

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

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REPORT

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TABLE

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Hon Owen Bayo, CBS, MP
Deputy majority leader
A. Shubuka

OF



THE AUDITOR-GENERAL

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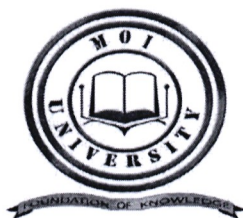
**AFRICA CENTRE OF EXCELLENCE (ACE II) IN
PHYTOCHEMICALS, TEXTILES AND
RENEWABLE ENERGY (PTRE) PROJECT
(IDA CREDIT NO.5798-KE)**

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

MOI UNIVERSITY



Revised Template 30th June 2023



OFFICE OF THE AUDITOR-GENERAL
NORTH RIFT REGIONAL OFFICE

13 OCT 2023

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P O Box 2774 30100, ELDORET

PROJECT NAME: AFRICA CENTRE OF EXCELLENCE (ACEII) PTRE PROJECT

IMPLEMENTING ENTITY: MOI UNIVERSITY

PROJECT GRANT/CREDIT NUMBER: IDA CREDIT 5798-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2023

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



*Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

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1. ACRONYMS AND GLOSSARY OF TERMS

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
ACEII	Africa Centre of Excellence
PTRE	Phytochemicals, Textiles and Renewable Energy

(Project to include all acronyms and glossary of terms used in the annual report and financial statements)

2. PROJECT INFORMATION AND OVERALL PERFORMANCE

2.1 Name and registered office

Name

The project's official name is the Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project.

Objective

The key objective of the project is to advance technology development and innovation in Phytochemicals, Textiles and Renewable Energy through delivery of quality post graduate training and collaborative research in regional priority areas.

Address

The project headquarters office is in Eldoret, Uasin Gishu County, Kenya.
The address of its registered office is:

Moi University

Margaret Thatcher Library, Main Campus

P.O Box 3900 – 30100

Eldoret

Contacts: The following are the project contacts:

Telephone: (+254) 736 138770, 771 336911

E-mail: info@mu.ac.ke, muptreaceii@gmail.com

Website: www.mu.ac.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 1 July 2017
Project End Date:	The project end date is 31 December 2023
Project Leader:	The project Leader is Sir. Prof Ambrose Kiprop
Project Sponsor:	The project sponsor is The World Bank

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Education.
Project number	P151847
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ul style="list-style-type: none"> i. To strengthen education capacity excellence in terms of quality of postgraduate training ii. To strengthen research capacity excellence and outreach service in phytochemicals, textiles and renewable energy iii. To strengthen innovation and technology development in the industrial and manufacturing sectors iv. To strengthen sustainability of research and training through enhancement of facilities
Achievement of strategic goals	<ul style="list-style-type: none"> i. The project management aims to achieve the goals through the following means: ii. Admitting and training PhD and MSc students in areas of manufacturing involving Analytical Chemistry, Textile, Industrial Engineering and Renewable Energy. iii. Enhancing learning environment by improving teaching, research facilities and ICT upgrading. iv. Re-tooling faculty on curriculum delivery and supervision. v. Improving industrial and private sector linkage with stakeholders to offer more internship places for students. vi. Offering extension and outreach services to the community. vii. Holding annual meetings with partners to discuss project progress and evaluation. viii) Undertaking joint publications with partners.

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	<p>viii) Organizing student and staff exchange activities.</p> <p>ix) Embracing use of visiting members of faculty who are based in the diaspora and other adjunct professors.</p>
Other important background information of the project	<p>The manufacturing sector is envisaged under Kenya Vision 2030 as a key driver to economic growth with an annual growth rate of 10% projected. To make Kenya a dynamic industrial nation by year 2030, a high number of diversified skilled personnel in science, technology, engineering and mathematics (STEM) are necessary. As industrialization advances, the energy demand is expected to rise correspondingly, requiring better energy management with new technologies in energy generation and distribution. Sustainable industrialization requires highly skilled workforce capable of introducing novel manufacturing technologies and energy alternatives for sustainable development. The Centre is attempting to address the need in manufacturing technologies for textile, phytochemicals and renewable energy in the country.</p>
Current situation that the project was formed to intervene	<ol style="list-style-type: none"> i. The project was formed to intervene in the following areas: ii. The need to make Kenya a dynamic industrial nation by the year 2030 through adoption of the state-of-the-art technology that is both efficient and environmentally friendly. iii. The need of a competitive manufacturing sector capable of restructuring key local industries that use local raw materials. This will enable the sector to exploit opportunities in value addition to local produce. Of concern being the local textile industry whose revitalization is a focal point in the strategies of the government of Kenya as it strives to realize Vision 2030. iv. The production of synthetic dyes currently used in Kenya is dependent on petrochemical source; most of which usually contains toxic or carcinogenic amines that are not eco-friendly.
Project duration	<p>The project started on 1st July 2017 and is expected to run until 31 December 2023.</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

Kenya Commercial Bank
P. O Box 560 -30100

ELDORET

2.5 Independent Auditor

The project is audited by the:

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

2.6 Roles and Responsibilities

The key people working in the Project are listed below:

Names	Title designation	Key qualification	Responsibilities
Sir. Prof. Ambrose Kiprop	Centre Leader	Ph.D.	Centre Leader
Dr. Rose Ramkat	Deputy Centre Leader	Ph.D.	Deputy Centre Leader
Prof. Simeon Mining	Director – Research	Ph.D.	Coordinator – IP&QA
Dr. Sarah Chepkwony	Coordinator	Ph.D.	Phytochemicals
Dr. Korir K. Kiptiemoi	Coordinator	Ph.D.	Renewable Energy
Dr. Fredrick Nyamwala	Coordinator	Ph.D.	M&E, Ph.D./MSc. Prog
Prof. Charles Nzila	Coordinator	Ph.D.	Seminars and conferences
Dr. Arimi M'Arimi	Coordinator	Ph.D.	Environmental Safeguards
Dr. David Njuguna	Coordinator	Ph.D.	Textile and Ind. Engineering
Dr. Lynn Kitembe	Coordinator	Ph.D.	Social Safeguards Coordinator
Dr. Jacqueline Makatiani	Coordinator	Ph.D.	Short courses and linkages
Dr. Edwin Kimitei	Coordinator	Ph.D.	Commercialization
Ms. Naomi Nkonge	Center Administrator	Masters	General administration
Mr. Julius Cheboriot	Accountant	BBM – Finance CPA(K)	Financial Services
Mr. Alfred Wandera	Communications	MBA Strategic	Communication

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	Officer	Communication	
Mr. Edward Nyenze	Procurement Officer	BBM (Purchasing and Supplies)	Procurement Services
Ms. Jayne Njenga	Secretary	BHRM (Human Resource)	Secretariat Services
Ms. Carren Rono	Clerk	BHRM (Human Resource)	Clerical services
Ms. Ester Maritim	Office Assistant	Certificate	Office Assistant
Mr. Moses Chirchir	Driver	Certificate	Driver

2.7 Funding summary

The Project is for duration of 5 years from 2017 to 2023 with an approved budget of US\$ 6,000,000 equivalent to Kshs 600,000,000 as highlighted in the table below

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date - (30 June 2023)		Undrawn balance to date	
	<i>Donor currency</i> USD	<i>Kshs</i>	<i>Donor currency</i> Kshs	<i>Kshs</i>	<i>Donor currency</i> Kshs	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Grant						
World Bank/Ministry of Education	6,000,000	600,000,000	5,581,110	582,546,977	418,890	17,453,023
(ii) Attracted Funds						
African Development Bank	-	-	-	38,598,850	-	-
Consulting LGI	-	-	-	1,176,218	-	-
EFPL-Switzerland	-	-	-	1,346,214		
European Commission	-	-	-	45,291,150	-	-
Energy Saving		-	-	289,818		

