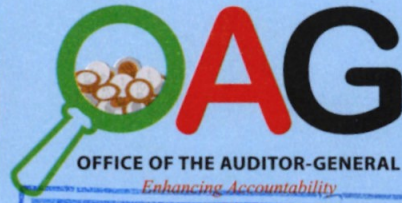


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability



REPORT

<b>THE NATIONAL ASSEMBLY PAPERS LAID</b>	
DATE: 19 NOV 2025	DAY: Wednesday
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OF

THE AUDITOR-GENERAL

PARLIAMENT  
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ON

OPEN UNIVERSITY OF KENYA

FOR THE YEAR ENDED

30 JUNE, 2025

THE NATIONAL ASSEMBLY  
PAPERS LAID

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OPEN UNIVERSITY OF KENYA

ANNUAL REPORT AND FINANCIAL  
STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2025

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

12 OCT 1961



**Open University of Kenya**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2025**

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## **1. Acronyms and Definition of Key Terms**

### **A: Acronyms**

AHITI	Animal Health and Industry Training Institute
AGSO	Alliance for Greening Skills and Opportunities
ANIE	African Network of Internationalization of Education
ARC	Audit Risk and Compliance
AR &L	Academic Research and Linkages
ASLER	Association of Language Educators and Researchers
AU	African Union
AVOIR	African Virtual Open Resources and Initiatives Organisation
BETA	Bottom-Up Economic Transformation Agenda
CBET	Competency Based Education and Training
CCM	Corporate Communications and Marketing
CDF	Constituencies Development Fund
CEO	Chief Executive Officer
CIFS	Children in Freedom School
CIFA	Certified Investment and Financial Analyst
CPA (K)	Certified Public Accountant of Kenya
COL	Commonwealth of Learning
CSA	Climate Smart Agriculture
CSR	Corporate Social Responsibility
CUE	Commission for University Education
DOLPAK	Distance, Open and E-Learning Practitioners Association of Kenya
DVC	Deputy Vice - chancellor
ECL	Expected Credit Loss
EGF	Equity Group Foundation
EMCA	Environmental Management and Coordination Act
ESG	Environmental Social and Governance
ERP	Enterprise Resource Planning
FIHR & P	Finance Infrastructure, Human Resource and Planning
FISA	Freedom International School - Africa
FY	Financial Year
GDP	Gross Domestic Product
GESIP	Green Economy Strategy and Implementation Plan
GoK	Government of Kenya
GRI	Global Reporting Initiative
GSSP	Government Sponsored Student

HELB	Higher Education Loans Board
HESI	Higher Education Sustainability Initiative
HIV	Human Immunodeficiency Virus
HR	Human Resources
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and Communication Technology
ICTD/ICT4D	Information & Communication Technology for Development
IGAD	Intergovernmental Authority for Development
IGNOU	Indira Gandhi National Open University
IHRM	Institute of Human Resources Management
IPSAS	International Public Sector Accounting Standards
IRIMP	IGAD Regional Infrastructure Masterplan
JSC	Joint Steering Committee
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KALRO	Kenya Agricultural and Livestock Research Organisation
KENET	Kenya Education Network
KIEP	Kenya Industry and Entrepreneurship Project
KLISC	Kenya Library and Information Services Consortium
KNEC	Kenya National Examination Council
KNUT	Kenya National Union of Teachers
KoTDA	Konza Technopolis Development Authority
KUCCPS	Kenya Universities and Colleges Central Placement Services
LAEA	Language Association of East Africa
LMS	Learning Management System
LSE	London School of Economics
MA	Master of Arts
MBA	Master of Business Administration
MDA	Ministries, Departments and Agencies
MOU	Memorandum of Understanding
NGO	Non-Governmental Organisation
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
ODL	Open and Distance Learning
OSHA	Occupational Safety and Health Act
OSSREA	Organization for Social Science Research in Eastern and Southern Africa
OUK	Open University of Kenya
PAC	Public Accounts Committee
PFMA	Public Finance Management Act

PIC	Public Investments Committee
PPE	Property Plant and Equipment
PSC	Public Service Commission
PSPMU	Public Service Performance Management Unit.
PSSP	Privately Sponsored Student
PWDs	Persons with Disabilities
RPL	Recognition of Prior Learning
RVTTI	Rift Valley Technical Training Institute
SAGA	Semi-Autonomous Government Agency
SCAC	State Corporations Advisory Committee
SDG	Sustainable Development Goal
SDHE	State Department for Higher Education
SKIES	Strengthening Kenya's Innovation Ecosystem
SoBE	School of Business and Economics
SoE	School of Education
SST	School of Science and Technology
UF	University Fund
UMB	University Management Board
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
USIU	United States International University
VLE	Virtual Learning Environment
WCAG	Web Content Accessibility Guidelines
WFATE	World Forum for Associations of Teacher Educators
WIBA	Work Injury Benefit Act
WIP	Work in Progress
VISA	Visitors International Stay Admission
VC	Vice-Chancellor

## **B: Definition of Key Terms**

For purposes of this report the following terms are defined as follows:

**Academic Year** means a period of study and examination as designated by the Senate. The academic year may be divided into semesters or terms for ease of administration of services.

**Act** means the Universities Act, 2012 (No. 42 of 2012) as may be amended from time to time.

**Alumni** mean any person who is a former student and a graduate of OUK.

**Annual Estimates** Means the estimates prepared under Section 11 of the Charter and these Statutes in respect of any financial year.

**Asynchronous Learning** Means an educational approach where learners access and complete course materials on their own schedule, allowing for flexibility in how and when they participate.

**Capital Development Budget** means a financial plan specifically designed to allocate funds for long-term investments in assets that will provide benefits over several years.

**Chair of Council** Means the Chairperson of Council of the Open University of Kenya under Chapter 36 of the Act.

**Charter** Means the Open University of Kenya Charter (2023) granted under the provisions of the Act.

**Comparative Year** Means the prior period.

**Constitution** Means the Constitution of Kenya, 2010.

**Council** Means the Council of the Open University of Kenya established under Paragraph 13 of the Charter, and OUK Statutes.

**E-Citizen** Online portal in Kenya that provides a one-stop platform for accessing various government services.

**Fiduciary Management** Means members of Management directly entrusted with the responsibility of financial resources of the organization.

**Financial Year** Means the financial period of the University as provided for under the Act and in Paragraph 23 of the Charter and OUK Statutes.

**Learning Management System** Means the software application used to administer, document, track, report, and deliver educational courses or training programs at OUK.

**Statutes** Means the University Statutes (2023) approved by the Council under the Act and Section 14 of OUK Charter.

**Recurrent Budget** A budget that covers operational and regular expenses.

**Student** Means a learner registered by the University for the purposes of obtaining education and training towards the acquisition of a particular qualification of the University under OUK Statutes.

**Synchronous Learning** Means mode of education where all participants engage in learning activities at the same time.

**The Government** Means the government of Kenya.

**The University** Means the Open University of Kenya.

**University Management Board** Means a governance structure of the University under the Act and Paragraph 17 of the Charter and OUK Statutes

**Vice-Chancellor** Means the Vice-Chancellor of the Open University of Kenya appointed under the Act; Paragraph 14 of the Charter and OUK Statutes.

## **2. Key University Information and Management**

### **(a) Background information**

The Open University of Kenya (OUK) is a specialized public University established in August 2023 under Section 24(1)(b) of the Universities Act No. 42 of 2012. It was founded to address Kenya's growing need for flexible, inclusive and technology-driven higher education. OUK is an online and digital University committed to promoting accessibility, affordability, flexibility, inclusivity and quality education to all learners.

The University leverages modern Information and Communications Technology (ICT), including a comprehensive Virtual Learning Environment (VLE) and integrated Enterprise Resource Planning (ERP) system, to deliver a seamless academic experience. It also recognizes Prior Learning, enabling diverse learners to gain academic credit for skills and experiences acquired outside formal education. With a focus on national priorities and lifelong learning, OUK aims to transform Kenya's higher education landscape by offering accessible, relevant and future-oriented programmes to learners across the country and beyond.

### **The Governance Structure of the University:**

The governance of the University is guided by its Charter and is organized into a coherent structure comprising academic schools, departments and administrative support units that collectively drive its mission of providing quality, flexible, affordable, accessible, inclusive and technology-enhanced higher education. It is anchored in four key organs: the Chancellor, the University Council, the University Management Board (UMB) and the Senate.

#### **The Chancellor**

The Chancellor serves as the titular head of the University and provides strategic guidance and oversight.

#### **University Council**

It is the highest policy-making organ, responsible for overall governance, resource allocation and strategic direction.

#### **University Management Board (UMB)**

The Board oversees the day-to-day operations and implementation of Council Decisions. The UMB consists of the following members:

- Vice-Chancellor as the Chair
- Deputy Vice-Chancellors
- Finance Officer
- Director ICT

- Registrars
- Dean of Students
- University Librarian
- Chief Legal Officer

### **The University Senate**

It is the supreme academic body, responsible for the formulation and regulation of academic policies and programmes.

Academically, the University is composed of three main Schools: School of Education (SoE), School of Science and Technology (SST) and School of Business and Economics (SoBE). The School of Education has two departments namely: the Department of Education Management and Curriculum Design and the Department of Technology Education. The School of Science and Technology houses the Department of Computing and Informatics, the Department of Mathematics and Statistics, the Department of Crop Sciences and the Department of Nursing Sciences. The School of Business and Economics includes the Department of Economics and Statistics, the Department of Business and Entrepreneurship and the Department of Management Studies. In addition to the academic units, the University is supported by robust administrative departments that ensure effective delivery of academic programmes and services. These include, among others, the Directorate of Quality Assurance, the ICT Directorate, the Finance Department, the Administration and Human Resource Department, the Dean of Students, the Library Services, Examinations, Admissions and the Corporate Communications and Marketing Departments.

Together, these Schools, Departments and Directorates provide a solid foundation for the University's Vision of being an 'Innovative University for Inclusive Prosperity.'

### **(b) Principal Activities**

The principal activity of the University is to provide higher education and generate knowledge for digital transformation through research, innovation, training and outreach.

Other activities include:

- i. Advance and disseminate knowledge through open, distance and flexible learning via teaching, research, seminars and other relevant means.
- ii. Provide high-quality university and professional education and promote the educational well-being of the community.
- iii. Expand access to higher education opportunities in Kenya and globally
- iv. Deliver inclusive, transformative and lifelong education, including adult and continuing education
- v. Offers a multilevel education and training system responsive to community needs, with Recognition of Prior Learning and flexible progression across

- educational levels.
- vi. Empower students to acquire knowledge, skills and values that foster personal and professional transformation.
  - vii. Promote critical inquiry, innovation and commercialization for societal benefit.
  - viii. Advance the practical application of knowledge through research, innovation and technological development.
  - ix. Stimulate intellectual growth and contribute to social, economic, cultural, scientific and technological advancement.
  - x. Develop and offer degree, diploma and certificate programmes by.
  - xi. Provide adequate facilities and resources for innovative teaching, research and extracurricular engagement.
  - xii. Build institutional excellence in teaching, research, entrepreneurship, consultancy and community service, with a strong focus on technology and its application.
  - xiii. Establish academic partnerships and linkages with universities, research institutions and industry.

### **Vision**

The innovative university for inclusive prosperity.

### **Mission**

To provide affordable, flexible, quality learning experiences which enable individual acquisition of knowledge, skills and values in learners' chosen fields of study, nurturing them into innovative researchers, leaders, entrepreneurs and global citizens.

### **Core Values**

The core values espoused by The Open University of Kenya Council, Management, Senate, Staff and Students are Excellence; Inclusivity; Innovation and Integrity.

### **Philosophy**

Open University of Kenya (OUK) is built on the foundation of educational inclusion, challenging the traditional, often exclusionary, model of higher education. OUK firmly believes that everyone should have the opportunity to pursue higher education, rejecting the notion that academic ability should be a limiting factor. The University opposes the concept of "school dropouts" and does not view academic grades as barriers to access. In line with this inclusive philosophy, OUK has established systems to acknowledge and credit prior learning experiences, ensuring broader access to education for all

### Key Management

The university day-to-day management is under the following key organs:

No.	Designation	Name
1	University Council	
2.	Vice-Chancellor/Secretary to Council	Prof. Elijah Omwenga
3.	Deputy Vice-Chancellor, Academic Affairs	Prof. Carolyne Omulando
4.	Deputy Vice-Chancellor, Planning and Infrastructure	Prof. Christopher Chepken
5.	Chairperson, University Senate (Vice-Chancellor)	Prof. Elijah Omwenga
6.	Chairperson, University Management Board (Vice-Chancellor)	Prof. Elijah Omwenga

### (c) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Vice-Chancellor	Prof. Elijah Omwenga
2.	Deputy Vice-Chancellor, Academic Affairs	Prof. Carolyne Omulando
3.	Deputy Vice-Chancellor, Planning and Infrastructure	Prof. Christopher Chepken
4.	Finance Officer	CPA. Daniel Kimaiyo
5.	Procurement Officer	Ms. Edith Matu

### (d) Fiduciary Oversight Arrangements

Council provides fiduciary oversight on the operations and the decisions made at the university through the following committees:

- i. Audit, Risk & Compliance.
- ii. Finance Infrastructure, Human Resources and Planning.
- iii. Academic, Research, and Linkages Committees.
- iv. Ad hoc Committees of Council.

#### i. The Audit, Risk & Compliance (ARC) Committee

The ARC Committee of Council effectively discharged its fiduciary oversight responsibilities during the financial year. These responsibilities included ensuring compliance with the Constitution, applicable laws, government circulars, internal policies, and regulatory requirements. The Committee played a critical role in guiding the development, approval, and implementation of the annual risk-based audit plan. It also reviewed internal and external

audit reports to ensure that timely and appropriate management actions were taken. Additionally, the Committee reviewed and discussed audited financial statements, approved changes to the internal control system, and evaluated risk management processes to strengthen institutional governance.

**ii. The Finance, Infrastructure, Human Resources and Planning committee**

The Finance, Infrastructure, Human Resource and Planning (FIHR&P) Committee plays a critical fiduciary role in promoting sound governance, accountability, and strategic oversight within the University. In line with the OUK Council Charter, the Committee reviews and recommends for Council approval key institutional documents. These include annual budgets, procurement plans, resource mobilization strategies, and policies across finance, procurement, human resources, administration, planning, and infrastructure. The Committee exercises oversight over financial operations, implementation of procurement processes, and prudent management of university resources through regular evaluation of financial reports and statements. Moreover, it reviews and recommends for approval the University Strategic Plans performance contracts, staff establishments, governance structures, and staff welfare matters. Additionally, the Committee monitors the implementation of approved plans and performance targets, ensuring continued statutory compliance and alignment with Council directives.

