

REPUBLIC OF KENYA

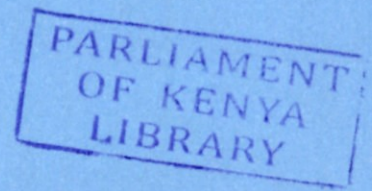


Enhancing Accountability

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DATE: 11 JUN 2024 **REPORT**
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THE AUDITOR-GENERAL

ON

MAASAI MARA UNIVERSITY

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



MAASAI MARA UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30TH JUNE 2023

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

Maasai Mara University
Annual Report and Financial Statements
for the year ended June 30, 2023.

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Managing Director
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor

B: Glossary of Terms

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

Comparative Year- Means the prior period.

2. Key Maasai Mara University Information and Management

(a) Background information

Maasai Mara University was incorporated/ established under the Universities Act 2012 on 11th February, 2013. Maasai Mara University is domiciled in Kenya and has no branches outside of the Main Campus.

Maasai Mara University is a public body corporate established by Charter as per The Universities Act 2012; the Charter was issued on 11th February, 2013. At Cabinet level, Maasai Mara University is represented by the Cabinet Secretary for Education who is responsible for the general policy and strategic direction of the University. Specifically, the University is under the Principal Secretary of University Education and Research. It has five Schools namely:

- 1) School of Business and Economics
- 2) School of Education
- 3) School of Pure, Applied and Health Science Sciences
- 4) School of Arts, Humanities, Social Sciences and Creative Industries
- 5) School of Natural Resources, Tourism and Hospitality

The University offers recognized academic programmes from Doctor of Philosophy, post graduate, under graduate, diploma, certificate and short training market driven courses. The current student enrolment is 10,438 students. The University is located approximately one kilometre off the Narok-Bomet highway, two kilometres from Narok town in Kenya and approximately 150 kilometres northwest of Nairobi City.

(b) Principal Activities

The University as per the Universities Act in Part III Sec 19 of the Universities Act, 2012 is mandated to:

- i) Provide directly or in collaboration with other institutions of higher learning, facilities for technological, professional and scientific education;
- ii) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- iii) Promotion of learning in the student body and society generally;
- iv) Promotion of cultural and social life of society;
- v) Support and contribution to the realization of national economic and social development;
- vi) Promotion of the highest standards in and quality of, teaching and research;
- vii) Education, training and retraining higher level professional, technical and management personnel;
- viii) Dissemination of the outcomes of the research conducted by the University to the general community;
- ix) Facilitation of life-long learning through provision of adult and continuing education;
- x) Fostering of a capacity for independent critical thinking among its students;
- xi) Promotion of gender balance and equality of opportunity among students and employees.
- xii) Promotion of equalization for persons with disabilities, minorities and other marginalized groups;
- xiii) Play a leading role in development and expansion of opportunities for technological and vocational institutions;
- xiv) Conduct examinations for and grant such academic awards as may be provided for in the statutes and to syndicate examinations for awards at other institutions as may be approved by the Senate;
- xv) Participate in commercial ventures and activities that promote the objectives of the institution.

In the discharge of its functions and the exercise of its powers under this Act, Maasai Mara University is guided by the national values and principles of governance set out under Article 10 of the Constitution.

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(c) Key Management

Maasai Mara University's day-to-day management is under the following key organs:

- a) The University Council
- b) The University Management Board
- c) The Senate

The members of key management of the University are as follows;

No.	Designation	Name
1.	The University Council	<ol style="list-style-type: none"> 1. Dr. Kennedy Ole Kerei – Chairman 2. Amb. Peter O. Nkuraiyia, CBS – Chair HR Committee 3. Mr. Abraham Kipkorir Koech – Alternate to CS Treasury 4. Mr. Lumbasi Wanikina Bartholomew – Alternate to PS MOE 5. CPA Dickson Shikanga – Chairman Finance Committee 6. Ms. Elizabeth Ayoo - Member 7. Dr. Susan Chebet, HSC - Member 8. Ms. Agnes Busienei – Chairman Academic and Sealing Committee
2.	Vice Chancellor	Prof. Peninah Aloo-Obudho
3.	Deputy Vice Chancellor – AF&S	Prof. James S. Nampushi
4.	Deputy Vice Chancellor – A&SA	Prof. Godrick M. Bulitia

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(d) Fiduciary Management

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

No.	Designation	Name
1.	Vice-Chancellor	Prof. Peninah Aloo-Obudho
2.	Ag. Deputy Vice-Chancellor (Admin., Finance & Strategy)	Prof. James S. Nampushi
3.	Deputy Vice-Chancellor (Academic, & Student Affairs)	Prof. Godrick M. Bulitia
4.	Registrar, Administration and Strategy	Mr. Samuel K. Partoip
5.	Registrar, Academic Affairs	Dr. Fredrick Otieno
6.	Finance Officer	CPA Skamo Loltianya
7.	Head of Health Services	Dr. Cleophas Serem
8.	Senior Legal Officer	Ms. Mercylene Njoroge
9.	Dean of Students	Mr. Mohamed A. Adan
10.	Acting University Librarian	Dr. Nancy Kimile

Key Maasai Mara University Information and Management (continued)

(e) Fiduciary Oversight Arrangements

The fiduciary oversight arrangement of the University is carried out by the University Council who carry out the oversight duties through the Council Committees. These committees are;

1. Finance, Strategy and Resource mobilization Committee,

- Management of University funds
- Assisting the Council in overseeing finance policy, procedures formulation and review Budgetary planning, review and recommend to Council for approval
- Review quarterly and annual financial statements and recommend to the Council for approval
- Resource mobilization and income generation policies.

2. Audit, Risk and Compliance committee

- Strengthening the independence, integrity, effectiveness of audit function.
- Internal controls procedures and policies so as to ensure efficiency and effectiveness,
- Reviewing issues raised by both internal and external audit
- Submitting quarterly and annual reports on internal controls to the Council,
- Ensuring proper books of accounts have been maintained,
- Ensuring compliance with statutory guidelines,
- Approval of annual audit work plans and reviewing risk management framework.
- Advice on risk identification, mitigation measures and effectiveness of internal control systems
- Oversees the operations of the council to ensure that the policies and procedures are adhered to.

3. Academic, Sealing and Honorary Degrees Committee

- Examines the format and content of the University's statutes,
- Deliberates on all matters pertaining to research and academic activities,
- Co-ordinating fund-raising activities for research,
- Advising on consultancies, technology transfers and intellectual property rights,
- Receiving and reviewing academic board papers,
- Recommending to the Council for award of honorary degrees
- Recommending to the Council on number of certificates to be sealed
- Receives and recommends to the Council academic policies.

4. Human Resource Committee

- Review and recommend to the Council all Human Resource policies
- Reviewing and recommending to the Council staff establishment and organization structure,
- Recommending terms and conditions of service, reviewing and recommending Collective Bargaining Agreements in consultation with Finance, Strategy and Resources committee,
- Recommending staff promotions and handling disciplinary matters

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Other oversight activities of the University are carried out by the Commission for University Education which performs quality assurance audits, Kenya Bureau of Standards who carry out ISO audits to ensure compliance with relevant ISO standards. The University is ISO 9001:2015. The Office of the Auditor General carries out both continuous and final external audits of the University while the Internal Audit function of the University ensures that the control environment is working with minimal risk exposure.

(f) Maasai Mara University Headquarters

Maasai Mara University,
P. O. Box 861 – 20500,
Narok County,
Narok, Kenya

(g) Maasai Mara University Contacts

Tel: (254) 020-5131400
Fax: 020-2066041
E-mail: info@mmarau.ac.ke
Website: www.mmarau.ac.ke

(h) Maasai Mara University Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
NAIROBI, KENYA

2. **Other Bankers**
 - i) **National Bank of Kenya,**
Narok Branch,
P. O. Box 238,
NAROK

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- ii) **Equity Bank Ltd.**
Narok Branch
P. O. Box 1023-20500,
NAROK

- iii) **Kenya Commercial Bank,**
Narok Branch,
P. O. Box 406-20500,
NAROK

- iv) **ABSA Bank,**
Narok Branch
P. O. Box 1073-20500,
NAROK

- v) **Co-operative Bank of Kenya,**
Narok Branch
P. O. Box 632-20500,
NAROK

Key Maasai Mara University Information and Management (continued)

(i) Independent Auditor




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

(j) Principal Legal Adviser




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

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3. The University Council

Ref	Council Members	Details
1.	 <p>Dr. Kennedy Ole Kerei <i>Chairman of the University Council</i></p>	<ul style="list-style-type: none"> ❖ DOB: 20th July, 1972 ❖ PhD (Educational Research and Evaluation) ❖ M.Ed. (Economics and Planning of Education) ❖ B.Ed. (Math) ❖ Former County Secretary (Kajiado County)
2.	 <p>CPA Dickson Shikanga <i>Independent Council Member</i> <i>Chairman – Finance, Strategy and Resources Committee</i></p>	<ul style="list-style-type: none"> ❖ Date of Birth - 26th September 1960 ❖ Master of Business Administration – JKUAT ❖ Bachelor of Business Management – Masinde Muliro University. ❖ CPAK ❖ Audit Manager -OAG ❖ Assistant Audit Manager - KENAO ❖ Senior Auditor – KENAO ❖ Auditor – KENAO
3.	 <p>Ms. Agnes Busienei <i>Independent Council Member</i> <i>Chairman - Academic Sealing and Honorary Degrees Committee (AS&HDC)</i></p>	<ul style="list-style-type: none"> ❖ Date of Birth –22nd February 1982 ❖ PhD student (Educational Administration) at the University of Nairobi ❖ Master Degree - Educational Administration, University of Nairobi, ❖ B ED Arts (English & Literature), University of Nairobi ❖ Served in Teachers Service Commission for over ten years

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4.	 <p>Amb. Peter O. Nkuraiya <i>Independent Council Member – Chairman Human Resource Committee</i></p>	<ul style="list-style-type: none"> ❖ DOB: 28th December, 1958 ❖ Executive MBA ❖ PGD (International Relations) ❖ BA ❖ Certificate – Public Service Commissions: Professionalism, Performance – Excellence ❖ Former Vice chair Public Service Commission
5.	 <p>Ms. Elizabeth Ayoo <i>Independent Council Member and Trustee to the University Pension Scheme</i></p>	<ul style="list-style-type: none"> ❖ Date of Birth -7th March 1981 ❖ LLM, University of South Africa ❖ LLB, Moi University ❖ Post Graduate Diploma in Law, Kenya School of Law, ❖ Diploma: Human Resources Management, Kenya Institute of Management
6.	 <p>Dr. Susan Chebet, PhD, HSC <i>Independent Council Member Chairperson - Audit Risk and Compliance Committees (ARCC)</i></p>	<ul style="list-style-type: none"> ❖ Date of Birth – 23rd April 1955 ❖ PhD in Environmental Studies (Human Ecology) ❖ 1993-1994: MSc. (HRD) The Victoria University of Manchester, UK. ❖ 1978-1981: University of Nairobi, Bachelor of Arts (2nd Class Honors) Government, ❖ 1976-1977: Attended Kipsigis Girls High School and obtained 3 principles and I subsidiary. ❖ 1972-1975: Kapkenda Girls High School ❖ 1965-1971: Chepketeret Primary School and obtained 24 points in CPE





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7.	 <p>Mr. Lumbasi Wanikina Bartholomew <i>Executive Council Member and alternate to the PS State Department of University Education and Research</i></p>	<ul style="list-style-type: none"> ❖ DOB: 6th January, 1978 ❖ PhD in Education (Planning) – ongoing ❖ M.Ed (Planning) ❖ MBA (Strategic Management) ❖ Deputy Council Member Education
8.	 <p>Mr. Abraham Kipkorir Koech <i>Executive Council Member and alternate to the CS National Treasury</i></p>	<ul style="list-style-type: none"> ❖ DOB: 21st April 1969 ❖ MBA (Strategic Management) ❖ Bachelor of Arts in Economics. ❖ Assistant Council Member Investment (National Treasury)
9.	 <p>Prof. Peninah Aloo-Obudho <i>Vice-Chancellor/Secretary to the Council</i></p>	<ul style="list-style-type: none"> ❖ Date of Birth 31st December 1960 ❖ Certificate – HELM – University of Kassel ❖ Dip HELM (GIMI) ❖ BED(SC) – Kenyatta University ❖ MSC Hydrobiology – U.o.N ❖ PhD – Fisheries Ecology - KU




4. Key Management Team;

	University Management Board Members	Details
1.	 <p>Prof. Peninah Aloo-Obudho <i>Vice-Chancellor/Secretary to the Council</i></p>	Vice Chancellor
2.	 <p>Prof. James S. Nampushi <i>BTM (Moi), MSc, PhD (Clemson)</i></p>	Ag. Deputy Vice-Chancellor (Administration, Finance & Strategy)
3.	 <p>Prof. Bulitia Godrick Mathews <i>BEd (UoN), MBA(UoN), PhD (Maseno)</i></p>	Deputy Vice-Chancellor (Academic& Student Affairs)

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4.	 <p>Dr. Otieno Fredrick <i>BSc (KU), MSc (UoN), PhD (JKUAT)</i></p>	Registrar, Academics Affairs
5.	 <p>Mr. Samuel K. Partoip <i>BEd, MSc (Moi), HND</i></p>	Registrar, Administration & Planning
6.	 <p>CPA Skamo Loltianya <i>MBA (UoN), BCom- Banking & Finance (Egerton), CPAK, CISA, CFA Level. II Student</i></p>	Chief Finance Officer
	 <p>Ms. Marcelene Njoroge <i>LLM (Strath.), LLB (Moi), Dip. Law (KSL)</i></p>	Ag. Chief Legal Officer

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7.	 <p>Dr. Nancy Kimile <i>PhD, BSc., MPhil. (Moi)</i></p>	Ag. University Librarian
8.	 <p>Dr. Cleophas Serrem <i>MD (Vitebsk State Medical University)</i></p>	Head, Health Sciences
9.	 <p>Mr. Mohammed Adan <i>BED(KU), MHRM(Moi), HND (HR) – KNEC</i></p>	Dean of Students

5. Chairman's Statement

This past year, the University has done a lot in executing and advancing its mandate. In addressing its funding gaps, the University continues sourcing for more funds from development partners especially for infrastructural development and to prudently utilize it.

In advancing its research role, the University jointly with Association of Social Work Education Kenya (ASWEK) hosted its 8th international research conference whose theme was: "Advancing sustainable development goals through social work education and practice". The conference attracted participants from various institutions of higher learning from a number of countries. The outcome of the conference culminated in collaboration and partnership with one of the participating institutions Millersville University, USA to undertake a number of activities in a binding Memorandum of Understanding. Further, the University came up with a book of abstracts that gives the University the global visibility.

The University in the year under review, in compliance with Universities Act 2012, Sec. 35(1)(a), under the leadership of the University Council undertook various initiatives to provide efficiency and effectiveness in service delivery by:

1. Promoting relevant and qualified teaching staff
2. Reviewing and approving the statutes 2022
3. Approving the policies of the University
4. Approving the budget, FY 2022/2023
5. Reviewing and approving the University staff establishment

In continued effort to improve the efficiency and prudent financial management, the University has streamlined and automated financial operations both payments and revenue. This is meant to ensure efficient and prudent management of limited financial resources by ensuring that there are no revenue leakages at the point of collection. In this regard, the University is exclusively using Safaricom M-Pesa buy goods till numbers to collect revenue from all income generating units. In furtherance of lean finance operations, the University closed several unnecessary bank accounts in Jamii Bora Bank, SBM bank, Bank of Africa, Co-operative and Equity Bank.

In furtherance of the above, the University has improved the interface of the Enterprise Resource Planning with the University bankers to efficiently and effectively improve real time operations.

In addition, the University obtained approval of the construction of the University Library by the National Treasury through the Ministry of Education at a cost of Kshs.500 million and the project is now eligible for budgetary allocation under the Ministry Capex budget.

This is a step forward in the implementation of the strategic focus area number 5 in our strategic plan on expansion of institutional infrastructure under strategic objective 5.1 which states "to develop and improve University Physical infrastructure." Finally, the University was also feted for its innovation efforts during the Kenya National Innovation Agency (KeNIA) innovations award 2021 for being the best institution of higher learning and individual innovation Awards.

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Challenges

The main challenge is funding where only 49% of the Differentiated Unit Cost amount was allocated to the University by the Universities Fund Board in line with the budgetary allocation by parliament. In the same regard the University has not been allocated infrastructure development budget for the last three years after the completion of the tuition block. Whereas, the University is grateful for the support received from the Ministry of Education and timely release of recurrent expenditure funds, our needs as a young University far outstretches the amount of financial resources allocated by the Ministry and the internally generated income. The University also continues to have an imbalance in staffing which is skewed towards administrative staff grappling with lower ratio of teaching staff vis-a vis the student enrolment with approximately 10,438 students against about 172 teaching staff. The ratio is far below Commission for University Education (CUE) recommendation.

Way forward

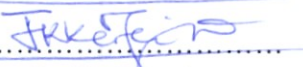
To surmount the above challenges, the University rationalized her academic programmes and provided strategies to revamp the existing ones. A clearer programme niche was developed in order for the University to realize her potential.

To address funding gaps, the University will continue sourcing more funds from development partners especially for infrastructural development which has faced significant reductions from the Government. The University will also endeavour to develop staff capacity in writing funding proposals and use of innovative ways to control energy costs.

Going into the future, the University will focus on introducing TVET courses as well as increase its offering of academic programmes for example introducing Agriculture with climate change component to attract students and funding from external partners.

The University in a bid to improve revenue generation will support viable commercial enterprises and industry linkages in order to enhance employability of the graduates from

Maasai Mara University family, to keep up the hard work which will spur the University to greater heights. May God bless you.


.....
Dr. Kennedy Ole Kerei
Chairman of the University Council

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6. Report of the Vice Chancellor

The University carried out her activities during the year in compliance with relevant laws, Acts of parliament, regulations and procedures. The objectives of these activities were centred around achievement of the University strategic plan 2019-2024 and core mandate of teaching, research and community outreach.

a) Academic Services

The University held its 10th Graduation ceremony on 16th December where 1540 graduates comprising of 780 male students and 760 female students distributed across the five different schools graduated with different degrees and diploma awards. The summary is as follows;

S/N	SCHOOL	MALE	FEMALE	TOTAL
1	School of Business and Economics,	285	232	517
2	School of Education,	202	268	470
3	School of Pure, Applied and Health Science Sciences,	112	60	172
4	School of Arts, Humanities, Social Sciences and Creative Industries	97	108	205
5	School of Natural Resources, Tourism and Hospitality.	84	92	176
	TOTALS	780	760	1,540

The 10th Graduation was a blend between virtual and physical in compliance with the Covid-19 guidelines.

b) Operational

The Management has continued to steward the limited financial resources within the tight fiscal circumstances to optimally deliver on the core mandate of the University and critical support services. The University has continued to meet payroll obligations with all statutory obligations that fall due having been met fully during the quarter. It is important to note that despite the financial difficulties, the University continues to make effort to deliver on Strategic Plan, 2019-24 indicators.

The University had the following major events in the fourth quarter of 2022/2023:

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i) Gazettement of the new University Council

The Cabinet Secretary for Education appointed and gazetted members of the new University Council to start a new term from May 2023 for a term of three years. The new University Council members are as follows;

1. Dr. Kennedy Ole Kerei – Chairman of the University Council
2. Amb. Peter O. Nkuraiyia, CBS – Chair HR Committee
3. Mr. Abraham Kipkorir Koech – Alternate to CS Treasury
4. Mr. Lumbasi Wanikina Bartholomew – Alternate to PS MOE
5. CPA Dickson Shikanga – Chairman Finance Committee
6. Ms. Elizabeth Ayoo – Pension Trustee & Council Member
7. Dr. Susan Chebet, HSC – Chair Audit and Risk Committee
8. Ms. Agnes Busienei – Chairman Academic and Sealing Committee

ii) Appointment of New Acting Vice Chancellor

The University welcomed a new Acting Vice Chancellor and Secretary to the University Council Prof. Peninah Aloo-Obudho. The new Acting Vice Chancellor was a substantive Deputy Vice Chancellor Academic and Student Affairs of Karatina University at the time of her appointment.

iii) Filing of Historical Corporate Tax Returns

The University has been constructively engaging the Kenya Revenue Authority and in the fourth quarter, the University received assistance from Kenya Revenue Authority staff to file Corporate returns from financial year 2016/2017 to date. The resultant tax liability from this process was assessed at **Kshs.14,138,304.00** including interest and penalties.

The University through this continuous and constructive engagement with the Kenya Revenue Authority was granted waiver of **Kshs.6,526,929.01** by the Commissioner for both interest and penalties thereby reducing the tax liability to **Kshs.7,611,374.99** which is the principle Corporate tax amount.

c) Collaborations and Linkages

The Directorate of Public Relations and Linkages is mandated to undertake various activities according to the University Strategic Plan, 2019-24, the Performance Contracting Targets, and the Annual Work Plan for the FY 2022/23.