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Source of funds	Donor Commitment-		Amount received to date – (30 June 2023)		Undrawn balance to date	
	<i>Donor currency USD</i>	<i>Kshs</i>	<i>Donor currency Kshs</i>	<i>Kshs</i>	<i>Donor currency Kshs</i>	<i>Kshs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
Trust (Tea Lp Project)	-					
German International Devp't Agency	-	-	-	851,323	-	-
Glasgow University	-	-	-	1,217,541	-	-
Helmholtz-Zentr Helmho	-	-	-	4,594,499		
Hochschule Ma	-	-	-	329,574		
Mekelle University Reseach Fund-Spree Project	-	-	-	10,717,123		
Nemedussa Project (Felix Langat)	-	-	-	16,880		
Stallenbosch Un C O Unive	-	-	-	383,880		
United Nations	-	-	-	11,045,647	-	-
University of Cape Town	-	-	-	9,635,323	-	-
University Of Bremn	-	-	-	545,525		
University of E. University	-	-	-	4,552,558	-	-
CIPE Nairobi				3,661,200		
DAAD	-	-	-	106,388	-	-
E. Menach	-	-	-	40,000	-	-
GIZ - Nairobi Office	-	-	-	610,957	-	-
Inter University Council	-	-	-	31,665,280	-	-
KALRO	-	-	-	2,706,945	-	-

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Source of funds	Donor Commitment-		Amount received to date - (30 June 2023)		Undrawn balance to date	
	Donor currency USD	Kshs	Donor currency Kshs	Kshs	Donor currency Kshs	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
Kenya Education, Kenya	-	-	-	1,500,000	-	-
Kenya Space Agency	-	-	-	1,000,000		
UNESCO Nairobi				184,710		
Kopemik ,Japan				490,775		
LGI Sustainab Paris				1,501,738		
Setinel Project				1,207,388		
Leinchtenstein Josef Rheinbeger				1,476,901		
UNZA School of Eng				13,565,280		
Kenyatta University				2,601,500		
Moi University Asali A/C	-	-	-	39,804,250		
(iii) Internally Generated Funds						
Students' Application & Accommodation, fees	-	-	-	1,935,974	-	-
Hire of project Facilities	-	-	-	557,917		
Short Courses and Conferences	-	-	-	521,594	-	-
Investment income	-	-	-	1,695,342	-	-
Rafiki Micro Finance (Bid Bond)				600,000		
Total	6,000,000	600,000,000	5,581,110	820,570,238	418,890	17,453,023

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Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date — (30 th June 2023)		Cumulative amount paid to date — (30 th June 2023)	Unutilised balance to date (30 th June 2023)	
	Donor currency (A)	Kshs (A')		Donor currency (A)-(B)	Kshs (A')-(B')
Grant		-			-
Government/Donor Funds	-	582,546,977	433,183,136	-	149,363,841
Proceeds from domestic & Foreign Grants	-	232,712,434	166,970,769	-	65,741,665
Other Receipts		5,310,828	-		5,310,828
Total	-	820,570,238	600,153,904	-	220,416,334

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance

i. Budget performance against actual amounts for current year and for cumulative to-date

During the year under review, the project recorded budget utilization level of 32% and 35% cumulative performance to date. The project activity implementation is coming to an end in Dec 2023 with a post closure period of 4 months to clear any pending payments. The project received Kes. 24 million in the period under review and a cumulative amount of Kshs. 582million from the GoK/World Bank support and other donor attracted funds of Kshs. 238million against cumulative expenditures of Kshs. 600million

In the year under review, the project budgeted for Kshs. 368,547,525 out of which Kshs. 118,636,077 was utilized.

ii. Physical progress based on outputs, outcomes, and impacts since project commencement

Since the inception of the project, there have been a number of successes and has had positive impacts both to the hosting institution and the surrounding communities. Some of the benefits are listed here below.

- a.** The project has improved the enrolment of students for both master and PhD programmes nationally and internationally and boosted the status of the University since the programmes offered meet world class requirement especially in the energy sector. The number of graduates now stands at forty two. In addition, the project shall continue to provide national and international staff student exchange programmes in order to widen and broaden its research activities that are instrumental in changing lives and ways of doing things for the good of our economic development.
- b.** The project shall continue to foster national and international linkages and cooperation and to this end, the project has entered into partnership agreements and signed seven memorandum of understanding with private, professional bodies and public institutions. In addition, the project is working with identified international companies for technology transfer.
- c.** The project has also offered short courses within the University and with outlying counties on matters that are of mutual benefit to the institution and the community at large.
- d.** Since its inception the project has attracted USD 2,305,310.05 as externally generated funds, which has benefitted the institution in term of improving facilities and increased the students teaching materials. The facilities improved include renovations of laboratories and improvement of student hostel facilities for the students. It has also procured teaching equipment of over fifty million and reduced the reliance and payment of research costs from other teaching institutions.
- e.** As part of corporate social responsibility, the project, apart from installing a biogas technology at the University, it has also reached four local secondary schools with the same facilities. In addition it has offered training opportunities to the appropriate staff in the

surrounding counties of Uasin Gishu, Elgeyo Marakwet and Nandi Counties on biogas technologies. . This technology will improve on the management of waste management.

In addition, trainings have been held on natural dyes application using locally available weed and soaps and detergent making to the local community.

iii. Comment on value-for-money achievements

The ACEII-PTRE project since inception has had significant value for money. This includes

- a) Equipping the University with appropriate facilities through procurement of equipment which would otherwise have not been met by mainstream budgetary allocation. In addition it has lowered the cost of procuring research costs from other institutions.
- b) Through staff and students exchanges, research output through publications that address industry needs.
- c) Accreditation of curricula has enhanced visibility, nationally, regionally and internationally.
- d) Through partnerships with the industry, the community staff have trained on social improvement.

iv. Indicate the absorption rate for each year since the commencement of the project

Over the five years since inception, the project has recorded a varying absorption rate due to various challenges that each year presented. Key among the challenges was the effect of Covid-19 pandemic and industrial unrest that faced the University sector including others that have been highlighted below. The overall absorption rate stands at 35%. The project is however still on course in achieving the milestones the project schedules had been set in its activities

Year	Final Budget	Expenditure	Absorption
2017/2018	119,769,567	52,095,615	43%
2018/2019	216,142,667	88,459,403	41%
2019/2020	318,382,168	65,556,675	21%
2020/2021	347,524,796	151,099,847	43%
2021/2022	338,676,808	124,306,288	37%
2022/2023	368,547,525	118,636,077	32%
Total	1,709,043,531	600,153,904	35%

v. List the implementation challenges and recommended way forward.

Challenges

The project, just like the institution itself, faces challenges, some of which are occasioned by factors beyond its capacity. Some of the challenges include:

- a) Staff industrial challenges that are unforeseeable and have a direct impact on the progress of the project implementation of its objectives especially closure of institution leading to academic gridlock. In addition the Covid pandemic was the most significant challenge since there was a total lockdown of the country for significant period. The post pandemic period still continue to affect the implementation of other project activities.
- b) Delays in the procurement of specialised equipment not available in the local , hence sourcing from the international markets.
- c) Inadequate capacity to commercialize research outputs.
- d) Lack of avenues for dissemination of research outputs.

Way forward

These challenges cannot be addressed by the project alone without the involvement of the hosting institution. As a way forward, the project together with the University:

- i. Have introduced regular meetings to consider students research progress and ensured continuity of face to face learning progress, including online teaching where appropriate.
- ii. Introduced two graduations ceremonies in a year to enable students graduate and meet the market needs.
- iii. Industrial partnerships and linkages on commercialization.
- iv. Organisations of research workshops or seminars with key stakeholders.