**iii. The Academic, Research, and Linkages committee**

The Academic, Research and Linkages (AR&L) Committee of the Open University of Kenya (OUK) Council serves as the technical committee responsible for providing oversight and strategic advice on matters central to the University's core mandate—to expand access to quality, affordable, and flexible university education through open, distance, and e-learning modalities. In fulfilling its fiduciary responsibilities, the Committee ensures compliance with applicable laws, the Universities Act, and relevant government regulations by actively engaging with legal and policy frameworks governing higher education. The Committee receives for review and submits to Council for consideration and approval key matters aligned with the University's mission. These include Senate reports, academic programs, admissions, examinations, graduations, research activities, student affairs, and digital transformation initiatives aimed at supporting inclusive and flexible learning pathways. Additionally, the Committee provides strategic oversight on academic quality assurance mechanisms, institutional partnerships, collaborations, and stakeholder engagements, thereby strengthening the University's academic excellence, research capacity, and commitment to lifelong learning.

**iv. Ad hoc Committees**

The Council constitutes Ad hoc Committees to undertake specific fiduciary responsibilities in line with its governance mandate. The ERP Ad hoc Committee of Council, composed of independent Council members, was tasked with providing oversight, monitoring progress, and advising on the development and implementation of the University's Enterprise Resource Planning (ERP) system. Additionally, the Ad hoc Staff Appointment Committee of Council was established to oversee staff recruitment and engagement processes. Both Committees played a critical role in supporting the Council's strategic and operational functions, operating within their defined terms of reference and upholding their fiduciary responsibilities.

**v. Parliamentary Oversight Committees**

The Parliamentary Oversight Committees play a crucial role in promoting governance, accountability, transparency, and adherence to the rule of law in MDAs. These committees are established by the Parliament of Kenya and are tasked with scrutinizing the activities, policies, and expenditures of the Executive arm of government. Below is a breakdown of key oversight committees and their roles:

- **Public Accounts Committee (PAC):** This committee examines the accounts showing the appropriation of funds granted by Parliament to meet public expenditure. It also scrutinizes reports of the Auditor-General to ensure public funds are used efficiently and lawfully.
- **Public Investments Committee (PIC):** This committee reviews reports and accounts related to public investments, evaluates the Auditor-General's reports on state corporations, and oversees the government's efforts in managing state-owned enterprises and safeguarding public assets.
- **The Departmental Committee on Education, Research and Technology of the National Assembly:** Its mandate is to provide fiduciary oversight on matters education, research, technology, and innovation. The Committee conducts regular evaluations of public educational institutions to ensure alignment with national development goals and prudent use of public resources.

On 30th October 2024, the Committee undertook a support and oversight visit to the Open University of Kenya. The purpose of the visit was to assess the University's progress in fulfilling its academic mandate, with particular attention to programme delivery, digital infrastructure, student enrolment, curriculum development, funding strategies, and the implementation of its Enterprise Resource Planning System. The Committee expressed satisfaction with the strides made by the University, applauding its innovative use of technology to deliver inclusive and flexible higher education through Open, Distance, and e-Learning modalities.

**Open University of Kenya**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2025.**

*Departmental Committee on Education, Research and Technology of the National Assembly  
 visit to OUK on 30th October 2024*



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<p><b>(i) University Bankers</b> Equity Bank Machakos Branch P.O Box 2453-90100 Machakos, KENYA</p> <p>The Absa Bank-Kenya Machakos Branch P O Box 652-90100 Machakos, Kenya</p> <p>The Cooperative Bank Machakos Branch P O Box 1250-90100 Machakos, Kenya</p>	
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**Key University Information and Management (continued)**

**3. The Chancellor and the University Council**

Council Member	Details
 <p data-bbox="284 1144 632 1245"><b>Dr. James Mwangi, CBS</b>  <b>University Chancellor</b>  <b>Appointed on 3<sup>rd</sup> August, 2023</b></p>	<p data-bbox="751 562 1485 943">Dr. James Mwangi, Chancellor of the Open University of Kenya, is a certified international retail banker with five honorary doctorates. As Managing Director and CEO of Equity Group, he leads the Africa Recovery and Resilience Plan and serves as Chairman of the Commonwealth Enterprise and Investment Council for East/Central Africa. A sought-after keynote speaker, he has been featured in over 40 case studies, including one by Harvard in 2023.</p> <p data-bbox="751 969 1485 1263">A dedicated philanthropist, Dr. Mwangi and his family have donated millions towards drought relief, COVID-19 support, and education across Africa. Under his leadership, Equity Bank revolutionized financial inclusion in Kenya, expanding access to banking for millions and growing into a leading financial group with assets exceeding USD 13 billion.</p> <p data-bbox="188 1290 1485 1496">In 2008, he founded the Equity Group Foundation (EGF), which has awarded tens of thousands of scholarships, provided financial literacy to millions, and supported healthcare and agricultural initiatives. Dr. Mwangi also plays a significant role in global development, advising organizations like VISA, Mastercard, the UN, and contributing to Kenya’s Vision 2030 and COVID-19 response efforts.</p> <p data-bbox="188 1523 1485 1693">During FY 2024/2025, as Chancellor, he provided strategic leadership to the University Council, fostering key collaborations with Huawei and the Equity Foundation. He emphasized academic excellence and inclusivity, presiding over OUK’s inaugural graduation ceremony at Konza Technopolis, where 78 postgraduate diploma graduates were awarded.</p>

Council Member	Details
<div data-bbox="209 479 715 981" data-label="Image"> </div> <div data-bbox="274 1050 622 1151" data-label="Caption"> <p><b>Prof. Ezra Maritim</b>  <b>Chairman of Council</b>  <b>Appointed on 3<sup>rd</sup> August, 2023</b></p> </div>	<p>Prof. Ezra Maritim holds a Bachelor of Arts from the University of Nairobi (1973), and both a Master of Education (1975) and Doctor of Education (1979) from Harvard University. He spent many years at Kenyatta University, serving in key leadership roles including Deputy Vice-Chancellor for Finance, Planning, Development, and Administration. Between 1983 and 1990, he was seconded as Deputy Secretary to the Kenya National Examinations Council.</p> <p>His extensive contributions to higher education include serving as Deputy Coordinator for the World Bank-supported University Investment Project, Deputy Secretary at the Commission for Higher Education, and Vice-Chancellor of Egerton University. He chaired the Technical Working Committee for the Operationalization of the Open University of Kenya and has been active in policy development and community engagement through various educational boards.</p> <p>Regionally, Prof. Maritim worked as a UNESCO and UNDP consultant on the development of the Kigali Institute of Education and distance learning programs. He has also served as a visiting professor at the University of South Africa and The Open University of Tanzania, and coordinated the SADC Centre of Specialization in Open and Distance Learning for Teacher Education in Dar es Salaam</p>

Council Member	Details
 <p data-bbox="288 943 635 1043"> <b>Dr. Utheri Kanayo</b>            Council Member            Appointed on 3<sup>rd</sup> August, 2023         </p> <p data-bbox="193 1122 1493 1200">           She Chairs the Academic Research and Linkages committee and is also a member of the Audit, Risk &amp; Compliance Committee of council         </p>	<p data-bbox="756 389 1490 640">           Dr. Kanayo holds a PhD in Education from the University of Cambridge, with undergraduate and master’s degrees from Kenyatta University and the University of Nairobi. She has served as an academic researcher at Cambridge and Research Manager for Camfed International.         </p> <p data-bbox="756 667 1490 1093">           Her research focuses on African education, covering pre-colonial education, citizenship, teacher training, HIV education, and local philanthropy across nine African countries. In 2013, she founded Children in Freedom, an NGO providing scholarships and mentorship, and co-founded Freedom International School—East Africa’s first Afrocentric school, ranked among the global Top 10 by T4 Education in 2023. Dr. Kanayo also serves as Special Africa Advisor for The Beacon Equity Trust and is a Metis Fellow.         </p>
 <p data-bbox="293 1621 639 1722"> <b>Dr. Hillman J. K McOkwiri</b>            Council Member            Appointed on 3<sup>rd</sup> August, 2023         </p>	<p data-bbox="756 1227 1490 1435">           Dr. McOkwiri holds a Doctorate in Behavioral Design from Stanford University, an MA in Political Science and Public Administration from LSE, and dual degrees in Law and Politics from LMU Munich. He is an expert in Behavioral Economics and Human-Centric Design.         </p> <p data-bbox="756 1462 1490 1648">           As Head of Products &amp; Innovation at Amitruck Ltd, he led software and product roadmap development, while at KOKO Networks he pioneered user-driven product frameworks in Fintech, Insure-Tech, and Digital Payments.         </p> <p data-bbox="756 1682 1490 1794">           He chairs the Finance, Human Resources and Planning Committee and serves on the Academic Research and Linkages Committee of Council.         </p>



Council Member	Details
 <p data-bbox="276 837 619 936"> <b>Mr. Lawrence Muchilwa</b>  <b>Council Member</b>  <b>Appointed on 3<sup>rd</sup> August, 2023</b> </p>	<p data-bbox="743 400 1469 734">           Mr. Muchilwa holds a Master’s in Information Systems Technology (USIU) and a Bachelor’s in Computer Science Technology (Maseno University). With over 10 years’ experience in IT operations, cybersecurity, and risk management, he has led security projects for banks, telecoms, and firms across East Africa, the Middle East, Americas, and Asia Pacific, achieving significant reductions in enterprise cybersecurity risks.         </p> <p data-bbox="743 763 1469 1010">           As Head of Information Security, Governance, Risk, and Compliance at Silensec and Cyber Ranges Ltd., he provides strategic leadership in institutional oversight and governance at OUK, chairing the Audit, Risk &amp; Compliance Committee and serving on the Academic, Research &amp; Linkages Committee.         </p>
 <p data-bbox="177 1630 703 1794"> <b>CPA Maina Chiira</b>  <b>Alternate Member to Principal Secretary for</b>  <b>the State Department for University Education</b>  <b>and Research</b>  <b>Appointed on 23<sup>rd</sup> October, 2023</b> </p>	<p data-bbox="743 1043 1469 1223">           CPA Chiira holds an MBA from Moi University and is a Certified Public Accountant of Kenya (CPA K). With 35 years in the Civil Service, including 20 years in senior leadership, he brings deep expertise in government financial operations and policy.         </p> <p data-bbox="743 1245 1469 1391">           He plays a key role in governance and strategic oversight, actively contributing to the Finance, Human Resources and Planning Committee and Academic Research and Linkages Committee of Council.         </p>


Council Member	Details
 <p><b>Mr. John Kiria</b>  Alternate Member representing Principal Secretary, State Department for ICT and Digital Economy</p> <p>He serves as a member of the Finance, Human Resources and Planning Committee and Audit, Risk &amp; Compliance Committee of council.</p>	<p>Mr. John Kiria is a seasoned ICT professional with over 20 years of experience in information technology, project management, and infrastructure development. He holds a Master’s in Data Science &amp; AI from the European Business University of Luxembourg, a Master’s in IT (Information Systems Security &amp; Audit) from Strathmore University, and a BSc in IT from JKUAT. He is currently serving as the Director for ICT, E-Commerce, and Entrepreneurship at the State Department for ICT and Digital Economy.</p> <p>Throughout his career, Mr. Kiria has held key leadership roles, including Head of ICT at the State Department for Co-operatives, where he led digitization efforts in the co-operative sector.</p>
 <p><b>Mr. Eliud Khayo</b>  Alternate representative for the Principal Secretary, National Treasury and Economic Planning.  Appointed on 28<sup>th</sup> March, 2024.</p>	<p>Mr. Khayo is a seasoned Researcher and Economic Policy Analyst with expertise in public investment management and financial analysis. He holds a Master’s and Bachelor’s degree in Economics from the University of Nairobi and is currently pursuing a PhD in Economics and a Master’s in Project Planning and Management at the same institution.</p> <p>As Principal Investment Officer at The National Treasury, he oversees government investments, strategic planning, and risk assessment to support sustainable economic growth. He also serves as Lead Consultant at Lesar Consults, managing high-level projects for clients like the World Bank and the Ministry of Health.</p> <p>His previous experience spans roles in consulting, statistics, and market research across various organizations. Mr. Khayo serves as a Member to Finance, Human Resources and Planning Committee and Audit, Risk &amp; Compliance Committee of council.</p>

Council Member	Details
<div data-bbox="188 450 687 920" data-label="Image"> </div> <div data-bbox="209 972 679 1075" data-label="Caption"> <p><b>Prof. Elijah Omwenga</b>  <b>Vice-Chancellor and Secretary to Council</b>  <b>Appointed on 3<sup>rd</sup> August, 2023.</b></p> </div>	<p>Prof. Omwenga is the Vice-Chancellor and Chief Executive Officer of the Open University of Kenya. He holds a PhD in Computer Science (Information Systems) from the University of Nairobi, along with degrees from Kenyatta University (B.Ed. Sc.), the National University of Science and Technology (Zimbabwe) (MSc. Comp. Sc.), and a Postgraduate Diploma in Computer Science (UoN).</p> <p>A seasoned academic and ICT expert, his research focuses on ICT in education and low-bandwidth mobile applications. He has held senior leadership roles including Acting VC and DVC (Academic and Student Affairs) at the University of Kabianga, Director at the University of Nairobi, and Chairman of various national and international boards. He also served as Secretary of the Technical Working Committee that established OUK.</p> <p>Prof. Omwenga sits on various national boards and serves as Secretary to the University Council.</p>

## 4. Key Management Team

Management	Details
 <p><b>Prof. Elijah Omwenga</b>  <b>Vice-Chancellor and Secretary to Council</b>  <b>Appointed:</b> 17th April 2025 (Acting since August 2023)</p>	<p>Prof. Omwenga is the Vice-Chancellor and Chief Executive Officer of the Open University of Kenya. He holds a PhD in Computer Science (Information Systems) from the University of Nairobi, along with degrees from Kenyatta University, the National University of Science and Technology (Zimbabwe), and a Postgraduate Diploma in Computer Science.</p> <p>A seasoned academic and ICT expert, his research focuses on ICT in education and low-bandwidth mobile applications. He has held senior leadership roles including Acting VC and DVC (Academics) at the University of Kabianga, ICT Director at the University of Nairobi, and Chairman of AVOIR. He also served as Secretary of the Technical Working Committee that established OUK.</p> <p>Prof. Omwenga sits on various national boards and serves as Secretary to the University Council.</p>
 <p><b>Prof Caroline Omulando</b>  <b>Deputy Vice Chancellor, Academic Affairs</b>  <b>Appointed:</b> 16th May 2025 (Acting since 13th December 2023)</p>	<p>Prof. Omulando is a Professor of Educational Media and Technology with a PhD in English Language Education, an M.Phil. in Educational Communication and Technology, and a B.Ed. in English and Literature—all from Moi University. She has held senior academic roles including Dean at Alupe University and Director of Open and Distance Learning at KCA University.</p> <p>As DVC (Academic Affairs), she oversees academic planning, policy, curriculum, research, innovation, partnerships, examinations, and quality assurance. She chairs key academic committees and serves as Secretary to the Senate. Prof. Omulando is the founding Executive Director of ASLER and serves on the executive committees of DOLPAK and other professional bodies including LAEA, ANIE, and OSSREA.</p>

