,734
Revaluation	-	5,070	11,113	-	-	-	16,183
<b>At 30 June 2020</b>	<b>35,000</b>	<b>329,545</b>	<b>11,113</b>	<b>74,329</b>	<b>16,503</b>	<b>735,025</b>	<b>1,201,516</b>
<b>At 1 July 2020</b>	35,000	329,545	11,113	74,329	16,503	735,025	1,201,516
Disposals Capitalization	-	-	-	-	-	-	-
Additions	-	3,424	-	50,147	1,218	6,597	61,386
Transfer	-	-	-	-	-	(16,895)	(16,895)
Revaluation	265,000	-	-	(14,688)	(5,624)	-	244,688
<b>At 30 June 2021</b>	<b>300,000</b>	<b>332,969</b>	<b>11,113</b>	<b>109,787</b>	<b>12,097</b>	<b>724,728</b>	<b>1,490,694</b>
<b>DEPRECIATION/AMORTIZATION</b>							
<b>At 1 July 2019</b>	-	31,379	-	26,786	11,753	-	69,918
Disposals	-	-	-	-	-	-	-
Charge for the year	-	6,515	695	9,205	4,125	-	20,540
Amortization for the year	-	-	-	-	-	-	-
Reversal of depreciation on revaluation	-	(36,246)	-	-	-	-	(36,246)
Transfers/Adjustments	-	-	-	-	-	-	-
<b>At 30 June 2020</b>	<b>-</b>	<b>1,648</b>	<b>695</b>	<b>35,991</b>	<b>15,878</b>	<b>-</b>	<b>54,212</b>
<b>At 1 July 2020</b>	-	1,648	695	35,991	15,878	-	54,212
Disposals	-	-	-	-	-	-	-
Charge for the year	-	6,659	2,778	13,723	4,032	-	27,193
Amortization for the year	-	-	-	-	-	-	-
Reversal of depreciation on reval	-	-	-	(35,991)	(15,878)	-	(51,869)
Transfers/Adjustments	-	-	-	-	-	-	-
<b>At 30 June 2021</b>	<b>-</b>	<b>8,307</b>	<b>3,473</b>	<b>13,723</b>	<b>4,032</b>	<b>-</b>	<b>29,536</b>
<b>NET BOOK VALUE</b>							
<b>As At 30 June, 2021</b>	<b>300,000</b>	<b>324,662</b>	<b>7,640</b>	<b>96,064</b>	<b>8,065</b>	<b>724,728</b>	<b>1,360,126</b>
<b>As At 30 June 2020</b>	<b>35,000</b>	<b>327,897</b>	<b>10,418</b>	<b>38,338</b>	<b>625</b>	<b>735,025</b>	<b>1,097,781</b>

#### 19. INTANGIBLE ASSET

Description	2020-2021	2019-2020
	KShs	KShs
<b>Cost</b>		
<b>At beginning of the year</b>	16,895	-
Additions	-	-
<b>At end of the year</b>	16,895	-
Additions–internal development	-	-
<b>At end of the year</b>	16,895	-
<b>Amortization and impairment</b>		
<b>At beginning of the year</b>		-
Amortization	2,112	-
<b>At end of the year</b>	2,112	-
Impairment loss	0	-
<b>At end of the year</b>	2,112	-
<b>NBV</b>	14,783	-

#### 20. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2020-2021 Kshs '000'	2019-2020 Kshs '000'
Trade Payables	40,903	2,502
Unpaid Personal Claims	2,221	71,747
Accrued audit fee	-	-
Other Creditors	22,650	52,650
<b>Total</b>	<b>65,774</b>	<b>126,899</b>

**Note:**

- Trade Payables represent supplier and service providers invoices not paid as at close of the reporting period.