PROJECT ACTIVITIES DURING THE YEAR

a) Graduating 2022/2023 Students

During the year the Center graduated thirteen students under its sponsorship in various programmes offered as indicated here below:

S/No	Reg/No	Name	Country	Gender	Graduation Period
MSC IN ENERGY STUDIES					
1.	ENG/MES/3977/20	SELEMAWIT Shiferaw Deffar	Ethiopia	F	22/12/2022
2.	ENG/MES/25/19	MAYEN Deng Alier	Sudan	M	22/12/2022
3.	ENG/MES/20/19	OLOO, Bernard Odhiambo	Kenya	M	22/12/2022
4.	ENG/MES/12/19	EKWAUM, Paul Arongat	Kenya	M	22/12/2022
5.	ENG/MES/16/19	BETT, Ronald Kipkemoi	Kenya	M	22/12/2022
6.	ENG/MES/18/19	ARUSEI, Abraham Kirwa	Kenya	M	22/12/2022
7.	ENG/MES/3983/20	VERONICA Gerald Kimario	Tanzania	F	22/12/2022
MSC IN TEXTILE ENGINEERING					
8.	TEC/PGMT/08/18	TUMUSIIME, Godias	Uganda	M	22/12/2022
MSC IN ANALYTICAL CHEMISTRY					
9.	MS/ACH/4317/20	NTEZIYAREMYE, Papias	Rwanda	M	22/12/2022
PHD IN ANALYTICAL CHEMISTRY					
10	PHD/ACH/4320/20	KOSKE Margaret Chepkemoi	Kenya	F	22/12/2022
MSC IN INDUSTRIAL ENGINEERING					
11	ENG/MIE/02/19	CHEBET, Catherine	Kenya	F	22/12/2022
12	ENG/MIE/03/19	OYUGA, Victor Otieno	Kenya	M	22/12/2022
PHD IN MATERIALS AND TEXTILE ENGINEERING					
13	ENG/DPHIL/MT/03/18	MUSINGUZI, Alex	Uganda	M	22/12/2022

b) Benchmarking at the Nelson Mandela African Institute of Science and Technology

During the year the Center organized for staff bench marking trip to the CREATES and WISE-Futures African Centre of Excellences housed at the Nelson Mandela African Institute of Science and Technology (NM-AIST), It is one of the best - practice learned under the Social Safeguards unit on establishment of a Grievance Appeal Committee, to help students and staff who may want to appeal on cases/decisions taken by the Grievance Redressal Mechanism Committee.



c) Exchange Visit to the ACEII Project in Uganda

The Moi University ACEII-PTRE team made an exchange visit to three peer projects in Uganda's; Africa Center of Excellence in Materials, Product Development and Nano-Technology, (MAPRONANO) at Makerere University, African Center for Agroecology and Livelihood Systems (ACALISE) at Uganda Martyrs University and Regional Center for Crop Improvement (MaRCCI) at Makerere University and also paid a courtesy call to RUFORUM secretariat based at Makerere University. The teams held discussions on Project sustainability, Commercialization of Research, Implementation of Short courses, Modalities of working with industries and Private Sectors successfully, Fast tracking of completion rates of students and Maximization of Tracer Studies.



ACEII-PTRE Team visiting research farm run by MaRCCI.



ACEII-PTRE team at Uganda Martyrs University

d) VISITS TO THE ACEII-PTRE CENTER

During the year the Center received distinguished scholars from various countries who came to witness the tremendous developments undertaken by the project, gave lectures to the students and met the University Management to discuss various areas of cooperation in academic and research activities. Some of the project visitors include:

(i) Dr. Ir. Alberto Martinetti

Dr. Alberto Martinetti, is from the Department of Design, Production, and Management at the University of Twente, Enschede, Netherlands and also the founder of the initiative "Humanitarian Engineering" at the UT for improving people's lives with appropriate and sustainable technology. During his visit he held fruitful discussion with the University and the Centre leadership on possible areas of collaboration and partnership. He also gave lecture to the students on Introduction to Design for Maintenance Operations.



During the lecture at Postgraduate lab



Courtesy call to the Vice Chancellor

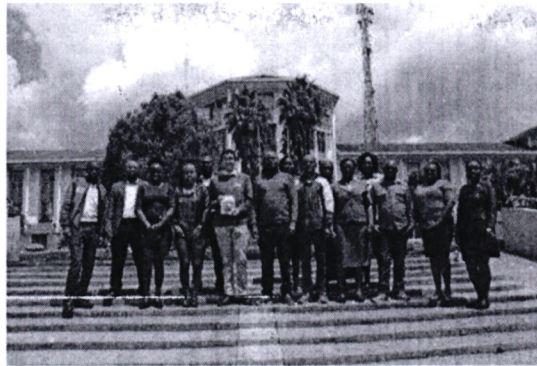
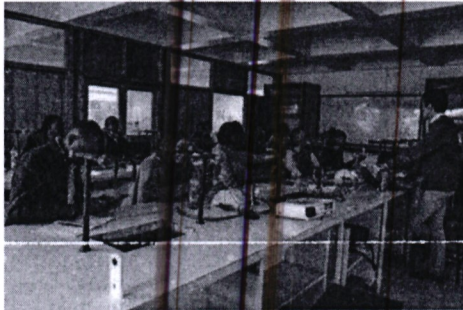
(ii) Prof. Debora Sinibaldi

Prof. Debora Sinibaldi is a Professor at Politecnico di Milan. She visited the ACEII_PTRE for discussion on to future partnerships and collaborations in areas of textile, fashion and innovation.



(iii) Dr. Kim Phan

Dr. Kim Phan from Gent University-Belgium visited the Center and delivered a lecturer to the students on **Material characterization**.



(iv) HOGENT University

The Center received a team from HOGENT University of Applied Sciences & Arts, Belgium and had discussions on areas of potential partnerships and collaborations.



e) Ground Breaking Ceremony for Construction of ACEII PTRE Building

The Center in fulfilment of the agreement held a groundbreaking ceremony to officially lay the foundation for the construction the Center Administrative and Academic Building.

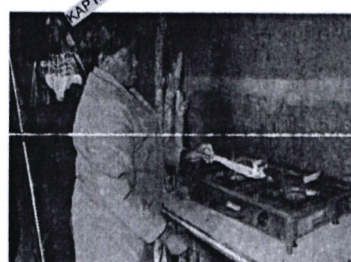
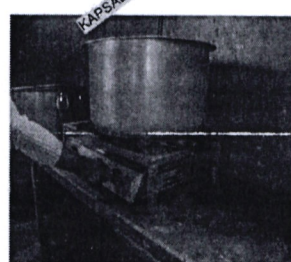




f) Cooperate Social Responsibility

i. Installation of Biogas to Secondary Schools

In fulfilment of the University's mandate of reaching out to surrounding communities and institutions in improving their welfare and academic collaborations, the ACEII_PTRE has actively participated in the outreach programmes. During the year, the Center continued reaching out to identified schools and constructed Biogas facility to be used for domestic and teaching practises, in the following schools: Moi Girls in Uasin Gishu County; Kapsabet Boys High School in Nandi County and Kapatagat Girls High School in Elgeyo Marakwet County.



ii. Exhibition at Kitale National Show

The University through the Center activities participated in National Agricultural Show, in Kitale County and the University was awarded number first position as the best stand embracing Information Technology and Communication System as well as the best Innovation and Invention stand.

iii. Exhibitions during the Kenya Innovation week

During the year the ACEII PTRE Center participated in the above exhibition held in Kenya and hosted Foreign Commonwealth and Development Office (FCDO) and High Commission of British Council.



iv. World Tuberculosis day

The University through the Center activities in the worpl Tuberculosis Day organised and held in Uasin Gishu County.



g) Awards; Partnership and Conferences

i. Best Pitch on Commercialization of Edible Preservatives during the CEIL Summit