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i) Progress of Activities in the FY 2022/2023

The Directorate of Linkages and Collaborations, under the Strategic Focus Area (SFA) 1: “To be a Centre of Excellence in environmental resource management and conservation”, is tasked to Initiate linkages, collaboration and partnerships with related institutions and organisations in the niche area. The Directorate initiated several linkages, collaboration and partnerships with institution sharing common interest as follows:

1. INTI International University
2. African Population and Health Research Centre (APHRC)
3. Vaal University of Technology (VUC), South Africa
4. Western Kentucky University, USA
5. University of Maryland, USA
6. Kisii University
7. UNIVERSIDADE DE SÃO PAULO, Brazil
8. Climate Change Action East Africa, (CCAEEA), on Climate Change, Food Security and Smart Hospital
9. AmaniHoiva Kenya Ltd, a subsidiary of AmaniHoiva Kotihoito Oy, a privately-owned Finnish company to offer trainings for Health Care Assistants (HCA).
10. Firm Bridge Limited, for installation of digital Information Screens and Wi-Fi zones at the University
11. Africa Psychological Support Institute
12. KEW Technology
13. Tampere University of Applied Sciences (TAMK)
14. KASNEB
15. Adamas University
16. Standard Media
17. OSOTUA Radio

These engagements are in different stages and cover different thematic aspects. Whereas some have on-going discussions, there are those which have MoUs developed and are in the process of being signed. These includes: TAMK, KASNEB, Adamas University, Standard Media, Universidade DE São Paulo, Brazil, and Kisii University amongst others.

ii) Signed Memoranda of Understanding

During the FY 2022/2023 under review, the University signed the following MoUs with partners and collaborators;

- i) MMARA-U and OSOTUA Radio
- ii) MMARA-U and Vaal University of Technology (VUC), South Africa
- iii) MMARA-U and Amani Hoiva Kenya Ltd, a subsidiary of Amani Hoiva Kotihoito Oy
- iv) MMARA-U and Africa Psychological Support Institute
- v) Firm Bridge Limited

d) Corporate Social Responsibility

Maasai Mara University was founded for public benefit, to promote education and knowledge, and to provide an institution open to all, irrespective of race, creed or political affiliation. It is a pioneering institution of higher learning in making University Education available to the communities living in the South Rift Valley of Kenya.

The University's Corporate Social Responsibility (CSR) policy sets out the guiding principles by which the University is run in order to fulfil its core mission. This policy brings together the ways in which the University ensures, at corporate level, that its activities are carried out ethically, sustainably and for the public benefit.

The CSR Policy is made up of three central pillars: People and Community, Finance and Economic Activity and Environmental Sustainability and Governance

In the financial year 2022-2023, the Directorate of Public Relations and Linkages participated in various Corporate Social Responsibilities (CSR) activities. It is during such events that the University gains unique sense of purpose and service through its physical presence in the Community. By engaging in these activities, it manifests its role in diverse areas of life, creating a more vibrant and caring community. Some of these activities were:

i) Mobilizing for participants for Training

The Directorate mobilised trainees and attended a Renewable Energy and Detergent Production Training organised by Directorate of Research and Innovation for 10 trainees from the immediate University external community encompassing women and youth from the entire Narok County.



Marjan Abdala, right and Fredrick Lugalia, left, from the Directorate of Research and Innovation with trainees during a training on renewable energies; biogas and briquettes fuel and detergent production.

ii) International Day of Democracy

The University hosted the Rift Valley Region Post Election Peace dialogue event organised by University and Colleges Student's Peace Association of Kenya (UCSPAK). This was a peace dialogue meeting. Dr. Stephen Jackson, United Nations Resident Coordinator, Kenya, was the chief guest.



Lankeu Reson, right, Director Public Relations and Linkages, Dr. Stephen Jackson, second right, United Nations Resident Coordinator, Prof. Francis Mburu, second left, Dean School of Natural Resources, Tourism and Hospitality Management and a UCSPAK, far left, following the proceedings.

The Directorate attended the Jesus Gospel Power Ministry event for mentorship program on 8-9th July 2022. The Directorate representative attended the opening ceremony for the Wildlife Training College of the Maasai Mara.

iii) World International Day of Persons with Disability

The Directorate representative joined other partners and stakeholders during the World International Day of Persons with Disability at Ole Ntimama Stadium, Narok. The theme of the year 2022 was: Transformative solutions for inclusive development: The role of innovation in fuelling an accessible and equitable world.

iv) World Aids Day

The Directorate joined a myriad of stakeholders in celebrating World Aids Day, Narok County. The event was held at Nairangie Enkare DEB Integrated Primary School, Keekonyokie Ward, Narok East. During this event, the Directorate presented donations of 300 Sanitary towels, and provided a bus for transport to the venue for the participants.



Hon. Patrick Ole Ntutu, Governor, Narok County presenting donations of sanitary towels from Maasai Mara University to a section of the girls during the World Aids Day, 2022.

v) Visit to Schools for Mentorship

The Directorate visited Secondary Schools in the financial year 2023-2024 for mentorship and marketing of the University programs. During the Secondary Schools visits, Maasai Mara University Staff sensitized and Mentored respective schools, distributed Sanitary Towels and tree seedlings as Corporate Social Responsibility (CSR). Some of the schools visited included Oloropil Mixed, Ole Ntimama Mixed, Sakutiek Mixed, Saleita Mixed, Mao Springs Secondary, Olesharo Girls, St. Antony Boys and Nturumeti Mixed, Mashuru High School, Elerai Girls High School, Sekenani Girls and Mau Secondary School.

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Madam Mercy Kirumba, left and Kelly Konchella, fourth right poses with a section of Sekenani girls Students with some of the tree seedlings donated during the visit.



Mao Spring students elated by donations of sanitary towels from the University. They were joined in the photo by their principal, left, a teacher fourth left and University representative Kelly Konchella, 3rd right and Anne Sinto, fourth right.

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e) Financial Performance

i) Revenue

The total revenue realized by the University during the year was **Kshs.1,464,021,351.13** compared to **Kshs.1,527,538,891.29** realized in the previous period. This is a 5% decline in revenue collection compared to prior year which however had three semesters. The revenue for the FY 2022/2023 is higher than the budget of **Kshs.1,420,337,864** which is attributable to slightly higher number of students as was projected during the budget process.

ii) Expenditure

The total expenditure of the University for the financial year ended 30th June 2023 is **Kshs.1,550,113,495.46** compared to **Kshs.1,506,204,942.03** in the previous financial year against budgeted **Kshs1,420,337,864** for the year 2022/2023. The University absorbed **100%** of the budget in line with the University Council approval of virements in the last quarter of the financial year to ensure maximum budget absorption. Employee costs remain the highest expenditure item at **Kshs.1,280,067,990.64** being **88%** of total revenue.

iii) Research grants and proposal writing

Research is one of the core functions of the University. The University has identified Environmental Resource Management and Conservation as its' overall niche focused towards attainment of the University Vision and Mission. To this end, the Research and Innovation Directorate has been mainstreamed and has been working in a coordinated manner with research teams to write proposals to fund raise. Thirteen teams from the teaching staff have been constituted where the Principal Investigators (PIs) were identified and given research calls to develop proposals. Several proposals are now at different stages of funding process.

iv) Regularization of the academic calendar

The 2021/2022 academic year commenced on 5th January 2022 and ended on 8 July 2022. The two semesters of the 2021/2022 academic year had a weekend break only and each ran for thirteen weeks to ensure that normalcy in University activities resume in September 2022.

In fully regularizing of the academic calendar, the next academic year is scheduled from 5th September 2022 and will run up to 28th April 2023; with each semester running for 15 weeks.

Similarly, the 2023/2024 Academic Year to commence with reporting of first year students slated for 2nd October 2023.

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Challenges

Over employment, shortage of academic staff, funding short falls and pending bills remains the biggest challenge facing the University and the University Management with the support of the University Council will explore ways of dealing with these challenges in a bid to bring down the wage bill and push up the numbers of academic staff, address funding short falls as well as securing financial resources to from the Ministry of Education to settle pending bills more particularly part lecturers liability and suppliers. Going forward, to address funding gaps, the University will encourage her academic staff to double their efforts in writing funding proposals aimed at getting adequate research grants for both technical and administrative functions of the University.

The University has already developed her niche programmes in the current Strategic Plan 2019-2024. This will therefore enable the University to refocus her energies towards these niche programmes with a view of obtaining market concentration hence more students. The content delivery to our students has changed with more emphasis on experiential learning. The University will work closely with the Universities Fund Board, Ministry of Education and the National Treasury to ensure that maximum funding for recurrent and capital expenditure budgets through the appropriate channels of engagement. The University will also focus on increasing the numbers of academic staff through various ways.

During the year under review, the Council received **Kshs.1,055,337,864.00** from the National Treasury through the Ministry of Education, State Department for Higher Education and Research where absorption rate was 100%.

Appreciation

This financial year has been quite a success and I thank the Almighty God for having brought us this far. Secondly, I thank the Government of Kenya for both recurrent and development capitations which have gone along away to alleviate our challenges. I also thank the University Council for their dedication and guidance on policy matters. The University Management Board, Senate and entire fraternity have put in a lot of effort in implementing policy matters. I thank them for their dedication. Lastly, I thank the local community for providing a conducive environment suitable for advancement of learning.



.....
Prof. Peninah Aloo-Obudho

Vice-Chancellor/Secretary to the Council
MAASAI MARA UNIVERSITY

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

As per Section 81 Subsection 2 (f) of the Public Finance Management Act, 2012, Maasai Mara University's performance against predetermined objectives in the strategic plan 2019-2024, is as follows; The strategic plan 2019-2024 has 8 strategic pillars and objectives within the current Strategic Plan for the FY 2022/2023. These strategic pillars are as follows:

- 1) To be a Centre of Excellence in Environmental Resource Management Conservation
- 2) Increase of University Visibility and Community Outreach Services.
- 3) Promote quality teaching, learning and training
- 4) Fostering of a Culture of Research, Innovation and Technology Development
- 5) Expansion of Institutional Infrastructure
- 6) Improvement of the productivity of the human resource
- 7) Enhancement of financial stability
- 8) Maintenance and Enhancement of ICT infrastructure

Maasai Mara University develops its annual work plans based on the above 8 pillars. Assessment of the Council's performance against its annual work plan is done on a quarterly basis. Maasai Mara University achieved its performance targets set for the FY 2022/23 period for its strategic pillars, as indicated in the table below:

2.1 Strategic Focus Area (SFA) 1: To be a Centre of Excellence in Environmental Resource Management Conservation

A total of 19 activities under different objectives of the SFA were under implementation as per the annual work plan. The overall performance of the SFA by the end of the Financial Year (FY) was 90.87%. Key highlights include; planting of 4150 trees under the green cover concept which was way below the target of 10,000. This indicator was affected by draughts experienced throughout the FY that affected tree planting activity. Implementation of the green cover concept in every constituency excellent with 3 constituencies covered in Narok County. The target of 3 schools under the green School's initiative was exceeded with 14 schools reached, further, more than the expected 5 mentorship programmes were conducted in the schools reached.

The mainstreaming of the niche area in student activities continue to be achieved under a common course taken by all students (ENS 2100) and involvement of students in the green cover concept. At least 17 linkages with relevant institutions / organizations in niche areas were initiated almost meeting

the target of 20. More than 9 fundable proposals were developed and at least 7 local exhibitions, conferences and workshops in the niche area were held in the FY meeting and exceeding targets in each case. Indicators in which progress was not realized at all include; Assessment of trees planted, adoption of Narok and Siyabei rivers, sensitization campaigns on green cover concept, and organization of funding races. The key weakness during implementation of the SFA was on poor or no budgetary allocation was made for most of the activities and overreliance on linkages and partnerships. The opportunity however is requested Council to strengthen resource mobilization with partners and lobby for increase of budgetary allocation to the University.

2.2 Strategic Focus Area (SFA) 2: Increase of University Visibility and Community Outreach Services.

A total of 16 activities of the SFA were under implementation during the FY. The overall performance of the SFA by the end of the FY was 92.35%. Key highlights include; the University's visibility continue to be enhanced through strong social media presence through maintenance of seven (7) social media platforms in addition to strengthening relationships with key media houses.(KBC, NTV, Citizen Radio and local FM stations). The University continues to advertise its programmes on National and East African Newspapers and from time to time, on National TV and constantly on Social media platforms. A number of linkages were established with leading media partners with two MOUs signed.

The University was also able to procure promotional materials including banners, brochures, t-shirts and caps. The University has continuously increased content in the University Website enabling it to improve from 74% to 82% according to AIOSEO/SEO analysis tool. The University has continued to offer Scholarships and bursaries with at least two hundred and thirty-one (231) students benefiting in the financial year. Corporate Social Responsibility activities conducted include donation of books and sanitary towels. Some of the indicators in which progress was not made include; Conducting of Open days, run documentaries and conducting of a market survey. The main challenge cited was budgetary constraints.

2.3 Strategic Focus Area (SFA)3: Promote quality teaching, learning and training

A total of 29 activities of the SFA were under implementation during the FY. The performance of the SFA by the end of the FY was 74.14%. Some of the best performing indicators include: Enhance

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rewards systems for students(through Graduate Assistant programs); Strengthening of Quality Assurance Systems(through monitoring of class attendance); Increase in number of students joining professional associations; Student participation in exhibition fairs; increase number of General Assemblies; Appointment of program leaders; Development of new programs; Signing of MoUs (Firm Bridge ltd, VAAL University, Health Care Assistant- Finland, Ilchamus Community- Baringo); Establishment of proposal writing teams; and Establishment of Clubs and societies. Indicators in which no progress has been made at all include: Adoption of technology in lecture delivery (ten smart boards targeted but not realized); Acquisition of relevant training software; and Career testing. The overriding challenge in achievement of indicators has been budgetary constraints while the biggest opportunity utilized is partnerships and linkages.

2.4 Strategic Focus Area (SFA)4: Fostering of a Culture of Research, Innovation and Technology Development

A total of 27 activities of the SFA were under implementation during the FY. The performance of the SFA by the end of the FY was 84.61%. Key highlights of the best performing indicators of the SFA include: Acquisition of e-resources; Training of staff on grant winning research proposals(13th April, 2023 and 3rd-4th may, 2023 respectively); Updating of anti-plagiarism software; increase in number of library reference materials; Number of innovations and patents; Technology transfer policy; Initiate partnerships and collaboration; Postgraduate seminars held; Annual International Conference; Academic seminar series; mobilization of research funds(Approximated at 94 million); and Facilitation of Staff and Students to attend Conferences and workshops. Some of the poorly performing indicators include: Allocation of Research funds (37.5%- 3million allocated out of a target of 8 million); Sourcing of Scholarships (17%- four realized out of thirty targeted); Facilitate Business incubation (20% proposal stage); and Establishment of Big Data Centre (formative stages). The overriding weakness as in the other SFAs is budgetary constraints and the biggest opportunity is collaborations and partnerships.

2.5 Strategic Focus Area (SFA) 5: Expansion of Institutional Infrastructure.

The only indicator under implementation in the SFA was Development of the Botanical Garden. The performance of the SFA by the end of the FY was rated 100%. The activities include: Propagation of seedlings in the tree nursery, the maintenance of the Botanical Garden as a recreational facility is an ongoing process and honey production on course with six (6) bee hives several catcher boxes and

twenty-seven (27) hives mobilized among staff. Most of the Infrastructural projects under the SFA were not planned for in the FY because of budget constraints.

2.6 Strategic Focus Area (SFA) 6: Improvement of the productivity of the human resource

A total of 5 activities of the SFA were under implementation during the FY. The performance of the SFA by the end of the FY was 90%. Key highlights of the best performing indicators include: Implementation of Interventions for gaps identified in the TNA (over 30 members of staff sponsored to attend training, four corporate trainings conducted on campus-fundable proposal development, financial ethics, and service charter); Conduct Leadership and Management Development (two University Management Board members attended strategic leadership training and one member won a training call sponsored by DAAD at the University of Oldenburg); Develop a Staff Establishment Document (document developed and approved by Council); and Review Implementation of Staff Establishment Document (Previous document reviewed and new document developed). The poorly performing indicator was 'team building initiative'

2.7 Strategic Focus Area (SFA) 7: Enhancement of financial stability

A total of 6 activities of the SFA were under implementation as per the work plan. The performance of the SFA by the end of the FY was 78.33%. Key highlights of the best performing indicators include: Establish Recreational facilities in the Botanical Garden; Enhance growth of the endowment fund (100 acres acquired through MoU with Ilchamus community approximate worth is 30 million); Train Staff on Financial Ethics (the University partnered with Standard Chartered Bank to conduct training); and Adherence to institutional budgets and budgetary control (Systems in place a budget vote system and the procurement plan). Indicators which performed poorly include: Sourcing of funds from philanthropist (Department of Défense was approached to help drill a borehole and a dam in Leshuta property for the university, so far only survey was conducted); Initiate PPP projects (One project in the formative stages 'KEW Technologies-MMARA-U and Narok County' – Waste Management and renewable energy project).

2.8 Strategic Focus Area (SFA) 8: Maintenance and Enhancement of ICT infrastructure:

A total of 3 activities of the SFA were under implementation as per the work plan in the FY. The performance of the SFA by the end of the FY was 100%. All the activities were fully implemented and they include: Enhance cyber security strategies (training of Key personnel); Conduct security

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awareness training for end users; Implement and maintain hardware and software essential for institutional information security (maintenance activities). Most under this SFA were not included in the work plan for the FY because of budget constraints.

3.0 Conclusion

The average performance of the SFAs was 88.79%. It is noted that most activities implemented were either low budget intensive and an actual allocation made or were sponsored by University partners. University Council is therefore requested to intensify the following activities:

- i. Seeking enhancement of exchequer funds;
- ii. Resource mobilization through partnerships, linkages and collaborations; and
- iii. Investments for IGAs and Cost Cutting.

8. Corporate Governance Statement

The University Council is the supreme governing body of the University. Its principal mandate is to oversee the activities and operations of Maasai Mara University on behalf of the Government of Kenya. In this, the University Council is concerned with the setting of broad policy directions for the University and to follow up on how such policies are being executed by management. As the reporting agency to Government, the Council is responsible for the approval of the budget and the performance contract. The Council is also considered as the employer on behalf of the Government of Kenya and the management thus only employs staff on behalf of the University Council. The Council is responsible for ensuring that there are adequate structures in place for the efficient and effective management of the University. The composition of the Council shall be as provided for in the Universities Act, 2012.

i) Members of the University Council

The University Council had the following Council Members in place during the reporting period:

1. Chairperson of Council – Dr Kennedy Ole Kerei
2. Five Independent Members appointed by Cabinet Secretary
 - i) Dr. Susan Chebet, HSC
 - ii) CPA Dickson Shikanga
 - iii) Ms. Agnes Busienei
 - iv) Amb. Peter Ole Nkurayia
 - v) Ms. Elizabeth Ayoo
3. Alternate to PS Education – Lumbasi Bartholomew Wanikina
4. Alternate to CS National Treasury – Abraham Koech
5. Vice-Chancellor – Ag. VC Prof. Peninah Aloo-Obudho

ii) Appointment and Removal of Council Members:

The appointment and removal of Council members is guided by the State Corporations Act 446 Part III Section 6.

iii) Council Committees

The University Council has established four Committees with specific terms of reference to exercise delegated responsibilities. The Committees are namely Finance, Strategy and Resource Mobilization, Academic, Sealing and Honorary degrees, Audit, Risk and Compliance and Human Resources Committees. The Maasai Mara University Council has four standing Committees in place as indicated below:

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iv) Committees of the University Council as at 30th June 2023

Name of Committee	Members and their roles
Finance, Strategy and Resources Committee	CPA Dickson Shikanga— <i>Chairman</i> 2. Ms. Agnes Busienei 3. Ms. Elizabeth Ayoo 4. Mr. Bartholomew Lumbasi 5. Mr. Abraham Koech 6. Ag. Vice-Chancellor-----Secretary
Academic, Sealing and Honorary Degrees Committee (Technical Committee)	1. Ms. Agnes Busienei — <i>Chairperson</i> 2. Amb. Peter Ole Nkuraiyia, CBS 3. Ms. Elizabeth Ayoo 4. Mr. Bartholomew Lumbasi 5. Mr. Abraham Koech 6. Ag. Vice-Chancellor-----Secretary
Audit, Risk and Compliance Committee	1. Dr. Susan Chebet, HSC — <i>Chairperson</i> 2. Amb. Peter Ole Nkuraiyia, CBS 4. Mr. Bartholomew Lumbasi 5. Mr. Abraham Koech 6. Chief Internal Auditor-----Secretary
Human Resource Committee	1. Amb. Peter Ole Nkuraiyia, CBS— <i>Chairman</i> 2. Dr. Susan Chebet, HCS 3. CPA Dickson Shikanga 4. Mr. Bartholomew Lumbasi 5. Mr. Abraham Koech 6. Ag. Vice-Chancellor-----Secretary

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v) Council Meetings

During the year there were eight full council meetings including special meetings. The Council Committee meetings were as follows:

vi) Attendance to Council Meetings by Members

During the year there were eight full council meetings including special meetings. The Council Committee meetings were as follows:

Name of Committee	Membership	Role	No of Meetings
Finance, Strategy and Resources Committee	1. FCS. Kinuthia Wamwangi, EBS	Chairman	6
	2. Dr. Benson Momanyi	Member	
	3. Mr. Lumbasi Wanikina Bartholomew	Member	
	4. Mr. Abraham Kipkorir Koech	Member	
	5. Prof. Joseph S. Chacha	Secretary	
Academic, Sealing and Honorary Degrees Committee	1. Dr. Benson Momanyi	Chairman	4
	2. Ms. Dorothy N. O. Kimeu, MBS	Member	
	3. Mr. Lumbasi Wanikina Bartholomew	Member	
	4. Mr. Abraham Kipkorir Koech	Member	
	5. Prof. Joseph S. Chacha	Secretary	
Audit, Risk and Compliance Committee	1. Ms. Dorothy N. O. Kimeu	Chairman	5
	2. Amb. P.O. Ole Nkuraiyia, CBS	Member	
	3. Mr. Lumbasi Wanikina Bartholomew	Member	
	4. Mr. Abraham Kipkorir Koech	Member	
	5. Head of Internal Audit	Secretary	
Human Resource Committee	1. Amb. P.O. Ole Nkuraiyia, CBS	Chairman	4
	2. FCS. Kinuthia Wamwangi	Member	
	3. Dr. Benson Momanyi	Member	
	4. Mr. Lumbasi Wanikina Bartholomew	Member	
	5. Mr. Abraham Kipkorir Koech	Member	
	6. Prof. Joseph S. Chacha	Secretary	

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Name of Committee	Membership	Role	No of Meetings
Appeals (Adhoc) Committee	1. Dr. Kennedy Ole Kerei	Chairman	0
	2. FCS. Kinuthia Wamwangi	Member	
	3. Ms. Dorothy N.O. Kimeu, MBS	Member	
Full Council	1. Dr. Kennedy Ole Kerei	Chairman	9
	2. FCS. Kinuthia Wamwangi, EBS	Member	
	3. Dr. Benson Momanyi	Member	
	4. Ms. Dorothy N.O. Kimeu, MBS	Member	
	5. Amb. P.O. Ole Nkuraiyia, CBS	Member	
	6. Mr. Lumbasi Wanikina Bartholomew	Member	
	7. Mr. Abraham Kipkorir Koech	Member	
	8. Prof. Joseph S. Chacha	Secretary	
Total Number of meetings			28

vii) Council Remuneration

The remuneration and expenses of the Chairperson and Members of the Council are guided by the State Corporations Act Cap. 446 and the provisions of the Universities Act 2012. The Chairperson of the University Council remuneration during the year was Kshs.80,000 per month as per the circular guiding remuneration of chairpersons of boards and Councils. The total Council expenses amounted to

Kshs.27,124,092.36 which is below the ceiling of **Kshs.30,000,000** per year as set out by SCAC.

viii) Council induction, Training and Development.