#### 21. REFUNDABLE DEPOSITS FROM CUSTOMERS

Description	2020-2021 Kshs '000'	2019-2020 Kshs '000'
Caution Money	4,054	3,574
Retention fund	54,575	12,427
Prepaid fees	4,291	1,463
<b>Total deposits</b>	<b>62,921</b>	<b>17,464</b>

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

**22. CASHFLOW RECEIPTS NOTES**

**a) Government grants & Capitation**

<b>Month</b>	<b>Description</b>	<b>2020-2021 Kshs'000'</b>	<b>2019-2020 Kshs'000'</b>
Jul/20	Supplementary	30,494	19,778
Jul/20	Monthly Capitation	-	67,828
Aug/20	Monthly Capitation	68,022	33,914
Sep/20	Monthly Capitation	-	-
Oct/20	Monthly Capitation	68,022	67,828
Nov/20	Monthly Capitation	-	33,914
Dec/20	Monthly Capitation	34,011	-
Jan/21	Monthly Capitation	34,011	33,914
Feb/21	Monthly Capitation	34,011	33,914
Mar/21	Monthly Capitation	34,011	33,914
Apr/21	Monthly Capitation	34,011	33,914
May/21	Monthly Capitation	34,011	133,914
Jun/21	Monthly Capitation	68,022	33,914
	<b>Total</b>	<b>438,626</b>	<b>526,744</b>

**b) Tuitions & Other related charges**

<b>Description</b>	<b><u>2020-2021</u> Kshs '000'</b>	<b>2019-2020 Kshs '000'</b>
Tuition Fees & Other charges	81,194	70,626
Application Fees	343	330
Graduation Fees	-	-
<b>Total</b>	<b>81,537</b>	<b>70,956</b>

**23. CASHFLOW PAYMENT NOTES**

**a) Employee cost**

<b>Description</b>	<b><u>2020-2021</u> Kshs '000'</b>	<b>2019-2020 Kshs '000'</b>
Gross Salary	363,912	328,713
Employer Pensions & Provident Contributions	25,951	19,612
Casual Wages	15,293	18,291
Police Allowances	6,519	7,469
Gratuity	278	
<b>Total</b>	<b>411,953</b>	<b>374,085</b>

**b) Board expense**

<b>Description</b>	<b><u>2020-2021</u></b>	<b><u>2019-2020</u></b>
	<b>Kshs '000'</b>	<b>Kshs '000'</b>
Council Remuneration	1,660	11,627
Council Expenses	10,493	2,688
<b>Total Council Expenses</b>	<b><u>12,153</u></b>	<b><u>14,315</u></b>
Senate & Deans' committee Expenses	-	-
<b>Total Committee Expenses</b>	<b>-</b>	<b>-</b>
<b>Total Board Expenses</b>	<b><u>12,153</u></b>	<b><u>14,315</u></b>

**c) Repairs & Maintenance**

<b>Description</b>	<b><u>2020-2021</u></b>	<b><u>2019-2020</u></b>
	<b>Kshs '000'</b>	<b>Kshs '000'</b>
Maintenance of Hostel facilities	-	100
University Vehicles	156	987
Buildings and Stations	-	3,001
Maintenance of water & Sewerage	-	163
Generator fuel & Maintenance	-	-
General Refurbishment	4,059	1,254
<b>Total</b>	<b><u>4,215</u></b>	<b><u>5,505</u></b>

*Garissa University*  
*Annual Report and Financial Statements*  
*For the Year Ended June 30, 2021*  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**d) Use of goods & Services**

<b>Description</b>	<b>Cumulative to date 2020-2021 Kshs '000'</b>	<b>Cumulative to date 2019-2020 Kshs '000'</b>
	Insurance	930
Postage & Telegram Expenses	9	-
Office Expenses	-	58
News papers & Periodicals	-	14
Electricity Expenses	3,275	3,448
Water & Sewerage expenses	2,746	3,889
Advertising & Publicity	372	1,432
Legal expenses	-	188
Staff Medical Care	25,204	18,700
Medical Expenses-Drugs purchase	2,359	2,112
Recruitment Expenses	1,200	-
Audit fees & expenses	-	3,480
Computer Expenses & software	313	15
Internet services & communication Exps	1,913	1,848
ICT Infrastructure & ERP Expenses	602	994
Bank Charges	3,445	264
Subsistence & Travelling Costs	3,250	7,280
Cleaning Materials & Detergents	386	1,686
Security Services, System & Equipment	-	246
Catering Expenses-(Food )	9,143	25,862
Catering Expenses-(Fuel)	705	1,151
Vehicle Fuel and oil	585	718
ISO certification Expenses	211	85
Office plant and equipment	-	10
Purchase of furniture & fitting	821	11
Stationeries	1,546	1,831
Computers & Accessories	361	560
Purchase of Catering Equipment	-	1,219
Purchase of Hostel Material	257	1,563
Purchase of Sports Equipment	-	241
Purchase of water supply equipment	-	32
Graduation Expenses	4,109	2,415