Management	Details
 <p><b>Prof. Christopher Kipchumba Chepken</b>  <b>Deputy Vice-Chancellor, Planning and Infrastructure</b>  <b>Appointed:</b> 17th April 2025 (Acting since 13th December 2023)</p>	<p>Prof. Chepken is a seasoned software engineer and academic with over 20 years of experience in computing, research, and software development. He holds a PhD in Computer Science from the University of Cape Town, and MSc and BSc degrees in Computer Science from the University of Nairobi.</p> <p>At OUK, he provides strategic leadership in ICT systems, infrastructure development, and institutional operations—overseeing planning, HR, compliance, finance, and quality assurance. He also leads policy implementation and institutional reporting.</p> <p>An expert in ICT4D, Prof. Chepken has led research and consultancy projects across East and Southern Africa in health, agriculture, urban mobility, and BPO. He is an advisor to the Ministry of ICT and the Digital Economy on ICT education and innovation policy.</p>
 <p><b>CPA Daniel Kimaiyo</b>  <b>Finance Officer</b>  <b>Appointed:</b> 1st October 2024 (Acting since 19th October 2023)</p>	<p>CPA Daniel Kimaiyo is the Head of the Finance Department, tasked with providing strategic financial guidance, overseeing budgeting processes, and implementing financial policies to ensure compliance, transparency, and efficiency. He manages financial reporting, leads departmental staff performance, and ensures robust internal controls.</p> <p>With 18 years of experience in Finance and Accounting, he brings deep expertise in budgeting, financial reporting, analysis, credit evaluation, and customer service. Daniel has an MBA in Finance from University of Nairobi, B.A. in Economics - Kenyatta University, Certified Public Accountant (CPA-K), Certified Investment and Financial Analyst (CIFA) and is Member, ICPAK in good standing.</p>

Management	Details
 <p style="text-align: center;"><b>Dr Jared Ongaro</b>  <b>Director, ICT</b>  <b>Appointed 1<sup>st</sup> December 2023</b></p>	<p>Dr. Jared Ongaro is the Director of ICT at the Open University of Kenya, where he plays a pivotal role in its technological setup. He leads ICT strategy, policy, infrastructure, cybersecurity, and innovation, ensuring efficient operations and compliance. He also oversees ICT budgeting, project delivery, risk management, and capacity building.</p> <p>A devoted mathematician and ICT innovator, Dr. Ongaro holds a PhD from Stockholm University, with earlier degrees in Mathematics from the University of Nairobi. He has undertaken advanced studies at the International Centre for Theoretical Physics (Italy) and held postdoctoral fellowships at the University of Oxford and UC Berkeley</p>
 <p style="text-align: center;"><b>Dr. Catherine Kagucia</b>  <b>Registrar, Academic Affairs</b>  <b>Appointed: 1st October 2024 (Acting since 19th October 2023)</b></p>	<p>Dr. Catherine Kagucia is the Registrar (Academic Affairs) at the Open University of Kenya, supporting the DVC (Academic Affairs) in managing academic operations and ensuring regulatory compliance. She oversees admissions, examinations, certifications, graduation, quality assurance, and student services, while coordinating institutional reporting, budgeting, and staff development. She also serves as Head of Secretariat to the Senate.</p> <p>Dr. Kagucia holds a PhD, Master's, and Diploma in Human Resources, and a BSc in Statistics. She brings extensive experience in academic administration, with prior roles at the</p>
<p>University of Kabianga. A committed scholar, she has presented research at national and international forums on organizational performance and institutional effectiveness.</p>	

Management	Details
 <p><b>Mr. Isaac Okiyai</b>  <b>University Librarian</b>  <b>Appointed:</b> 1st October 2024 (Acting since 19th October 2023)</p>	<p>Mr. Okiyai leads the design, implementation, and management of the University's digital library systems, with expertise in open-source technologies and Linux environments. A proponent of Open Science, he promotes transparency and collaboration in research.</p> <p>He is an active member of KLISC, contributing to national library initiatives and policy development. His work integrates emerging technologies, instructional programs, and innovation to enhance academic and research excellence.</p> <p>Okiyai holds a Master's in Computer Systems (JKUAT) and a Bachelor's in Information Sciences (Moi University).</p>
 <p><b>Mr. Joseph Musinga</b>  <b>Head of Administration and Human Resource</b>  <b>Appointed:</b> 1st October 2024 (Acting since 19th October 2023)</p>	<p>Mr. Musinga is a seasoned administrator with leadership experience at Bomet University College and the University of Kabianga. He specializes in organizational management, governance, policy implementation, and staff development.</p> <p>At the Open University of Kenya, he leads HR and administrative functions, overseeing recruitment, training, remuneration, and compliance with Labour laws and institutional policies. He also advises on HR strategy, institutional planning, and promotes a harmonious work environment.</p> <p>He is a member of the Institute of Human Resource Management (IHRM) and the Institute of Certified Secretaries of Kenya.</p>

## **5. Chair of Council Statement**

It gives me immense pride to present this Annual Report and Financial Statements for 2024/2025 Financial Year on behalf of the University Council, marking the second year of operations since the chartering of the University on 3rd August 2023. This period represents a significant chapter of consolidation and expansion, underscored by institutional resilience, policy-driven growth, and the fulfilment of our mandate to democratize access to higher education in Kenya.

During the Financial Year, the University made notable strides in strengthening its academic foundation and operational systems. Eighteen (18) new undergraduate and postgraduate programs were accredited and developed through deliberate consultation with industry stakeholders to ensure relevance to national and global Labour market demands. However, of these seventeen (17) were implemented, while BN-BSc is pending Accreditation by the Nursing Council of Kenya. This expansion directly contributed to increased student enrolment and affirmed OUK's role in advancing the Bottom-Up Economic Transformation Agenda (BETA) through technology-enabled, flexible learning.

The Council oversaw the recruitment and onboarding of a full-time establishment of academic and administrative staff. We also supported the implementation of key digital systems, including Enterprise Resource Planning (ERP) modules that enhanced academic service delivery, governance and financial oversight. Investments in physical infrastructure, such as staff transport and secure office space, improved the institution's working environment and operational efficiency.

In alignment with our strategic priorities, the University cultivated partnerships with global technology firms, professional certification bodies, local universities, and county governments. These collaborations have enriched our academic offerings, created internship and research opportunities, and positioned OUK as a credible and forward-thinking institution. Through Council deliberations, we championed inclusive education by guiding the rollout of digital inclusion initiatives and supporting the implementation of Recognition of Prior Learning (RPL) policies.

The University Council exercised its fiduciary oversight through its established committees: Audit, Risk and Compliance (ARC); Finance, Infrastructure, Human Resource and Planning (FIHR&P); and Academic, Research and Linkages (AR&L). Each committee discharged its responsibilities diligently, ensuring accountability, prudent resource utilization, and strategic alignment of programs with national development goals. In particular, the ARC Committee provided critical oversight on internal controls, audit processes, and risk

mitigation strategies which contributed to clean audit report (un-modified) in 2023/2024 Financial Year.

While we celebrate these achievements, we also acknowledge the challenges encountered, including disparities in internet access and constrained development financing. The Council remains committed to addressing these challenges through innovation, strategic resource mobilization, and advocacy for supportive policy frameworks.

As we look ahead to FY2025/2026, our focus will be on scaling AI-driven learning solutions, enhancing data governance, deepening industry engagement, and embedding Environmental, Social, and Governance (ESG) principles across all university operations. We will also continue to monitor the implementation of the 2024–2028 Strategic Plan and ensure effective execution of performance contracts and institutional policies.

On behalf of the University Council, I extend my sincere appreciation to our students, staff, partners, and the Government of Kenya for their unwavering support. Together, we are building a future-facing institution committed to inclusive prosperity, digital transformation, and academic excellence.



**Professor Ezra Maritim**  
**Chairman of Council, Open University of Kenya**

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

It is my honor to present this Annual Report and Financial Statements for 2024/2025 Financial Year that reflects our shared commitment to transforming Kenya's higher education landscape. The second year of chartered operations was marked by remarkable institutional progress and our steadfast commitment to building a digitally enabled, inclusive and innovative university.

OUK experienced a substantial increase in student enrolment this year, admitting 2524 new students, an indicator of growing confidence in our fully online model. We received accreditation from the Commission for University Education (CUE) for eighteen (18) new undergraduate and postgraduate programmes, in addition to expanding our professional development courses. Of these, seventeen (17) were launched, while one (1) is pending accreditation from the Nursing Council of Kenya. Our programmes have opened pathways for upskilling, reskilling, and supporting digital transformation across various sectors. These initiatives demonstrate our responsiveness to labor market shifts and our commitment to supporting a competent, future-ready workforce.

Operationally, we recruited key academic and administrative staff, rolled out several ERP modules, and digitized course content, reinforcing our ability to deliver seamless learning experiences. The digitization of curriculum and investments in content production have supported our vision of learner-centered, flexible education. Digitally, the implementation of key ERP modules has enhanced our governance, financial reporting, and student support services, propelling us toward greater organizational agility and excellence. These systems form the backbone of our open and digital university model

We have also strengthened our engagement with external stakeholders. To date, the university has established 11 local and 12 international strategic partnerships with universities, corporate organizations, and certification bodies. These collaborations have enriched our academic ecosystem, expanded access to credentials and facilitated knowledge exchange. In addition, our faculty and administrative staff have actively participated in academic conferences, reinforcing our commitment to research and innovation in open learning.

In 2024/2025, we continued to implement prudent financial management practices, ensuring that investments aligned with our strategic objectives. Capital expenditure was focused on the implementation of Digital Infrastructure, Enterprise Resource Planning and Learning Management Systems. The appropriation-in-Aid experienced significant growth, increasing from Ksh 26,116,226 in the previous year to Ksh 126,290,139. Additionally, we have strengthened our relationships with student financiers, resulting in the disbursement of Ksh 6,556,775 from HELB

and Ksh 938,500 from CDF to support student learning at OUK. Through internal controls, planning, and forecasting, we ensured accountability, efficient service delivery, and value for money spent. OUK will deepen efforts to mobilize additional resources through grant applications, research funding, and enhanced collaboration with industry. We remain committed to financial sustainability, operational excellence, and innovative education that delivers measurable impact.

On December 10, 2024, OUK received the first position in the Digital Education Excellence Award from the ICT Association of Kenya, recognizing its leadership in advancing digital learning through innovative technologies and seamless online education integration. As we grow, we will continue investing in systems that support data-driven decision-making and agile service delivery. The coming year will centre on the following key priorities: scaling personalized, AI-driven learning pathways; embedding deeper industry collaboration through sector-specific centers of excellence; pursuing international quality endorsements and exchange partnerships; and advancing inclusive excellence by ensuring all digital assets meet Web Content Accessibility Guidelines (WCAG) standards.

None of these strides would have been possible without the dedication of our staff, the trust of our students, the guidance of the Council, and the steadfast support of Ministry of Education through the State Department for Higher Education. Together we are proving that open, technology-enabled education can democratize opportunity and spur national development.



**Professor Elijah Omwenga,**  
**Vice-Chancellor, Open University of Kenya**

## 7. Statement of Performance against Predetermined Objectives for FY 2024/2025

This section details The Open University's performance against its predetermined objectives for the 2024/2025 financial year. Aligned with the three strategic pillars of the 2024-2028 Strategic Plan:

- i. Technology Enabled Education
- ii. Innovation Driven Curricula and Research, and
- iii. Organizational Agility and Excellence.

The University's annual work plan and performance contract 2024/2025 set specific targets along the stated pillars. Quarterly Council review of performance contract reports confirmed successful achievement of performance targets across these pillars, as summarized in the table below:

**Table 7.1 Statement of Performance against Pre-determined Objectives**

Strategic Pillar/ Theme/ Issues	Objective	Key Performance Indicators	Activities	Achievements
Technology Enabled Education	Improve learner experience and ensure access to support services	Increased student satisfaction	Integration of learner support systems	Recruited for (4) ICT Learner Support technical staff.
	Increased Learners enrollment and Retention	Increased Enrollment	Robust marketing and community outreach	Enrollment increased by 2524.
Innovation-Driven Curricula and Research	Expand academic and industry relevant programmes offerings	Increased Number of New Innovative Programmes	Development of programmes	Twenty-three (23) new academic programmes developed.
	Enhance quality in curriculum Development and Implementation	Increased number of Approved programmes	Programmes approved by CUE	Twelve (12) Professional development courses approved and 17 programmes approved and availed for offer
	Increase number of research publications	Number of new Peer reviewed Research Publications	Research engagements and publication	7 publications in refereed journals

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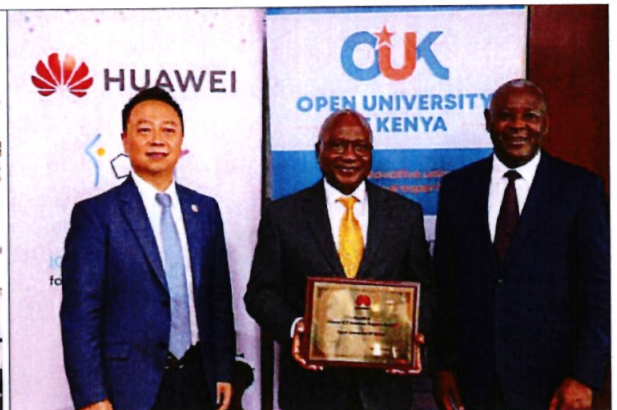
Strategic Pillar/ Theme/ Issues	Objective	Key Performance Indicators	Activities	Achievements
	Increase research funding attracted	Amount of funding attracted	Research Grants attracted	Kshs. 13,522,825
			USAID Close out arrangement	Kshs.6,041,715
Organizational Agility and Excellence	Improved institutional performance	Improved operational efficiency rate	Enhancement of internal policies and instruments	12 policies and the OUK Statute 2024 approved
			Enhancement of Corporate Governance	Senior Management appointed
				Council developed the Risk Management Policy for roll out in 2025/2026
			Performance management	Implemented the 1 <sup>st</sup> PC for OUK. Awaiting score moderation by PSPMU
		Increased number of social media engagements		Facebook campaign realized 133,200 views and 626 direct conversations. Instagram campaign garnered 104,000 views

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**Select Pictures of Important Events:**



*The Vice - chancellor, Prof. Elijah Omwenga, led a delegation from the University to sign an MOU with Makeni County in April, 2025. The Governor, Hon. Mutula Kilonzo led the County team.*



*The Chancellor, Dr. James Mwangi (Right), together with Huawei Kenya CEO Gavin Gao (Left) and the Vice - chancellor, Prof. Elijah Omwenga (Centre), held strategic discussions on establishing OUK as a Huawei ICT Academy/ May, 2025*



*The Chairperson of Council, Prof. Ezra Maritim, launching the two University vehicles allocated to the Deputy Vice - chancellors and a University Bus in May 2025.*



## **8. Corporate Governance Statement**

The University Council of the Open University of Kenya is committed to upholding the highest standards of integrity, professionalism, ethics, and legal compliance in the governance and management of the institution. In executing its mandate, the Council is guided by the Constitution of Kenya (2010)—particularly Chapter 6 on Leadership and Integrity—the Universities Act, 2012, the Mwongozo Code of Governance for State Corporations, the OUK Charter, the University Statutes, the Council Charter, and other relevant laws, government policies, and circulars issued by the government from time to time.