At the beginning of the term of each new University Council, the University Management Boards facilitates an induction training session that covers all the functional areas of the University. From time to time, the State Corporations Advisory Committee (SCAC) also conducts training for Council Members alongside board members of other State Corporations. These governance training provides Council members with the skills, clarity, and confidence they need to fully engage in University decision-making. These governance training also teaches Council members the basics of effective governance, including Council structures, bylaws, and resolutions as well as succession planning for the University Management.

ix) University Council Charter

The University Council Charter is a policy document that clearly defines the respective roles, responsibilities and authorities of the Council, both individually and collectively in setting the direction, the management and the control of the University. The University has a Council Charter in place and this guides the operations of the University Council in providing the essential oversight role to Management of the University.

x) Governance, Audit, Ethics and Conduct

The University Council' Governance, audit, ethics and conduct is entrusted to the State Corporations Advisory Committee (SCAC) which was established under section 26 of the State Corporations Act, Cap. 446. The functions of SCAC are stipulated under the State Corporations Act, Cap. 446.

Under Section 27 of the State Corporations Act, Cap 446, SCAC is required to advise on the matters and perform any function it is required by the Act. Additionally, it is required to:

- i) Review and investigate the affairs of State Corporations and make such recommendations to the President as it may deem necessary, with the assistance of experts where necessary.
- ii) Advise the President on the establishment, recognition, or dissolution of state corporations, in consultation with the Attorney General and the Treasury.
- iii) Advise on the appointment, removal or transfer of officers and staff of State Corporations, the secondment of public officers to State Corporations and the terms and conditions of any appointment, removal, transfer, or secondment, where necessary.
- iv) Examine proposals by State Corporations to acquire interests in any business or to enter into joint ventures with other bodies or persons or to undertake new business or otherwise expand the scope of the activities and advise thereon.

Under various other Sections of the Act, SCAC is required to advise:

- 1) The President on removal of a Board or any member of a Board of a State Corporation; including revocation of appointments, nomination of new members of the Board, or constitution of a new board. (Sec 7 -3)
- 2) The National Treasury on setting rules for the acquisition and disposal of assets (Sec 13-2)
- 3) The relevant Cabinet Secretary on:
 - i) Terms and conditions of service for the CEO and staff of respective State Corporations (Sec 5-3).

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- ii) Establishment of pension, gratuity superannuation, provident or other funds for the State Corporations employees and their dependents (Sec 5-4)
- iii) Appointment of alternate members to the Boards (Sec 6-4)
- iv) Approval of meeting venues other than the registered office (Sec 8-1c); and
- v) Establishment of committees of the board (Sec 9)

xi) The Role of Senate in Governance

The Senate forms part of the overall governance framework of the University. Its mandate is derived from the Universities Act (2012) 35 (1) and the University Charter. The Senate is responsible to Council for all academic matters of the University. The Senate exercised the following powers and duties during the year: -

- a) Satisfied itself regarding the content and academic standard of courses offered at the University;
- b) Classified students for graduation by vetting their results and ensuring due process was followed.

xii) The Role of Management Board and the Vice-Chancellor in Governance

As the Vice Chancellor of the University, the Vice-Chancellor is both the Chief Academic Officer and the chief administrator of the University. Indeed, she chairs both the Management Board and Senate for purposes of smooth governance of the University. The functions of the Vice Chancellor are set out in the Universities Act (2012), the Public Procurement and Asset Disposal Act (2015), the Public Financial Management Act (2012), and the Charter of the University.

The Vice-Chancellor provides progress reports to Council on policy implementations. The Vice Chancellor is the Secretary to Council. Council has delegated widespread powers and responsibilities to the Vice-Chancellor. The Management Board assists the Vice-Chancellor on both academic and administrative issues of the University.

9. Management Discussion and Analysis

a) Kenya Economic Outlook

i) Recent macroeconomic and financial developments

According to African Economic Outlook (AEO) 2023 by African Development Bank Group, Real GDP growth slowed to 5.5% in 2022 from 7.5% in 2021, attributable to the drought, increased commodity prices, and tight global financial conditions. Growth was driven on the supply side by services and on the demand side by household consumption. Inflation rose to 7.6% from 6.1% in

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2021, driven by food and energy inflation. Inflation was moderated by subsidies and raising the policy rate to 8.25% from 7% in 2021.

The fiscal deficit narrowed to 6.3% of GDP from 8.2% in 2021 due to improved revenue collection and adherence to the International Monetary Fund–supported fiscal consolidation path. Public debt rose to 70% of GDP from 68% in 2021, driven by higher interest payments and exchange rate depreciation.

The current account deficit widened to 6.0% of GDP in 2022 from 5.5% in 2021, driven by the lower trade deficit. It was financed by drawing down foreign exchange reserves, which fell to \$7.42 billion (4.2 months of import cover) at end-2022 from \$9.5 billion (5.8 months) at end- 2021.

The Kenyan shilling depreciated to 123.3 per US dollar at end-2022 from 110.2 at end-2021. The capital adequacy ratio of 18.9% and liquidity ratio of 55% were higher than the respective targets of 14.5% and 20%. The nonperforming loans ratio remained high, at 14%. Credit risk concentration is high in manufacturing, energy and water, and agriculture. High extreme poverty (18%), unemployment (12.3%), and income inequality (Gini coefficient of 0.408)—manifestations of slow structural change—remain challenges.

ii) Outlook and risks

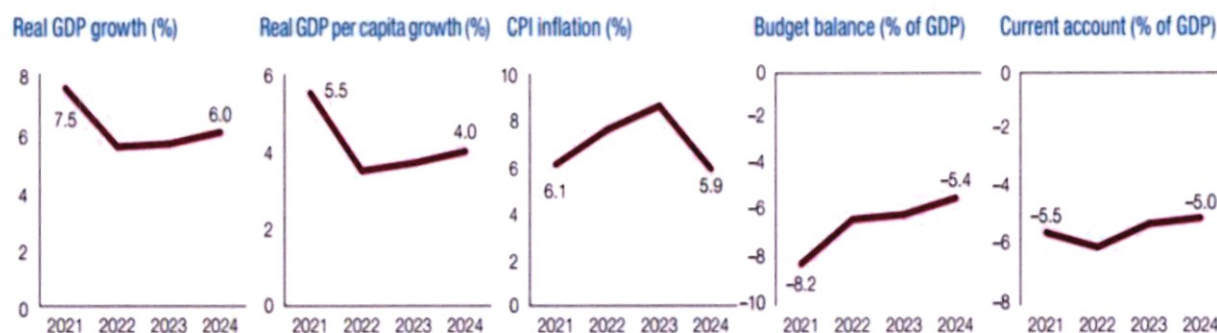
GDP is projected to grow 5.6% in 2023 and 6.0% in 2024, driven by services and household consumption. Inflation is projected to rise to 8.6% in 2023 and 5.9% in 2024, driven by food and energy inflation. Monetary policy is expected to remain tight. The fiscal deficit is expected to narrow to 6.1% of GDP in 2023 and 5.4% in 2024, in line with the fiscal consolidation path.

The current account deficit is projected to narrow to 5.2% of GDP in 2023 and 5.0% in 2024, attributable to a recovery in global demand. The outlook is subject to considerable risks, including the effects of a prolongment of Russia’s invasion of Ukraine on commodity prices, tight global financing, drought, and slow global economic recovery. Possible risk mitigation measures include diversifying exports and market destinations, enhancing domestic resource mobilization, deepening financial sector reforms, and accelerating structural reforms.

iii) Climate change issues and policy options

Kenya's Green Growth Index stagnated in the 48%– 51% range during 2010–21, about halfway to its green growth target. This implies that if Kenya were supported by green growth policies, it could promote economic growth while reducing vulnerability to climate change. Kenya's national and sectoral green growth strategies and policies are aligned with its Nationally Determined Contribution (NDC). In 2019/20, NDC financing need totalled \$8.6 billion. Inflows from public and private sources amounted to \$1.9 billion, 21% of which was from the private sector. Kenya has the potential to scale up private climate finance through innovative financing approaches, such as green bonds, debt-for-nature swaps, blended financing, and climate markets. Renewable natural capital rose slightly, whereas non-renewable natural capital rose 110% between 1995 and 2018. This suggests the potential to leverage private climate finance with natural resources.

Notable initiatives enhancing natural capital include continuing oil exploration, increasing tree cover from 8.8% in 2022 to 30% by 2032, transitioning to 100% clean cooking by 2028, restoring 10.6 million hectares of degraded landscapes by 2032, and increasing land under irrigation from 500,000 acres in 2021 to 1.4 million acres by 2030. About 21%–30% of national territory is under forest cover.



Source: Data are as of April 2023 and are from domestic authorities; figures for 2022 are estimates and figures for 2023 and 2024 are projections by the African Economic Outlook team. Data on the budget balance correspond to Kenya's fiscal year, which runs from July 1 to June 30.

COUNTRY NOTES

b) Review of the Education Sector in Kenya

The 2022 Education Sector Report by the Education Sector Working Group of the Ministry of Education chaired by Dr. Belio Kipsang was prepared in line with the National Treasury Circular No.5/2022 on Guidelines for preparation of 2023/24 -2025/26 Medium Term Budget. It is informed by the fiscal outlook for the Medium-Term Expenditure Framework period. It takes

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cognizance of the respective mandates of the four sub-sectors namely Basic Education; Vocational and Technical Training; Higher Education and Research; and Teachers Service Commission.

The report is aligned to the Government of Kenya (GOK) priorities as articulated in the Medium-Term Plan IV (2023-2027) of Vision 2030. It further considers the rights to basic education that the Constitution 2010 confers to all deserving citizens and the aspirations of the fifth administration.

This sector has prioritized programmes for the current MTEF period to be Primary Education; Secondary Education, Quality Assurance and Standards; Technical Vocational Education and Training; Youth training and development; University Education; Research, Science, Technology and Innovation; Teacher Resource Management; Governance and Teaching Standards; and General Administration, Planning and Support Services.

The Sector continues to strive to improve access, equity, quality and relevance in education, training and research in Kenya. However, in the review period the sector faced various challenges key among them being austerity measures and the emergency of COVID 19 pandemic that adversely affected the performance of planned interventions. These challenges provided a fertile ground for innovation on how to deliver education and training beyond the in-person environs.

The planned outputs have been critically evaluated in line with the Sector's core functions and strategic objectives. However, there are existing financing gaps, which are likely to affect the delivery of critical outputs for the plan period. To address this, the sector will seek to mobilize additional resources from Development Partners and Public Private Partnerships. In this regard, education stakeholders are called upon to actively participate and collaborate in the implementation of this Sector Report.

The future developments in the higher education sub-sector will remain in the medium term as emergence of online teaching, the new financing model for Universities as well as the transition of the Competence Based Education learning to the University

The Financial Year 2022/2023 marks the 11th year of the University since Charter Award 2013. The University remains committed to its mandate of teaching, research and consultancy services for

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development as well as Community outreach. The key highlights of the University's performance for the period are as outlined below;

c) The University's operational and financial performance:

The operational and financial performance of the University is set out on page 1 to page 10 of this Financial Year 2022/2023 Annual Report and Financial Statements.

The total revenue of the University for the current and previous financial year is as follows;

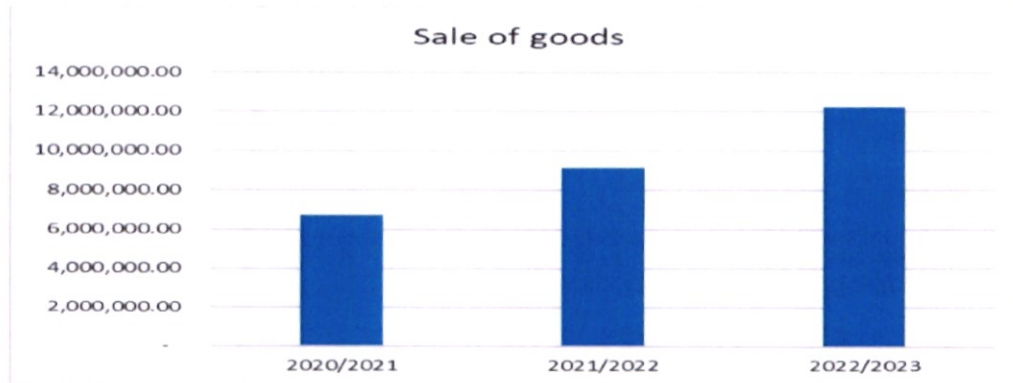
	2022/2023	2021/2022	2020/2021
	Kshs	Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	1,055,337,864.00	1,054,836,524.00	1,012,877,264.00
	1,055,337,864.00	1,054,836,524.00	1,012,877,264.00
Revenue from exchange transactions			
Rendering of services	363,692,521.13	413,666,805.45	153,568,965.00
Sale of goods	12,252,835.47	9,133,945.00	6,691,311.00
Rental revenue from facilities and equipment	21,733,171.00	30,286,622.00	12,577,194.00
Finance income	1,473,697.56	3,007,502.19	
Other income	9,531,261.97	16,607,492.65	14,119,916.00
Sub-Total	408,683,487.13	472,702,367.29	186,957,386.00
Total revenue	1,464,021,351.13	1,527,538,891.29	1,199,834,650.00

Total Revenue in the three years was highest in 2021/2022 attributable to three semesters in that financial year done as a Covid-19 recovery to normalize the academic calendar compared to the normal two semesters per financial year. The revenue for 2022/2023 is significant improvement compared to 2020/2021 as indicated in the line graph below;

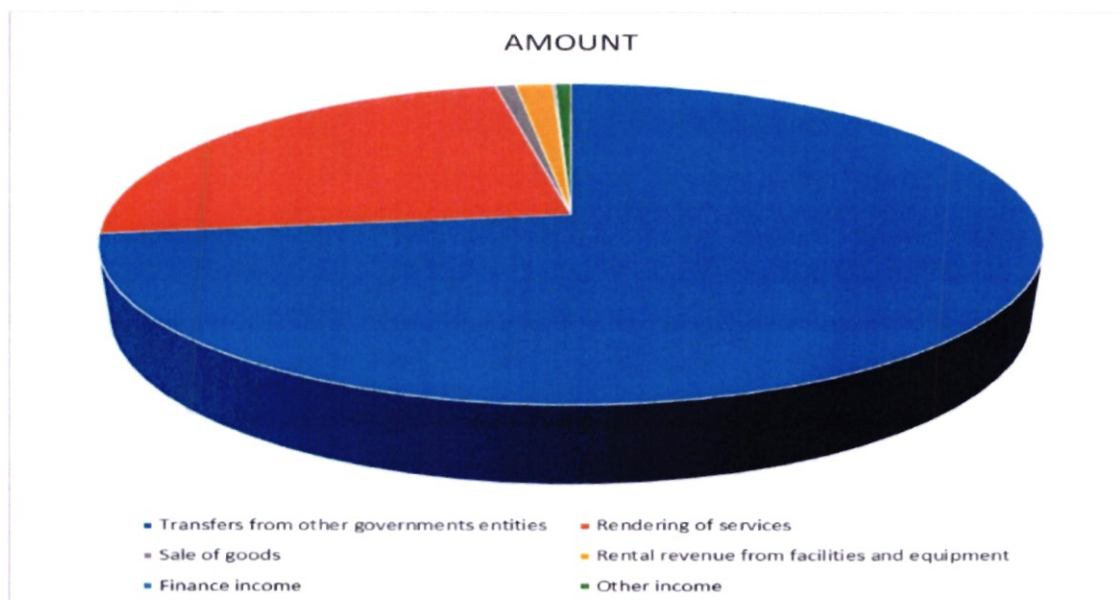


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Following the automation of revenue collection using the M-Pesa buy goods till numbers mid 2021/2022, the revenue from sale of goods mainly supported by the student mess has doubled from **Kshs.6,691,311.00** in 2020/2021 to **Kshs.12,252,835.47** with elimination of revenue leakages at source as illustrated by the graph below;



The University composition of revenue sources is as follows and is largely financed by transfers from the National Treasury through the parent Ministry of Education which 73% of total revenue followed by school fees at 24% of total revenue.



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The University expenses for the last three years is as follows;

Expenses	2022/2023	2021/2022	2020/2021
	Kshs	Kshs	Kshs
Use of goods and services	194,147,510.32	152,064,282.81	198,893,570.00
Employee costs	1,280,067,990.64	1,272,987,013.07	1,022,131,725.00
Council Expenses	22,632,916.36	28,368,128.49	20,833,227.00
Depreciation and amortization expense	30,527,776.54	26,591,916.00	66,079,184.00
Repairs and maintenance	11,938,721.53	12,888,130.66	8,799,009.00
Contracted services	10,798,580.07	13,305,471.00	867,007.00
Taxation	7,611,374.99	4,243,470.00	-
Total expenses	1,557,724,870.45	1,510,448,412.03	1,317,603,722.00

Total expenditure is driven by the number of students, payroll, level of activity and fidelity to the approved University budget.

d) University's compliance with statutory requirements:

The University's financial statements have been prepared in accordance with Section 83 of the PFM Act 2012. The financial statements are in consonance with the Public Sector Accounting Standards Board of Kenya (PSASB-K) approved templates for annual reporting by National Government Entities as of 30th June 2023. The annual report contains financial and non-financial information as stipulated under Section 83 2 (a) and (b) in the form and format that complies with the standards prescribed and published by the PSASB-K.

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e) Total Exposure

The University's going concern is not in doubt. The financial statements have been prepared on a going concern basis and management does not have significant worry about the University's ability to continue in operation as required by IPSAS 1. The University has complied with its statutory obligations for the year ending 30th June 2022.

i) Kenya Revenue Authority Tax Claim

Except for a claim raised by Kenya Revenue of **Kshs.768,800,536.00** on a letter dated 6th June 2022 arising from the initial Multi-Agency two-year investigation concluded in April of 2022 relating to unremitted taxes back to 2010 where the amount raised by the Multi-Agency team was **Kshs.1,237,963,274.00** the University remains compliant with statutory regulations and remittances of payroll deductions relating to all statutory obligations. After internal Audit at KRA, the amount was reduced from the Multi-Agency of **Kshs.1,237,963,274.00** to **Kshs.768,800,536.00**. The summary of this claim is as follows;

TAX HEAD	AMOUNT DUE
PAYE	659,930,293.00
WHITHOLDING VAT	50,424,566.00
WHITHOLDING TAX	58,445,677.00
TOTAL	768,800,536.00

The University is fully engaged with Kenya Revenue Authority all tax issues and the University has requested for more time to internally audit the claim during a meeting between the University management and a section of the University Council and the Commissioner in charge of Investigation and Enforcement. After rigorous engagements with KRA on this matter, the University submitted sufficient material for audit including bank statements and bank deposits slips as evidence of payment of taxes claimed by the Kenya Revenue Authority and as at the end of the Financial Year, the University is awaiting the final outcome of the KRA audit to determine liability if any.

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ii) Suspense Account

The University Council following the Mara Heist fraud case established a suspense account as a contingent asset based on their estimation of the unaccounted-for cash withdrawals and the prospects of future recovery through the court process of **Kshs.215,175,241.00**.

The basis of their estimates is on the amount in court of **Kshs.177 million** and additional cash withdrawals that could not be accounted for at that time. The amount is expected to be recovered through the court process from the accused persons.

This matter is currently in court where five employees of the University have been charged in court and the University through the Directorate of Criminal Investigations is pursuing the recovery of the amount from the accused persons under case number **EACC 2 OF 2020**.

f) Reporting framework

There is consistency in the presentation and classification of items in the financial statements which has been retained from the previous periods in conformity with IPSAS 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis [IPSAS 1 (13)].

g) Key projects and investment decisions the University is planning/implementing

The University currently does not have any capital project under implementation after the completion and subsequent handover of the Tuition block phases I to III on 13th August 2021 by the contactor. Given that the University has completed the last pending phase of the Tuition Block, the University has requested for funding to start the construction of the University Library through the 2022/2023 supplementary budget which has already been submitted.