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

GUSO Welfare	1,224	1,318
Conferences & Seminars	-	402
Research Programme Expenses	678	545
External Examiners	1,263	1,267
Development of academic Programmes	804	120
Subscriptions to Professional bodies	-	246
Performance Contracting	435	1,758
Teaching Materials	165	-
KUCCPS Charges	-	249
Commission for University Education expense (CUE)	1,580	-
Library Books & Journals	-	7,172
Library Subscription	1,330	270
Training & capacity building	627	320
Examination Materials & Expenses	1,070	1,056
Teaching practise	2,109	889
Industrial Attachment	2,944	2,917
Purchase of lab equipment	-	1,500
Part-Time Lecturers	24,490	26,667
Sports & Recreational Activities	152	1,199
Student fees Refund	48	253
Feasibility study, Project preparation & Design and Environment Impact Assessment	-	188
Hire of facilities	-	3,425
Maintenance of computers	-	5
<b>Total</b>	<b>102,661</b>	<b>134,909</b>

**24. REFUNDABLE DEPOSITS FROM CUSTOMERS**

<b>Description</b>	<b><u>2020-2021</u></b> <b>Kshs '000'</b>	<b>2019-2020</b> <b>Kshs '000'</b>
Caution Money	480	428
Retention fund	-	12,427
Prepaid fees	4,291	1,463
<b>Total deposits</b>	<b>4,771</b>	<b>14,317</b>

**25. FINANCIAL RISK MANAGEMENT**

The University's activities expose it to a variety of financial risks including credit and liquidity risks. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University does not hedge any risks and has in place policies to ensure that these risks are minimised.

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

**i) Credit risk**

The University has exposure to credit risk, which is primarily attributable to receivables since some students are unable to pay fees in full when due. Credit risk arises from cash and cash equivalents.

The carrying amount of financial assets recorded in the financial statements representing the entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	<b>Total amount</b> <b>Kshs.'000'</b>	<b>Fully performing</b> <b>Kshs.'000'</b>	<b>Past due</b> <b>Kshs.'000'</b>	<b>Impaired</b> <b>Kshs.'000'</b>
<b>At 30 June 2021</b>				
Receivables from exchange transactions	110,695	110,695	-	-
Receivables from non-exchange transactio	408,131	408,131	-	-
Bank balances	75,448	75,448	-	-
<b>Total</b>	<b>594,274</b>	<b>594,274</b>	-	-
<b>At 30 June 2020</b>				
Receivables from exchange transactions	118,131	118,131	-	-
Receivables from non-exchange transactio	537,460	537,460	-	-
Bank balances	138,083	138,083	-	-
<b>Total</b>	<b>793,674</b>	<b>733,344</b>	-	-

The credit risk associated with receivables under the fully performing category is minimal and the allowance for uncollectible amounts that the University has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The University Management board have set fees policy to ensure that all students pay their fees and on time as a measure to credit risk management.

**ii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the University's council members who have built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The University prepares annual budgets and expenditures are incurred based on availability of funds.

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

	<b>Less than 1 month Kshs'000'</b>	<b>Between 1-5 months Kshs'000'</b>	<b>Over 5 months Kshs'000'</b>	<b>Total Kshs'000'</b>
<b>At 30 June 2021</b>				
Trade payables	-	65,774	-	<b>65,774</b>
Current portion of borrowings	-	-	-	-
Refundable deposit	-	-	8,345	<b>8,345</b>
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>65,774</b>	<b>8,345</b>	<b>74,119</b>
<b>At 30 June 2020</b>				
Trade payables	-	126,899	-	<b>126,899</b>
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	-	-	-	-
<b>Total</b>	<b>-</b>	<b>126,899</b>	<b>-</b>	<b>126,899</b>

**iii) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or its purchasing power. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

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

**iv) Foreign currency risk**

The University does not engage in foreign currency transactions and therefore no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency.