The Council ensures transparent, accountable, and inclusive decision-making processes that safeguard the interests of students, staff, partners, and the broader community. Council members fulfil their fiduciary and oversight responsibilities by embracing sound corporate governance practices, including strategic leadership, prudent financial stewardship, effective risk management, and a commitment to continuous institutional improvement. The governance framework also promotes diversity and accountability through structured appointment processes, clearly defined roles and responsibilities, regular performance evaluations, and a strong culture of ethical conduct. Furthermore, the Council has put in place robust mechanisms to manage conflicts of interest, ensure transparency in remuneration, and uphold compliance with policies on communication, succession planning, and related-party transactions. These principles and practices enable the University to remain compliant with regulatory requirements, responsive to stakeholder needs, and aligned with its mission of providing accessible, high-quality, and technology-enabled higher education that supports national development and global best practices.

### **i. Governance Structure and Composition of the University Council**

The University Council is structured to uphold principles of good governance, transparency, and accountability.

#### **a) Appointment and Removal of Council Members**

Council appointments are conducted by the Government in line with Article 27 of the Constitution of Kenya, ensuring fairness, transparency, and meritocracy. As per Kenya Gazette Notice Vol. CXXV—No. 174 3rd August 2023 the President appointed the Chairperson of the Council. The three independent members were appointed by the Cabinet Secretary for the Ministry of Education after due diligence in their skills, qualifications, experience and competencies. The Council holds the authority to recommend the removal of any member on grounds of non-performance, persistent absenteeism from meetings, unethical conduct, or other breaches as outlined in its governing instruments and relevant legislation.

**b) Composition, Size, and Diversity of the Council**

OUK’s Council comprises eight members. The composition and responsibilities of the council is presented in Table I below and include:

- The Chairperson
- Three independent members.
- Three alternate members who represent the Principal Secretaries from the Ministries of Education; Information, Communications and Digital Economy; and the National Treasury and Economic Planning; and
- The Vice-Chancellor, who serves as an ex-officio member and acts as Secretary to the Council.

**Table 8.1: Committee Membership & Responsibilities Matrix**

Member Name	Member S/No.	Designation	Other Responsibility	Standing Committees Membership
Prof. Ezra Maritim	1	Chairperson		
Dr Hillman McOkwiri	2	Independent member	Chairperson, FIHR&P/ Independent Member PC	FIHR&P and AR&L
Dr Susan Kiragu	3	Independent member	Chairperson, AR&L	AR&L and ARC
Mr Lawrence Muchilwa	4	Independent member	Chairperson, ARC	ARC and AR&L
Mr Maina Chiira	5	Rep, SDHE		FIHR&P and AR&L
Mr John Kiria	6	Rep, SDICT&DE		FIHR&P and ARC
Mr Eliud Khayo	7	Rep, National Treasury		FIHR&P & ARC
Prof. Elijah Omwenga	8	VC and Secretary		FIHR&P and AR&L

**c) Council Charter and Governance Instruments**

The OUK Council is guided by the Code of Governance amongst other government regulations and circulars. In line with this, the Council adopted its Sub-Committees and respective Terms of Reference, a Council Charter, as well as the 2024/2025 Council Almanac to structure and guide its operations. Additionally, the Council’s Audit, Risk, and Compliance Committee finalized and implemented its Audit Committee Charter.

**d) Roles and Functions of Council**

The Council is the governing body responsible for providing strategic leadership, policy oversight, and institutional accountability. Its core functions are guided by the *Universities Act 2012* and stipulated in the OUK Charter, 2023. These include approving the University's strategic plan, budget, and key policies; ensuring compliance with all relevant laws and regulations; safeguarding institutional assets; promoting sound governance practices; and overseeing the performance of the Vice-Chancellor and top Management. In addition, the

Council plays a key role in risk management and ensures that the University's operations align with its mission, national development goals, and global standards.

**e) Induction, Training and Development**

The Council of the Open University of Kenya places a strong emphasis on continuous capacity building to enhance effective governance. Council members have undertaken key induction, training, and development programmes aimed at deepening their understanding of their roles, the University's strategic priorities, governance policies, financial management, risk and compliance frameworks, and ethical standards.

**f) Board Members Performance**

The Council of the Open University of Kenya undertakes annual performance evaluations to assess the effectiveness of the Council as a whole, its individual members, the Vice-Chancellor (Secretary), and the Secretariat. The performance evaluation for the Financial Year 2024/2025 is scheduled to be conducted in the first quarter of FY 2025/2026.

**g) Board Meetings and Attendance**

During the FY 2024/2025, and in line with the approved Council Almanac, the University Council convened a total of twelve meetings – five regular and seven special sessions. Each of the standing committees also held four regular meetings, as summarized in Tables II, III, IV, and V. The additional meetings were necessitated by the Council's increased scope of obligations during the reporting period, including the appointment of Senior Management Staff in accordance with the Universities Act, 2012. The special meetings were duly approved in line with the applicable guidelines.

**Table 8.2: Council Regular Meetings Attendance for 2024/2025FY**

Member S/No.	4th Special	5th Special	4th Regular	5th Regular	1st Graduation Sealing	6th Regular	7th Regular
	26/08/2024	28/08/2024	19/09/2024	08/11/2024	25/11/2024	29/01/2025	16/05/2025
Meeting Type	Physical	Blended	Physical	Physical	Physical	Blended	Physical
1	✓	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	✓
6	✓	✓	✓	✓	✓	✓	✓
7	✓	✓	✓	✓	✓	✓	✓
8	✓	✓	✓	✓	✓	✓	✓

**Table 8.3: Council Special Meetings Attendance**

Member S/No.	4th Special	5th Special	6th Special	7th Special	8th Special	9th Special	10th Special
	28/08/2024	28/08/2024	25/11/2024	25/02/2025	21/03/2025	17/04/2025	09/05/2025
Meeting Type	Physical	Blended	Blended	Blended	Physical	Physical	
1	✓	✓	✓	✓	✓	✓	✓
2	✓	✓	✓	✓	✓	✓	✓
3	✓	✓	✓	✓	✓	✓	✓
4	✓	✓	✓	✓	✓	✓	✓
5	✓	✓	✓	✓	✓	✓	0
6	✓	✓	✓	✓	✓	✓	✓
7	✓	✓	✓	✓	✓	✓	✓
8	✓	✓	✓	✓	✓	✓	✓

**Table 8.4: Academic, Research and Linkages (AR&L) Committee of Council Meetings**

Member S/No.	2 <sup>nd</sup> Regular	3 <sup>rd</sup> Regular	4 <sup>th</sup> Regular	5 <sup>th</sup> Regular
	12/07/2024	15/10/2024	15/01/2025	11/04/2025
Meeting Type	Physical	Physical	Physical	Physical
2	✓	✓	✓	✓
3	✓	✓	✓	✓
4	✓	✓	✓	✓
5	✓	✓	✓	✓
8	✓	✓	✓	✓

**Table 8.5: Meetings of Finance, HR and Planning (FIHR&P) Committee of Council**

Member S/No.	2 <sup>nd</sup> Regular	3 <sup>rd</sup> Regular	4 <sup>th</sup> Regular	5 <sup>th</sup> Regular
	11/07/2024	14/10/2024	13/01/2025	10/04/2025
Meeting Type	Physical	Physical	Physical	Physical
2	✓	✓	✓	✓
5	✓	✓	✓	✓
6	✓	✓	✓	✓
7	✓	✓	✓	✓
8	✓	✓	✓	✓

**Table 8.6: Meetings of Audit Risk and Compliance Committee**

Member S/No.	2 <sup>nd</sup> Regular	3 <sup>rd</sup> Regular	4 <sup>th</sup> Regular	5 <sup>th</sup> Regular
	12/07/2024	15/10/2024	15/01/2025	11/04/2025
Meeting Type	Physical		Physical	Blended
3	✓		✓	✓

Member S/No.	2 <sup>nd</sup> Regular		3 <sup>rd</sup> Regular	4 <sup>th</sup> Regular	5 <sup>th</sup> Regular
4	✓		✓	✓	✓
6	✓		✓	✓	✓
7	✓		✓	✓	✓

**h) Succession Plan**

The Council has established a clear succession plan as outlined in the Council Charter. This includes the staggered appointment of independent members to ensure continuity and institutional memory. The succession strategy also emphasizes adequate training and onboarding of new members. As the terms of the current Council members and representatives of the Principal Secretaries near completion, the University will proactively notify the Cabinet Secretary and respective Principal Secretaries in good time.

**i) Code of Ethics, Conduct and Conflict of Interest Policy**

The Council upholds Article 10 and Chapter 6 of the Constitution of Kenya in its operations. Conflict of Interest issues have been addressed within the Risk Management Policy as aligned to the Code of Governance. The Council members declare conflict of interest, if any, during the discharge of functions. To confirm this, a Conflict-of-Interest.

**j) Board Remuneration**

The Council members are compensated in accordance with relevant legislative provisions, government circulars, and guidance from authorities such as the State Corporations Advisory Committee, the Public Service Commission, and the Salaries and Remuneration.

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Cabinet Secretary, Ministry of Education with Council and UMB during a Workshop on Policies in June 2025 at Lake Naivasha Resort



Principal Secretary, State Department of ICT and Digital Economy with Council members during a Workshop on Policies in June 2025, Lake Naivasha Resort.

## **9. Management Discussion and Analysis**

### **9.1 Academic and Operational Activities**

The 2024/2025 Financial Year marked a period of strong growth and institutional strengthening for the Open University of Kenya (OUK). The University admitted 2,524 new students in the 2024/2025 academic year across its five (5) undergraduate programmes, two (2) postgraduate diploma programmes, and newly approved programmes. This was in addition to the 1,200 students admitted in 2023, bringing the total enrolment to 3,724 made of degree programmes (2,721) and postgraduate programmes (1003).

Course content for these programmes was developed and digitized. Twelve new professional development courses were developed, digitized, and aligned to industry needs, supported by the integration of the LMS and ERP for seamless academic delivery and administration. Examinations were conducted online, following lecturers' training and mock sessions for students. The University held its inaugural graduation on 29 November 2024, awarding 78 Postgraduate Diplomas (57 in Leadership and Accountability, 21 in Learning Design and Technology). Nine new policies were approved by the Senate and Digital Library enhanced its resources growing to over 20 million. Student engagement initiatives included training eight (8) mentors who guided 66 trained mentees, establishing 11 clubs and societies where 128 students participated and advancing learner-led innovations toward commercialization. Marketing combined physical outreach with digital campaigns, with OUK participating in major national and county events to boost visibility.

During the 2024/2025 Financial Year, the Open University of Kenya (OUK) strengthened its capacity through expanded local and international partnerships with institutions such as IGNOU, the Commonwealth of Learning, the World Bank, the Open University of China, Donghua University, Howard University, KUCCPS, AHITI, KALRO, KNUT, and county governments. Key achievements included a tripartite agreement with the Open University of China and Donghua University to promote digital education, AI integration, and exchange programmes; hosting a Howard University delegation for an EdTech and Data Science initiative; and implementing two cohorts of the KIEP-SKIES Rapid Tech Skills Programme, graduating 68 students. OUK also formalized MOUs with KUCCPS, AHITI Ndongba, and the Bomet and Makueni county governments to support academic programme delivery, deepened collaboration with the Commonwealth of Learning for policy development. These partnerships expanded OUK's academic reach, strengthened resources, and enhanced operational capacity.

OUK conducted a comprehensive Quality Assurance Programme Self-Assessment in compliance with regulatory standards. Key achievements included the validation of academic programmes, alignment of curricula with the Competency-Based Education and Training (CBET) framework, and the implementation of both internal and external moderation of examinations. The University also integrated industry-specific needs assessments into curriculum design to ensure that programmes remain relevant and responsive to Labour market demands. These quality assurance measures reinforce OUK's commitment to delivering high-standard, market-relevant education.

Between the 2023/2024 and 2024/2025 financial years, the University's staff complement grew significantly from 43 to 82. In 2023/2024, the staff included four (4) in acting positions, twenty-nine (29) deployed from other institutions, and ten (10) on temporary appointments. By 2024/2025, this had shifted to a more stable structure comprising sixty-nine (69) staff on permanent and pensionable terms, one (1) deployed staff member, five (5) on temporary terms, and twelve (12) on contractual terms.

This marked increase reflects the University's strategic move from dependence on deployed personnel to building a stable, permanent workforce. A key development during this period was the appointment of senior management staff on contract, which effectively ended the reliance on acting roles in leadership positions. These changes have enhanced institutional stability and strengthened the foundation for sustained growth and development.



*Second Cohort of OUK- SKIES/KIEPS Students Graduation Ceremony held at Kenyatta University in April, 2025*



*OUK being awarded for outstanding application of ICTs in Digital Education Excellence on 11th December, 2024.*

**Open University of Kenya**  
**Annual Report and Financial Statements**  
**for the year ended June 30, 2025.**



*OUK, The Open University (UK) and KEMRI Strengthen Academic Ties in a consultative meeting held in March, 2025.*



*Public Lecture held on 28<sup>th</sup> January 2025 on harnessing global opportunities for Climate Action and Sustainable Development.*



*Postgraduate Diplomas graduands at the Inaugural Graduation Ceremony held on 29th November 2024*



*The Chancellor, Dr. James Mwangi, and the Vice Chancellor, Prof. Elijah Omwenga at the graduation ceremony*



*OUK Staff During Induction and Team Building held in February 2025 at Sweet Lake Resort, Naivasha*

## **9.2: Financial Performance**

The financial performance of the Open University of Kenya (OUK) for the year ended 30th June 2025 reflects its foundational phase of institutional development. During the year under review, the University's principal revenue stream was exchequer funding, supplemented by internally generated funds (Appropriation-in-Aid) primarily from tuition and related fees. Additional income was realized through externally mobilized resources from strategic partnerships and development collaborations.