The was voted as the best pitch presenter in a five-minute elevator pitch on Commercialization of edible food preservatives during the Commercialization and Entrepreneurial Institutions

Leaders (CEIL) summit program organized by Kenya National Innovation Agency. The theme of the summit was Universities and Research Centers as catalysts for Entrepreneurship and a stronger National Innovation System.



ii. Moi University Chancellor's award

During the Moi University 44th graduation ceremony of 2022/2023 academic year, ACEII PTRE Center was awarded "*The Chancellor's Award of Excellence in Grants Attraction*".



iii. Award of African PI Grant

During The year, the University Dr. Viola Kosgei, from Chemistry Department won an award of African PI grant funded by the World Academy of Science worth USD59,000 (Kshs. 6M). The project is titled: Consequences of Vitamin B12 deficiency on pregnancy and its outcome in infants of mothers with hypertension. It will involve analysis of parameters of Vitamin B12 in mothers and infants and evaluation of placental methylation status in control and study group.

iv. Participation in the Ruforum Conference

As is the tradition, the ACEII-PTRE participated in the annual RUFORUM 2022 conference and 18th AGM was held in Harare, Zimbabwe. The conference theme was, ***“Strengthening Africa’s Agri-Food System in the Post Covid-19 Era-Opportunities and Challenges”***.

v. Participation in the TAM meeting

The Center participated in the TAM meeting held in Arusha, Tanzania where the Center’s progress report was presented with SPEC/Kopernik and Chitose companies in relation to technology transfer and commercialization of research output.



vi. University-Industry Partnership

To promote commercialization of University- Industry partnership, the University through the Center activities participated in the pilot workshop organised by the World Bank Group Offices in Tokyo Japan.

vii. R2C Commercialization Training

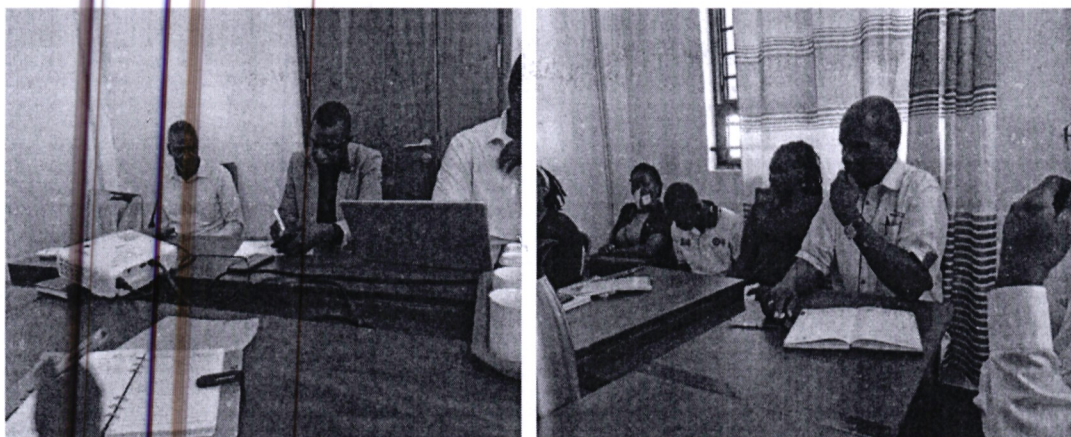
During the year the ACEII PTRE R2C team participated in a webinar on “*Scaling in Africa the Innovators Journey*”. The training was on *Scaling your Innovation* and included sessions such as Commercialization strategies, Sales & marketing for commercialization, dealing with the media, Prioritization as a company founder, managing teams, Corporate Governance, Networking to build on your innovation, leveraging on social media to scale your innovation, and Pitch practice session.

viii. Regional and National exchanges

The Center supported twenty-seven exchange visits within the nation and the region. These included: Regional; 1 PhD ((F) student and 1 faculty (F) to Busitema University, Nationally; 6 PhD students (3M, 3 F), 19 Faculty (5F, 14M).

ix. Busitema University Partnership agreement discussions with ACEII PTRE

ACEII PTRE team visited Busitema University and discussed various ways on strengthening the existing Partnership agreement.



Busitema University and ACEII PTRE teams.

x. Training on Intellectual Property (IP)

ACEII PTRE Center organized for training on Intellectual Property which was facilitated by KIPi staff and participants included Research Innovation champions from the Universities' academic Schools.



2.9 Summary of Project Compliance

The project complied with all the relevant and applicable laws and regulation in its operational activities; hence there was no consequence for non-compliance suffered.

3. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the project's 2018-2023 plans are to:

- i. To advance technology development and innovation in Phytochemicals, Textile and Renewable energy through delivery of quality post-graduate training and collaborative research in the regional priority areas.
- ii. To strengthen:
 - a) Education Capacity excellence in terms of quality postgraduate training.
 - b) Research Capacity excellence and outreach service in Phytochemicals, Textile and Renewable energy.
 - c) Innovation and technology development in the industrial and manufacturing sectors.
 - d) Sustainability of research and training through enhancement of facilities.

Progress on attainment of strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement.

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Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
ACEII- PTRE	To strengthen Education Capacity excellence in terms of quality postgraduate training.	<p>Target: To Admit and train 30 PhD students and 60 MSc. Achieved: A total of 183 students. PhD students Target (30) Achieved 58 40M, 18 F Masters Students Target (60) Achieved 126, (82M), 44F)</p> <p>National and international accreditation of new curricula</p>	<p>Admitted a total of 183 students</p> <p>4 Curricula accredited nationally and 2 accredited internationally. Nationally: -</p> <ul style="list-style-type: none"> • MSc Analytical Chemistry • PhD in Analytical Chemistry • PhD in Textile and Material Engineering • PhD in Industrial Engineering <p>Internationally: -</p> <ul style="list-style-type: none"> • PhD in Textile and Material Engineering • PhD in Energy Studies <p>Development a multidisciplinary Curriculum in Masters in Sustainable Energy Access Jointly reviewed curriculums with Stakeholders:</p> <ul style="list-style-type: none"> • Masters & PhD in Energy Studies • Master in Textile Engineering 	<p>Achieved above the target</p> <p>Achieved above the target</p>
		<p>Target 50 staff and students exchange programmes</p>	<p>Achieved over 110 nationally, regionally, and international exchanges.</p>	<p>Achieved above target</p>

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<p>Research Capacity excellence and outreach service in Phytochemicals, Textile and Renewable energy.</p>	<p>Develop and offer Short Courses - Target 4, Achieved 4</p>	<ul style="list-style-type: none"> Joint virtual training course with MORENDAT (MIOG) on workplace health, safety and environment management Natural Dyes (offered at Eldoret, Trans Nzoia and Kisumu) Programme Development and Curriculum Delivery course Soap and detergent making course at Kesses community 	<p>Achieved</p>
<p>Target of 50 Publications made from various research areas</p>	<p>Biogas Training for High Schools</p>	<p>112 publications</p>	<p>Achieved above target</p>
<p>Host at least 1 international conference</p>	<p>Upgrade of ICT lab</p>	<p>Trained four high schools on biogas installation. Installed a biogas plant at Moi University, Moi Girl High School, Kapsabet Boys and Kaptagat Girls high school</p>	<p>Achieved</p>
<p>Innovation and technology development in the industrial and manufacturing sectors.</p>	<p>7 MOUs signed with industrial partners and Staff exchange undertaken with partner institutions in implementation of signed agreements</p>	<p>Completed after hosting virtual international conference with Donghua University, China</p>	<p>Achieved</p>
		<p>Equipped postgraduate lab at the School of Sciences and Aerospace Studies</p>	<p>Achieved</p>
		<p>MoUs with: - NOCART, AEPEA, KAM, KIRDI University of Gezira and Busitema University</p>	<p>Achieved</p>

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	Sustainability of research and training through enhancement of facilities.	Renovations of laboratories	Procurement of equipment worth Ksh. 50,661,918 Renovations of facilities (labs and students' hostels) Kshs. 10,390,812 A Landcruiser and Scania bus	Achieved above target
		Procurement of motor vehicle		

4. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

ACEII-PTRE exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. The project is anchored on University policies that promote the sustainability of the University programmes and activities. It is therefore envisaged that the going concern of the University shall continue to be sustained through Government support, national and international donor's support. In line with this arrangement, the University constantly communicate with the Ministries of Education and the National treasury to upscale its budgetary allocation. Government support together with this project injection of substantial cash inflow has greatly improved and increased the University's physical resources.