The University Library project has been approved by both the National Treasury and the Ministry of Education. The University Library project has been allocated Kshs.130,000,000 in the FY 2023/2024. This will be financed at Kshs.100,000,000 by the exchequer and Kshs.30,000,000 from A.I.A. by the University.

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h) Major risks facing the University:

The following risks are considered to be a challenge and therefore, may jeopardise the smooth operations of the University. These risks include the following:

i) Liquidity risk:

This risk emanates from inadequate funding allocated to the University by the Universities Fund Board due to low budgetary allocation by Parliament. This challenge cuts across all other Public Universities in Kenya.

ii) Operational risks:

This risk has significant contribution in affecting the operationalization of the University functions in achieving quality standards and high productivity for both staff and students. This mainly relates to inadequate teaching staff. Fewer teaching staff leads to inability of the University to effectively discharge her core mandate of teaching, research and consultancy services.

The legal cases against the University also pose operational risk if any judgement is made in favour of the claimants. As much as the legal claims have not crystallized against the University, the probable claims amount to over **Kshs.300 million** which have not been reported or provided for in the financial statements since the outcomes of the cases are still unknown.

The court cases and their potential financial impact facing the University are:

iii) Court Cases Facing the University as at 30th June 2023

No.	Claimant's Name	Case No	Nature of Claim	Current Status	Claimed Award
1.	Mose Nyambega Ondieki	Nakuru ELRC 506/2016 Now Nairobi ELRC 2234/2017	-Indefinite Suspension -Unfair Termination from Employment	The claimant was in the month of February 2016 interdicted (then suspended) for reason of incompetence. He declined an invitation to appear before the Staff Disciplinary Committee. Claim was filed in court in December 2016 challenging the interdiction and thereafter amended and filed on 24/04/2017. Our	In the Claimant's amended Claim, he is claiming for Kshs.81,930,437/ =

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				<p>Advocates entered appearance on our behalf upon our instructions.</p> <p>The Claimant further filed a Notice of Motion seeking an order to prohibit the University from declaring a vacancy or filing up the Claimant's position.</p> <p>The same was conversed on 10/07/2017 and ruling delivered on 3/11/17 where the court granted the Claimant the interim orders he was seeking. We have furnished our advocates with all requisite documents they might rely on during hearing.</p> <p>The matter came up for mention on 20/12/2017 where the court ordered that the University should take the claimant through the internal disciplinary process which was done by Council on 26/03/2018 where he was found guilty and his employment with the terminated. Thereafter, the claimant amended his pleadings to capture unfair termination.</p> <p>The court referred the matter for mediation whereby the University proposed to pay the Claimant his withheld salaries and allowance during suspension and six months' salary based on precedent of the labour court. The Claimant later rescinded the mediation agreement whereby the same proceeded for hearing and judgement will be delivered on notice.</p>	
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2.	Douglas Mudave Luceno	Kericho ELRC 127/2016	-Unfair Termination from Employment	<p>The Claim was filed in Kericho ELRC on 28/07/2016 together with a Notice of Motion seeking orders for the University to continue paying the Claimant half his salary pending hearing of the Application and the main suit. The Application was transferred to Nairobi for hearing since the presiding Judge was away on vacation.</p> <p>The Claimant's Application was heard in Nairobi before Nduma Nderi J and dismissed in the University's favour on 4/08/2017. The learned Judge opined that the orders the Claimant was seeking for were overtaken by events and ordered that the suit takes its normal course.</p> <p>The matter was forwarded back to Kericho for hearing and final determination. We have not been served with a court date from 2019. We are in the process of having the case dismissed for want of prosecution.</p>	Ksh.2,500,000/= or thereabout
3.	Environment Solutions Ltd	Nairobi HCCC 294/2015	Breach of Contract	<p>The suit was filed in July 2015 against the University. The Plaintiff claims that he was contracted by the University to carry an Environmental Impact Assessment and Environmental Audit at Ksh.76,380,000</p> <p>This is contrary to what was recorded in the minutes taken during the tender committee held on 27/10/2014, letter of award</p>	Kshs.76,380,000/= which escalated to Kshs.103,803,000/= when setting aside the default judgement.

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				<p>dated 28/10/2014 and the contract form for 3/12/2014 with the Plaintiff which shows that both parties had agreed on a figure of 337,000/=</p> <p>The Plaintiff fraudulently obtained a default judgment against the University of Kshs.103,803,000/=. On 27/04/2018 he proclaimed and attached University vehicles and other properties. This judgement was set aside and the matter refereed to hearing, where the same was referred for arbitration, however due to want of prosecution of the matter, the University filed an application dated 24th February, 2022 for dismissal of the suit.</p> <p>The matter was last in court on 14th July, 2022 where the same did not proceed as the court was not sitting. The court directed that it would issue a date on notice but to date the matter has not been fixed for mention. Noting that twelve months have lapsed since its last court appearance date, we are in the process of initiating an application for dismissal of suit for want of prosecution.</p>	
4.	Copy Cat Ltd	Nairobi CMCC 3130/2017	Breach of Contract	<p>Via an amended Plaint which was filed in court on 18/07/2017, the Plaintiff claims for Ksh.207, 000/= from the University for goods supplied since the year 2010 or thereabout.</p> <p>If there are records within the University (Procurement and</p>	Ksh.207,000/= without court incidentals

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				<p>Finance departments) which vouch for the same, I opine that we settle the matter out of court so as to avoid unnecessary court expenses and incidentals thereto.</p> <p>The matter came up for hearing in January,2020 where we asked for time to negotiate on out of court settlement. Since then, the matter has not been taken before court. we are in the process of initiating an application for dismissal of suit for want of prosecution.</p>	
5.	Prisca Nchoe	Nakuru ELRC No 70/2019	Removal from Directorship position	<p>The Plaintiff took the University to court praying to be reinstated as Director Marketing and Public Relations. She filed the case under a certificate of urgency for status quo to be maintained. The matter came up for hearing on 21/02/2022 where the court directed that the parties should attempt an out of court settlement. The Plaintiff's advocate wrote to the University stating that the claimant is amenable to settling the matter out of court if she would be compensated with Kshs.2,000,000 for unilateral termination of contract. The was in court on 10th October, 2022 where parties had the same pulled out of the cause list to enable parties attempt an out of court settlement. As of to date parties have signed and filed a consent to have the matter withdrawn. This will be implemented once we secure a mention date.</p>	Kshs.2,000,000/= or thereabout inclusive of costs and interest.

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6.	Legiancy Towers Agencies Ltd	Narok CMCC 46/2017	Breach of Contract	<p>The matter was filed in court on 6/04/2017 after the university failed to pay the Plaintiff Ksh.344,000/= (LPO No.1163) after the supply of stationery.</p> <p>The matter was settled out of court and the University settled the LPO via cheque No.003568 dated 12/7/17.</p> <p>The matter proceeded to taxation of the advocates party & party bill of cost which was taxed at Kshs.92,270</p>	Kshs.92,270 plus auctioneers' costs of Kshs.63,000
7	Amos Cheruiyot Too & 3 Others	Nairobi Civil Appeal No. 33/2016	-Unfair Termination from Employment	<p>The four Respondents were employees in the Finance Department and were assigned the duty of being cashiers at the cafeteria. They did misappropriate monies that came into possession and were taken through the disciplinary process and had their services terminated.</p> <p>They preferred appeals and were successful thus resulting in their reinstatement. After their reinstatement, they were invited to appear before the Audit Committee of Council to shed light on where loopholes existed resulting in loss of money. They flatly declined the invitation and as a result Council ordered their immediate dismissal.</p> <p>They moved to court to challenge the dismissal. On the 8th of May 2015 the court ruled in their favour and ordered their re-instatement</p>	<p>An all-inclusive sum of around Kshs.4,000,000/= or thereabout.</p> <p>This amount was thrown out by the court of appeal.</p>

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				<p>without loss of benefits. The University appealed against the decision and the Court of Appeal did stay the orders till the appeal is determined.</p> <p>The matter proceeded to hearing where the University won the appeal. The University's advocate taxed the University after we failed to agree on the fees at Kshs.4,397,955 which we challenged and filed in our response to the Advocate-Client bill of cost.</p>	
8	Paul Okinyi	Kisumu ELRC 346/2016	Salary Arrears	<p>The Claimant was a part-time lecturer and is claiming unpaid dues amounting to Kshs.575, 000 together with costs and interest at court rate.</p> <p>The University opted to settle the arrears without going through the full trial since the claim was genuine, however, parties are yet to agree on whether the salary arrears should be subjected to 30% taxation.</p> <p>Inter-parties hearing was scheduled for 24/10/2019 but the same did not proceed. The matter is yet to be fixed for hearing.</p>	Ksh.575,000/=
9	Prof. David Serem	Kericho ELRC No 22/2015	Payment of Gratuity	<p>The claimant is the former Principal of Narok University College and Ag. Vice Chancellor Maasai Mara University. He is in court claiming payment of his gratuity among other benefits. The Claimant wrote to the Vice-Chancellor intimating his desire to</p>	Kshs.189,089/=

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				<p>withdraw the case against the University.</p> <p>We still await the Claimants Notice of withdrawal of suit or service of a mention notice to withdraw the suit orally. The above having taken time, we have spearheaded the process of fixing a mention date for purposes of case withdrawal.</p>	
10	RaM International Ltd	Kisii HCCC 5/2019	Breach of Contract	<p>The University had leased offices within the Plaintiff's building on 1/02/2015 and terminated the contract on 31/05/2017 upon closure of the satellite campus.</p> <p>As of the time of vacating the premises, the University was in arrears of Kshs.24,462,400/= and the claim instituted was for Kshs.112,276,591 being the rent payable for the entire contractual term.</p> <p>Judgement was entered on 16/07/2021 where the University was ordered to pay the Plaintiff Kshs.24,163,726/= and interest at court rate.</p> <p>The Plaintiff initiated Garnishee proceedings against the University where after a consent was agreed upon by the University and the Claimant in the following terms;</p> <p>a) Payment of the decretal amount in favour of the Plaintiff</p> <p>b) Payment of the Plaintiff advocates fees.</p> <p>The University has cleared the decretal amount and is in the</p>	<p>Kshs.120,000,000 as per the Plaintiff filed in court.</p> <p>The judgement that was entered in this amount was Kshs.24,163,726 inclusive of interest at court's rate.</p>

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				process of clearing the interest of Kshs.8,992,878.19.	
11.	Dr. Cleophas Serrem	Nakuru ELRC N0.73/2019	Retirement Age	<p>The claimant took the University to court challenging his retirement age. He signed an employment contract of 65 years whereas the University gave him a retirement notice for retirement at the age of 60. Based on precedent, some members of staff took the University to court challenging their retirement age where the court upheld their contractual retirement age.</p> <p>Judgement was entered against the University, where the Claimant was ordered to complete his contractual term of 65 years.</p>	Completion of contractual term.
12	Getrio Insurance Brokers	Nairobi CMCC NO. 456/2019	Money Owing	The Plaintiff claims to have offered insurance services to the University but lacks supporting documents. We are in the process of striking the suit out for lack of material facts.	Kshs.3,000,000/=
13	Paul Okinyi Nyarori	Kisumu ELRC 346/2016	Salary Arrears	The Claimant was a part-time lecturer and is claiming unpaid dues amounting to Kshs.575, 000 together with costs and interest at court rate. The University opted to settle the arrears without going through the full trial since the claim was genuine, however, parties are yet to agree on whether the salary arrears should be subjected to 30% taxation. Inter-parties hearing was scheduled for 24/10/2019 but the same did not proceed. The matter is yet to be fixed for hearing. The University has filed an application	Kshs.575,000/=

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				for dismissal for want of prosecution.	
14	Prof. Samson Omwoyo	Nairobi ELRC No. 1078/ 2018	Unfair Termination	The Claimant was terminated after being taken through the disciplinary process on 12/06/2017. Upon filing his claim and filling our pleadings in 2018, the matter has never taken off due to the back log in the Nairobi Civil Registry. The matter was heard and determined in favour of the University.	The matter was dismissed the advocate is yet to furnish the University with a fee note.
15	Prof. Fredrick Ogola	Nakuru ELRC NO 59/2019	Dues owing	The Claimant took the University to court for pending monies owing after resigning from work. This is a matter that the University is negotiating out of court and have paid part of the dues owing.	Kshs.3,500,000/- excluding costs and interests.
16	Prof. Mary Walingo	Nakuru ELRC No. E9/2020	Termination	The Claimant took the University to court challenging the legal instrument that she was suspended under. She was suspended under section 70 of the Public Service Act, which vouches for half pay salary with no other allowances. Her argument is she, that she was charged under the anti-corruption court hence ought to have been suspended under the Anti-Corruption and Economic Crimes Act therefore entitled to allowances while on suspension. The matter came up for hearing in court on 23/02/2022 but the same did not proceed as the Claimant's Advocate sought leave to amend his pleadings. The matter came up for mention on 15 th June, 2022, where it was given a further mention date of 25 th July, 2022 for the court to give directions of the	Reinstatement and damages for unfair termination and for withheld money during suspension.

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				notice of withdrawal of suit by the Claimant, however, the matter was closed without notification to the University.	
17	Spencer Ololchike	Nairobi ELRC Pet No. E097/2021	Termination	The Claimant herein lodged the case against the University for unfair termination. He did an application dated 26/07/2021 asking for the expansion of the bench, which application was dismissed via a ruling dated 7/10/2021. The same is yet to be fixed for hearing.	Seeking for reinstatement and damages as the court may deem fit
18	KUSU (MMara-U Local Chapter)	Nakuru ELRC No. E39/2021	Termination of Spenser Ololchike	This matter is co-related with Nairobi ELRC Pet No. E097/2021. The same was dismissed for want of prosecution on 5 th July, 2023	Reinstatement
19	KUSU (MMara-U Local Chapter)	Nakuru ELRC Pet E60/2021	CBA Implementation	The Claimant in this case is the KUSU-Maasai Mara University Chapter, where they are challenging the University's Management and Council alleged reduction of salary. The matter was mentioned in court on 24/03/2022 where the court directed that all pending applications be disposed off by way of written submissions. The matter came up for ruling on 16/06/2022 where the court ordered for the implementation of the CBA 2017-2021 and is listed for mention on 28 th September, 2023 to confirm settlement.	Declaratory Orders
20	UASU (National Office)	Nairobi ELRC Pet. E181/2021	CBA Implementation	The Claimant in this case is the UASU-Maasai Mara University Chapter, where they are challenging the University's Management and Council alleged reduction of salary. The matter will be mentioned on 22/09/2022.	Declaratory Orders

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21	Barawa Sanga	Constitutional petition No. E024 Of 2022	Constitutional Petition	The University was served with a petition and notice of motion where interim orders were given ex-parte on 28 th June, 2022, restraining the Public Service Commission from shortlisting, interviewing and or appointing any candidate to the position of DVC (AF&S). Ruling of our preliminary objection will be delivered on 5 th October, 2023.	Declaratory Orders
22	Health Link Matcare Ltd T/A Nairobi Women's Hospital	CMCC NO. E10230/2021	Medical bills & related charges	Judgement in this matter was entered on 8 th April, 2022, where the court ordered that the plaintiff be paid the sum of Kshs.21,606,195.43/= The legal department forwarded the judgement to the relevant departments indicating that the University should engage the decree holder on negotiated settlement of the substantial amount to avert proclamation. On 4 th July, 2022 the University was served with a fifteen (15) days' notice of moveable property in execution of the decree amounting to Kshs.21,606,195.43/= The University has entered into an agreement with the claimant on how the decretal amount will be settled.	Kshs.24,430,430.6/= Tabulated as herein under; Decretal amount: Kshs.21,606,195.43/= Interest on decretal amount: Ksh.51,726.03 Further costs ksh.100,000 Collection fee kshs.1,500 Auctioneers Fees Kshs.2,770,908.98
23	Prof. Mary Walingo	ELRC Petition No. 7/2022	Conservatory orders	The Claimant has taken the University to court seeking conservatory orders against her termination as the Vice-Chancellor of the University. The matter is coming up for mention on 28 th September, 2023.	Declaratory Orders

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24	Kiplagat Serem VS Maasai Mara University.	Narok CMC E.L.R.C Case No. E001/2020	-Unfair Termination from Employment	The Claimant took the University to Court following dismissal from employment. The Claimant was dismissed from employment on disciplinary issues after he failed to show up during the disciplinary hearing. The matter is coming up for defence hearing on 17 th October 2023.	Reinstatement and damages
25	Jimmy Parnyembe & 3 others VS Maasai Mara University & 6 others.	Narok E.L.C Pet. No. 001 of 2021	Land Issue	The Plaintiffs now Appellants took the University to court stating that as a person living with disability in the community, were not involved when the community resolved to gift 250 acres of land to the University. The matter proceeded for hearing and the ruling will be issued on notice	Land matter
26	Henry M. Muma VS Maasai Mara University.	Narok CMC E.L.R.C Case No. E006/2022	Part-time Teaching Dues	The University owes the Plaintiff for classes taught. The matter is coming up for mention on 5 th October 2023.	Part-time Teaching Dues
27	Charles Oronyi VS Maasai Mara University.	Narok CMC E.L.R.C Case No. E001/2021	Unfair termination from employment. Unpaid dues	The plaintiff took the University to Court following dismissal from employment.	Judgement was entered where the matter was dismissed with costs in favour of the University.
28	Penvilla Chepkemoi VS Maasai Mara University.	Nakuru E.L.R.C Case No. E2 of 2020	Part-time Teaching Dues	The University owes the Plaintiff for classes taught.	Judgement to be delivered on notice
29	Joseph Mwangi VS Maasai	Nakuru E.L.R.C Case No. E3 of 2020	Part-time Teaching Dues	The University owes the Plaintiff for classes taught.	Judgement to be delivered on notice

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	Mara University				
30	Duke Mosoti VS Maasai Mara University	Nakuru E.L.R.C Case No. E01 of 2020	Part-time Teaching Dues	The University owes the Plaintiff for classes taught.	Judgement to be delivered on notice
31	Atoh Ochieng VS Maasai Mara University	Narok CMC E.L.R.C Case No. 2 of 2021	Part-time Teaching Dues	The University owes the Plaintiff for classes taught.	Judgement was entered where the matter was dismissed with costs in favour of the University. The same is coming up for assessment of costs on 26 th September 2023
32	Esther Kisivuli Vs Maasai Mara University	Nakuru E.L.R.C Case No. 13 of 2022	Retirement Age	The claimant took the University to court challenging his retirement age. She signed an employment contract of 65 years whereas the University gave him a retirement notice for retirement at the age of 60.	The court ruled on Completion of contractual terms
33	Naomi Lilau Vs Maasai Mara University	Nakuru E.L.R.C Case No. 13 of 2022	Retirement Age	The claimant took the University to court challenging his retirement age. She signed an employment contract of 65 years whereas the University gave him a retirement notice for retirement at the age of 60.	The court ruled on Completion of contractual terms
34	Clementine Okudho Vs Maasai Mara University	Nakuru E.L.R.C Case No. 13 of 2022	Retirement Age	The claimant took the University to court challenging his retirement age. He signed an employment contract of 65 years whereas the University gave him a retirement notice for retirement at the age of 60.	The court ruled on Completion of contractual terms

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Since the outcome of these cases is uncertain, their effects have not been captured in the financial statements. The probable contingent liability from the above court cases is in excess of **Kshs.300 Million**.

iv) Reputational risk:

This can arise from pending payments to suppliers who can decline to do business with the University until they are paid or take the University to court. This also portrays the University in bad light. The University is mobilizing resources and increase revenue generation internally to settle the long outstanding bills. The University is also engaging Treasury for possible funding of pending bills.

Further, there has been sustained negative publicity of the University arising from the expose done by the main stream media in 2019 as well as the subsequent dismissal of the person who appeared to be the lead whistle blower in the expose.

v) The University's financial probity and serious governance issues

The court case on alleged loss of funds where five employees of the University have been charged is still on going. For the period ended 30th June 2023, there was no financial improbity known to Senate, Management or the University Council and none was reported by Internal Audit function of the University, external auditors and/or the Audit Committee of the University Council or any other Government regulatory and/or oversight agencies.

vi) Anti-Corruption policy

The University Anti-Corruption policy is intended to outline a framework for ensuring a corruption free environment. In these endeavours, it is noteworthy that Maasai Mara University is motivated by its ideals enshrined in its mandate, vision, mission, core values and the prevailing laws. The University recognizes that the ideal of zero tolerance to corruption is only possible within a framework of integrity and ethics. The University is implementing an Anti-Corruption Policy to supplement legal provisions and other government initiatives for fighting and preventing corruption in Kenya. The policy seeks to provide a framework for efficient and effective detection and prevention of corruption at the work place.

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vii) Material arrears in statutory/financial obligations:

The following were outstanding obligations and current liabilities of the University by end of the financial year 2022/2023;

Current Liabilities			
Trade and Other Payables	37	542,011,896.25	641,727,966.24
Refundable Deposits from Customers	38	110,158,927.20	-
Current Provision	39	11,044,788.33	7,379,732.90
Finance Lease Obligation	40	-	-
Current Portion of Borrowings	43	-	-
Deferred Income	41	-	-
Employee Benefit Obligation	42	-	-
Social Benefits	46	-	-
Taxation	48	11,155,895.68	-
Total Current Liabilities		674,371,507.46	649,107,699.14

10. Environmental and Sustainability Reporting

Maasai Mara University exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, putting the customer and Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the organisation's policies and activities that promote sustainability.

The University has established a niche "Environmental Resource Management and Conservation" to address this component and integrate it in our academic programmes.