For the reporting period, the University received an exchequer allocation amounting to **Ksh 476,522,337** against 502,000,000 received in 2023/2024 Financial Year. Internally generated revenue from student fees totals **Ksh 123,448,500** which is a growth compared to Ksh 25,522,500 recorded in the previous year. Furthermore, there was improvement in external sources of research and collaborations which posted **Ksh 2,841,639** compared with previous year's amount of Ksh 593,726. In the capital development budget, the university received a development fund grant of Ksh 250,000,000 – the same amount disbursed in the 2023/2024 Financial Year and combined in the disbursement for recurrent budget..

The University's financial sustainability remains contingent on timely disbursement of approved funds as it enhances revenue diversification through strategic partnerships and collaborations as well as increased students' enrolment.

## **9.3 University Assets**

During the Financial Year 2024/2025, the Open University of Kenya continues to invest in strategic fixed assets that are aligned with its mission as a fully virtual institution. The property, plant and equipment amount to Ksh 602,029,687 and are made up of office partitions (Ksh 7.1 million), motor vehicles (Ksh 31 million), furniture (Ksh 7.3 million), computers (21.2 million), plant and machinery (Ksh 15.1 million) and work-in progress of Ksh 519.7 million.

The reported work-in-progress primarily includes office partitioning and the ongoing implementation of ICT systems and infrastructure. In response to the increasing staff headcount, the University has secured additional office space on the ground floor of one wing in the current KoTDA building to accommodate the growing workforce. As of 30th June 2025, the office partitioning was 79% complete. Meanwhile, the implementation of the Digital Infrastructure – including the Enterprise Resource Planning (ERP) system and the Learning Management System (LMS), which are classified as intangible assets – had reached 56% overall completion. The ERP system is expected to digitize and streamline all core academic and administrative functions across the University.

The University presently operates within leased premises of KoTDA at Konza Technopolis City. The University is finalizing on the acquisition process to expand and accommodate more staff and operations at KoTDA building. On Land matters, the Board of Konza Technopolis Development Authority allocated two parcels of land to OUK on lease terms, US-001 and US-002, with an area of 8.665 and 8.691 acres, respectively. The land was initially allocated to the State Department for Higher Education and Research. The University is therefore in the process of transferring the land allocation from the state department to OUK.

#### **9.4 University Key Projects or Investments Decision Implemented or on-going**

The university is currently undergoing a significant investment in its digital infrastructure, which includes the implementation of a state-of-the-art Enterprise Resource Planning (ERP) system and a customized Learning Management System. This initiative is critical for achieving the university's mandate. As of 30th June 2025, the ERP system's overall implementation was 56% complete, and we are now progressing into the final year of the project. Although there were some initial delays in the foundation stages during 2023/2024 due to operational challenges and the unique requirements of OUK, the implementation is currently on-going as planned.

Furthermore, in the 2024/2025 financial year, a rigorous data migration process was completed for the now-operational modules to ensure the accuracy of historical records. User acceptance testing for the remaining modules is scheduled for the upcoming 2025/2026 financial year. The university has received a high level of engagement and positive feedback from department leads involved in this process, which is a promising sign towards the conclusion and the final stages of the project.

The OUK ERP system is already delivering tangible benefits by streamlining core business processes, enhancing data visibility, and enabling more informed, real-time decision-making across the organization. The successful end-to-end implementation of core academic modules highlights this progress. During the financial year, the university increased the number of services available on the e-citizen platform from 18 to 30.

#### **9.5 Compliance with Statutory Requirements and Other Financial Obligations**

During the reporting period FY2024/2025, the Open University of Kenya (OUK) maintained full compliance with payment of statutory obligations including timely tax remittance. However, an amount of Ksh 19,550,031 for pension contributions effective October 2024 to June 2025 was held in the university bank account as the procurement for an umbrella pension scheme was being conducted.

Annual statutory audits were conducted in accordance with the Public Finance Management Act, under the oversight of the Office of the Auditor-General. In addition to these audits,

systems for financial control and risk mitigation were actively monitored and periodic internal audits were undertaken to ensure accountability and transparency in financial management.

All procurement activities were conducted in full compliance with the Public Procurement and Asset Disposal Act with payments to contractors and suppliers done in accordance with the terms outlined in signed agreements and within the statutory timelines.

The University also aligned operations with quality assurance protocols and accreditation frameworks set by bodies such as the Commission for University Education (CUE), KUCCPS, University Fund (UF) and HELB.

### **9.6 Economic Sector Reviews**

The economy demonstrated resilience with a projected GDP growth of 5.3% for 2023, creating a favourable environment for OUK's digital education model. The government continues to invest in the education sector, prioritizing access and quality improvements. The higher education sector is evolving, with increasing emphasis on technology-driven education. This shift aligns with OUK's mission and presents both opportunities and challenges, including competition from traditional universities and other online platforms.

### **9.7 Future Developments**

Looking ahead, OUK focuses on its academic programme and professional courses expansion and enrolment growth to over 100,000 students by the end of 2026, improvement of the digital and learning infrastructure, quality assurance, community outreach, research and innovation. These developments position OUK as a leader for learner-centred and technology driven higher education in Kenya.

### **9.8 Major Risks**

The Council of Open University of Kenya is aware of activities that could expose the institution to several risks, hence hampering smooth operations. Various mitigating measures have therefore been put in place internally as well as externally as highlighted:

#### **i) Public Perception and Awareness**

OUK is addressing low public perception and slow uptake of online degrees through focused awareness campaigns, alumni engagement, and employer endorsements to build credibility.

#### **ii) Capacity building and Staffing**

To bridge the gap in trained online facilitators, OUK is implementing skilling and reskilling programs alongside flexible training incentives.

**iii) Student Retention/Completion**

To improve student retention and completion, OUK is enhancing learner support, mentorship, and academic engagement tracking to address challenges of self-paced learning and financial constraints.

**iv) Technology Advancement**

To keep pace with rapid technological advancements, OUK is adopting modular, scalable systems and scheduling regular technology reviews

**v) Remote Digital Access**

Digital access remains a key challenge for OUK, with limited connectivity and devices among remote

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

### **10.1 Sustainability Strategy and Profile**

The University is committed to environmental sustainability, aligning its efforts with global, regional and national frameworks such as the United Nations Sustainable Development Goals (SDGs), African Union Agenda 2063, Kenya's Green Economy Strategy (GESIP) and the Environment Management and Coordination Act.

In the Financial Year 2024/2025, OUK expanded its sustainability agenda in line with Kenya's Bottom-Up Economic Transformation Agenda (BETA), the Climate Change (Amendment) Act, 2023, and commitments made during the 2023 Africa Climate Summit. To mark World Environment Day 2025, the University led a tree-planting initiative in collaboration with local schools around Konza Technopolis. Additionally, OUK introduced a new bachelor's degree in Agri-Technology and Food Systems to equip learners with skills to address climate change and food security.

OUK's strategy supports the global shift toward low-carbon, inclusive and resilient economies. It is informed by international sustainability frameworks such as the Global Reporting Initiative (GRI), the Talloires Declaration, and the Higher Education Sustainability Initiative (HESI). The University contributes to key SDGs, including SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities), SDG 13 (Climate Action), and SDG 15 (Life on Land). Sustainability is embedded in OUK's academic programmes, digital infrastructure, institutional operations and community outreach.

As a virtual institution, OUK minimizes its environmental impact through fully online, paperless learning and efficient digital operations. Achievements include participation in national tree planting campaigns with partner schools and the development of climate-responsive academic offerings. However, challenges remain. These include limited digital access for students in remote areas and inadequate support for learners with disabilities. In response, OUK is investing in improved digital accessibility and inclusive learning tools. The University also upholds sustainability through its Service Charter, which promotes transparent and inclusive service delivery. In adherence to public procurement laws, OUK prioritizes sourcing from local suppliers and businesses owned by youth, women, and Persons with Disabilities (PWDs). A supplier registration notice issued in July 2025 reaffirmed this commitment.

## **10.2 Environmental Performance**

OUK adheres to global, regional, and national environmental legislations, including the United Nations Sustainable Development Goals (SDGs), the African Union Agenda 2063, and Kenya's Environmental Management and Coordination Act (EMCA), Climate Change Act 2016, and the Green Economy Strategy and Implementation Plan (GESIP). In response to the Government's directive to plant 15 billion trees by 2032, OUK formed a committee to drive tree-planting and growing initiatives, creating and maintaining green spaces at the Konza Technopolis using sustainable materials in construction and renovation.

The University is advancing environmental sustainability through practical initiatives in its operations and community outreach. Key actions include automation of systems to reduce paper use, provision of waste sorting bins, regular vehicle maintenance to lower carbon emissions and the adoption of green, energy-efficient buildings with natural lighting.

To support Kenya's goal of planting 15 billion trees by 2032, OUK established a Tree Planting and Propagation Committee. During the reporting period, the University partnered with six local schools—Malili Primary, Konza Techno city Secondary, Konza ABC Secondary, Konza Plainsview, Katumani Primary and Katoloni Primary—to plant 5,000 seedlings. Staff also participated in growing trees in their home areas. In collaboration with KALRO-Katumani, the University initiated three nurseries to support biodiversity.

The University is aligning with national efforts to advance green skills and sustainable development through its participation in the Alliance for Greening Skills and Opportunities (AGSO), a multi-stakeholder platform coordinated by the Ministries of Education, Environment and Labour. On 12th June 2025, OUK participated in the AGSO Survey Resource Mapping at Deloitte and Touche. The University is in the process of formally joining AGSO to contribute to the National Green Skills Gap Baseline Survey.

Challenges include the University's arid location, limited recycling infrastructure and low engagement in sustainability practices. To address these, OUK is forging strategic partnerships to drive innovation and reinforce its commitment to climate action, ecological restoration and sustainable development.



*Staff and local primary school pupils participating at a tree planting exercise in commemoration of the World Environment Day on 5<sup>th</sup> June, 2025.*

### **10.3: Employee Welfare**

University prioritizes employee welfare by fostering a fair, inclusive, and supportive work environment that upholds legal compliance, promotes employee development, and ensures occupational safety. This has been achieved through the following strategies:

The University has demonstrated a strong commitment to diversity and inclusivity, particularly by promoting equitable representation in its recruitment processes. This is evident in the proactive pursuit of gender balance in hiring and targeted efforts to attract people with disabilities (PWDs), in line with statutory requirements. OUK has established a Gender Committee and Disability Mainstreaming Committee, alongside regular training and sensitization programs for staff to promote awareness and inclusivity.

To strengthen governance and operational efficiency, the University has developed Human Resource instruments aligned with relevant laws, regulations, and sector-specific guidelines. It also places a strong emphasis on staff induction and onboarding, coupled with ongoing professional and skills development opportunities, to nurture talent and enhance institutional capacity.

Furthermore, OUK has implemented a robust performance management system, including structured staff appraisals to ensure accountability, recognition, and career growth within the institution. In line with its commitment to health and safety, the University has taken deliberate steps to comply with the Occupational Safety and Health Act (OSHA) of 2007.

This includes providing a conducive working environment equipped with adequate office infrastructure, appropriate equipment, and access to safe drinking water – ensuring staff well-being and productivity.

#### **10.4 Marketplace Practices**

##### **i) Competition Practices**

The University is committed to fostering a culture of integrity and ethical behaviour. This includes adhering to national and international anti-corruption standards, implementing robust internal controls, and promoting ethical decision-making at all levels. Staff, faculty, and students are expected to uphold these standards, with regular training and awareness programs conducted to reinforce compliance.

The University champions fair competition by ensuring transparency and fairness in all operational aspects, including admissions, research grants, procurement, and partnerships. Equal opportunity policies are strictly enforced to prevent discrimination and favouritism, supporting a diverse and inclusive academic environment. Recruitment and selection processes are standardized to uphold meritocracy and fairness.

All competitive processes, such as bidding for contracts, are conducted transparently, with clear criteria and documentation. Regular audits and oversight by internal and external bodies help ensure accountability, prevent conflicts of interest, and uphold the University's reputation for integrity.

While competing for excellence and recognition, the University actively collaborates with other institutions through joint research, academic exchanges, and sector-wide initiatives. This approach encourages knowledge sharing, innovation, and sectoral growth, aligning with broader national development goals.

##### **i) Supply Chain Management Services and Supplier Relations**

The University is dedicated to conducting all procurement activities openly and fairly, guided by the Public Procurement and Asset Disposal Act of 2015 and the Regulations of 2020. These laws help us ensure transparency, competitiveness, and integrity throughout every stage of the process, from planning to contract management.

We strongly believe in fostering a culture of honesty and ethical behaviour across the institution. To support this, we follow both national and international anti-corruption standards by implementing solid internal controls and encouraging ethical decision-making.

All university staff, faculty, and students are expected to uphold these principles. We reinforce this commitment with regular training and awareness programs that emphasize the importance of compliance and integrity. Our goal is to create a transparent environment where everyone understands their role in preventing corruption and maintaining high ethical standards.

#### **ii) Marketing and Advertisement**

OUK commits to honest and transparent marketing practices that accurately represent its programs, achievements, and values. All promotional materials are designed to provide truthful information, avoiding exaggeration or misrepresentation, to build trust with prospective students, partners, and the community.

Maintaining a strong, cohesive brand identity is central to our marketing efforts. The University ensures that all communications – digital, print, or multimedia – align with its core values, mission, and strategic goals. Consistence in branding enhances recognition and reinforces the institution’s reputation.

The University leverages digital channels, including social media, websites, and online advertising, to engage with stakeholders effectively. These platforms facilitate real-time communication, community building, and feedback gathering, making our outreach more dynamic and interactive. Marketing campaigns are planned and evaluated based on data analytics and market research. This approach allows us to optimize resource allocation, measure impact, and adapt strategies to emerging trends and stakeholder preferences.

#### **v) Product Stewardship**

OUK maintains transparent records of its programmes, consultancy services, and research outputs. Regular audits and reporting processes ensure accountability and support the continuous improvement of academic delivery, consultancy engagements, and research initiatives. All programmes, consultancy activities, and research projects comply with relevant national and international standards, including quality, ethical, and regulatory requirements. The University is committed to ensuring that its offerings are relevant, reliable, and beneficial to learners, stakeholders, and the wider community, while safeguarding societal well-being and promoting sustainable development.