The University regularly engages national regulatory entities that set standards for the institution in terms of teaching, research and other operational activities in addition; there are frequent updates of staff on new and improved standards that guide the working environment and general acceptable practices, these updates improve the staff skills and thereby increase efficiency and effectiveness in service delivery. To this end, the University continues to review its statutes and other governing instruments and formulate policies that will put the institution in a world map of efficient service delivery and thereby attract partnership pact with donors of goodwill that shall ensure stability and life-long sustainability.

In addition, the University is also diversifying in commercial agricultural large apple farming that will generate revenue to support the Government budget. It is expected that when the project picks up, the burden of redeeming the current debt situation shall be reduced.

On the other hand, the University is at discussion with the national government on the best and save avenue of right sizing of the employees so as to attain the acceptable international ratio of teaching against the non-teaching staff. This arrangement will reduce the current burden of managing the staff compensation and other operational activities. Upon completion, there shall be comfortable working environment and boosting of staff morale which in turn shall give positive results.

(i) Sustainability strategy and profile

In order to sustain the output of the project and allow its continuity beyond the donor support, the University Management shall put in place measures that will strengthen the operation and management of the project. This shall include:-

- More Research Proposals to attract more funds;
- Institutional capacity building from other faculties since they are opportunities of improvement and commercialization in the project;
- Commercialization of research and innovative activities from the ACE II PTRE;
- Seeking financial support from the government and other interested parties for the start-ups;

- More engagement and linkage with other government ministries and SAGAS (Semi-autonomous government agencies so as to support our activities and benefit from our research output and innovation; and
- Proposals to the national Government to spearhead strategies that can influence industries to finance research at policy level.

(ii) Environmental performance

The project is anchored on the university policies that includes environmental among other policies. The project has undertaken renovations of different University structures and adequate measures are in place to manage solid waste as well as occupational health and safety risks.

(iii) Employee welfare

The University provides equal opportunity irrespective of gender to all the applicants who are seeking for the engagement in the University. This Employment criterion is contained in the University Human Resource Manual which provides guidelines on hiring and exiting the employment. This Manual has been incorporated with the National Government Human Resource Manual. The University engages its employees through open and transparent process and the employees engaged are expected to comply with constitutional and mandatory requirements, including the principles of affirmative action, gender and person enabled differently and mainstreaming of National values and principles of Governance as espoused in the constitution that guide the hiring process.

The performance of the employee are measured using appraisal instruments that provides feedback, review progress, identifies and addresses potential for rewarding and advancement

(iv) Market place practices-

a) Responsible Supply chain and supplier relations-

The Project is guided by the Government Laws and Regulations governing the procurement and disposal of goods and services. These Laws and Regulations provide for equal opportunity to all eligible suppliers to do business with the project. On its part, the project has a duty and obligation to pay the goods and service providers their dues within the agreed period, and this has been done successfully.

b) Responsible ethical practices

The project operates within the main University ethical guidelines and polices that are in place. This includes anti-corruption and nepotism and does not engage on political influence to make its decision.

c) Regulatory impact assessment

In order for the project to remain operational the security and safety of the employee is paramount. The project provides the safety gadgets in risk-prone areas to employees and visitors. It has also put in place firefighting equipment to secure assets in the event of fire. All these

activities are subject to the assessment by competent and approved providers of such services. In insurance cover is provided by the University.

(v) Community Engagements

The project recognises the importance of the Community living around and within the University. In doing so, it has through the University Management engaged and shall continue do so in providing the Corporate Social Responsibility since the University recognizes that, for sustainable growth, profitability and posterity, it must play its role in society as an ethical and compliant entity that respects communities, rule of law and the environment. During the year the project reached the community in the following outreach activities:-

- Biogas training outreach at Kesses, Eldoret by Flexi Biogas international who carry out training energy stoves repairs and diagnostics;
- Soaps and detergent making;
- Natural dyes course from locally available weed.

5. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2023.

This responsibility includes (i) Maintaining adequate financial management arrangement 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2023, and of the Project's financial position as at that date.

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

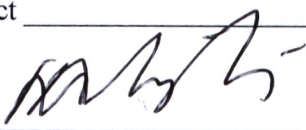
The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Vice Chancellor and the Project Coordinator for ACEII, PTRE Project _____ 2023 and signed by them.



Prof. Isaac S. Kosgey
Vice Chancellor



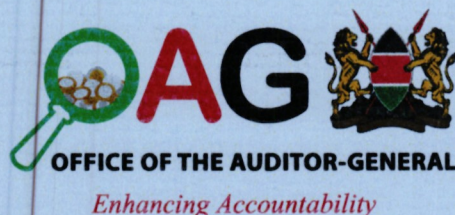
Sir. Prof. Ambrose Kiprop
Centre Leader



CPA Egla Samoei
Ag. Chief Finance Officer
ICPAK Member No:5141

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Anniversary Towers
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P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR GENERAL ON AFRICA CENTRE OF EXCELLENCE (ACE II) IN PHYTOCHEMICALS, TEXTILES AND RENEWABLE ENERGY (PTRE) PROJECT (IDA CREDIT NO.5798-KE) FOR THE YEAR ENDED 30 JUNE, 2023 – MOI UNIVERSITY

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 the 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

Opinion

I have audited the accompanying financial statements of Africa Centre of Excellence (ACE II) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project set out on

Report of the Auditor-General on Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project (IDA Credit No.5798-KE) for the year ended 30 June, 2023- Moi University

pages 1 to 25, which comprise of the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project as at 30 June, 2023, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Subsidiary Grant Agreement for IDA Credit No.5798-KE between the Government of Kenya and Moi University dated 27 October, 2016 and Grant Agreement No. 2019-1973/006-001 between Moi University and the European Commission dated 28 November, 2019 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project 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 opinion.

Other Matter

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.368,547,525 and Kshs.80,359,915 respectively resulting to an under-funding of Kshs.288,187,610 or 78% of the budget. Similarly, the Project expended Kshs.118,636,077 against an approved budget of Kshs.368,547,525 resulting to an under-expenditure of Kshs.249,911,448 or 68% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2. Pending Bills

Annex 4a to the financial statements discloses pending bills totalling to Kshs.1,425,443 that were not paid during the year. Failure to settle bills during the year in which they relate distorts the financial statements and adversely affects the budgetary provisions for the subsequent year. Further, pending bills may expose the Project to additional costs in form of interest due to delay in payment of the bills.

3. Unresolved Prior Year Matters

In the audit report of the previous year, two paragraphs were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources, however, Management has not resolved the issues or given any explanation for failure to resolve the issues. In the circumstances, the issues remain outstanding.