**v) Interest rate risk**

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

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

***Management of interest rate risk***

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

**Fair value of financial assets and liabilities**

***a) Financial instruments measured at fair value***

Determination of fair value and fair values hierarchy

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The entity considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Kshs'000'</b>	<b>Kshs'000'</b>	<b>Kshs'000'</b>	<b>Kshs'000'</b>
<b>At 30 June 2021</b>				
Financial Assets	-	-	-	-
Quoted equity investments	-	-	-	-
Non- financial Assets	-	-	-	-
Investment property	-	-	-	-
Land and buildings	-	632,969	-	632,969
<b>Total</b>	<b>-</b>	<b>632,969</b>	<b>-</b>	<b>632,969</b>
<b>At 30 June 2020</b>				
Financial Assets	-	-	-	-
Quoted equity investments	-	-	-	-
Non- financial Assets	-	-	-	-
Investment property	-	-	-	-
Land and buildings	-	364,545	-	364,545
<b>Total</b>	<b>-</b>	<b>364,545</b>	<b>-</b>	<b>364,545</b>

There were no transfers between levels 1, 2 and 3 during the year.

**iv) Capital Risk Management**

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

	<b>2020-2021</b>	<b>2019-2020</b>
	<b>Kshs'000'</b>	<b>Kshs'000'</b>
Revaluation reserve	533,079	288,391
Retained earnings	-	-
Capital reserve	703,455	703,455
<b>Total funds</b>	<b>1,236,534</b>	<b>991,846</b>
Total borrowings	0	0
Less: cash and bank balances	75,448	138,083
Net debt/(excess cash and cash equivalents)	(75,448)	(138,083)
<b>Gearing</b>	<b>0%</b>	<b>0%</b>

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

**23. RELATED PARTY BALANCES**

**Nature of related party relationships**

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

**Government of Kenya**

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

- i) The National Government;
- ii) Ministry of Education;
- iii) University Council;
- iv) Key Management: The Vice Chancellor, and Deputy Vice Chancellors

**RELATED PARTY PAYMENTS**

S/No.	Name	Position	QT1	QT2	QT3	QT4	GROSS AMOUNT
1	Prof. Hellen Sambili	Chancellor	300,000	300,000	300,000	300,000	1,200,000
2	Dr. Christopher G. Gakahu	Chairman	369,400	390,669	151,312	-	911,381
3	Mr. Hassan Duelle	Rep. PS MOE	92,000	309,636	217,545	231,387	850,568
4	Dr. Bertha Kaimenyi	Member	138,000	437,000	50,000	-	625,000
5	Eng. Mohamed Ali Farah	Member	121,000	485,069	316,338	-	922,407
6	Mr. Jacktone Akelo	Member	46,000	252,800	25,000	-	323,800
7	Mr. William Ogwagwa Motari	Member	46,000	457,578	25,000	-	528,578
8	Mr. Boniface Ngigi	Rep. PS Treasury	92,000	179,600	237,064	252,664	761,328
10	Mrs. Amina R Masoud	Member	92,000	342,275	185,850	240,450	860,575
11	Prof. Ahmed Abdikadir Osmar	Ag. VC	2,396,857	2,396,857	2,506,107	2,466,457	9,766,278
12	Prof. Stephen Irura Nganga	Ag. DVC (FAP)	2,473,324	2,473,324	2,579,904	2,688,724	10,215,276
13	Prof. Hussein Sheikh Adams	Ag. DVC (ASA)	2,426,696	2,426,696	2,533,276	2,492,096	9,878,765
	<b>Total</b>		<b>8,593,277</b>	<b>10,451,504</b>	<b>9,127,397</b>	<b>8,671,778</b>	<b>36,843,956</b>

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

**24. SEGMENT INFORMATION**

The University operates within Garissa County and specifically in the proximity of Garissa Township and does not have campuses in other places. Hence IPSAS 18 on segment reporting is not applicable

**25. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

At the close of business on June 30<sup>th</sup> 2021, the University did not have any contingent asset or liability.