### **10.5 Corporate Social Responsibility**

University remains steadfast in its commitment to Corporate Social Responsibility (CSR), with a strong focus on environmental sustainability, education and public engagement. To support the Government of Kenya’s goal of planting 15 billion trees by the year 2032, OUK established

a Tree Planting and Propagation Committee to coordinate reforestation efforts. During the reporting period, the University partnered with six local schools – Malili Primary, Konza techno city Secondary, Konza ABC Secondary, Konza Plainsview, Katumani Primary and Katoloni Primary – and successfully planted over 5,000 tree seedlings. Staff members also supported the initiative by planting trees in their home areas. In collaboration with KALRO-Katumani, the University established tree nurseries to support biodiversity and provide seedlings for future planting exercises.

In addition to its environmental initiatives, OUK has expanded its CSR efforts through educational outreach and public engagement. The University is currently offering fully sponsored Professional Development Courses to the public as part of its contribution to societal well-being. These free short courses include *Mental Health Awareness* aimed at equipping participants with the knowledge and skills to support mental wellness in communities and *Business Modelling for Entrepreneurs* which provides aspiring and early-stage entrepreneurs with practical tools to develop and sustain viable businesses.

The University has also hosted several public lectures that have enriched knowledge sharing among staff, students and the broader community. Some of the notable lectures held during the reporting period include *'Role of Youthful Population in a Global Economy: Threats and Opportunities'* delivered by an expert from the Central Bank of Kenya, *'Harnessing Global Opportunities for Climate Action and Sustainable Development'* in collaboration with an advocate for Climate Smart Agriculture (CSA) among others. These forums have provided valuable insights and stimulated critical dialogue on pressing issues affecting society and education environmental activities in schools.

## **11. Report of the Council**

The Council Members submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the Open University of Kenya affairs.

### **i) Principal activities**

The principal activity of the university is to provide higher education and disseminate knowledge through teaching, training, research, extension, outreach, innovation and digital transformation.

### **ii) Results**

The results of the university for the year ended June 30, 2025, are set out on page 1.

### **iii) Council Members**

The members of the Council Members who served during the year are shown on page xvi. The Council members were appointed on 3rd August 2023 and no member retired/resigned within the period of reporting.

### **iv) Surplus remission**

The university does not fall under category 3 and hence did not remit any surplus during the year (FY 2024/2025, Kshs nil) to the Consolidated Fund.

### **v) Auditors**

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

By Order of the Council



**Prof. Elijah Omwenga**  
**Vice-Chancellor/Secretary to the Council**

## **12. Statement of Council Member Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and section 47 of the Universities Act, 2012(Regulations 2023) require the Council to prepare financial statements in respect of the university, which give a true and fair view of the state of affairs of the university at the end of the financial year and the operating results of the university for that year. The Council members are also required to ensure that the university keeps proper accounting records which disclose with reasonable accuracy the financial position of the university. The Council members are also responsible for safeguarding the assets of the university.

The Council members are responsible for the preparation and presentation of the university's financial statements, which give a true and fair view of the state of affairs of the university for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the university.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safeguarding the assets of the university.
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Council members accept responsibility for the university financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and (Universities Act, 2012). The Council members are of the opinion that the university financial statements give a true and fair view of the state of university transactions during the financial year ended June 30, 2024, and of the university financial position as at that date.

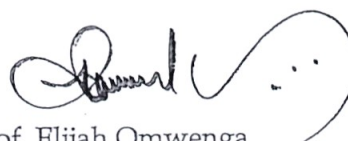
The Council members further confirm the completeness of the accounting records maintained for the university, which have been relied upon in the preparation of the university financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Council members to indicate that the university will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The university financial statements were approved by Council on 25<sup>th</sup> August 2025 and signed on its behalf by:



Prof. Ezra Maritim  
Chairperson of Council



Prof. Elijah Omwenga  
Vice-Chancellor

# REPUBLIC OF KENYA



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## REPORT OF THE AUDITOR-GENERAL ON OPEN UNIVERSITY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2025

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### PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 Open University of Kenya set out on pages 1 to 35, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net

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

In my opinion, the financial statements present fairly, in all material respects the financial position of Open University of Kenya as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the University Act, 2012 and the Public Finance Management Act, 2012.

### **Basis Opinion**

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

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects actual expenditure amount of Kshs.572,407,760 against actual receipts of Kshs. 643,979,500 resulting to under absorption of Kshs.71,571,740 or approximately 11% of the actual receipts.

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

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

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

### **Other Information**

The Management is responsible for the Other Information set out on pages viii to liv which comprise of Key Entity Information and Management, The Chancellor and University Council, Key Management Team, Chair of Council Statement, Report of the Vice-Chancellor, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and

Sustainability Reporting, Report of the Council and Statement of Council Members Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the University's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution and based on the audit procedures performed, I confirm that 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 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of a Procurement Policy Manual**

The University does not have a Procurement Policy and Procedures Manual or a Service Charter to guide procurement operations in the procurement department. Although

Management explained that plans are underway to develop and implement comprehensive procurement guidelines and a Service Charter, the draft Procurement Policy and Procedures Manual were not provided for audit review.

In the circumstances, absence of critical documents results in lack of standardized process, operational inefficiencies and potential noncompliance with procurement laws and regulations.

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 controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### **Responsibilities of the Management and University Council**

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

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

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

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

The University Council is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

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


My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

In conducting the audit, Article 229(6) of the Constitution also require that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

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

**Nairobi**

**06 November, 2025**

## 14. Statement of Financial Performance for the year ended 30 June 2025

Particulars	Note	2024/2025	2023/2024
<b>Revenue from Non-Exchange Transactions</b>		<b>Kshs</b>	<b>Kshs</b>
Transfers from other government entities	6	476,522,337	502,000,000
<b>Sub-Total</b>		<b>476,522,337</b>	<b>502,000,000</b>
<b>Revenue from Exchange Transactions</b>			
Rendering of good & services	7	126,290,139	26,116,226
<b>Sub-Total</b>		<b>126,290,139</b>	<b>26,116,226</b>
<b>Total Revenue</b>		<b>602,812,476</b>	<b>528,116,226</b>
<b>Expenses:</b>			
Use of Goods and Services	8	234,356,798	91,642,581
Employee costs	9	217,139,695	98,846,606
Council Expenses	10	18,872,070	9,763,830
Depreciation	11	14,577,627	2,883,205
Repairs and maintenance	12	1,048,136	383,024
Contracted Services	13	-	-
<b>Total Expenses</b>		<b>485,994,326</b>	<b>203,519,247</b>
<b>Surplus/(Deficit) for the year</b>		<b>116,818,150</b>	<b>324,596,979</b>

The notes set out on pages 7 to 34 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 38 were signed on behalf of the Council by:



Prof. Elijah Omwenga  
**Vice-Chancellor**

Date: 9/10/2025



CPA Daniel Kimaiyo  
**Finance Officer**  
 ICPAK M/No: 12579

Date: 9/10/2025




Prof. Ezra Maritim  
**Chairman of Council**

Date: 9/10/2025

## 15 Statement of Financial Position as at 30 June 2025

Particulars	Notes	2024/2025	2023/2024
ASSETS		Kshs	Kshs
<b>Current Assets:</b>			
Cash and cash equivalents	14	161,100,871	128,689,935
Receivables from exchange transactions	15	91,286,546	8,596,214
Inventories	16	10,457,219	5,052,399
Prepaid Expenses	17	174,975	97,791
<b>Total Current Assets</b>		<b>263,019,611</b>	<b>142,436,339</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	18	602,029,687	282,147,169
Intangible Assets			
<b>Total Non-Current Assets</b>		<b>602,029,687</b>	<b>282,147,169</b>
<b>Total Assets</b>		<b>865,049,298</b>	<b>424,583,507</b>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Trade and other payables	19	67,070,157	33,565,355
Prepayments and Refundable Deposits	20	3,532,219	5,002,104
Current Provisions	21	73,563,721	55,317,186
<b>Total Current Liabilities</b>		<b>144,166,096</b>	<b>93,884,644</b>
<b>Non-Current Liabilities</b>			
Non-Current Liabilities			-
<b>Total Non- Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>144,166,096</b>	<b>93,884,644</b>
<b>Net Assets</b>		<b>720,883,201</b>	<b>330,698,863</b>
<b>Prepresented by:</b>			
<b>Revaluation Reserve</b>		29,468,073	6,101,884
Government Grants/Reserves		250,000,000	-
Accumulated Surplus		441,415,128	324,596,979
<b>Net Assets</b>		<b>720,883,201</b>	<b>330,698,863</b>

The financial statements set out on pages 1 to 38 were signed on behalf of the Council by:



Prof. Elijah Omwenga  
**Vice-Chancellor**

Date: 9/10/2025



CPA Daniel Kimaiyo  
**Finance Officer**  
 ICPAK M/No: 12579

Date: 9/10/2025



Prof. Ezra Maritim  
**Chairman of Council**

Date: 9/10/2025

### 16. Statement of Changes in Net Assets for the year ended 30 June 2025

Description	Ordinary Share Capital	Revaluation Reserve	Fair Value Adjustment Reserve	Retained Earnings	Capital Development Grants/Fund	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
As at July 1, 2024	-	6,101,884	-	324,596,979	-	330,698,863
Issued new capital						-
Revaluation gain		23,366,189				23,366,189
Transfer of excess depreciation on revaluation						-
Deferred tax on excess depreciation						-
Fair value adjustment on investments						-
Surplus/ deficit for the year				116,818,150		116,818,150
Capital/ development grants received during the year					250,000,000	250,000,000
Transfer of depreciation/ amortization from capital fund to retained earnings						-
As at June 30, 2024	-	29,468,073	-	441,415,128	250,000,000	720,883,201

**Notes to Statement of Changes in Net Assets:**

- i) Experts from the State Department for Housing and Urban Development valued the assets amounting to Ksh 27,988,730 that had been supplied by the Ministry of Defense in 2023.
- ii) USAID donated furniture and lap top computers to OUK all valued at Ksh 1,479,343.
- iii) The Government of Kenya disbursed funds amounting to Ksh 250 million for the ongoing Capital Development project.

## 17. Statement of Cash Flows for the year ended 30 June 2025

Particulars		2024/2025	2023/2024
	Note No.	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfer from other government entities	6	476,522,337	502,000,000
Revenue from Exchange Transactions	7	50,075,510	23,475,844
Revenue for Research projects & Collaborations		19,564,540	-
<b>Total receipts</b>		<b>546,162,386</b>	<b>525,475,844</b>
<b>Payments</b>			
Use of Goods and Services	8	223,280,238	61,864,374
Employee costs	9	206,258,076	76,993,653
Council Expenses	10	18,340,454	7,524,293
Repairs and maintenance	12	1,016,887	383,024
Contracted Services	13	-	-
Unpresented Cheques			
<b>Total payments</b>		<b>448,895,655</b>	<b>146,765,344</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>97,266,731</b>	<b>378,710,500</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets	22	(314,855,795)	(250,020,565)
Proceeds from sale of PPE			
Purchase of investments			
Sale of investments			
<b>Net cash flows from/(used in) investing activities</b>		<b>(314,855,795)</b>	<b>(250,020,565)</b>
<b>Cash flows from financing activities</b>			
Capital Development Grants from GOK		250,000,000	-
Repayment of borrowings			
Proceeds from issue of shares			
<b>Net cash flows from financing Activities</b>		<b>250,000,000</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; Cash equivalents</b>		<b>32,410,936</b>	<b>128,689,935</b>
Cash and Bank Balances as at 1 July		128,689,935	-
Cash and Bank Balances as at 30 June		<b>161,100,871</b>	<b>128,689,935</b>

### 18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025

Particulars	Original Budget (A)	Adjustments (B)	Final Budget (C=A+B)	Actual On Comparable Basis (D)	Performance Difference (E=C-D)	% Utilization
	Ksh	Ksh	Ksh	Ksh	Ksh	%
Rollover from 2023/2024 Budget	39,848,692	1,318,332	41,167,024	41,167,024	-	100
<b>INCOME:</b>						
Grants From National Government- Recurrent	470,296,968	6,225,369	476,522,337	476,522,337	-	100
Tuition Fees and Related Charges	167,688,952	(56,688,954)	110,999,998	123,448,500	12,448,502	111
Externally Generated Funds	9,000,000	(7,000,000)	2,000,000	2,841,639	841,639	142
<b>TOTAL INCOME</b>	<b>686,834,612</b>	<b>(56,145,253)</b>	<b>630,689,359</b>	<b>643,979,500</b>	<b>13,290,141</b>	<b>102</b>
<b>EXPENDITURE</b>						
Purchase of Non-Current Assets	82,000,000	9,818,797	91,818,797	86,413,434	5,405,363	94
Personnel Costs	248,199,728	(33,745,993)	214,453,735	217,139,695	(2,685,960)	101
Council Expense	20,000,000	3,000,000	23,000,000	18,872,070	4,127,930	82
Use of Goods and Services						
<i>Academic Expenses:</i>	223,000,548	(38,048,054)	184,952,494	154,825,650	30,126,844	84
<i>Administrative Costs:</i>	72,076,872	13,180,000	85,256,872	73,623,849	11,633,023	86
<i>Utilities</i>	6,300,000	(2,500,000)	3,800,000	1,662,605	2,137,395	44
<i>Insurance Expenses</i>	17,460,000	(4,500,000)	12,960,000	4,244,694	8,715,306	33
Total Use of Goods and Services	318,837,420	(31,868,054)	286,969,366	234,356,798	52,612,568	82
Maintenance Expenses	4,000,000	(1,650,000)	2,350,000	1,048,136	1,301,864	45
Depreciation & Amortization Expenses	11,597,461	-	11,597,461	14,577,627	(2,980,166)	126
Contracted services	2,200,000	(1,700,000)	500,000	-	500,000	-
<b>SUB TOTAL-OPERATIONS &amp; MAINTENANCE</b>	<b>356,634,881</b>	<b>(32,218,054)</b>	<b>324,416,827</b>	<b>268,854,631</b>	<b>55,562,196</b>	<b>83</b>
<b>GROSS EXPENDITURE</b>	<b>686,834,612</b>	<b>(56,145,252)</b>	<b>630,689,359</b>	<b>572,407,760</b>	<b>58,281,599</b>	<b>91</b>
<b>SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>	<b>71,571,740</b>		

**Notes to Budget Comparison Report:**

- i) **Council expenses 82%**- The lower spending results from inadequate time to have training for two Council Committees of; Finance, Infrastructure, Human Resources and Planning; and Academic, Research and Linkages Committees.
- ii) **Academic Expenses (84)**- The less spending was contributed by lesser budget absorption in research expenses (0%), capacity building for academic staff (40%), payment for external examiners (86%), admission expenses (61%) and accreditation expenses (60%). The university activities were more active in curriculum development, content development and digitization. Majority of the accreditation expenses were paid for in 2023/2024 Financial Year with only for due for payment under 2024/2025 Financial Year budget.
- iii) **Administrative cost (88%)**- There was less spending in corporate social responsibility (32%), fuel for motor vehicles (76%), cleaning materials (34%) and subscriptions with licences (29%). All these were due to efficient utilization and financials controls except for corporate social responsibility activities where the focus was more on outreach in order to market for academic programmes while creating impact to the community.
- iv) **Utilities (44%)**- This expenditure cluster is for water, electricity and internet. The university joined the membership of Kenya Education Network (KENET) in the third quarter for provision of internet services. The budget for internet is Ksh 2.8 million but only Ksh 1,213,970 was spent being payment of services for the third and the fourth quarter only.
- v) **Insurance expenses (33%)**- The major expenditure under this category is staff medical cover at Ksh. 3,288,417 and comprehensive motor vehicle insurance at Ksh. 756,277. The lower spending is attributed to the non-acquisition of Group Life Cover and WIBA for staff. The university has procured an umbrella pension scheme that will enable the provision of the insurance cover while WIBA could not be implemented owing to non-recruitment of staff at a junior requiring the type of insurance.
- vi) **Maintenance expenses (45%)**- The major expense in this category was maintenance of motor vehicles amounting to Ksh 859,786 and buildings amounting to Ksh 124,021. All the other assets were in good working condition hence the underspent.