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, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by loan agreements signed between the Republic of Kenya and International Development Association (IDA Credit No.5798 - KE), I report based on my audit, that:

- i. 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;

- ii. In my opinion, adequate accounting records have been kept by the Program, so far as appears from the examination of those records; and,
- iii. The Program's financial statements agree with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

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

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to overall 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls 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 controls 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 Project'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 controls.
- 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 appropriate 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 Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project 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 controls 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

24 October, 2023


8. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2023

Description	Note	2022/2023	2021/2022
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	12.6(a)	219,141,281	254,392,913
Cash Balances	12.6(b)	-	-
Cash equivalents (Short-term deposits)	12.6(c)	-	-
Total Cash and Cash equivalents		219,141,281	254,392,913
Imprests and Advances	12.7	2,700,495	4,299,583
Total Financial Assets		221,841,776	258,692,496
Financial Liabilities			
Third party Deposits and Retention	12.8	1,425,442	-
Net Assets		220,416,334	-
Represented By			
Fund Balance B/fwd.	12.9	258,692,496	206,952,587
Prior Year adjustments	12.10	-	-
Surplus/(Deficit) for the Year		(38,276,162)	51,739,909
Net Financial Position	12.9	220,416,334	258,692,496


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 12TH SEP, 2023 and signed by:



Prof. Isaac S. Kosgey
Vice Chancellor



Sir. Prof. Ambrose Kiprop
Centre Leader

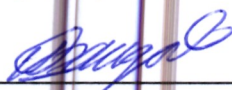


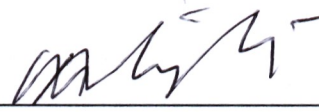
CPA Eglia Samoei
Ag. Chief Finance Officer
ICPAK Member No:5141

9. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2023

Description	Notes	2022/2023 Kshs	2021/2022 Kshs
Cashflow from operating activities			
Receipts			
Transfer from government entities	12.1	24,054,645	140,701,511
Proceeds from domestic and foreign grants	12.2	54,889,312	34,528,581
Miscellaneous receipts	12.3	1,415,957	816,105
Total receipts		80,359,915	176,046,197
Payments			
Compensation of employees		-	-
Purchase of goods and services	12.4	(95,779,117)	(93,126,039)
Social security benefits		-	-
Transfers to other government entities		-	-
Other grants and transfers		-	-
Total Payments		(95,779,117)	(93,126,039)
Net receipts/(payments)		(15,419,202)	82,920,158
Adjustments during the year			
Prior year adjustments	12.10	-	-
Decrease/(increase) in accounts receivable	12.11	1,599,088	(606,797)
Increase/(decrease) in accounts payable:	12	1,425,443	-
Net cash flow from operating activities		(12,394,671)	82,313,360
Cashflow from investing activities			
Acquisition of non-financial assets	12.5	(22,856,961)	(31,180,248)
Net cash flows from investing activities		(22,856,961)	(31,180,248)
Cash flow from financing activities			
Proceeds from foreign borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		(35,251,632)	51,133,112
Cash and cash equivalent at beginning of the year	12.6	254,392,913	203,259,801
Cash and cash equivalent at end of the year	12.6	219,141,281	254,392,913

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 12th Sep, 2023 and signed by:


Prof. Isaac S. Kosgey
Vice Chancellor


Sir. Prof. Ambrose Kiprop
Centre Leader


CPA Eglia Samoei
Ag. Chief Finance Officer
ICPAK Member No:5141

*Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

10. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR YEAR ENDED 30TH JUNE 2023

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	190,528,313	56,882,766	247,411,079	24,054,645	223,356,434	10
Proceeds from domestic and foreign grants	60,587,287	55,730,220	116,317,507	54,889,312	61,428,195	48
Miscellaneous receipts	3,277,313	1,541,626	4,818,939	1,415,957	3,402,981	17
Total Receipts	254,392,913	114,154,612	368,547,525	80,359,915	288,187,610	
Payments						
Purchase of goods and services	254,392,913	114,154,612	368,547,525	118,636,077	249,911,448	32
Total Payments	254,392,913	114,154,612	368,547,525	118,636,077	249,911,448	32
Surplus or Deficit	-	-	-	(38,276,162)	-	-

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.



Prof. Isaac S. Kosgey
Vice Chancellor



Sir. Prof. Ambrose Kiproop
Centre Leader



CPA Eгла Samoel
Ag. Chief Finance Officer
ICPAK Member No:5141

11. SIGNIFICANT ACCOUNTING POLICIES

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

a) Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted have been consistently applied to all the years presented.

b) Reporting entity

The financial statements are for ACEII-PTRE project under the State Department of Education, Science and Technology. The financial statements are for the reporting entity ACEII-PTRE project as required by Section 81 of the PFM Act, 2012.

c) Reporting currency

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

d) Recognition of receipts

ACEII-PTRE recognises all receipts from the various sources when the event occurs, and the related cash has been received.

i) Transfers from the Exchequer

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

Significant Accounting Policies (continued)

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

v) Proceeds from borrowing.

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

vi) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

Significant Accounting Policies (continued)

e) Recognition of payments

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

i) Compensation to employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

Significant Accounting Policies (continued)

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment. A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

f) In-kind donations

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

g) 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.

Significant Accounting Policies (Continued)

h) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities.

Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity 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. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

Significant Accounting Policies (Continued)

k) Contingent Assets

ACEII-PTRE 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 ACEII-PTRE 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.

l) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been *included in an annex to these financial statements*.

Significant Accounting Policies (Continued)

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. and are disclosed in the payment to third parties' column in the statement of receipts and payments.

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates (Kenya Shillings). Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

p) Comparative figures

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

q) Subsequent events

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

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note xx of these financial statements.*

12. NOTES TO THE FINANCIAL STATEMENTS

12.1 Transfers from Government entities

These represent counterpart funding and other receipts from government as follows:

Description	2022/2023	2021/2022	Cumulative to-date (from inception)
	Kshs	Kshs	Kshs
<i>Counterpart funding through The National Treasury</i>			
Counterpart funds Quarter 1	-	75,000,000	232,603,592
Counterpart funds Quarter 2	-	65,701,511	113,598,222
Counterpart funds Quarter 3	24,054,645	-	221,149,778
Counterpart funds Quarter 4	-	-	15,195,385
Total (See Annex 3)	24,054,645	140,701,511	582,546,977

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Notes to the Financial Statements (Continued)

12.2 Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2023, we received grants from donors as detailed in the table below:

Name of Donor	Date received	2022/2023		2021/2022		Cumulative Total
		Amount received in donor currency	Grants received as direct payments	Grants received in cash	Grants received in kind	
		Kshs	Kshs	Kshs	Kshs	Kshs
African Development Bank		-	-	-	-	38,598,850
DAAD		-	-	-	-	106,388
E. Menach		-	-	-	-	40,000
European Commission		-	-	-	-	45,291,150
German International Devpt Agency		-	-	-	-	851,323
GIZ - Nairobi Office		-	-	-	-	610,957
Glasgow University		-	-	-	-	1,217,541
Inter University Council		-	-	-	-	31,665,280
Kenya Education, Kenya		-	-	-	-	1,500,000

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Kopernik, Japan	08/02/2023	490,775	-	490,775	-	490,775
LGI Sustainab Paris	23/01/2023	1,501,738	-	1,501,738	-	1,501,738
Liechtenstein Josef Rheinberge	24/04/2023	1,476,901	-	1,476,901	-	1,476,901
Total		54,889,312	-	54,889,312	34,528,581	232,712,435

(The direct payment grants represent payments for goods and services done directly by the donor on behalf of the project. Projects should ensure that adequate support documents are requested from the donors to support this grant).*

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Notes to the Financial Statements (Continued)

12.3 Miscellaneous receipts

Description	2022/2023		2021/2022		Cumulative to date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total receipts	Total receipts	
	Kshs	Kshs	Kshs	Kshs	Kshs
Student Application & Accommodation Fees	601,000	-	601,000	473,145	1,935,974
Hire of Facilities	214,957	-	214,957	342,960	557,917
Short Courses and Seminars	-	-	-	-	521,594
Interest Income	-	-	-	-	1,695,342
Voluntary transfers other than grants	-	-	-	-	-
Other receipts not classified elsewhere (Bid Bond)	600,000	-	600,000	-	600,000
Total	1,415,957	-	1,415,957	816,105	5,310,828