This is our purpose; the drive behind everything we do. It is what guides us to deliver our strategy as founded in our strategic plan 2019-2024.

i) Sustainability Strategy and Profile

In order to sustain its operations, the University has in place its strategic plan 2019-2024. It provides a blue print that will enable the University to provide proper strategic direction in Kenya's dynamic education sector. The strategic plan is therefore imperative as it avails an opportunity to outline strategies for tackling the challenges anticipated, recognizing the past lessons learnt and identifying the performance gaps witnessed in the recent past while effectively determining the critical success factors that should inform future planning. Based on this contextual analysis, the University formulated its strategic objectives it will pursue over the next five years while consistently engaging key stakeholders at all levels.

ii) Environmental performance

The University is committed to complying with all regulatory policy guide lines concerning environmental management including putting in place efforts, to manage and mitigate environmental impact of the University's products and services, management of biodiversity and waste management. To ensure compliance and promote environment guidelines and other statutory frameworks the University has undertaken tree planting activities at the University, neighbouring schools and Mau Forest complex. At the time of reporting, over twenty thousand tree seedlings have been planted in pursuit of the green cover concept.

iii) Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA.)

iv) Market Place Practices

The University operations and management are carried out as per the Universities Act 2012 and as per the Commission for University Education (CUE) guidelines which is a body corporate established by an Act of Parliament, Universities Act, No. 42 of 2012 as the successor to the Commission for Higher Education (CHE) which was established under Universities Act Cap 210B of 1985. The Commission was established to make better provisions for the advancement of quality university education in Kenya, which entails regulating and accrediting universities and universities academic programmes, among other functions.

a) Responsible competition practice.

The University is regulated by the Ministry of Education and Commission for University Education.

b) Responsible Supply chain and supplier relations

The University is guided by the procurement Act 2015.

c) Responsible marketing and advertisement

The University carries its print adverts through the Government Advertising Agency under the Ministry of ICT.

d) Product stewardship

The University is regulated by Commission for University Education in production of new courses to be taught in the University.

11. Report of the University Council

The University Council submitted their report together with the audited financial statements for the year ended June 30, 2023, which show the state of Maasai Mara University affairs.

i) Principal activities

The University is mandated to provide quality education through innovative teaching, research and consultancy services for development. It does this through inter alia:

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realization of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Education, training and retraining higher level professional, technical and management personnel;

ii) Results

The results of the University the year ended June 30, 2023 are set out on page 1 to page 86.

iii) University Council

The members of the University Council who served during the year are shown on page viii to xi. During the year 2022/2023 the term of the University Council expired on 19th March 2023 and a New University Council was appointed and was fully constituted by 31st May 2023 with appointment of the Chairman of the University Council. In this process, the former Chairman of the University

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Council Dr. Kennedy Ole Kerei and Ambassador Peter Ole Nkurayia were reappointed for their second and final term.

iv) Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into the Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

Maasai Mara University however did not make any surplus during the FY 2022/2023 hence no remittance to the Consolidated Fund was required.

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, which empowers the Auditor-General to audit University Financial Statements.

The Auditor-General is responsible for the statutory audit of Maasai Mara University in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015. The Auditor carried out the audit of the University for the period ended June 30, 2022.

By Order of the University Council



.....
Prof. Peninah Aloo-Obudho

Vice Chancellor/Secretary to the University Council

12. Statement of University Council Responsibilities

Section 81 of the Public Finance Management Act, 2012 and Section 14(3) of the State Corporations Act, 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 the year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2023. This responsibility includes:

- i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University;
- iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- iv) 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 accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012, the State Corporations Act 2012 and the Universities Act 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2023, and of the University's financial position as at that date. 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's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

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



Dr. Kennedy Ole Kerei
Chairman of the University Council



Prof. Peninah Aloo-Obudho
Vice-Chancellor/Secretary to the Council

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON MAASAI MARA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Maasai Mara University set out on pages 1 to 78, which comprise of the statement of financial position as at

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

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

Basis for Qualified Opinion

1. Inaccuracy in University Council Expenses

The statement of financial performance reflects council expenses of Kshs.22,632,916 as disclosed in Note 18 to the financial statements. However, supporting schedule reflects an amount of Kshs.27,124,092 resulting in unreconciled variance of Kshs.4,491,176.

In the circumstances, the accuracy of council expenses of Kshs.22,632,916 could not be confirmed.

2. Inaccuracy in Employee Costs

The statement of financial performance reflects employee costs of Kshs.1,280,067,990 as disclosed in Note 17 to the financial statements. However, the amount differs from the payroll supporting schedule amount of Kshs.1,211,068,926 with unreconciled variance of Kshs.68,999,064. Further, part time lecturers' expenses of Kshs.69,878,250 were not supported with a payroll indicating their names of lecturers, appointment letters, hours taught, attendance register and amounts payable to each.

In the circumstances, the completeness, accuracy and validity of employee costs of Kshs.1,280,067,990 could not be confirmed.

3. Inaccuracy of Cash and Cash Equivalents Balance

The statement of financial position reflects bank balance of Kshs.98,517,854 as disclosed in Note 29 to the financial statements. The balance includes bank balances of Kshs.2,018,702, Kshs.1,039,184 and Kshs.80,761,798 in respect of Equity bank collection account, Kenya Commercial Bank operations account and National Bank of Kenya operations account respectively. However, the respective cash book balances reflect Kshs.2,008,702, overdraft balance of Kshs.5,863,233 and Kshs.80,561,798. The resultant variances of Kshs.10,000, Kshs.6,902,417 and Kshs.200,000 could not be confirmed.

In the circumstances, the accuracy and fair statement of the reported bank balance of Kshs.98,517,854 could not be confirmed.

4. Unsupported Receivables from Non-Exchange Transactions Balance

The statement of financial position reflects receivables from non-exchange transactions balance of Kshs.215,175,241 as disclosed in Note 31 to the financial statements. However, supporting schedules were not provided for audit. Management explained that the balance was in respect of unaccounted for cash withdrawals lost through fraud during the previous years. The matter was in Court and judgement had not been made as at the time of audit.

In the circumstances, the validity, accuracy and recoverability of receivables from non-exchange transaction balance of Kshs.215,175,241 as at 30 June, 2023 could not be confirmed and was dependent on the outcome of the Court case.

5. Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.2,110,604,736 as disclosed in Note 34 to the financial statements. The following anomalies were noted;

- i. Review of the asset register revealed variances in balances of various classes of assets as detailed below;

	Description	Financial Statement Balance (Kshs.)	Asset Register Balance (Kshs.)	Variance (Kshs.)
1	Buildings	1,747,791,383	1,450,110,817	297,680,566
2	Motor Vehicles	29,678,906	12,037,500	17,641,406
3	Furniture and Fittings	33,663,452	32,224,850	1,438,602
4	Plant & Equipment	3,199,103	2,955,838	243,265
5	Computers	10,622,437	7,325,855	3,296,582
6	Books	17,149,454	19,819,821	2,670,367

- ii. The fixed assets register provided for audit lacked crucial information such as serial numbers, make/mode of the assets, asset tag numbers.
- iii. Fixed asset movement schedule reflects land balance of Kshs.268,500,000. The balance includes four parcels of land valued at Kshs.263,236,00 whose valuation has not been itemized.

- iv. Fixed asset movement schedule reflects motor vehicles with net book value of Kshs.29,678,906. However, the balance excludes the value of four (4) motor vehicles owned by the University and two (2) motor vehicles not registered in the University name. Further, the balance includes six (6) vehicles valued at Kshs.7,545,475 that have remained grounded for more than two year. In addition, motor vehicle valued at Kshs.3,956,000 was involved in an accident in February, 2023 and its insurance compensation of Kshs.2,000,000 has been omitted from the financial statements.

In the circumstances, the accuracy, completeness and valuation of property, plant and equipment balance of Kshs.2,110,604,736 could not be confirmed.

6. Unsupported Refundable Deposits and Prepayments Balance

The statement of financial position reflects refundable deposits and prepayments from customers balance of Kshs.110,158,927 as disclosed in Note 38 to the financial statements. However, the balance was not supported with a detailed schedule indicating student name, admission number, nature of payment and amount. Further, the balance includes student union amount of Kshs.3,221,456 and caution money of Kshs.21,625,750 that have not been maintained in a safeguarded deposit bank account.

in the circumstances, the accuracy, completeness and existence of refundable deposits and prepayments from customers balance of Kshs.110,158,927 could not be confirmed.

7. Unsupported Expenditure on Contracted Services

The statement of financial performance reflects contracted services expenditure of Kshs.10,798,580 as disclosed in Note 21 to the financial statements. The amount is in respect of legal fees. However, supporting documents on the recruitment process of the advocates was not provided for audit.

In the circumstances, the propriety of expenditure on contracted services of Kshs.10,798,580 could not be confirmed.

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final revenue budget and actual on comparable basis of Kshs.1,420,337,864 and Kshs.1,464,021,351

respectively, resulting to over-funding or revenue surplus of Kshs.43,683,487 (or 3%) of the revenue budget. This implies that Management under budgeted for revenue collection. Similarly, the statement reflects final expenditure budget and actual on comparable basis of Kshs.1,415,768,064 and Kshs.1,527,197,094 respectively resulting to an overall over expenditure of Kshs.106,859,230 or 8 % of the expenditure budget.

Management attributed the surplus in revenue collection and excess expenditure to changes in the University's academic calendar brought about by having three semesters instead of two during the period under review. However, the over performance resulted to unauthorized revenue collection and expenditure.

2. Material Uncertainty Related to Going Concern

During the year under audit, the university incurred a loss of Kshs.93,703,519 as compared with surplus of Kshs.17,113,242 the previous year resulting to accumulated loss of Kshs.190,478,372 as compared to Kshs.96,774,853 the previous year. Further, the statement of financial position reflects total current liabilities balance of Kshs.674,371,507 which exceeded the current assets balance of Kshs.481,812,828 resulting to a negative working capital of Kshs.192,558,679 an indication that the University may be unable to meet its financial obligations as and when they fall due.

In addition, Note 37 to the financial statements reflects employees payables balance of Kshs.385,763,757 and had received a demand notice for remittance of withheld tax deductions amounting to Kshs.768,800,536 which had been outstanding for more than ten (10) years thereby risking further fines and penalties. Although the University Management has put in place stringent cost cutting and revenue enhancement measures to address financial challenges, the liabilities still remain unpaid.

3. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.159,472,974 as disclosed in Note 30(a) to the financial statements. The balance includes student debtors of Kshs.112,517,591 which have remained outstanding for more than three hundred and sixty (360) days. Further, the balance includes receivables from the National Police Service and the Department of Nomadic Education of Kshs.5,138,250 and Kshs.250,000 respectively that have been outstanding for more than one year and Management did not provide evidence of the efforts made to recover the mentioned debtors.

In addition, the balance includes Kshs.5,688,960 deposit paid as rent security for Oltalet Campus which was closed in 2017. The lease agreement stated that the security deposit was refundable on departure from the premise but it had not been refunded at the time of the audit.

4. Long Trade and Other Payables Balance

The statement of financial position reflects trade and other payables balance of Kshs.542,011,896. However, the balance includes Kshs.539,741,875 that have remained outstanding for over one (1) year. The Management has not explained what measures it has instituted to settle the long outstanding payables.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Over Expenditure on Use of Goods and Services

The statement of financial performance reflects use of goods and services expenditure of Kshs.194,147,510 as disclosed in Note 16 to the financial statements. Review of documents revealed that expenditure of Kshs.142,885,718 on various expenditure items exceeded their respective approved budget of Kshs.104,347,000 resulting to over expenditure of Kshs.38,538,718 contrary to Regulation 44 (2) of the Public Finance Management (National Government) Regulations, 2015 which states that National Government entities shall execute their approved budgets based on the annual appropriation legislation, and the approved annual cash flow plan with the exception of

unforeseen and unavoidable spending dealt with through the Contingencies Fund, or supplementary estimates. No supplementary budget was provided by Management.

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

2. Engagement of Casual Workers Beyond the Stipulated Period

The statement of financial performance reflects employee costs of Kshs.1,280,067,991 as disclosed in Note 17 to the financial statements. The amount includes expenditure of Kshs.20,863,165 incurred on casual wages. However, review of the casual workers payroll revealed that casual workers were engaged and worked continuously for periods in excess of twenty-eight (28) days contrary to Section 1.4 (j) of the University's Human Resource Policy Manual which defines a casual as a person or individual whose services are engaged for a specific job for a period of not more than twenty eight (28) days and who is paid on a daily basis.

In the circumstances, Management was in breach of the University policy guidelines.

3. Non-Compliance with Law on Staff Diversity

Review of human resource records revealed that during the year under review, the University had six hundred and five (605) members of staff out of whom, two hundred and twenty (220) or 35% were drawn from the dominant ethnic community in the County. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAI) 4000. The Standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my

report, I confirm that, nothing else has come to my attention to cause me to believe that, the internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of ICT Change Management Policy

During the year under review, the Management enhanced its information technology systems by implementing an Enterprise Resource Planning (ERP) system with the main objective of bringing in efficiency in operations within its operations. However, the system lacked approved change management policy . Further, the change management forms indicating review and approval of changes, test results, implementation and periodic reports and post implementation review of changes done were not provided for audit.

In the circumstances, the effectiveness of the University ICT change management policy could not be confirmed.

2. Lack of Risk Management Strategies

During the year under review, the University did not have a risk management strategy in place and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. This was evidenced by lack of risk management policy, disaster recovery plan or business continuity plan and Information Technology policies. Management did not provide any written assurance that the internal controls systems were in place and no explanation was provided for failure to have the policies in place contrary to Regulation 165(1) of the Public Finance Management (National Government Regulations) 2015.

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

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs) 2315 and 2330. The Standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the University Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in

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

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


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

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

- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

29 April, 2024

Maasai Mara University
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for the year ended June 30, 2023.

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

STATEMENT OF FINANCIAL PERFORMANCE	Notes	2022/2023	2021/2022
		Kshs	Kshs
Revenue from non-exchange transactions			
Transfers from other governments entities	6	1,055,337,864.00	1,054,836,524.00
Levies, Fines, and penalties	7	-	-
Public contributions and donations	8	-	-
Property taxes revenue	9	-	-
Licenses and permits	10	-	-
		1,055,337,864.00	1,054,836,524.00
Revenue from exchange transactions			
Rendering of services	11	363,692,521.13	413,666,805.45
Sale of goods	12	12,252,835.47	9,133,945.00
Rental revenue from facilities and equipment	13	21,733,171.00	30,286,622.00
Finance income	14	1,473,697.56	3,007,502.19
Other income	15	9,531,261.97	16,607,492.65
Total revenue		1,464,021,351.13	1,527,538,891.29
Expenses			
Use of goods and services	16	194,147,510.32	152,064,282.81
Employee costs	17	1,280,067,990.64	1,272,987,013.07
Council Expenses	18	22,632,916.36	28,368,128.49
Depreciation and amortization expense	19	30,527,776.54	26,591,916.00
Repairs and maintenance	20	11,938,721.53	12,888,130.66
Contracted services	21	10,798,580.07	13,305,471.00
Grants and subsidies	22	-	-
Finance costs	23	-	-
Total expenses		1,550,113,495.46	1,506,204,942.03
Other gains/(losses)			
Gain/Loss on sale of assets	24	-	22,763.00
Gain/Loss on foreign exchange transactions	25	-	-
Gain /Loss on fair value of investments	26	-	-
Impairment loss	27	-	-
Surplus/ (deficit) before tax		(86,092,144.33)	21,356,712.26
Taxation	28	7,611,374.99	4,243,470.00
Surplus/(deficit) for the period/year		(93,703,519.32)	17,113,242.26
Remission to National Treasury	47	-	-
Net Surplus for the year		(93,703,519.32)	17,113,242.26
Attributable to:			
Surplus/(deficit) attributable to minority interest		-	-
Surplus attributable to - Maasai Mara University		(93,703,519.32)	17,113,242.26

**Maasai Mara University
Annual Report and Financial Statements
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The notes set out on pages 11 to 76 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 10 were signed on behalf of the University Council by:



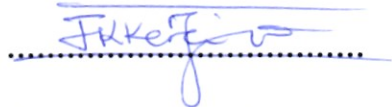
**Prof. Peninah Aloo-Obudho
Vice Chancellor/
Secretary to Council**

Date: 15/4/2024



**Skamo Loltianya
Chief Finance Officer
ICPAK M/No:8278**

Date: 14/4/2024



**Dr. Kennedy Ole Kerei
Chairman of Council**

Date: 15/4/2024

Maasai Mara University
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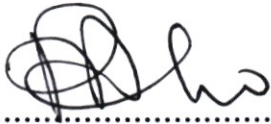
15 Statement of Financial Position as at 30 June 2023

STATEMENT OF FINANCIAL POSITION	Notes	2022/2023	2021/2022
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	29	98,517,853.81	200,328,343.75
Receivables from Exchange Transactions	30 (a)	159,472,974.21	147,594,658.00
Receivables from Non-Exchange Transactions	31	215,175,241.00	215,175,241.00
Inventories	32	8,646,759.00	10,918,921.00
Investments in financial assets	33	-	
Total Current Assets		481,812,828.02	574,017,163.75
Non-Current Assets			
Property, Plant and Equipment	34	2,110,604,735.73	2,186,872,550.37
Investments - Dairy Biological assets	33	52,894,400.00	-
Intangible Assets	35	17,487,000.00	-
Investment Property	36	-	-
Receivables from Exchange Transactions	30 (b)	-	-
Total Non- Current Assets		2,180,986,135.73	2,186,872,550.37
Total Assets		2,662,798,963.75	2,760,889,713.92
Liabilities			
Current Liabilities			
Trade and Other Payables	37	542,011,896.25	641,727,966.24
Refundable Deposits from Customers	38	110,158,927.20	-
Current Provision	39	11,044,788.33	7,379,732.90
Finance Lease Obligation	40	-	-
Current Portion of Borrowings	43	-	-
Deferred Income	41	-	-
Employee Benefit Obligation	42	-	-
Social Benefits	46	-	-
Taxation	48	11,155,895.68	-
Total Current Liabilities		674,371,507.46	649,107,699.14
Non-Current Liabilities			
Non-Current Employee Benefit Obligation	42	-	-
Non-Current Provisions	43	-	-

**Maasai Mara University
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Borrowings	44	-	-
Service Concession Liability	45	-	-
Social Benefits	46	-	-
Deferred Tax Liabilities	49	-	-
Total Non- Current Liabilities			-
Total Liabilities		674,371,507.46	649,107,699.14
Net Assets			
Revaluation Reserves		297,492,248.55	327,143,287.72
Accumulated Surplus		(190,478,372.26)	(96,774,852.94)
Capital Fund		1,881,413,580.00	1,881,413,580.00
Total Net Assets		1,988,427,456.29	2,111,782,014.78
Total Net Assets and Liabilities		2,662,798,963.75	2,760,889,713.92

The financial statements set out on pages 1 to 10 were signed on behalf of the University Council by:



.....
Prof. Peninah Aloo-Obudho
Vice Chancellor/
Secretary to Council

Date: 15/4/2024



.....
Skamo Loltianya
Chief Finance Officer
ICPAK M/No:8278

Date: 14/4/2024



.....
Dr. Kennedy Ole Kerei
Chairman of Council

Date: 15/4/2024

Maasai Mara University
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16. Statement of Changes in Net Assets for the year ended 30 June 2023

Statement of Changes in Net Assets	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital	Total
						Development Grants/Fund	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
As at July 1, 2021	-	320,808,644.22	-	(113,888,095.20)	-	1,881,413,580.00	1,891,278,792.92
Issued new capital	-	-	-	-	-	-	-
Revaluation gain	-	-	-	-	-	-	-
Transfer of excess depreciation on revaluation	-	6,334,643.50	-	-	-	-	6,334,643.50
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	17,113,242.26	-	-	17,113,242.26
Capital/development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
As at June 30, 2022	-	327,143,287.72	-	(96,774,852.94)	-	1,881,413,580.00	1,914,726,678.68
As at July 1, 2022	-	327,143,287.72	-	(96,774,852.94)	-	1,881,413,580.00	1,914,726,678.68
Issue of new share capital	-	-	-	-	-	-	-
Revaluation gain - Biological assets	-	51,919,400.00	-	-	-	-	51,919,400.00
Transfer of excess depreciation on revaluation	-	(81,570,439.17)	-	-	-	-	(81,570,439.17)
Deferred tax on excess depreciation	-	-	-	-	-	-	-
Fair value adjustment on quoted investments	-	-	-	-	-	-	-
Surplus/ deficit for the year	-	-	-	(93,703,519.32)	-	-	(93,703,519.32)
Capital/development grants received during the year	-	-	-	-	-	-	-
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-
Interim dividends paid	-	-	-	-	-	-	-
Proposed final dividends	-	-	-	-	-	-	-
As at June 30, 2023	-	297,492,248.55	-	(190,478,372.26)	-	1,881,413,580.00	1,988,427,456.29

Note:

1. Transfer of excess depreciation on revaluation amounted to Kshs.81,570,439.17 attributed to depreciation of revalued assets.
2. Revaluation of Kshs.51,919,400 is from revaluation of biological assets.