## **19. Notes to the Financial Statements**

### **1. General Information**

Open University of Kenya is established by and derives its authority and accountability from the Universities Act, 2012 (revised in 2016). The university is wholly owned by the Government of Kenya and is domiciled in Kenya. The university principal activity is to provide higher education and generate knowledge through teaching, training, research, extension, outreach, innovation and digital transformation.

### **2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the university accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the university. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### **3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

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

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

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

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Standard	Effective date and impact:
	<p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><i>This new standard does not affect the university financial reporting.</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>This new standard does not affect the university financial reporting.</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>This new standard does not affect the university financial reporting.</i></p>
<p>IPSAS 46 Measurement</p>	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>This new standard does not affect the university financial reporting.</i></p>

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<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 47- Revenue	<i>Applicable 1<sup>st</sup> January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. <i>This new standard will not affect the university financial reporting.</i>
IPSAS 48- Transfer Expenses	<i>Applicable 1<sup>st</sup> January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. <i>This new standard will not affect the university financial reporting.</i>
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1<sup>st</sup> January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. <i>This new standard will not affect the university financial reporting.</i>

*iii. Early adoption of standards*

The university did not early adopt any new or amended standards in the financial year.

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Fees, taxes and fines**

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

### **Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the university and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

### **ii) Revenue from exchange transactions**

#### **Rendering of services**

The university recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

#### **Sale of goods**

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

#### **Interest income**

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

#### **Dividends**

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

#### **Rental income**

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

### **b) Budget information**

original budget for the Current FY was approved by the National Assembly on 18<sup>th</sup> July 2024. Subsequent revisions or additional appropriations were made to the approved

budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the university upon receiving the respective approvals in order to conclude the final budget. Accordingly, the university recorded reduction of Ksh 56,145,252 on the 2024/2025 budget following the approval by Council.

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

**c) Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the University operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences

will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable University and the same taxation authority.

#### *Sales tax*

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

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### **d) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**e) Property, plant and equipment**

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

**f) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the University will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the University. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**g) Intangible assets**

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

**h) Research and development costs**

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

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

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

**i) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The university does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the university's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the university measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

The university classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the university's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless the university has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

Based on the business model and the cash flow characteristics, the university classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

**Amortized cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are

recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

#### **Fair value through surplus or deficit**

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the university manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

#### **Impairment**

The university assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The university recognizes a loss allowance for such losses at each reporting date. The university has not invested in financial assets hence there is no ECL reported.

### **b) Financial liabilities**

#### **Classification**

The university classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

#### **j) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the

ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

**k) Provisions**

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**l) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The university recognizes a social benefit as an expense for the social benefit scheme at the same time that it recognizes a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the university will incur in fulfilling the present obligations represented by the liability.

**m) Contingent liabilities**

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

**n) Contingent assets**

The University does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

**o) Nature and purpose of reserves**

The University creates and maintains reserves in terms of specific requirements.

**p) Changes in accounting policies and estimates**

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

**q) Employee benefits**

**Retirement benefit plans**

The University provides retirement benefits for its employees and senior management. Defined contribution plans are post-employment benefit plans under which the University pays fixed contributions into a separate University (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**r) Foreign currency transactions**

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

**s) Borrowing costs**

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

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

**t) Related parties**

The university regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the university, or vice versa. Members of key management are regarded as related parties and comprise the Council, Vice-Chancellor and Deputy Vice-Chancellors.

**u) Service concession arrangements**

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

**v) 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.

**w) Comparative figures**

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

**x) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made:

**Estimates and assumptions.**

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

**Useful lives and residual value**

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

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

Fixed assets will be depreciated on a straight-line basis according to the rates below:

<b>Category</b>	<b>Rate</b>
• Buildings and Partitions	2%
• Computers	33.3%
• Furniture and Fittings	12.50%
• Motor Vehicles	25%
• Plant, Equipment and Machinery	15%

No depreciation charge shall be made on work in progress (WIP).

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**6. Transfers from Other Government entities**

<i>Description</i>	<b>2024/2025</b>		<b>2023/2024</b>
	<i>Actual Cash Transaction</i>	<b>Amount Ksh</b>	<b>Audited</b>
Transfers from other governments - gifts and services-in-kind			
Operational grant	476,522,337	476,522,337	502,000,000
<b>Total</b>	<b>476,522,337</b>	<b>476,522,337</b>	<b>502,000,000</b>

This is an operational grant to support the university operations.

**7. Rendering of Goods and Services**

<i>Description</i>	<b>2024/2025</b>		<b>2023/2024</b>
	<i>Actual Cash Transaction</i>	<b>Amount Ksh</b>	<b>Audited</b>
Tuition fees and related charges	50,075,510	123,448,500	25,522,500
<b>Others- Externally generated funds:</b>			
<i>Commonwealth of Learning</i>	782,149	782,149	
<i>SKIES-KIEPS Project</i>	5,037,676	503,768	593,726
<i>Institute of Engineers of Kenya</i>	528,000	52,800	
<i>USAID Close out Plan</i>	6,041,715	785,423	
<i>Fund Inn Development (FID-AFD)</i>	7,175,000	717,500	
<b>Sub Total Other Income</b>	<b>19,564,540</b>	<b>2,841,639</b>	<b>593,726</b>
<b>Total Revenue from Exchange Transactions</b>	<b>69,640,049</b>	<b>126,290,139</b>	<b>26,116,226</b>

The actual cash transaction for externally generated funds reflects the total amount received; however, the university recognizes as income only the contribution component, as specified in the MOUs. The remaining funds are utilized directly for implementing research or collaboration activities.

**8. Use of Goods and Services**

<b>Description</b>	<b>2024/2025</b>		<b>2023/2024</b>
	<b>Actual Cash Transaction</b>	<b>Amount Ksh</b>	<b>Audited</b>
<b>8.i Academic Expenses</b>			
Field Course and Attachment Expenses			
Admission Expenses	608,663	608,663	22,500
KUCCPS Expenses			2,097,000
Accreditation Expenses- CUE	1,608,000	1,803,000	1,349,000
Examination Expenses- Including Academic Board and Senate	1,428,365	1,239,400	1,452,615
External Examiners	-	600,000	
Student Welfare, Development/Student Activity	101,000	101,000	
Student Union	10,400	10,400	25,900
Research expenses			

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Description	2024/2025		2023/2024
	Actual Cash Transaction	Amount Ksh	Audited
Laboratory Materials, B(TechEd)			
Teaching Practice			
Library Expenses	24,377,261	21,510,191	6,353,625
Communication to Stakeholders/Public Participation	100,000	547,564	
Collaborations & Partnerships	9,858,052	5,118,852	47,600
Postage and Courier	26,625	17,887	8,285
Capacity Building- Academic	257,691	395,648	96,250
Policy Development and Materials	6,290,544	5,963,946	4,146,092
Teaching Materials	2,594,186	2,643,599	
Graduation expenses	4,778,918	4,777,034	
Curriculum Development and Digitization	98,697,968	109,488,466	24,211,530
<b>Sub-Total Academic expenses</b>	<b>150,737,673</b>	<b>154,825,650</b>	<b>39,810,397</b>
<b>8. ii. Administrative Expenses</b>			
Carriage, Insurance & Freight			
Bad & Doubtful Debts			
Part Time Teaching Staff	7,732,870	20,626,901	2,420,000
Corporate Social Responsibility	154,190	317,190	
Newspapers & Periodicals			
Tender Processing Costs	649,716	673,185	549,630
Crockery and Utensils	24,390	48,650	101,576
Software, Licenses, Renewals & Connectivity	2,967,221	3,498,221	2,845,712
Refined Fuel, Oil and Lubricants	1,435,724	1,435,724	1,132,352
Advertisements, Promotions & Publicity	8,449,891	10,271,920	7,316,535
Trade Shows and Exhibitions	1,370,095	1,480,785	
Bank Charges and Commissions	143,015	143,015	41,873
Cleaning Materials and Detergents	403,675	403,317	150,433
Subscriptions, License & Affiliation Expenses	235,650	144,450	41,950
Hospitality and Office Refreshments	807,510	889,473	358,554
Extra-Curricular (Team Building Activities)	3,790,515	3,553,560	2,709,100
Surveillance and Quality Assurance		-	
Monitoring & Evaluation- including PC & Strategic Plan	3,138,110	577,328	5,990,240
Capacity Building- Staff Training	1,845,995	3,159,741	2,149,876
Rent, Rates	9,260,942	9,260,942	8,043,430
Communication Costs including Petty Cash	1,118,408	955,497	-
Enforcement and Compliance- Legal Expenses	750,000	1,700,000	260,000

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Description	2024/2025		2023/2024
	Actual Cash Transaction	Amount Ksh	Audited
Public Celebrations & Funerals	763,304	213,840	
Office Stationery, Printing	3,428,749	3,455,978	690,690
Travelling & Accommodation- Local Travel	7,205,306	5,940,286	3,809,771
Travelling & Accommodation- Foreign Travel			5,132,515
Seminars, Conferences & Workshops	4,691,539	3,441,907	2,392,811
Audit fees	750,000	750,000	
Staff Uniforms		3,740	
Contingency and Disaster Management			
Valuation of Assets	968,400	990,200	
<b>Total Admin. Expenses</b>	<b>62,085,214</b>	<b>73,935,849</b>	<b>46,137,048</b>
<b>8. iii. Utilities</b>			
Electricity Expenses	333,805	359,100	237,195
Water & Sewerage	48,075	89,535	13,160
Telephone, Mobile and Internet Services		1,213,970	24,499
<b>Sub-Total Utilities</b>	<b>381,880</b>	<b>1,662,605</b>	<b>274,854</b>
<b>8. iv Insurance Expenses</b>			
Property Insurance Expenses			
Medical Scheme Staff	9,119,193	3,288,417	5,420,282
Group Life Cover			
Group Accident Cover			
WIBA			
Comprehensive Motor Vehicle Insurance	956,277	956,277	
<b>Sub-Total Insurances</b>	<b>10,075,470</b>	<b>4,244,694</b>	<b>5,420,282</b>
<b>Total use of Goods and Services</b>	<b>223,280,238</b>	<b>234,668,798</b>	<b>91,642,581</b>

**9. Employee Costs**

Description	2024/2025		2023/2024
	Actual Cash Transaction	Amount Ksh	Audited
Basic Salary	96,165,680	101,239,121	37,675,632
House Allowance	31,414,212	33,071,541	12,839,828
Transport Allowance	20,287,824	21,358,155	10,013,226
Other Personal allowances	31,084,058	32,723,969	23,365,015
Gratuity	3,036,299	3,196,486	1,561,118
Employers NSSF	2,010,158	2,116,208	350,928
Employers Pension Contributions	15,844,835	16,680,766	4,718,783
Leave Allowance	1,601,509	1,686,000	852,000
Settlement Allowance		-	6,676,600

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Description	2024/2025		2023/2024
	Actual Cash Transaction	Amount Ksh	Audited
Passage and Baggage Allowance	1,611,687	1,696,715	-
Casual Labour/ Wages	511,506	538,492	211,624
National Industrial Training Authority (NITA)	33,863	35,650	10,450
Affordable Housing Levy- 1.5% Gross Pay	2,656,445	2,796,592	571,402
<b>Total Employee Costs</b>	<b>206,258,076</b>	<b>217,139,695</b>	<b>98,846,606</b>

**10. Council Expenses**

Description	2024/2025		2023/2024
	Actual Cash Transaction	Amount Ksh	Audited
Honoraria	2,064,181	2,199,180	2,121,208
Sitting Allowance	5,631,274	5,765,176	2,343,000
Accommodation and Subsistence	6,303,803	6,282,600	3,312,400
Mileage Allowance	1,881,165	2,004,195	671,759
Other Council Expenses	2,460,031	2,620,919	894,600
Board Insurance		-	420,864
<b>Total Council expenses</b>	<b>18,340,454</b>	<b>18,872,070</b>	<b>9,763,830</b>

**11. Depreciation and Amortization expense**

Description	2024/2025		2023/2024
	Actual Cash Transaction	Amount Ksh	Audited
Depreciation - Buildings/Partitions		145,964	
Depreciation - Plant & Equipment		2,541,150	286,035
Depreciation - Furniture & Fittings		1,084,590	215,000
Depreciation - Motor Vehicle		2,019,722	
Depreciation - Computer Hardware		8,786,200	2,382,170
Amortization - Computer Software			
<b>Total Depreciation</b>		<b>14,577,627</b>	<b>2,883,205</b>

**12. Repairs and Maintenance**

Description	2024/2025		2023/2024
	Actual Cash Transaction	Amount Ksh	Audited
Buildings & Stations	78,667	124,021	
Computers and other Electronics			8,300
Motor Vehicles	863,321	859,786	374,724
Road Maintenance and Grounds			
Furniture and Fittings	21,500	52,329	
Plant and Equipment	53,399	12,000	
<b>Total Repairs and Maintenance</b>	<b>1,016,887</b>	<b>1,048,136</b>	<b>383,024</b>

**13. Contracted Services**

The university did not spend the budgeted amount on contract services since it utilized casuals for cleaning and security.