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Notes to the Financial Statements (Continued)

12.4 Purchase of Goods and Services

	2022/2023		2021/2022	
	Payments made out of Cash by third parties	Kshs	Total payments	Kshs
1.0 Set up Institutional Framework for Commencement of the ACEII	13,091,705	-	13,091,705	9,025,258
2.0 Strengthen Educational Capacity Excellence - Quality and Productivity	3,867,164	-	3,867,164	26,658,690
3.0 Education Capacity and Development Impact	5,314,191	-	5,314,191	11,719,456
4.0 Strengthen Research Capacity Excellence - Quality and Productivity	21,453,529	-	21,453,529	12,908,316
5.0 Strengthen education and research capacity (through increased financial sustainability) and demonstration of value to students and partners	1,031,101	-	1,031,101	91,550
6.0 Observation of best practices in ACE financial operation	72,900	-	72,900	149,600
7.0 Observation of best practices in ACE procurement operation	160,000	-	160,000	178,140
Donor Attracted Research Expenses	50,788,526	-	50,788,526	32,573,169
Total	95,779,117	=	95,779,117	93,126,039
				449,850,478

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Notes to the Financial Statements (Continued)

12.5 Acquisition of Non-Financial Assets

Description	2022/2023		2021/2022		Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
1.0 Set up Institutional Framework for Commencement of the ACEII	148,000	-	148,000	182,700	11,874,191
2.0 Strengthen Educational Capacity Excellence - Quality and Productivity	541,100	-	541,100	555,200	7,359,604
3.0 Education Capacity and Development Impact	-	-	-	-	23,478,663
4.0 Strengthen Research Capacity Excellence - Quality and Productivity	21,652,021	-	21,652,021	30,442,348	105,196,561
5.0 Strengthen education and research capacity (through increased financial sustainability) and demonstration of value to students and partners 5	-	-	-	-	-
6.0 Observation of best practices in ACE financial operation	-	-	-	-	-
7.0 Observation of best practices in ACE procurement operation	-	-	-	-	-
Donor Attracted Research Expenses	515,840	-	515,840	-	2,394,407
Payments from Internal Proceeds	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	22,856,961	-	22,856,961	31,180,248	150,303,426

Notes to the Financial Statements (Continued)

12.6 Cash And Cash equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Kenya Commercial Bank [A/c No. 1202447163]	219,141,281	254,392,913
Cash in hand (Note 11a)	-	-
Cash equivalents (short-term deposits) (Note 11c)	-	-
Total	<u>219,141,281</u>	<u>254,392,913</u>

ACEII PTRE has one project accounts spread within the project implementation designated accounts managed by the National Treasury as listed below:

12.6(a). Bank Accounts

Project Bank Accounts

Details	2022/2023	2021/2022
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Kenya Commercial Bank [[A/c No. 1202447163]	219,141,281	254,392,913
Total bank account balances	<u>219,141,281</u>	<u>254,392,913</u>

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2023 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2022/2023	2021/2022
	USD	USD
(i) A/c Name [A/c No1000331704]		
Opening balance	51,589	51,589
Total amount deposited in the account	14,737,343	13,946,762
Total amount withdrawn (as per Statement of Receipts & Payments)	14,737,343	13,946,762
Closing balance (as per SDA bank account reconciliation attached)	<u>51,589</u>	<u>51,589</u>
(ii) A/c Name [A/c No1000331704]		
Opening balance (as per the SDA reconciliation)	51,589	51,589
Total amount deposited in the account	790,581	2,708,496
Total amount withdrawn (as per Statement of Receipts & Payments)	790,581	2,708,496
Closing balance (as per SDA bank account reconciliation attached)	51,589	51,589

(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix xx support these closing balance.

Notes to the Financial Statements (Continued)

12.6(b) Cash in hand

Description	2023/2023	2021/2022
	KShs	KShs
Cash Office	-	-
Total cash in hand balances	=	=

[Provide a cash count certificate for each location above]

12.6(c) Cash equivalents (short-term deposits)

Description	2023/2023	2021/2022
	Kshs	Kshs
Kenya Commercial Bank [A/c No. 1202447163]	-	-
Total	=	=

[Provide short appropriate explanations as necessary]

12.7 Imprests and Advances

Description	2023/2023	2021/2022
	Kshs	Kshs
Staff Imprests	2,700,495	4,299,583
Total	2,700,495	4,299,583

12.7(a) Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance Carried by	2021-2022
	Kshs	Kshs	Kshs	Kshs	Kshs
John Lukorito			-		109,000
Kimitei Edwin K.			-		359,400
Chepkwony Kefa Chesire			-		593,700
Oduor Elton Dickens			-		304,520
David Njuguna			-		533,456
Owino John Isemeki			-		18,000
Korir John Kimeli			-		62,000

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Kipkorir Paul			-		195,705
Kipkoech Geoffrey Yegon			-		350,345
Matakala Bernard Khisa			-		328,400
Cherus Ann			-		689,974
Maina Paul			-		127,480
Njenga Jayne W.			-		117,532
Edward Nyenze			-		66,631
Githua Beatrice Wangui			-		111,740
Agesa Joseph Agufana			-		331,700
Joan Kiptarus	588,756			588,756	
Cleophas Achisa	72,640			72,640	
Maritim Esther Cheptum	524,544			524,544	
Jayne Tanui	159,000			159,000	
Cheptoo Mary Kitilit	289,035			289,035	
Khafafa John Wakhungu	389,366			389,366	
Arusei Daniel Kiptoo	295,054			295,054	
Moses Chirchir	401,000		18,900	382,100	
Total	<u>2,719,395</u>	=	<u>18,900</u>	<u>2,700,495</u>	<u>4,299,583</u>

12.8 Deposits and Retention Monies

Description	2022/2023		2021/2022	
	Kshs		Kshs	
Retention		1,425,443		-
Deposits		-		-
Total		1,425,443		-
Ageing analysis:	2022/2023	% of the Total	2021/2022	% of the Total

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Under one year	1,425,443	100%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	1,425,443	100%	-	%

(Provide detailed explanations) The amount above relates to retention monies for the contractor of ACEII Building.

12.9 Fund Balance Brought Forward

Description	2022/2023	2021/2022
	Kshs	Kshs
Bank accounts	219,141,281	254,392,913
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	2,700,495	4,299,583
Deposits and retention	(1,425,443)	(-)
Total	220,416,334	258,692,496

Notes to the Financial Statements (Continued)

12.10 Prior Year adjustment

Description of the error	Balance b/f Previous FY (audited financial statements)	Adjustments	2021/2022
	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Imprests and advances	-	-	-
Deposits and retentions	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

There was no prior year adjustment in the year under review.

12.11 Changes in Imprests and Advances

Description	2022/2023	2021/2022
	Kshs	Kshs
Opening Receivables as at 1 st July 2022	4,299,583	3,692,786
Closing account receivables as at 30 th June 2023	2,700,495	4,299,583
Change in Imprests and advances	1,599,088	(606,797)

12.12 Changes in Accounts Deposits and Retention


Description	2022/2023	2021/2022
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2022	-	-
Closing accounts payables as at 30 th June 2023	1,425,443	-
Changes in deposit and retention	1,425,443	-

13. ANNEXES

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Acquisition of Non-Financial Assets – Renewable Energy Equipment	The University Management through the upgrade of ERP software has incorporated the observations of the auditors in the design of its assets management and purchases module to ensure the critical information in the acquisition of non-financial assets is captured.		Within One (1) Year
2	Imprests and Advances	The University Management noted the auditors' observation and have put in place measures to ensure the complete and timely accounting of all imprests. All the outstanding imprests that were not accounted for in the financial year 2021/2022 have now been fully accounted for in the financial year 2022/2023.		Within One (1) Year


Prof. Isaac S. Kosgey
 Vice Chancellor.