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

	Notes	Insert Current FY	Insert
		Kshs	Comparative FY
			Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities		1,055,337,864.00	1,054,836,524.00
Levies, fines, and penalties		-	-
Public contributions and donations		-	1,145,970.00
Property taxes revenue		-	-
Licenses and permits		-	-
Rendering of services		323,551,745.47	413,666,805.45
Sale of goods		12,252,835.47	9,133,945.00
Rental revenue from facilities and equipment		21,733,171.00	30,286,622.00
Finance income		1,473,697.56	3,007,502.19
Other income		9,531,261.97	15,461,522.65
Total receipts		1,423,880,575.47	1,527,538,891.29
Payments			
Use of goods and services		194,653,185.47	152,064,282.81
Employee costs		1,247,903,645.73	1,272,987,013.07
Council Expenses	18	22,632,916.36	28,368,128.49
Repairs and maintenance	20	11,938,721.53	12,888,130.66
Contracted services	21	10,798,580.07	13,305,471.00
Income tax expenses	28	7,611,374.99	-
Grants and subsidies		7,980,624.06	-
Total payments		1,503,519,048.21	1,479,613,026.03
Net cash flows from/(used in) operating activities	50	(79,638,472.74)	47,925,865.26
Cash flows from investing activities			
Purchase of PPE and Intangible assets		(22,172,017.20)	(77,360,731.51)
Proceeds from sale of PPE		-	22,763.00
Purchase of investments		-	-
Sale of investments		-	-
Net cash flows from/(used in) investing activities		(22,172,017.20)	(77,337,968.51)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & cash equivalent		(101,810,489.94)	(29,412,103.25)
Cash equivalents			
Cash and cash equivalents at 1 July	29	200,328,343.75	229,740,477.00
Cash and cash equivalents at 30 June	29	98,517,853.81	200,328,373.75

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18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2023

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/e*100
Revenue						
Transfers from Other Governments entities	1,055,337,864	-	1,055,337,864	1,055,337,864	-	100
Levies, Fines and Penalties	-	-	-	-	-	-
Public Contributions and Donations	-	-	-	-	-	-
Property Taxes Revenue	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Rendering of Services	300,000,000	-	300,000,000	363,692,521	(63,692,521)	121
Sale of Goods	15,100,696	-	15,100,696	12,252,835	2,847,861	81
Rental Revenue from Facilities and Equipment	22,860,000	-	22,860,000	21,733,171	1,126,829	95
Finance Income	1,500,000	-	1,500,000	1,473,698	26,302	98
Agency Income	-	-	-	-	-	-
Other Income	25,539,304	-	25,539,304	9,531,262	16,008,042	37
Total Income	1,420,337,864	-	1,420,337,864	1,464,021,351	(43,683,487)	
Expenses						
Use of Goods and Services	205,467,000	13,697,850	219,164,850	201,758,885	17,405,965	92
Employee costs	1,154,956,000	(9,000,000)	1,145,956,000	1,280,067,991	(134,111,991)	112
Remuneration of Directors	24,067,364	2,854,850	26,922,214	22,632,916	4,289,298	84
Repairs and Maintenance	15,725,000	(4,000,000)	11,725,000	11,938,722	(213,722)	102

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Contracted Services	12,000,000	-	12,000,000	10,798,580	1,201,420	90
Grants and Subsidies	-	-	-	-	-	-
Total Expenditure	1,412,215,364	3,552,700	1,415,768,064	1,527,197,094	(111,429,030)	
Surplus for the period	8,122,500	(3,552,700)	4,569,800	(63,175,743)	67,745,543	
Capital Expenditure	8,122,500	(3,552,700)	4,569,800			

Budget notes

- 1) The University Kshs.1,055,337,864 is 100% of the budgeted and approved capitation for the FY 2022/2023.
- 2) Revenue from school fees out performed by Kshs.45,083,500 which translated to 15% due to the number of first year students received in September 2022 being high than was forecasted during the budget process.
- 3) Revenue from sale of goods underperformed budget by 19%, however, this revenue line has doubled following the automation of revenue collection from Kshs.6M in 2020/2021 to Kshs.12M in 2022/2023 FY.
- 4) Other income only achieved 37% of target following a poor performance from the Health Unit which was the main revenue driver.
- 5) Employee costs overshot the budget by Kshs.134,111,991 due to the implementation of the CBA 2017-2021 through a court order, low numbers of academic staff resulting to high cost of part time lecturers as well as significantly high wage bill for casual wages.
- 6) Remuneration of Council members was at Kshs.27,124,092 which within the SCAC guidelines of Kshs.30,000,000 per year.
- 7) Contracted services were 10% below budget attributed to conclusion of some old ongoing cases for example the Nairobi Women Hospital Case and the Kisii Campus tenancy case resulting in less operating expenditure under contracted services.

19. Notes to the Financial Statements

1. General Information

Maasai Mara University is established by and derives its authority and accountability from by the Maasai Mara University Charter as per The Universities Act 2012. The Charter was issued on 11th February 2013. Maasai Mara University is wholly owned by the Government of Kenya and is domiciled in Kenya. Maasai Mara University's principal activity is Teaching and Research

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 Maasai Mara University's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in 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 Maasai Mara University. The financial statements have been prepared in accordance with the PFM Act 2012, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

Notes to the Financial Statements (Continued)

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact:
<p>IPSAS 41: Financial Instruments</p>	<p>Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>Management has assessed the effect of IPAS 41 and concluded that the standard does not affect the operations of Maasai Mara University.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>Management has assessed the effect of IPAS 42 and concluded that the standard does not affect the operations of Maasai Mara University.</p>

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Standard	Effective date and impact:
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued. <p>Management has assessed the effects of amendments of IPSAS 5, IPAS 30, and IPSAS 33 and concluded that the standard does not affect the operations of Maasai Mara University.</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • IPSAS 22 Disclosure of Financial Information about the General Government Sector. Amendments to refer to the latest System of National Accounts (SNA 2008). • IPSAS 39: Employee Benefits. Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023. <p>Management has assessed the effects of the improvements of IPSAS 22, IPAS 39, and IPSAS 29 and concluded that the standard does not affect the operations of Maasai Mara University.</p>

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Notes to the Financial Statements (Continued)

- ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Maasai Mara University.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The standard is not yet effective therefore has not affected financial reporting for the FY ending 30th June 2023</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>The standard is not yet effective therefore has not affected financial reporting for the FY ending 30th June 2023</p>

- iii. **Early adoption of standards**

Maasai Mara University did not do any early – adopt any new or amended standards in the financial year.

Notes to the financial statements (continued)

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

Maasai Mara 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 Maasai Mara University and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to Maasai Mara 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

Maasai Mara 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Maasai Mara 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 entity's right to receive payments is established.

Rental income

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

b) Budget information

The original budget for the Current FY 2022-2023 was approved by the National Assembly on 30th June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by Maasai Mara University upon receiving the respective approvals in order to conclude the final budget. Accordingly, however Maasai Mara University did not record additional appropriations on the 2022-2023 budget.

The University budget was approved by the University Council by 31st January 2022.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Budget information (continued)

Maasai Mara University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 18 of these financial statements.

c) Taxes

Current income tax

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Maasai Mara University and the same taxation authority.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over five-year period or investment property is measured at fair value with gains and losses recognised through surplus or deficit. 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Maasai Mara University expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when Maasai Mara 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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. Maasai Mara 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 Maasai Mara University and a financial liability or equity instrument of another Maasai Mara University. At initial recognition, Maasai Mara 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

Maasai Mara 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 Maasai Mara 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 Maasai Mara University has made irrevocable election at initial recognition for particular investments in equity instruments.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

Subsequent measurement

Based on the business model and the cash flow characteristics, Maasai Mara 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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 Maasai Mara 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

Maasai Mara 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. Maasai Mara University recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

Maasai Mara 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 Maasai Mara University.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

k) Provisions

Provisions are recognized when Maasai Mara 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 Maasai Mara 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.

Maasai Mara University recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that Maasai Mara University will incur in fulfilling the present obligations represented by the liability.

m) Contingent liabilities

Maasai Mara 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

Maasai Mara 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 Maasai Mara 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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

o) Nature and purpose of reserves

Maasai Mara University does not create or maintains reserves in terms of specific requirements.

p) Changes in accounting policies and estimates

Maasai Mara 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

Maasai Mara University provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which Maasai Mara University pays fixed contributions into a separate Maasai Mara University Staff Retirement Scheme 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. Maasai Mara University does not operate a defined benefit fund therefore has no liability arising from this kind of fund.

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.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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

Maasai Mara 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 Maasai Mara University, or vice versa. Members of key management are regarded as related parties and comprise the University Council, the Vice Chancellor and other senior managers.

u) Service concession arrangements

Maasai Mara 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, Maasai Mara 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, Maasai Mara University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

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, 2023.

Notes to the Financial Statements (Continued)

Summary of Significant Accounting Policies (Continued)

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of Maasai Mara 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. Maasai Mara 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 Maasai Mara 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 Maasai Mara 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

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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Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

Description	2022/2023	2021/2022
	KShs	KShs
Unconditional Grants		
Operational Grant	1,055,337,864.00	1,054,836,524.00
Unconditional development grants	0	0
Other Grants	0	0
Total Unconditional Grants	1,055,337,864.00	1,054,836,524.00
Conditional Grants amortised/ transferred to revenue		
Housing Development Grant	0	0
Infrastructure Grant	0	0
Library Grant	0	0
Facilities Development Grant	0	0
Other Organizational Grants (specify)	0	0
Total Government Grants and Subsidies	1,055,337,864.00	1,054,836,524.00

The monthly capitation is for sustaining payroll for the University.

b) Transfers from Ministries, Departments and Agencies (MDAs)

Name of Entity Sending The Grant	Amount recognized to Statement of Financial performance. *	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers 2022/2023	2021/2022
	KShs	KShs	KShs	KShs	KShs
Ministry/State Department for University Education	0	0	0	0	0
Ministry of Education	0	0	0	0	0
Total	0	0	0	0	0

Other than the operational monthly capitation, the University has not received any other grant from the State Department for University Education or the Ministry of Education.

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Notes to the Financial Statements (Continued)

7. Levies, Fines and Penalties

Description	2022/2023	2021/2022
	Kshs	Kshs
Fuel Levy	0	0
Other Levies (Specify)	0	0
Fines	0	0
Penalties	0	0
Total	0	0

The University does not receive Levies, Fines and Penalties as part of its revenue streams.

8. Public Contributions and Donations

Description	2022/2023	2021/2022
	Kshs	Kshs
Health Donations	0	0
Research Donations	0	0
Donations transferred to revenue on conditions being met.	0	0
Other Public Donations (Specify)	0	0
Total Transfers and Sponsorships	0	0
Reconciliation Of Public Contributions and Donations		
Balance Unspent at Beginning of The Year	0	0
Current Year Receipts	0	0
Conditions Met - Transferred to Revenue	0	0
Conditions to Be Met - Remain Liabilities	0	0

During the year under review, the University has not received any Public Contributions and Donations.

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Notes to the Financial Statements (Continued)

9. Property Taxes Revenue

Description	2022/2023	2021/2022
	KShs	KShs
Taxable Land and Buildings		
Residential	0	0
Commercial	0	0
State	0	0
Penalties	0	0
Sub- Total Property and Taxes	0	0
Income Forgone/ waived	0	0
Total Property Taxes Revenue	0	0

The University has not received any property taxes for the year under review.

10. Licenses, Fees and Permits

Description	2022/2023	2021/2022
	Kshs	Kshs
Licenses	0	0
Fees	0	0
Permits	0	0
Total	0	0

The University is not a recipient of fees arising from Licenses, Fees and Permits

11. Rendering of Services

Description	2022/2023	2021/2022
	Kshs	Kshs
Tuition Fees	175,295,993.50	222,128,883.50
Student ID	645,550.00	611,200.00
Registration Fees	866,500.00	824,700.00
Examination Fees	10,331,000.00	13,414,850.00
Teaching and Practicals Related Income	11,000.00	33,000.00
Activity Fees	23,537,000.00	21,552,700.00

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Medical Fees	27,946,000.00	13,654,700.00
Teaching Practice	8,632,000.00	12,188,000.00
Library Fees	168,000.00	258,825.00
Attachment Fees	12,748,000.00	18,621,700.00
Laboratory Fee	663,300.00	401,400.00
Amenity	8,607,000.00	7,946,000.00
Extra Curricula Activities	8,428,000.00	7,756,000.00
ICT Fees	41,571,000.00	54,729,053.00
Academic Activities	1,227,000.00	1,168,820.95
Clinical Assessment Fee	422,600.00	232,000.00
Clinical Placement Fee	237,500.00	142,500.00
Application Fees	1,007,266.00	-
Late Registration Fee	4,280,000.00	4,105,300.00
Fines	101,800.00	31,195.00
Library Fines	-	10.00
KUCCPS FEES	3,455,050.00	3,201,000.00
CUE FEES	2,536,000.00	2,345,550.00
Development Fees	102,000.00	180,000.00
Certificate Storage Fines	958,000.00	1,570,400.00
Thesis Examination	180,000.00	378,000.00
Field Course	10,227,350.00	9,965,450.00
Practicum	445,255.00	4,796,000.00
Students Closing Balance	-	10,954,568.00
Student union MMUSA fees	18,019,771.00	
Key Replacement	114,800.00	57,800.00

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Exam Retake & Resits	665,500.00	290,500.00
Inter-account Students Transfer	125,285.63	126,700.00
Nursing Transport Fee	97,000.00	-
Accommodation Fees (Special Rotations)	40,000.00	-
Total Revenue from The Rendering of Services	363,692,521.13	413,666,805.45

The core business of the University is teaching and research. In the year under review, the University has charged school fees in the process of rendering the services.

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Notes to the Financial Statements (Continued)

12. Sale of Goods

Description	2022/2023	2021/2022
	Kshs	Kshs
Sale of goods		
Student Mess sales - 9393015	10,448,765.93	7,600,172.00
Staff Mess sales - 9393133	854,999.74	14,500.00
Hospitality Lab sales 9393135	75,683.50	1,519,273.00
University Farm sales - 9393139	824,362.63	-
Health Unit revenue - 9393137	30,937.34	-
Library and printing services - 9393141	18,086.33	-
Total revenue from the sale of goods	12,252,835.47	9,133,945.00

The University through its income generating Units in the bid to increase the amount of A.I.A to support operations operated the student mess, staff mess, hospitality lab as well as the University firm to boost revenues.

13. Rental Revenue from Facilities and Equipment

Description	2022/2023	2021/2022
	Kshs	Kshs
Accommodation Fees	20,611,911.00	29,481,337.00
Hire of Students Center Stalls - Students Union	136,000.00	81,500.00
Hire of Hall for conferences	643,820.00	20,000.00
Hire of Bus	326,440.00	703,785.00
Hire of Playing Ground	15,000.00	-
Total Rentals	21,733,171.00	30,286,622.00

The University hired its facilities and equipment in a bid to generate revenue to support operations and supplement capitation from the National Treasury.

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14. Finance Income

Description	2022/2023	2021/2022
	Kshs	Kshs
Cash investments and fixed deposits	1,473,697.56	3,007,502.19
Total finance income	1,473,697.56	3,007,502.19

The University generated interest income from its fixed accounts held in National Bank accounts of which were held as guarantee for medical expenses and fuel deposits. The fixed accounts have since been liquidated at the expiry of the bank guaranteed period and arrangements.

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Notes to the Financial Statements (Continued)

15. Other Income

Description	2022/2023	2021/2022
	Kshs	Kshs
Hire of Graduation Gowns to External Customers	11,000.00	10,000.00
Graduation Fee and Gowns Hire	7,127,500.00	9,517,500.00
Misc. Income	7,100.00	23,548.00
Conference Charges	66,652.00	49,000.00
NHIF Capitation	328,500.00	267,919.15
Donations	-	1,145,970.00
Collaboration Income	243,500.00	-
Research Grants Revenue	1,747,009.97	5,593,555.50
Total Other income	9,531,261.97	16,607,492.65

The University generated other income from charging graduation fees, research and NHIF capitation from the University Health Unit among others to boost its A.I.A.

16. Use of Goods and Services

Description	2022/2023	2021/2022
	Kshs	Kshs
Electricity	11,377,003.12	12,378,176.85
Water	9,269,335.00	10,303,400.00
Internet	13,496,347.83	13,049,712.99
Sanitary Expenses	3,424,633.44	2,612,149.84
Motor Vehicle Fuel	9,327,474.22	6,100,003.85
Administrative/Office expenses	1,065,102.00	1,069,515.00
Advertisements & Publicity -General	3,312,648.00	656,593.00
Advertisement Expenses - academic	-	3,257,707.00

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Purchase of Cleaning Materials	1,401,998.12	462,278.12
Committee Expenses	684,820.00	1,132,290.00
Staff Welfare Costs	-	2,097,564.00
Conference & Seminars	1,184,909.16	1,277,583.70
Corporate Social Responsibility	302,325.00	80,476.00
Tree Nursery expenses	358,100.00	150,200.00
E-Learning resources and training	898,960.00	290,880.00
Tuition Fee waiver	685,520.00	1,481,165.00
Training on gender issues	125,492.00	9,750.00
Graduation Expenses	5,894,998.60	5,933,443.00
Innovation Costs	987,338.00	887,429.00
General Assets Insurance	1,118,934.00	1,233,454.00
Staff Uniform & Clothing	933,334.40	669,841.00
Security Surveillance	2,783,830.00	2,645,144.00
Senate Expenses	131,830.00	-
Quality Assurance Programmes and QMS	2,128,791.00	3,342,675.00
Staff & Students Last Respect welfare	2,313,447.32	776,799.16
Stationery and stores	1,735,633.00	-
Students Activities	5,087,557.00	4,175,444.00
MMU Students-Scholarships/Financial Aid	2,500,000.00	2,495,003.00
MMUSA Account Expenses	3,825,025.00	516,288.00
Travelling & accommodation-Local	10,585,468.18	5,577,632.00
Audit Fees Expenses	696,000.00	696,000.00
Collaboration/Industry Linkages	393,290.00	371,465.00
Integrity Assurance/ HIV/AIDS Awareness and Disability Mainstreaming	203,142.00	251,750.00

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Land Title Expenses	-	321,500.00
Subscription of Journal & Newspapers	670,138.03	641,985.00
Student Work Study	148,500.00	781,150.00
Sports Expenses	292,970.00	196,245.00
Membership Subscriptions	1,061,920.00	608,547.50
Bindery Materials	30,508.00	26,900.00
E Books Subscription	1,508,984.00	1,404,411.25
Calling Cards	-	100,000.00
Purchase of Stationery	2,313,710.00	7,208,518.00
GPA and Group Life Insurance	154,950.00	-
African Medical Botanical Garden Expense	168,350.00	31,200.00
Stakeholders Fundraising Functions	287,800.00	-
Awareness Expenses on Gender Issues	-	50,000.00
Postal Charges	70,363.01	136,600.03
Promotional Branding Materials and Brochures	415,600.00	(32,600.00)
Valuation and Tagging of Assets	42,900.00	-
Public Complaints Capacity Building	15,500.00	30,800.00
Students Smart Cards	377,400.00	-
Career Services	250,000.00	217,588.00
CPD Training	942,745.00	38,600.00
Rent Expenses	900,000.00	900,000.00
Research Programmes	2,732,239.00	616,911.90
Bank Charges	840,170.17	1,533,390.54
Medical Laboratory Reagents	504,521.54	106,860.00
Covid-19 Related Purchases	-	59,130.00

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Resource mobilization Task Force	5,628,024.00	1,958,697.00
Court Fines and Penalties	12,755,206.60	114,043.00
ERP maintainance and licenses	1,250,480.00	-
Provisions for Bad and doubtfull Debts	593,915.81	2,557,829.90
Teaching Practice & Industrial Attachment	14,820,060.00	3,214,291.00
Examination Materials	4,260,732.58	8,146,966.00
Students Practicals, Bushmanship and Field Trips/Courses	9,507,890.00	7,748,166.00
Programme Development	993,300.00	164,195.00
Accredation of Programmes	2,061,500.00	19,000.00
External Examiners	2,399,725.89	2,507,399.00
Teaching Materials	629,786.00	910,729.00
Academic Lab Consumables	1,142,610.00	471,640.00
KUCCPS	3,557,502.00	3,612,000.00
CUE Expenses	2,334,000.00	3,958,500.00
Admission Related Expenses	-	10,000.00
Part Time Costs OB	-	288,552.00
Purchase of Food stuffs	17,850,330.27	12,675,272.58
Utensils Replacement	-	298,340.00
Cooking Gas/Fuel	1,691,952.03	2,088,562.60
Kitchen Expenses	282,840.00	-
Farm Expenses	272,100.00	-
Dairy Operating Expenses	153,000.00	176,550.00
Endowment Animal Feeds	-	184,000.00
Total cost for use of Goods and Services	194,147,510.32	152,064,282.81

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17. Employee Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Passage & baggage	8,000.00	-
NSSF employer contribution expense	4,683,150.63	1,476,000.00
Pension Employer Contribution expense	74,454,231.00	64,934,634.00
NITA Training Levy Expense	404,600.00	370,050.00
Gratuity Expense	14,956,353.00	13,952,249.58
Casual Labour Expenses	20,863,165.24	19,054,819.65
Part-Time Lecturers Costs	69,878,250.00	89,744,243.75
Gross Salaries	1,054,793,586.74	1,050,188,655.81
Staff Medical Expenses	30,632,355.98	30,380,385.28
Staff Development	4,079,603.40	2,885,975.00
Purchase of Drugs & other clinical expenses	5,314,694.65	-
Total Employee Costs	1,280,067,990.64	1,272,987,013.07

18. Council Expenses

Description	2022/2023	2021/2022
	Kshs	Kshs
Council Members Retreat	3,018,199.00	6,190,872.00
Council Members Insurance	84,596.97	1,065,632.00
Council Seminars & Conferences	3,384,656.00	2,566,417.49
Council Training and Development	4,874,306.84	4,009,636.00
Honoraria for Council Chairman	752,419.55	960,000.00
Council Allowances, Meals, Telephone & other related expenses	10,518,738.00	13,575,571.00
Total	22,632,916.36	28,368,128.49

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Notes to the Financial Statements (Continued)

19. Depreciation and Amortization Expense

Description	2022/2023	2021/2022
	Kshs	Kshs
Depreciation on Buildings	13,623,464.16	13,972,784.00
Depreciation on Plant and Equipment	432,553.00	261,894.00
Depreciation on Furniture and Fittings	410,798.64	179,186.00
Depreciation on Motor vehicles	2,003,906.25	2,671,875.00
Depreciation on Computers & Accessories	2,511,569.71	2,370,522.00
Depreciation on Library Books	5,716,484.80	7,135,655.00
Depreciation Computer Softwares and systems	5,829,000.00	-
Total	30,527,776.56	26,591,916.00

The ERP was capitalized during the financial 2022/2023 hence the absence of comparative figures for Depreciation Computer Soft wares and systems.