**26. CAPITAL COMMITMENTS**

At the close of business on June 30<sup>th</sup> 2021, the University did not have any capital commitments

**27. EVENTS AFTER THE REPORTING PERIOD**

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

**28. ULTIMATE AND HOLDING UNIVERSITY**

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

**29. CURRENCY**

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

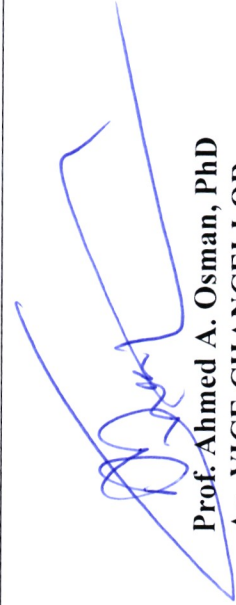
**APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS**

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

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1.	FY 2019/2020 <b>Variance</b> between the Statement of Changes in Net Assets and Trial Balance on Revenue Reserve-	The management noted the variance and the two statements have been reconciled.	Prof. Ahmed O. Warfa Ag. VC	Resolved	FY 2020/2021
2.	<b>Cash and Cash Equivalents</b> -there were stale cheques totaling to Kshs.409,562 and which had not been reversed to the cashbook	Management wrote to the banks to find out the reasons as why they are still unrepresented. This shall be cleared once we get the Bank's feedback	Prof. Ahmed O. Warfa Ag. VC	Resolved	FY 2020/2021
3.	<b>Retention Funds</b> -the University did not maintain a separate bank account and cashbook for the retention and caution monies owed.	The National Treasury has been reducing the number of bank accounts operated by MDAs and SAGAs; following this, the University deemed it fit to use the existing bank accounts and ensure that the monies are fully accounted for and not necessarily opening another account. Any new account has to be authorized by the National Treasury with justification as to why the existing accounts cannot be used.	Prof. Ahmed O. Warfa Ag. VC	Not resolved	FY 2020/2021
4.	<b>Student Debtors</b> - the schedule revealed that some students did not pay any money while others paid meagre of between 0.1 to 2% of the total tuition fees billed to them and they were allowed to do the exam yet they had outstanding fee balance casting	Management will ensure total adherence and Implementation of the fee payment policy through usage of ERP. Already we have integrated the ERP system with the bank, so receipting is real time.	Prof. Ahmed O. Warfa Ag. VC	Resolved	FY 2020/2021

Garissa University  
Annual Report and Financial Statements  
For the Year Ended June 30, 2021

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
5.	doubt on the recoverability of the debt. <b>Use of Goods and Services</b> – Review of payment vouchers revealed that expenditure amounting to Kshs.1,638,800 was irregularly paid to lecturers as subsistence and travelling allowances while at their work stations since most of the students were undertaking their attachment in Garissa Township.	In as much as many students were attached within Garissa, others were also in other counties and all lecturers went to assess students in Nairobi, Wajir, Mandera, Tana River, Kitui and Isiolo Counties.	Prof. Ahmed O. Warfa Ag. VC	Resolved	FY 2020/2021
6.	<b>Irregular Payment of Part Time Lecturers</b> audit review of the appointment letters revealed that some lecturers signed their appointment contracts with the University mid semester while others signed their appointment letters at the end of the semester.	The appointment letter clearly indicates the semester the part time lecturer was engaged (Due to approval process put in place including approvals by the school board, Committee of Deans and the senate which sit at different times and who have clearly stipulated almanac, the appointment letters were delayed. However, once the school approval is done, the part time lecturers were engaged to teach as the Committee of Deans and the senate plans to sit.	Prof. Ahmed O. Warfa Ag. VC	Not resolved	FY 2020/2021

  
Prof. Ahmed A. Osman, PhD  
Ag. VICE CHANCELLOR  
Date: 15.10.2021

  
Mrs. Amina Rashid Masoud  
Ag. CHAIR OF COUNCIL  
Date: 15.10.2021

**APPENDIX II: PROJECTS IMPLEMENTED BY THE UNIVERSITY**

Projects implemented by the University Funded by development partners

**I) PROJECT DETAILS**

S/No.	Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required (yes/no)	Consolidat ed in these financial statements (yes/no)
1	750 Capacity Students Hostel		GoK	2014-Date	531 Million	No	yes
2	Perimeter wall		GoK	2016-Date	147 Million	No	yes
3	ERP System		GoK	2016-Date	16 Million	No	yes