Sir. Prof. Ambrose Kiprop
 Centre Leader.

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Annex 2: Variance explanations - Comparative Budget and Actual amounts for Current FY

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	247,411,079	24,054,645	223,356,434	10	
Proceeds from domestic and foreign grants	116,317,507	54,889,312	60,828,195	47	
Proceeds from borrowings	-	-	-	0	
Miscellaneous receipts	4,818,939	1,415,957	4,002,981	29	
Total Receipts	368,547,525	80,359,915	288,187,610	22	
Payments					
Compensation of employees	-	-	-	0	
Purchase of goods and services	368,547,525	118,636,077	249,911,448	32	
Social security benefits	-	-	-	0	
Acquisition of non-financial assets	-	-	-	0	
Transfers to other government entities	-	-	-	0	
Other grants and transfers	-	-	-	0	
Total payments	368,547,525	118,636,077	249,911,448	32	


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Annex 3: Reconciliation of inter-entity transfers

a. Government Counterpart funding	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate		
	28/04/2023	24,054,645	FY2022/2023		
		-			
	Total	24,054,645			
B. Direct payments	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate		
		-			
	Total	-			
C. Others	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate		
		-			
	Total	-			
	Total (A+B+C)	24,054,645			

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department.

Centre Leader
ACEII PTRE

Sign 

Head of Accounting Unit
The National Treasury

Sign 

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Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ Invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
		a	b	c=a-b		
Construction of buildings						
1.	28/03/2023	3,898,262	3,508,436	389,826	-	
2.	06/05/2023	6,350,605	5,715,544	635,061	-	
3.	06/06/2023	4,005,560	3,605,004	400,556	-	
Sub-Total		14,254,427	12,828,984	1,425,443		
Grand Total						

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Annex 5: Summary of Fixed Assets Register

	Opening Cost (KSh)	Depreciation for the year (KSh)	Depreciation for the year (KSh)	Depreciation for the year (KSh)	Transfers in/out	Closing Cost (KSh)
Transport Equipment	25,181,393					25,181,393
Office Equipment, Furniture and Fittings	9,316,762	144,500				10,378,588
ICT Equipment,	7,889,257	1,403,340				10,695,937
Laboratory Equipment	84,245,887					84,245,887
Work in Progress	-	19,883,678			-	19,883,678
Total	126,633,299	21,431,518				150,385,483

*Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2023*

Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	Source Of Funds				Implementing Partners
				Q1	Q2	Q3	Q4	

Annex 8: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

Annex 9: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2023
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance (*Where applicable*)

Moi University, African Centre of Excellence (ACEII) PTRE Project
 Annual Report and Financial Statements for the financial year ended June 30, 2023

Annex 3: Reconciliation of inter-entity transfers

	Bank Statement Date	Amount (K.shs)	Indicate the FY to which the amounts relate
a. Government Counterpart funding			
	28/04/2023	24,054,645	FY2022/2023
		-	
		-	
	Total	24,054,645	
B. Direct payments			
	Bank Statement Date	Amount (K.shs)	Indicate the FY to which the amounts relate
		-	
	Total	-	
C. Others			
	Bank Statement Date	Amount (K.shs)	Indicate the FY to which the amounts relate
		-	
	Total	-	
	Total (A+B+C)	24,054,645	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department.

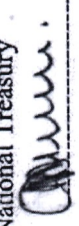
Centre Leader
 ACEII PTRE

Sign



Head of Accounting Unit
 The National Treasury

Sign





Moi University

KB17 - MU ACE II WB Project Account No. 1202447163 - Kenya Commercial Bank

Bank Reconciliation Statement - June 2023

Particulars	Note	Kes	Kes
Balance as per Bank Statement			219,661,005.64
Less: Payment in Cashbook not in Bank statement	1	519,724.25	
Receipts in Bank Statement not in Cashbook	2	-	
			<hr/>
			519,724.25
Add: Payment in Bank Statement not in Cashbook	3	-	
Receipts in Cashbook not in Bank Statement	4	-	
			<hr/>
Balance as per Cash book			<hr/> 219,141,281.39 <hr/>

Prepared By: 

Accountant - Reconciliation

Approved By: 

For: Chief Finance Officer



Moi University

Annexure 1

KB17 - MU ACE II WB Project Account No 1202447163 - Kenya Commercial Bank

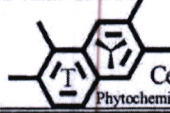
Unpresented Cheques - June 2023

Date	ChqNo	Name	Amount	Remarks
14-06-23	2787	KENYA ALLIANCE INSURANCE COMPANY LIMITED	168,706.25	
14-06-23	2798	COMMISSIONER OF DOMESTIC TAX	3,350.00	
16-06-23	2803	WAGTECH AFRICA LTD	35,739.00	
19-06-23	2808	COMMISSIONER OF DOMESTIC TAX	69,061.00	
19-06-23	2809	COMMISSIONER OF INCOME TAX	103,592.00	
20-06-23	2812	COMMISSIONER OF DOMESTIC TAX	1,007.00	
20-06-23	2814	COMMISSIONER OF DOMESTIC TAX	784.00	
20-06-23	2815	PINNACLE SYSTEMS LTD	9,828.00	
20-06-23	2816	COMMISSIONER OF DOMESTIC TAX	172.00	
21-06-23	2819	KENYA COMMERCIAL BANK - JULY 2023 STIPEND	120,000.00	
26-06-23	2821	WEST WORLD GENERAL SUPPLIES LTD	7,356.00	
26-06-23	2822	COMMISSIONER OF DOMESTIC TAX	129.00	
			519,724.25	



ACE II

Eastern and Southern Africa
Higher Education Centers of Excellence Project



Center of Excellence in
Phytochemicals, Textile and Renewable Energy

FROM: Internal Auditor

DATE: 1st July, 2023

TO: Accountant – ACEII

REF: MU/IA/FIN/2/11/49

RE: CASH BALANCE CERTIFICATE – ACEII PETTYCASH

The approved petty cash float issued for payment of general operating expenses was Kes.60,000.00

The status of petty cash at the close of business on 30th June, 2023 was as follows;

Petty cash surrendered - Kes. 60,000.00

This is, therefore, to certify that there was **nil** cash float as at 30th June, 2023.

Petty cash holder:

Name: Esther Martim – PF. No. 1422

Sign: 

Date: 30th June, 2022

Auditor:

Name: Robert Kiptiony - PF. No. 5572

Sign: 

Date: 30th June, 2023.





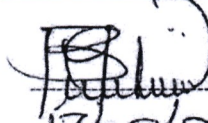
SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2023
Account No.	1000331704
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	ESAHECE ACE II CR NO. 5798
Credit Agreement	
Currency	USD

Part A - Account Activity

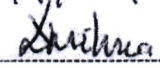
Beginning balance of 1st July, 2022 as per C.B.K. Ledger Account	51,589.83
Add:	
Total Amount deposited by World Bank	790,580.69
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	790,580.54
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2023	51,589.98

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE: **17/08/2023**

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE: **28-08-2023**

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2023 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

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**EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTRES OF EXCELLENCE - ACE II
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA CREDIT NO. 57980-KE

Bank Account No.: 1000331704 held with CENTRAL BANK OF KENYA

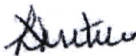
	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		14,737,342.71
	Less:		
2	Total amount documented		14,737,342.71
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		51,589.83
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		(51,589.83)
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		-

Discrepancy between total appearing on line 3 and 9 -

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs


**AUTHORISED REPRESENTATIVE
 RESOURCE MOBILISATION DEPARTMENT
 THE NATIONAL TREASURY**

DATE: 28-08-2023