20. Repairs and Maintenance

Description	2022/2023	2021/2022
	Kshs	Kshs
Maintenance and Repair of Buildings	1,543,059.00	997,100.00
Repair & Maintenance of Motor Vehicles	3,079,837.81	3,632,863.20
Maintenance of Sewerage and Water	758,220.00	662,264.00
Maintenance Contingencies & Minor Works	411,450.00	-
Maintenance of Grounds	178,590.00	-
Maintenance of Plant, Machinery and Equipment	2,472,934.72	4,641,592.46
Maintenance of Minor Security Equipment	140,300.00	349,044.00
Computer Materials & maintenance	3,354,330.00	2,605,267.00
Total Repairs and Maintenance	11,938,721.53	12,888,130.66

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21. Contracted Services

Description	2022/2023	2021/2022
	Kshs	Kshs
Legal expenses	10,798,580.07	13,305,471.00
Total Contracted Services	10,798,580.07	13,305,471.00

The legal charges relate to legal expenses paid to external lawyers and facilitation for the University lawyers to attend court alongside the external lawyers.

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Notes to the Financial Statements (Continued)

22. Grants and Subsidies

Description	2022/2023	2021/2022
	Kshs	Kshs
Community Development	0	0
Education Initiatives and Programs	0	0
Social Development	0	0
Social benefit expenses*	0	0
Community Trust	0	0
Sporting Bodies	0	0
Total Grants and Subsidies	0	0

The University does not offer grants or subsidies.

23. Finance Costs

Description	2022/2023	2021/2022
	Kshs	Kshs
Borrowings (amortized cost) *	0	0
Finance leases (amortized cost)	0	0
Unwinding of discount on lease liabilities	0	0
Interest on bank overdrafts	0	0
Interest on loans from commercial banks	0	0
Total finance costs	0	0

The University has no borrowings therefore no finance costs for the year under review.

24. Gain on Sale of Assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, plant and equipment	0	22,763.00
Intangible assets	0	0
Other assets not capitalised	0	0
Total gain on sale of assets	0	22,763.00

For year under review, the university did not dispose any assets hence there is no gain on sale of assets

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Notes to the Financial Statements (Continued)

25. Gain/Loss on foreign exchange transactions

Description	2022/2023	2021/2022
	Kshs	Kshs
Gain on foreign exchange transactions	0	0
Loss on foreign exchange transactions	0	0
Total Gain/Loss	0	0

The University does not trade in foreign currency and does not have accounts in foreign currency therefore no exposure to Gain/Loss on foreign exchange transactions

26. Gain/ (loss) on Fair Value Investments

Description	2022/2023	2021/2022
	Kshs	Kshs
Investments at Fair Value- Equity investments	0	0
Fair value – Investment property	0	0
Fair value- other financial assets	0	0
Total Gain	0	0

The University did not have investments during the year under review.

27. Impairment Loss

Description	2022/2023	2021/2022
	Kshs	Kshs
Property, Plant and Equipment	0	0
Intangible Assets	0	0
Total Impairment Loss	0	0

The University did not have investments during the year under review.

28. Taxation

Description	2022/2023	2021/2022
	Kshs	Kshs
Corporate Tax expense	7,611,374.99	4,243,470.00
Total Corporate Tax Expense	7,611,374.99	4,243,470.00

As a current requirement for public entries to file corporate tax, the university filed Corporate tax from the financial year 2016/2017 to date with the Assistance of the Kenya Revenue Authority and the resultant liability was expensed accordingly.

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Notes to the Financial Statements (Continued)

29. Cash and Cash Equivalents

Description	2022/2023	2021/2022
	Kshs	Kshs
Equity Fee Collection A/C - 0360293859386	2,018,702.34	754,262.98
KCB Development A/C - 1112635831	60,482.00	25,470,892.00
KCB University Operations A/C - 1136121064	1,039,184.14	76,960,962.09
Co-Operative Bank Fee Collection A/C- 0112933719260	1,845,224.07	21,928,242.22
NBK Operations A/C - 01021042224300	80,561,798.31	70,409,648.94
NBK Fixed account - Total guarantee	-	764,686.90
NBK Fixed account - Hospital guarantee	-	3,000,000.00
BBK (ABSA) BANK A/C - 0411011267	12,510,382.95	837,333.90
Undeposited Funds	482,080.00	-
Mobile Money Accounts	-	202,314.72
Total Cash and Cash Equivalents	98,517,853.81	200,328,343.75

Detailed Analysis of the Cash and Cash Equivalents

Description	Account Number	2022/2023	2021/2022
		Kshs	Kshs
a) Current Accounts			
Equity Fee Collection	0360293859386	2,018,702.34	754,262.98
KCB Development	1112635831	60,482.00	25,470,892.00
KCB University Operations	1136121064	1,039,184.14	76,960,962.09
Co-Operative Bank Fee Collection	01129337192601	1,845,224.07	21,928,242.22
NBK Operations	01021042224300	80,561,798.31	70,409,648.94
BBK (ABSA) BANK	0411011267	12,510,382.95	837,333.90
Sub-Total		98,035,773.81	196,361,342.13
b) On-Call Deposits		-	-
c) Fixed Deposits Account		-	-
NBK Fixed account - Total guarantee		-	764,686.90
NBK Fixed account - Hospital guarantee		-	3,000,000.00
Sub-Total		-	3,764,686.90
c) Others			
Cash in Transit			
Undeposited Funds		482,080.00	-
Mobile money Accounts		-	202,314.72
Sub-Total		482,080.00	202,314.72
Grant Total		98,517,853.81	200,328,343.75

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Notes to the Financial Statements (Continued)

30. Receivables from Exchange Transactions

(a) Receivables from Exchange Transactions (Current)

Description	2022/2023	2021/2022
	Kshs	Kshs
a) Receivables from Exchange Transactions (Current)		
Student Debtors	144,315,872.67	127,951,463.80
General Debtors	939,021.54	-
Imprest Outstanding	1,861,865.00	7,286,979.20
Rent Deposits Receivable	5,688,960.00	5,688,960.00
Fuel Deposits Receivable	1,208,094.00	1,208,094.00
National Police Service	5,138,250.00	5,138,250.00
Department of Nomadic Education	250,000.00	250,000.00
Cafeteria Sales Debtors	70,911.00	70,911.00
Total current receivables	159,472,974.21	147,594,658.00

The University has had long outstanding current receivables and after the implementation of the ERP, further documentation and verification of these receivables will be done.

(b) Receivables from Exchange Transactions (Long-term)

Description	2022/2023	2021/2022
	Kshs	Kshs
Total receivables		
Service, water and electricity debtors	0	0
Other exchange debtors	0	0
Less: impairment allowance	0	0
Total receivables	0	0
Current portion transferred to current receivables	0	0
Total non-current receivables	0	0
Total receivables (a+b)	0	0

The University does not have receivables that will be receivable in future periods.

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(b) Ageing analysis for Receivables from exchange transactions

Description	2022/2023		2021/2022	
	Kshs		Kshs	
	Current FY	% of the total	Comparative FY	% of the total
Less than 1 year	2,800,886.54	2%	7,286,979.20	4.94%
Between 1- 2 years	144,315,872.67	90%	127,951,463.80	86.69%
Between 2-3 years	0	0	0	0
Over 3 years	12,356,215.00	8%	12,356,215.00	8.37%
Total (a+b)	159,472,974.21	100%	147,594,658.00	100%

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Notes to the Financial Statements (Continued)

(d) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year	7,379,732.90	4,821,903.00
Additional provisions during the year	593,915.81	2,557,829.90
Recovered during the year	0	0)
Written off during the year	0	0
At the end of the year	7,973,648.71	7,379,732.90

The University has provided for 5% of all receivables as provision for doubtful and bad debts.

Reconciliation for Impairment Allowance on Receivables from Non-Exchange Transactions

31. Receivables from Non-Exchange Transactions

Description	2022/2023		2021/2022	
	Kshs		Kshs	
SUSPENSE - COURT CASE	215,175,241.00		215,175,241.00	
Property tax debtors	0		0	
Levies, fines, and penalties	0		0	
Licences, fees and permits	0		0	
Other debtors (non-exchange transactions)	0		0	
Less: impairment allowance	0		0	
Total receivables from non-exchange transactions	215,175,241.00		215,175,241.00	
Ageing Analysis- Receivables from non-exchange transactions	Current FY	% of the total	Co mp ar a tive FY	% of the total
Less than 1 year	0	0%	0	0%
Between 1-2 years	0	0%	0	0%
Over 3 years	215,175,241	100%	0	100%
Total	215,175,241	100 %	0	100%

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Description	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year	0	0
Additional provisions during the year	0	0
Recovered during the year	0	0
Written off during the year	0	0
At the end of the year	0	0

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Notes to the Financial Statements (Continued)

32. Inventories

Description	2022/2023	2021/2022
Inventories	Kshs	Kshs
Stock-Stationery	993,570.00	2,729,203.00
Stock-Estates-Building Materials	1,199,565.00	752,035.00
Stock-Catering	507,810.00	841,767.00
Stock-Health	3,600,836.00	2,639,284.00
Stock-Cleaning Materials	705,210.00	1,515,729.00
Stock-Computer Accessories/Materials	1,639,768.00	2,440,903.00
Less: Allowance for impairment	-	-
Total inventories at the lower of cost and net realizable value	8,646,759.00	10,918,921.00

The University carried out a stock take on 30th June 2023 to ascertain stock levels and values at the end of the financial year.

33. Investments in financial assets

Description	2022/2023	2021/2022
	Kshs	Kshs
a) Investment in Treasury bills and bonds		
Investment in Biological assets	52,894,400.00	0
	0	0
	0	0
Sub- total	0	0
b) Investment with Financial Institutions/ Banks		
Bank x	0	0
Bank y	0	0
Sub- total	0	0
c) Equity investments (specify)		
Equity/ shares in Maasai Mara University	0	0
Sub- total	0	0
Grand total	52,894,400.00	0

The University has not invested in investment assists in the current year under review.

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Notes to the Financial Statements (Continued)

d) Movement of Equity Investments

Impairment allowance/ provision	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year	0	0
Purchase of investments in the year	0	0
Sale of investments during the year	0	0
Gain/(loss) in fair value of investments through surplus or deficit	0	0
At the end of the year	0	0

e) Shareholding in other entities

For investments in equity share listed under note 33 above, list down the equity investments under the following categories:

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding			
	%	%	%	Kshs	2022/2023 Kshs	2021/2022 Kshs
A	0	0	0	0	0	0
B	0	0	0	0	0	0
C	0	0	0	0	0	0
	0	0	0	0	0	0

The University has not invested in any entity during the financial year under review

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Notes to the Financial Statements (Continued)

34. Property, Plant and Equipment

34	Property, Plant and Equipment								
	Rate of Depreciation	0%	2.5%	25.0%	20.0%	12.5%	33.3%	25.0%	
		LAND	BUILDINGS	MOTOR VEHICLES	PLANT & EQUIPMENT	FURNITURE AND FITTINGS	COMPUTERS	LIBRARY BOOKS	TOTAL
	2019-2020								
	Net Book Values at at 30th June 2021	268,500,000	1,246,050,000	36,112,500	1,735,760	34,822,230	9,220,933	26,725,684	1,623,167,107
	2021-22								
	NBV Openign Balance 1st Jul, 2021	268,500,000	1,246,050,000	36,112,500	1,735,760	34,822,230	9,220,933	26,725,684	1,623,167,107
	Adjustments for prior period	-	-	-	-	-	-	-	-
	Additions during the Year:	-	558,911,350	-	929,470	596,950	2,561,603	1,816,936	564,816,309
	Disposals	-	-	-	-	-	-	-	-
	Transfers/adjustments (Revaluation Reserve)	-	-	-	-	-	-	-	-
	Balances As at 30th Jun, 2022	268,500,000	1,804,961,350	36,112,500	2,665,230	35,419,180	11,782,536	28,542,620	2,187,983,416
	Depreciation on revaluation	-	31,151,250	9,918,750	366,152	4,367,717	3,828,188	-	49,632,057
	Amortization/Depreciation for the Year	-	13,972,784	2,671,875	261,894	179,186	2,370,522.35	7,135,654.91	26,591,916.32
	Accumulated Depreciation as at 30 Jun, 2022	-	45,124,034	12,590,625	628,046	4,546,903	5,767,896.74	16,044,216.00	84,701,720.76
	Net Book Values at at 30th June 2022	268,500,000.00	1,791,787,316.00	35,559,375.00	2,471,124.00	35,846,881.00	10,187,381.00	21,406,965.00	2,165,759,042.00
	2022/2023								
	NBV Openign Balance 1st Jul, 2022	268,500,000.00	1,791,787,316.00	35,559,375.00	2,471,124.00	35,846,881.00	10,187,381.00	21,406,965.00	2,165,759,042.00
	Adjustments for prior period	-	-	-	227,900.00	-	-	-	227,900.00
	Additions during the Year:	-	-	-	1,115,189.00	2,032,085.00	2,794,088.00	1,458,974.20	7,400,336.20
	Disposals	-	-	-	-	-	-	-	-
	Transfers/adjustments (Revaluation Reserve)	-	-	-	-	-	-	-	-
	Balances As at 30th Jun, 2023	268,500,000.00	1,791,787,316.00	35,559,375.00	3,814,213.00	37,878,966.00	12,981,469.00	22,865,939.20	2,173,387,278.20
	Depreciation on revaluation	-	30,372,468.75	3,876,562.50	197,921.60	3,702,246.57	278,275.84	-	38,427,475.26
	Depreciation for the Year	-	13,623,464.16	2,003,906.25	432,553.00	410,798.64	2,511,569.71	5,716,484.80	24,698,776.56
	Accumulated Depreciation for the FY as at 30 Jun, 2023	-	43,995,932.91	5,880,468.75	630,474.60	4,113,045.21	2,789,845.55	5,716,484.80	63,126,251.83
	Net Book Values at at 30th June 2023	268,500,000.00	1,747,791,383.09	29,678,906.25	3,199,103.40	33,663,452.00	10,622,436.71	17,149,454.28	2,110,604,735.73

The University did not have any W.I.P. for the FY 2022/2023 as the ERP system was capitalized during the financial year.

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Valuation

Land, buildings, Plant, Machinery & Equipment, Motor Vehicles, Computers and accessories were valued by Public Works in line with the National Assets and Liabilities Management Policy and Guidelines (issued 30th June 2020). These amounts were adopted by the Council on 30th June 2021 with concurrence from the National Treasury.

34 (b) Property, Plant and Equipment at Cost

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

Description	Cost	Accumulated Depreciation	NBV
	Kshs	Kshs	Kshs
Land	268,500,000.00	-	268,500,000.00
Buildings	1,836,911,350.00	(89,119,966.91)	1,747,791,383.09
Motor Vehicles	48,150,000.00	(18,471,093.75)	29,678,906.25
Furniture and Fittings	42,425,869.21	(8,762,417.21)	33,663,452.00
Plant, Equipment and Machinery	4,442,259.00	(1,243,155.60)	3,199,103.40
Computers and Accessories	19,180,179.00	(8,557,742.29)	10,622,436.71
Library Books	38,910,155.10	(21,760,700.82)	17,149,454.28
Total	2,258,519,812.31	(147,915,076.58)	2,110,604,735.73

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

Description	Cost or valuation	Normal annual depreciation charge
Plant and Machinery	0	0
Motor Vehicles including Motorcycles	0	0
Computers and Related Equipment	0	0
Office Equipment, Furniture and Fittings	0	0
Total	0	0

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Notes to the Financial Statements (Continued)

35. Intangible Assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Cost		
At beginning of the year	23,316,000.00	0
Additions	0	0
At end of the year	0	0
Additions—internal development	0	0
At end of the year	0	0
Amortization and impairment		
At beginning of the year	0	0
Amortization	(5,829,000.00)	0
At end of the year	0	0
Impairment loss	0	0
At end of the year	23,316,000.00	0
NBV	17,487,000.00	0

36. Investment Property

Description	2022/2023	2021/2022
	Kshs	Kshs
At beginning of the year	0	0
Additions	0	0
Disposal during the year	0	0
Depreciation	0	0
Impairment	0	0
Gain/(loss) in fair value (if fair value is elected)	0	0
At end of the year	0	0

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37. Trade and Other Payables

Description	2022/2023	2021/2022
	Kshs	
Trade payables	97,815,223.00	94,579,429.05
Employee payables	385,763,756.54	353,599,411.63
Third-party payments - research grants	13,489,262.53	11,112,304.93
Contractors payable	42,673,632.51	52,673,632.51
Other payables - Accrued expenses	2,270,021.67	8,283,652.77
Total trade and other payables	542,011,896.25	520,248,430.89

Ageing analysis: (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	2,270,021.67	0.42%	8,283,652.77	2%
1-2 years	497,068,242.07	91.71%	459,291,145.61	88%
2-3 years	0	0.00%	52,673,632.51	10%
Over 3 years	42,673,632.51	7.87%	-	0%
Total (tie to above total)	542,011,896.25	100.00%	520,248,430.89	100%

Trade and other payables excluding provisions increased from 87% to 91% compared to prior year.

38. Refundable Deposits and Prepayments from Customers

Description	2022/2023	2021/2022
Refundable Deposits and Prepayments from Customers	Kshs	
Student Union MMUSA	-	12,718,171.00
HELB Loan unallocated liability	3,221,456.00	(1,362,544.00)
Bursary	5,657,369.71	4,456,965.00
Students Bankers Cheques	134,000.00	1,500.00
Refunds-Students & Other Refunds	1,423,200.12	1,423,200.12
Caution Money	21,625,750.00	19,058,750.00
Student Fee prepayments	78,097,151.37	66,460,006.71
Total Refundable Deposits and Prepayments from Customers	110,158,927.20	102,756,048.83

Ageing analysis: (Refundable deposits)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	22,968,229.37	21%	34,478,974.17	34%
1-2 years	87,190,697.83	79%	68,277,074.66	68%
2-3 years	0	%	0	0%
Over 3 years	0	%	0	0%
Total	110,158,927.20		102,756,048.83	

Amounts refundable to students stood at Kshs.110,158,927.20 which is an increase from the previous FY 2021/2022.

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Notes to the Financial Statements (Continued)

39. Current Provisions

Description	Leave provision	Bonus provision	Gratuit y Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Balance b/f	0	0	0	7,379,732.90	0
Additional provisions	0	0	0	593,915.81	0
Provision utilised	0	0	0	0	0
Change due to discount and time value for money	0	0	0	0	0
Unidentified Bankings - Un earned revenue	0	0	0	3,071,139.62	0
Total provisions year end	0	0	0	11,044,788.33	0

40. Finance Lease Obligation

Description	2022/2023	2021/2022
	Kshs	Kshs
At the start of the year	0	0
Discount interest on lease liability	0	0
Paid during the year	0	0
At end of the year	0	0

Maturity Analysis

Period	Amount (Kshs)
Year 1	0
Year 2	0
Year 3	0
Year 4	0
Year 5 And Onwards	0
Less: Unearned Interest	0
Total	0

Analysed as:

Description	Amount (Kshs)
Current	0
Non- Current	0
Total	0

The University has no lease to make a provision.

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Notes to the Financial Statements (Continued)

The deferred income movement is as follows:

41. Deferred Income

Description	2022/2023	2021/2022
	Kshs	Kshs
National Government	0	0
International Funders	0	0
Public Contributions and Donations	0	0
Total Deferred Income	0	0

	National government	International funders	Public contributions and donations	Total
	Kshs	Kshs	Kshs	Kshs
Balance Brought Forward	0	0	0	0
Additions	0	0	0	0
Transfers to Capital Fund	0	0	0	0
Transfers to Income Statement	0	0	0	0
Other Transfers	0	0	0	0
Balance Carried Forward	0	0	0	0

42. Employee Benefit Obligations

Description	Defined benefit plan	Post-employment medical benefits	Other Benefits	2022/2023	2021/2022
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	0	0	0	0	0
Non-Current Benefit Obligation	0	0	0	0	0
Total Employee Benefits Obligation	0	0	0	0	0

Retirement benefit Asset/ Liability

Maasai Mara University operates a defined contribution scheme for all permanent and pensionable employee. The scheme is administered by Octagon Africa while Co-operative bank is the custodians of the scheme. The Fund manager of the scheme is Gen-Africa. The administration and management of the scheme is done by Trustees both elected by members and sponsor nominated Trustees. The scheme is based on 7.5% employee contribution and 15% employer contribution of the salary of an

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employee every month. The University therefore has no obligation to employees since the scheme is outsourced.