**14. Cash and Cash Equivalents**

Particulars	2024/2025	2023/2024
Collections accounts	69,541,455	21,916,535
Current/operations accounts	88,969,326	106,226,428
Others: E-Citizen Portal, petty cash and imprests	2,590,090	546,972
<b>Total</b>	<b>161,100,871</b>	<b>128,689,935</b>

**Detailed Analysis of Cash and Cash Equivalents**

Particulars	Account Number	2024/2025	2023/2024
<b>a) Collection accounts</b>			
Equity Bank- PSSP	0600284659964	47,512,064	10,164,150
Equity Bank- GSSP	0600284659950	21,393,020	11,752,385
Absa Bank- USD	2053736575	636,371	
<b>Total collection accounts</b>		<b>69,541,455</b>	<b>21,916,535</b>
<b>b) Current account:</b>			
Equity Bank	0600284659906	75,512,807	106,226,428
Co-operative Bank	01101498477001	13,456,519	
<b>Total Current/Operation accounts</b>		<b>88,969,326</b>	<b>106,226,428</b>
<b>c) Others:</b>			
E-Citizen Portal		1,510,760	546,972
Petty Cash		93,580	
Un-surrendered Imprest		985,750	
<b>Total- others</b>		<b>2,590,090</b>	<b>546,972</b>
<b>Grand Total</b>		<b>161,100,871</b>	<b>128,689,935</b>

**15. Receivables from Exchange Transactions**

Description	2024/2025 Kshs	2023/2024 Kshs
Student Debtors	91,286,546	8,596,214
Less: Provision for doubtful debts	-	-
<b>Net Receivables from Exchange Transactions</b>	<b>91,286,546</b>	<b>8,596,214</b>

**Ageing Analysis of Receivables from Exchange Transactions**

Description	2024/2025 Kshs		2023/2024 Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	91,286,546	100	8,596,214	-
Between 1-2 years		-	-	-

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Description	2024/2025 Kshs		2023/2024 Kshs	
Between 2-3 years		-	-	-
Over 3 years		-	-	-
<b>Total (a+b)</b>	<b>91,286,546</b>	<b>100</b>	<b>8,596,214</b>	<b>-</b>

**16. Inventories**

Description	2024/2025 Kshs	2023/2024 Kshs
Promotional Materials	907,818	1,721,590
Stationery	6,364,214	1,730,775
Cleaning and Kitchen Materials and toiletries	271,058	6,960
Uniforms and Clothing	1,854,000	756,774
Tools	191,200	28,450
Drinking Water	-	5,850
Electronics	868,930	802,000
<b>Total Inventories</b>	<b>10,457,219</b>	<b>5,052,399</b>

**17. Prepayments**

Description	2024/2025 Kshs	2023/2024 Kshs
Prepaid fuel	174,975	97,791

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**18. Property, Plant and Equipment**

Cost	Land	Office Partitions	Motor vehicles	Furniture and fittings	Computers	Plant, Equipment and Machinery	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Net Booka Value 30 June 2024	-	-	-	1,505,000	4,771,495	1,620,865	274,249,809	282,147,169
Cost as at 1st July 2024	-	-	-	1,720,000	7,153,665	1,906,900	274,249,809	285,030,374
Additions	-	7,298,200	33,415,838	6,956,723	31,272,451	17,118,102	268,664,360	364,725,674
Disposals	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	(6,020,565)	(1,042,000)	(23,202,963)	(30,265,528)
As at 30 <sup>th</sup> June 2025	-	7,298,200	33,415,838	8,676,723	32,405,551	17,983,002	519,711,206	619,490,520
Depreciation And Impairment								-
As at 1st July 2024	-	-	-	215,000	2,382,170	286,035	-	2,883,205
Depreciation	-	145,964	2,019,722	1,084,590	10,791,048	2,697,450	-	16,738,776
Impairment	-	-	-	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	(2,004,848)	(156,300)	-	(2,161,148)
Depreciation 2024/2025	-	145,964	2,019,722	1,084,590	8,786,200	2,541,150	-	14,577,627
Depreciation As at 30 <sup>th</sup> June 2025	-	145,964	2,019,722	1,299,590	11,168,371	2,827,185	-	17,460,833
Net Book Values:								-
As at 30 <sup>th</sup> June 2025	-	7,152,236	31,396,116	7,377,133	21,237,180	15,155,817	519,711,206	602,029,687

**Note to Property, Plant and Equipment**

- The university is implementing digital infrastructure, including ERP and LMS, under a Ksh 950 million contract signed on July 20, 2023. As of June 30, 2025, Ksh 470 million had been paid and recorded as WIP.
- As of June 30, 2025, the university reported asset valuation of Ksh 27,988,730 for items procured under the Ministry of Defence contract. This included 50 computers transferred from the Ministry of ICT, prompting a Ksh 6,020,565 adjustment to avoid duplication. An additional Ksh 1,042,000 adjustment was made for equipment already accounted for to prevent double reporting.
- The university received donation of furniture worth Ksh 792,623 and lap top computers worth Ksh 686,720 from USAID.

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**Details of Work in Progress 30th June, 2025**

<b>PARTICULARS</b>	<b>AMOUNT (KSH)</b>
Payment for ERP system Year 1 Phase 1	470,000,000
Intangibles- Digital Library resources	1,046,846
Provision of Access Control, Surveillance and Biometric System	837,790
Supply and Delivery of Laptops	2,369,870
Supply of Furniture for Ground Floor Space	8,498,894
Partitioning of Ground Floor Offices	36,957,806
<b>Total Work-in Progress</b>	<b>519,711,206</b>

**19. Trade and Other Payables**

<b>Description</b>	<b>2024/2025</b>	<b>2023/2024</b>		
	<b>Kshs</b>	<b>Kshs</b>		
Other payables	24,807,343	11,822,427		
Payroll outstanding	27,591,428	6,193,130		
Payroll due to other universities	2,329,172	14,548,916		
Project Funds	12,342,214	1,000,882		
<b>Total</b>	<b>67,070,157</b>	<b>33,565,355</b>		
<b>Ageing analysis:</b> (Trade and other payables)	<b>2024/2025</b>	<b>% of the Total</b>	<b>Comparative FY</b>	<b>% of the Total</b>
Under one year	67,070,157	100	33,565,355	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>67,070,157</b>	<b>100</b>	<b>33,565,355</b>	<b>100</b>

**20. Refundable Deposits and Prepayments from Students**

<b>Description</b>	<b>2024/2025 Kshs</b>	<b>2023/2024 Kshs</b>
Student Prepayments	3,532,219	4,464,000
Refundable Deposits	-	538,104
<b>Total</b>	<b>3,532,219</b>	<b>5,002,104</b>

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Ageing analysis	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	3,532,219	100	5,002,104	100
1-2 years	-	-	-	-
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>3,532,219</b>	<b>100</b>	<b>5,002,104</b>	<b>100</b>

**21. Current Provisions**

Description	Leave provision	Bonus provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	1,561,118	53,756,068	55,317,186
Additional provisions	-	-	3,196,486	70,587,014	73,783,500
Provision utilized	-	-	(1,780,898)	(53,756,068)	55,536,966
Change due to discount and time value for money	-	-	-	-	-
Transfers from non-current provisions	-	-	-	-	-
<b>Total provisions year end</b>	-	-	<b>2,976,706</b>	<b>70,587,014</b>	<b>73,563,721</b>

The university contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The university obligation under the scheme is limited to specific contributions legislated from time to time and is currently 6% of the basic salary with a maximum of Ksh. 2,160 per employee per month. Other than NSSF the university also has a defined contribution where Employees contribute while employers contribute 20% of basic salary. The contributions from employees and employer have been kept in the university bank account and recorded as a liability. This is for the reason that at the time of reporting, the university had not concluded the procurement of an umbrella pension scheme. Employer contributions are recognized as expenses in the statement of financial performance within the period they are incurred.

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**22. Cash Used to Purchase Property, Plant and Equipment:**

<b>Particulars</b>	<b>2024/2025</b>	<b>2023/2024</b>
Computers, software's & Accessories	14,319,263	20,565
Digital Infrastructure and ERP System	220,000,000	250,000,000
Purchase of Motor vehicle	33,415,838	
Purchase of Furniture	1,763,300	
Office Partitioning	36,957,806	
Plant Equipment and Machinery	8,399,588	
<b>Total Cash used for Property, Plant and Equipment</b>	<b>314,855,795</b>	<b>250,020,565</b>

**23. Financial Risk Management**

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

**i) Credit risk**

The university has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the Council. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the university's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

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

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Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
<b>As at 30th June 2025</b>				
Receivables from exchange transactions	91,286,546	91,286,546		
Receivables from non-exchange transactions	-	-		
Bank balances	161,100,871	161,100,871		
<b>Total</b>	<b>252,387,417</b>	<b>252,387,417</b>		
<b>As at 30 June 2024</b>				
Receivables from exchange transactions	8,596,214	8,596,214		
Receivables from non-exchange transactions	-	-		
Bank balances	128,689,935	128,689,935		
<b>Total</b>	<b>137,286,149</b>	<b>137,286,149</b>		

### Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the university has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The university does not have any significant concentration of credit risk. The Council sets the university's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

#### ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council who have built an appropriate liquidity risk management framework for the management of the university's short, medium and long-term funding and liquidity management requirements. The university manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the university under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

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Description	Less than 1 month Kshs	Between 1-3 months Kshs	Over 5 months Kshs	Total Kshs
<b>As at 30th June 2025</b>				
Trade payables	32,805,151	14,715,513		47,520,664
Current portion of borrowings	-	-	-	-
Provisions	70,587,014	-	2,976,706	73,563,721
Deferred income	3,532,219	-	-	3,532,219
Employee benefit obligation	-	-	19,572,786	19,572,786
<b>Total</b>	<b>106,924,384</b>	<b>14,715,513</b>	<b>22,549,492</b>	<b>144,189,390</b>
<b>As at 30th June 2024</b>				
Trade payables	18,002,780	-	14,548,915	32,551,695
Current portion of borrowings	53,756,086	-	1,561,118	55,317,186
Provisions	5,002,104	-	-	5,002,104
Deferred income	-	-	1,013,659	1,013,659
Employee benefit obligation	76,760,970	-	17,123,692	93,884,644
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**iii) Market risk**

The University has put in place an internal audit function to assist it in assessing the risk faced by the University on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The University's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the University's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

The University has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The University manages foreign exchange risk from future commercial transactions and recognized assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**b) Interest rate risk**

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

**iv) Capital Risk Management**

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

Description	2024 / 2025 Kshs	2023/ 2024 Kshs
Revaluation Reserve	29,468,073	6,101,884
Capital Reserve/Government Grants	250,000,000	-
Retained Earnings	441,415,128	324,596,979
<b>Total Funds</b>	<b>720,883,201</b>	<b>330,698,863</b>
Total Borrowings	-	-
Less: Cash and Bank Balances	(161,100,871)	(128,689,935)
Net Debt/(Excess Cash and Cash Equivalents)	nil	-
Gearing	nil	-

**24. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

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

**Other related parties include:**

- (i) The Ministry of Education
- (ii) Commission of University Education
- (iii) Higher Education Loans Board
- (iv) Kenya University and Colleges Central Placement Service (KUCCPS)
- (v) Council

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Description	2024 / 2025 Kshs	2023 / 2024 Kshs
<b>Transactions with related parties</b>		
<b>a) Grants/transfers from the government</b>		
Grants from national govt	726,522,337	502,000,000
Grants from county government	-	-
Donations in kind	-	-
<b>Total</b>	<b>726,522,337</b>	<b>502,000,000</b>
<b>b) Key management compensation</b>		
Council emoluments	2,199,180	2,121,208
Compensation to key management	37,853,556	19,176,425
<b>Total</b>	<b>40,052,736</b>	<b>21,297,633</b>

**25. Events after the Reporting Period**

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

**26. Ultimate And Holding Entity**

The university is a Semi-Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**27. Currency**

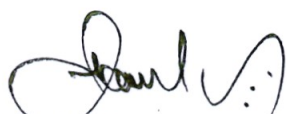
The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

## 20. Appendices

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

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved/Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
Basis of Conclusion	Lack of Risk Management Policy and Disaster Recovery Plan	The Risk Management Policy was prepared and approved by Council. The Disaster Recovery Plan is encompassed in the Risk Management Policy.	Resolved	Resolved



**Prof. Elijah Omwenga**  
**Vice-Chancellor**

**Date:** 9<sup>th</sup> October, 2025

**Appendix II: Projects implemented by the University**

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.

<b>Project title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period/duration</b>	<b>Donor commitment</b>	<b>Separate donor reporting required as per the donor agreement (Yes/No)</b>	<b>Consolidated in these financial statements. (Yes/No)</b>
Provision of Consultancy Services for the Design, Development, Installation, Operationalization, and Commissioning of ERP		GoK	3 years	Ksh 950 million	No	Yes

**Status of Projects completion (Ksh in millions)**

<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Source of funds</b>
Provision of Consultancy Services for the Design, Development, Installation, Operationalization, and Commissioning of ERP	950	470	56%	250	250	GoK

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**Appendix IV: Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent /Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
State	13-08-2024	Recurrent	117,574,242	117,574,242					117,574,242
Department for Higher Education	08-11-2024	Recurrent	117,574,242	117,574,242					117,574,242
	01/07/2025	Recurrent	117,574,242	117,574,242					117,574,242
	02-05-2025	Recurrent	117,574,242	117,574,242					117,574,242
	27-06-2025	Recurrent	6,225,369	6,225,369					6,225,369
	19/05/2025	Development			250,000,000				250,000,000
<b>Total</b>			<b>476,522,337</b>	<b>476,522,337</b>	<b>250,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>726,522,337</b>

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Appendix V- Inter-Entity Confirmation Letter


Name of Transferring entity: State Department for Higher Education

Name of Beneficiary entity: Open University of Kenya

Confirmation of amounts received by Open University of Kenya as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
5436110	13-08-2024	117,574,242	Nil	117,574,242	For July, August and September
5436110	08-11-2024	117,574,242	Nil	117,574,242	For October, November and December
54173622	01/07/2025	117,574,242	Nil	117,574,242	For January, February and March
54504942	02-05-2025	117,574,242	Nil	117,574,242	For April, May and June
5435216	27-06-2025	6,225,369	Nil	6,225,369	Meant for 2021-2025 CBA
54419986	19/05/2025		250,000,000	250,000,000	For Digital Infrastructure and ERP, Year 1 Phase 2 as per contract
<b>Total</b>		<b>476,522,337</b>	<b>250,000,000</b>	<b>726,522,337</b>	

I confirm that the amounts shown above are correct as of the date indicated.

CPA Margaret Kariuki Sign:  .....  
 Head of Accounts Department, State Department for Higher  
 Education and Research  
 Date: 20/8/2025

CPA Daniel Kimaiyo, Sign:  .....  
 Finance Officer,  
 Open University of Kenya  
 Date: 20/08/2025