**II) STATUS OF PROJECTS COMPLETION**

S/No.	Project title	Total project Cost	Total expended to date	Completi on % to date	Budget	Actual	Sources
		<b>Kshs '000'</b>	<b>Kshs '000'</b>	<b>Kshs '000'</b>	<b>Kshs '000'</b>	<b>Kshs '000'</b>	<b>Kshs '000'</b>
1	750 Capacity Students Hostel	531,412	526,562	99%	22,859	5,436	GoK
2	Perimeter wall	147,058	147,058	100%	3,889	2,897	GoK
3	ERP System	16,895	16,895	100%	1,689	1,689	GoK
	<b>Total</b>	<b>695,365</b>	<b>690,515</b>	<b>-</b>	<b>28,437</b>	<b>10,022</b>	

**APPENDIX III: INTER-UNIVERSITY TRANSFERS**

Recurrent	Bank statement Date	Amount Kshs. '000'				2020-2021	2019-2020
		1st Quarter 30th Sept 2020	2nd Quarter 31st Dec 2020	3rd Quarter 31st March 2021	4th Quarter 30th June 2021	Kshs '000'	Kshs '000'
	Jul-20	-	-	-	-	-	-
	Aug-20	68,022	-	-	-	68,022	67,828
	Sep-20	-	-	-	-	-	33,914
	Oct-20	-	68,022	-	-	68,022	-
	Nov-20	-	-	-	-	-	67,828
	Dec-20	-	34,011	-	-	34,011	33,914
	Jan-21	-	-	34,011	-	34,011	33,914
	Feb-21	-	-	34,011	-	34,011	-
	Mar-21	-	-	34,011	-	34,011	67,828
	Apr-21	-	-	-	34,011	34,011	33,914
	May-21	-	-	-	34,011	34,011	33,914
	Jun-21	-	-	-	68,022	68,022	133,914
	Jun-21	-	-	-	-	-	30,495
	<b>Total</b>	<b>68,022</b>	<b>102,033</b>	<b>102,033</b>	<b>136,044</b>	<b>408,131</b>	<b>537,461</b>
<b>Development</b>	Jul-19	-	-	-	-	-	-
	Aug-19	-	-	-	-	-	-
	Sep-19	-	-	-	-	-	-
	Oct-19	-	-	-	-	-	-
	Nov-19	-	-	-	-	-	-
	Dec-19	-	-	-	-	-	-
	Jan-20	-	-	-	-	-	-
	Feb-20	-	-	-	-	-	-
	Mar-20	-	-	-	-	-	-
	Apr-20	-	-	-	-	-	-
	May-20	-	-	-	-	-	-
	Jun-20	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Payments</b>							
<b>Donor Receipts</b>							
	<b>Grand Total</b>	<b>68,022</b>	<b>102,033</b>	<b>102,033</b>	<b>136,044</b>	<b>408,131</b>	<b>537,461</b>

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



CPA Mohamed Ali  
Head of Finance  
Garissa University



CPA Robert S. Asmani  
Head of Accounting Unit  
MOE-State Department of University  
Education & Research

**APPENDIX IV: RECORDING OF 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
	6 <sup>th</sup> July, 2020	Recurrent	30,494,550	30,494,550	-	-	-	-	30,494,550
Ministry of Education	7 <sup>th</sup> August, 2020	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	31 <sup>st</sup> August, 2020	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	1 <sup>st</sup> October, 2020	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	30 <sup>th</sup> October, 2020	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	7 <sup>th</sup> December, 2020	Recurrent	34,010,900	34,010,900	-	-	-	-	34,010,900
	4 <sup>th</sup> January, 2021	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	5 <sup>th</sup> February 2021	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	11 <sup>th</sup> March, 2021	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	9 <sup>th</sup> April, 2021	Recurrent	34,010,900	34,010,900	-	-	-	-	34,010,900
	10 <sup>th</sup> May, 2021	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	16 <sup>th</sup> June, 2021	Recurrent	34,010,899	34,010,899	-	-	-	-	34,010,899
	25 <sup>th</sup> June, 2021	Recurrent	34,010,900	34,010,900	-	-	-	-	34,010,900
<b>Total</b>			<b>408,130,791</b>	<b>408,130,791</b>	-	-	-	-	<b>408,130,791</b>