Notes to the Financial Statements (Continued)

Description	2022/2023	2021/2022
Discount Rates	0	0
Future Salary Increases	0	0
Future Pension Increases	0	0
Mortality (Pre- Retirement)	0	0
Mortality (Post- Retirement)	0	0
Withdrawals	0	0
Ill Health	0	0
Retirement	0	0

Recognition of Retirement Benefit Asset/ Liability

a) Amounts recognised under other gains/ Losses in the statement of Financial Performance:

Description	2022/2023	2021/2022
	Kshs	Kshs
The return on defined plan assets	0	0
Actuarial gains/ losses arising from changes in demographic assumptions	0	0
Actuarial gains/ losses arising from changes in financial assumptions	0	0
Actuarial gains and losses arising from experience adjustments	0	0
Others (specify)	0	0
Adjustments for restrictions on the defined benefit asset	0	0
Remeasurement of the net defined benefit liability (asset)	0	0

Notes to the Financial Statements (Continued)

b) Amounts recognised in the Statement of Financial Position.

Description	2022/2023	2021/2022
	Kshs	Kshs
Present value of defined benefit obligations(a)	0	0
Fair value of plan assets(b)	0	0
Funded status (=a-b)	0	0
Restrictions on asset recognised	0	0
Others	0	0
Net asset or liability arising from defined benefit obligation	0	0

Maasai Mara University also contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. Maasai Mara University's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at KShs.1080 per employee per month. Other than NSSF the Maasai Mara University also has a defined contribution scheme operated by Octagon Africa Pension Fund. Employees contribute 7.5% while employer contribute 15% of basic salary. Employer contributions are recognised as expenses in the statement of financial performance within the period they are incurred.

43. Non-Current Provisions

Description	Long service leave	Bonus Provision	Gratuity provisions	Other Provisions	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
balance at the beginning of the year	0	0	0	0	0
additional provisions	0	0	0	0	0
provision utilised	0	0	0	0	0
change due to discount and time value for money	0	0	0	0	0
less: current portion	0	0	0	0	0
balance at the end of the year	0	0	0	0	0

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The University has not made non-current provisions

Notes to the Financial Statements (Continued)

44. Borrowings

Description	2022/2023	2021/2022
	Kshs	Kshs
a) External borrowings		
Balance at beginning of the year	0	0
External borrowings during the year	0	0
Repayments of during the year	0	0
Balance at end of the year	0	0
	0	0
b) Domestic borrowings	0	0
Balance at beginning of the year	0	0
Domestic borrowings during the year	0	0
Repayments during the year	0	0
Balance at end of the year	0	0
	0	0
Balance at end of the period- domestic and External borrowings c = a+b	0	0

The University has no borrowings for the year under review.

The analyses of both external and domestic borrowings are as follows:

	2022/2023	2021/2022
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organisation'	0	0
Sterling Pound Denominated Loan From 'Y Organisation'	0	0
Euro Denominated Loan from Z Organisation'	0	0
Domestic Borrowings	0	0
Kenya Shilling Loan From KCB	0	0
Kenya Shilling Loan from Barclays Bank	0	0
Kenya Shilling Loan from Consolidated Bank	0	0

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Total Balance at End Of The Year	0	0
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Notes to the Financial Statements (Continued)

Description	2022/2023	2021/2022
	Kshs	Kshs
Short Term Borrowings (Current Portion)	0	0
Long Term Borrowings	0	0
Total	0	0

The University has no borrowings either short term or long term.

45. Service Concession Arrangements

Description	2022/2023	2021/2022
	Kshs	Kshs
Fair value of service concession assets recognized under PPE	0	0
Accumulated depreciation to date	0	0
Net carrying amount	0	0
Service concession liability at beginning of the year	0	0
Service concession revenue recognized	0	0
Service concession liability at end of the year	0	0

46. Social Benefit Liabilities

Description	2022/2023	2021/2022
	Kshs	Kshs
Health social benefit scheme	0	0
Unemployment social benefit scheme	0	0
Orphaned and vulnerable benefit scheme	0	0
Elderly social benefit scheme	0	0
Bursary social benefits	0	0
Disability social benefits	0	0
Total	0	0
	0	0
Current social benefits	0	0
Non- current social benefits	0	0
Total (tie to totals above)	0	0

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The University runs a defined contribution pension scheme which is fully outsourced therefore it has no social benefit liabilities.

Notes to the Financial Statements (Continued)

47. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. In line with this legal requirement Maasai Mara University did not make any surplus during the year and hence no remittance to the Consolidated Fund.

The Surplus Remission has been computed as follows:

Description	2022/2023	2021/2022
	Kshs	Kshs
Surplus for the period	0	0
Less: Allowable deductions by NT	0	0
90% Computation (Included in Statement of Financial Performance)	0	0

Surplus Remission Payable

Description	2022/2023	2021/2022
	Kshs	Kshs
Payable at the beginning of the year	0	0
Paid during the year	0	0
Payable at end of the year	0	0

The University has not made a surplus therefore no remission can be done.

48. Taxation

Description	2022/2023	2021/2022
	Kshs	Kshs
Withholding VAT Rev. 2019 2% of 116	1,572,492.40	-
WTH VAT 2% of 114	(76,889.51)	-
WHT Tax @ 5%	561,153.49	-
With-holding Tax on Consultancy 5%	195,177.79	-
Withholding VAT on Fuel 2% of 108	(10,785.17)	-
WHT Income Tax 3%	1,013,664.69	-
With holding Vat 6%	289,707.00	-
Corporate Tax	7,611,374.99	-
At end of the year	11,155,895.68	-

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The tax liability at the end of prior year was taken up by KRA as part of the ongoing tax audit therefore the final liability will be subsequently determined if any. The resultant Corporate Tax liability was as a result of filling tax returns from the FY 2015-16 to date.

Notes to The Financial Statements (Continued)

49. Deferred Tax Liability

Deferred tax is calculated on all temporary differences under the liability method using the enacted tax rate, currently 30%. The net deferred tax liability at year end is attributable to the following items:

Description	2022/2023	2021/2022
	Kshs	Kshs
Accelerated capital allowances	0	0
Unrealised exchange gains/(losses)	0	0
Revaluation surplus	0	0
Tax losses carried forward	0	0
Provisions for liabilities and charges	0	0
Net deferred tax liability/(asset)	0	0
The movement on the deferred tax account is as follows:		
Balance at beginning of the year	0	0
Credit to revaluation reserve	0	0
Under provision in prior year	0	0
Income statement charge/(credit)	0	0
Balance at end of the year	0	0

The University as a public sector entity under IPSAS is not expected to pay taxes on surplus funds.

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Notes to The Financial Statements (Continued)

50. Cash Generated from Operations

Description	2022/2023	2021/2022
	Kshs	Kshs
Surplus/(Deficit) for the year before tax	(93,703,519.32)	21,356,712.26
Adjusted for:		
Depreciation	30,527,776.54	26,591,916.00
Non-cash grants received	-	-
Contributed assets	-	-
Impairment	-	-
Gains and losses on disposal of assets	-	(22,763.00)
Contribution to provisions	593,915.00	7,379,732.90
Contribution to impairment allowance	-	-
Finance Income	(1,473,697.56)	(3,007,502.19)
Grants revenue	(9,531,261.97)	
Working capital adjustments		
Increase in inventory	2,272,162.00	7,647,965.08
Increase in receivables	(11,284,400.40)	(41,720,774.00)
Increase in deferred income	-	-
Increase in payables	(2,777,837.15)	(24,946,884.00)
Increase in payments received in advance	5,738,390.12	(41,112,414.70)
Net cash flow from operating activities	(79,638,472.74)	(47,834,011.65)

51. Financial Risk Management

Maasai Mara University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. Maasai Mara University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

Maasai Mara University hedges risk by implementation of the risk management policy and ensures that the payment of school fees is done as per the school fee payment policy. Maasai Mara University's financial risk management objectives and policies are detailed below:

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Notes to the Financial Statements (Continued)

i) Credit risk

Maasai Mara University has exposure to credit risk, which is the risk that a student will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by Maasai Mara 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 Maasai Mara University's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Receivables from exchange transactions	159,472,974.21	159,472,974.21	12,356,215.00	-
Receivables from non-exchange transactions	215,175,241.00	215,175,241.00	-	-
Bank balances	98,035,773.81	98,035,773.81	-	-
Total	472,683,989.02	472,683,989.02	12,356,215.00	-
As at 30 June 2022				
Receivables from exchange transactions	147,594,658.00	147,594,658.00	19,643,194.20	-
Receivables from non-exchange transactions	215,175,241.00	215,175,241.00	-	-
Bank balances	200,328,343.75	200,328,343.75	-	-
Total	563,098,242.75	563,098,242.75	19,643,194.20	-

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Notes to the Financial Statements (Continued)

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 Maasai Mara University has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. Maasai Mara University does not have significant concentration of credit risk on amounts. The University Council sets Maasai Mara 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 Maasai Mara University's Council, who have built an appropriate liquidity risk management framework for the management of Maasai Mara University's short, medium and long-term funding and liquidity management requirements. Maasai Mara University manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by Maasai Mara University under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
As at 30th June 2023				
Trade payables	-	14,704,172.13	81,303,153.93	96,007,326.06
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	69,985,389.42	-	315,778,367.12	385,763,756.54
Total	69,985,389.42	14,704,172.13	397,081,521.05	481,771,082.60
As at 30th June 2022				
Trade payables	8,283,652.77	-	94,579,429.05	102,863,081.82
Current portion of borrowings	-	-	-	-
Provisions	-	-	-	-
Deferred income	-	-	-	-
Employee benefit obligation	94,914,377.80	-	258,685,033.83	353,599,411.63
Total	103,198,030.57	-	353,264,462.88	456,462,493.45

Notes to the Financial Statements (Continued)

Financial Risk Management

iii) Market risk

Maasai Mara University has put in place an internal audit function to assist it in assessing the risk faced by the Maasai Mara 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 Maasai Mara 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 optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. Maasai Mara 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 Maasai Mara University's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

Maasai Mara University has no material 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. Maasai Mara University manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

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Notes to the Financial Statements (Continued)

Financial Risk Management

Financial Risk Management

The carrying amount of Maasai Mara University's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

2022/2023

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June (Current FY)			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities	0	0	0
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

Foreign currency sensitivity analysis

2022/2023

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
As at 30th June (Current FY)			
Financial Assets	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
Total Financial Assets	0	0	0
Financial Liabilities	0	0	0
Trade And Other Payables	0	0	0
Borrowings	0	0	0
Total Financial Liabilities	0	0	0
Net Foreign Currency Asset/(Liability)	0	0	0

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Notes to The Financial Statements (Continued)

Financial Risk Management

The following table demonstrates the effect on Maasai Mara University's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
Current FY			
Euro	10%	0	0
USD	10%	0	0
Previous FY			
Euro	10%	0	0
USD	10%	0	0

b) Interest rate risk

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

Management of interest rate risk

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

Financial Risk Management

Sensitivity analysis

Maasai Mara University analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates that there is no impact on the end of year figures.

Notes to the Financial Statements (Continued)

Financial Risk Management

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect Maasai Mara University's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

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Notes to the Financial Statements (Continued)

Financial Risk Management

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

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
As at 30 June (Current FY)				
Financial Assets				
Quoted Equity Investments	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
Total	0	0	0	0
As at 30th June (Previous FY)				
Financial Assets				
Quoted Equity Investments	0	0	0	0
Non- Financial Assets				
Investment Property	0	0	0	0
Land and Buildings	0	0	0	0
Total	0	0	0	0

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

Description	2022/2023	2021/2022
	Kshs	Kshs
Revaluation Reserve	297,492,248.55	327,143,287.72
Retained Earnings	(190,478,372.26)	1,881,413,580.00
Capital Reserve	1,881,413,580.00	(96,774,852.74)
Total Funds	1,988,427,456.29	2,111,782,014.98
Total Borrowings	-	-
Less: Cash and Bank Balances	(200,328,343.75)	(200,328,343.75)
Net Debt/(Excess Cash And Cash Equivalents)	1,788,099,112.54	1,911,453,671.23
Gearing	0%	0%

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Notes to the Financial Statements (Continued)

52. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to Maasai Mara 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 Maasai Mara University, holding 100% of Maasai Mara University's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Maasai Mara University, both domestic and external.

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) University Council.

Description	2022/2023	2021/2022
	Kshs	Kshs
Transactions with related parties		
a) Sales to related parties		
Sales of electricity to govt agencies	0	0
Rent income from govt. Agencies	0	0
Water sales to govt. Agencies	0	0
Others (specify) e.g. interest and bank charges	0	0
Total	0	0
B) purchases from related parties	0	0
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. Agencies	0	0
Others (specify)	0	0
Total	0	0
b) Grants /transfers from the government	0	0
Grants from national govt	0	0
Grants from county government	0	0
Donations in kind	0	0
Total	0	0
c) Expenses incurred on behalf of related party		

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Description	2022/2023	2021/2022
	Kshs	Kshs
Payments of salaries and wages for employees	0	0
Payments for goods and services	0	0
Total		
d) Key management compensation		
Directors' emoluments	22,632,916.36	28,368,128.49
Compensation to key management	79,933,075.20	72,666,432.00
Total	102,565,991.56	101,034,560.49

53. Segment Information

Maasai Mara University does not have branches outside of the Main Campus in Narok, meaning that all the resources of the university are fully allocated to the Main Campus. Therefore, the segment reporting under IPSAS 18 on segmental reporting does not apply to the University.

54. Contingent Assets and Contingent Liabilities

Contingent Assets

Description	2022/2023	2021/2022
	Kshs	Kshs
Contingent Assets		
Insurance Reimbursements	0	0
Assets Arising from Determination Of Court Cases	215,175,241	215,175,241
Reimbursable Indemnities and Guarantees	0	0
Receivables From Other Government Entities	0	0
Others (Specify)	0	0
Total	215,175,241	215,175,241

This contingent asset arose from the court case where five employees who are currently in court.

Contingent Liabilities

Description	2022/2023	2021/2022
	Kshs	Kshs
Contingent Liabilities	0	0
Court Case xx against the Maasai Mara University	0	0
Bank Guarantees in Favour of Subsidiary	0	0
Contingent Liabilities arising from Contracts Including PPPs	0	0
Others (Specify)	0	0
Total	0	0

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Notes to the Financial Statements (Continued)

55. Capital Commitments

Capital Commitments	2022/2023	2021/2022
	Kshs	Kshs
Authorised for	0	0
Authorised and Contracted for	0	0
Total	0	0

The University does not have any capital commitments in the financial year 2022/2023

56. Events after the Reporting Period

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

57. Ultimate and Holding Maasai Mara University

Maasai Mara University is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

58. Currency

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

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20. Appendices

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Basis for Adverse Opinion			
1	Material Uncertainty Related to Going Concern	Resolved	Resolved	30/06/2023
2	Inaccuracies in the Financial Statements			
2.1	Variance between Financial Statements, General Ledger and Trial Balance	Resolved	Resolved	30/06/2023
3	Revenue from Exchange Transactions	Resolved	Resolved	30/06/2023
4	Unsupported Finance Income	Resolved	Resolved	30/06/2023
5	Unsupported Use of Goods and Services Expenditure	Resolved	Resolved	30/06/2023
6	Accuracy of Employee Costs	Resolved	Resolved	30/06/2023
7	Unsupported Council's Foreign Travel and Training Expenditure	Resolved	Resolved	30/06/2023
8	Accuracy of the Depreciation and Amortization Expense	Resolved	Resolved	30/06/2023
9	Unsupported Repairs and Maintenance Expenses	Resolved	Resolved	30/06/2023
10	Unsupported Contracted Services Expenditure	Resolved	Resolved	30/06/2023
11	Cash and Cash Equivalent			

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11.1	Irregular Liquidation of Fixed Deposits Balance	Resolved	Resolved	30/06/2023
11.2	Inaccuracies Statement of Bank Balances	Resolved	Resolved	30/06/2023
11.3	Unsupported M-pesa Balances	Resolved	Resolved	30/06/2023
12	Receivables from Exchange Transactions			
12.1	Long Outstanding Receivables from Exchange Receivables	Not Resolved	Not Resolved	30/09/2023
13	Unsupported receivables from Non-Exchange Transactions	Resolved	Resolved	30/06/2023
14	Accuracy of the Inventory and Stores Balance	Resolved	Resolved	30/06/2023
15	Inaccuracies of Property, Plant and Equipment	Resolved	Resolved	30/06/2023
16	Accuracy of Biological Assets Balance	Resolved	Resolved	30/06/2023
17	Trade and other Payables	Resolved	Resolved	30/06/2023
17.1	Unsupported Trade and Other Payables	Resolved	Resolved	30/06/2023
17.2	Unsupported Student Payables	Resolved	Resolved	30/06/2023
17.3	Unreconciled Research Grants Payables	Resolved	Resolved	30/06/2023
18	Accuracy of the Revaluation Reserve	Resolved	Resolved	30/06/2023
19	Accuracy of the Statement of Cashflow	Resolved	Resolved	30/06/2023
	REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES			
	Basis for Conclusion	Resolved	Resolved	30/06/2023
1	Irregular Staff Recruitment	Resolved	Resolved	30/06/2023
2	Irregular Promotion of Staff	Resolved	Resolved	30/06/2023
3	Non-Compliance to One-Third of Basic Salary Rule	Resolved	Resolved	30/06/2023
4	Irregular payment of Allowances to Staff	Resolved	Resolved	30/06/2023
5	Non- Compliance with Law on Staff Regional Diversity	Resolved	Resolved	30/06/2023
6	Irregular Engagement of Casual Workers	Resolved	Resolved	30/06/2023

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7	Irregular Payment of Legal Fees	Resolved	Resolved	30/06/2023
8	Irregular Payment of Rent	Resolved	Resolved	30/06/2023
9	Council Meetings Beyond the approved Limit	Resolved	Resolved	30/06/2023
10	Irregular Staff Medical Expenses	Resolved	Resolved	30/06/2023
11	Failure to Prepare Cashbooks and Bank Reconciliation Statements	Resolved	Resolved	30/06/2023
12	Construction of Tuition Block- Irregular Variation of Contract Sum	Resolved	Resolved	30/06/2023
13	Ownership and Valuation of Motor Vehicles	Not Resolved	Not Resolved	30/06/2023
14	Delayed Implementation of Enterprise Resource Planning (ERP) system	Resolved	Resolved	30/06/2023
15	Failure to Remit Statutory Tax Deductions	Resolved	Resolved	30/06/2023
16	Employee Costs above the Recommended Wage Bill Level	Not Resolved	Not Resolved	30/06/2023
17	Non-Compliance with University fee Payment Policy	Resolved	Resolved	30/06/2023
18	Non- Adherence to the Stipulated Budget Process	Resolved	Resolved	30/06/2023
	REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE			
	Basis of Conclusion	Resolved	Resolved	30/06/2023
1	Weak Controls in Management of Students' Fees and Charges	Resolved	Resolved	30/06/2023
2	Lack of Substantive Chancellor and Vice Chancellor	Not Resolved	Not Resolved	30/06/2023
3	Weak Internal Controls in the Maintenance and Management of Staff Payroll	Resolved	Resolved	30/06/2023

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4	Lack of Information and Communication Technology (ICT) Change Management Policy	Resolved	Resolved	30/06/2023
5	Lack of Risk Management Strategies	Resolved	Resolved	30/06/2023
6	Failure to Conduct Governance Audit	Resolved	Resolved	30/06/2023



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Vice-Chancellor/Secretary to Council

Date: 15/4/2024

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Appendix II: Projects implemented by Maasai Mara University

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

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements. (Yes/No)
N/A	0	0	0	0	0	0

Appendix III: Status of Projects completion

The University did not have any ongoing project during the financial year either funded by development partners or the Government of Kenya.

SN	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
	N/A	0	0	0	0	0	0

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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	
Ministry of Planning and Devolution	N/A	Recurrent	0	0	0	0	0	0	0
Ministry of Planning and Devolution	N/A	Development	0	0	0	0	0	0	0
USAID	N/A	Donor Fund	0	0	0	0	0	0	0
Ministry of Planning and Devolution	N/A	Direct Payment	0	0	0	0	0	0	0
Total			0	0	0	0	0	0	0

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Appendix V- Inter-Entity Confirmation Letter



MAASAI MARA UNIVERSITY
OFFICE OF THE FINANCE OFFICER

Email: fo@mmarau.ac.ke
Website: www.mmarau.ac.ke

P. O. Box 861-20500 NAROK
Tel: +254-0205131400

Maasai Mara University
P.O. BOX 861
Narok.

Maasai Mara University wishes to confirm the amounts disbursed to the University as at 30th June 2023 as indicated in the table below. The amounts received have been compared with the amounts disbursed to Maasai Mara University with the amounts received and column E has been populated in the table below.

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Confirmation of amounts received by Maasai Mara University as at 30 th June 2022/2023								
Reference Number	Date Disbursed	Amounts Disbursed by The Ministry of Education (KShs) as at 30th June 2022/2023				Total (D)=(A+B+C)	Amount Received by [beneficiary Maasai Mara University] (KShs) as at 30 th June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)				
FT22215F1D49	3-Aug-22	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT22251R6PQ6	8-Sep-22	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT222769B48F	3-Oct-22	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT22314H8RWQ	10-Nov-22	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT22343Z9VRB	9-Dec-22	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT22364KDCYK	30-Dec-22	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT23034J5918	3-Feb-23	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT23076LBGPL	17-Mar-23	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT23104H3FL5	14-Apr-23	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	
FT23125HCVPY	5-May-23	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-	

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FT23160RYLLX	9-Jun-23	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-
FT231784KF5Y	27-Jun-23	87,944,822.00	-	-	87,944,822.00	87,944,822.00	-
TOTALS		1,055,337,864.00	-	-	1,055,337,864.00	1,055,337,864.00	-

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

Chief Finance Officer, Maasai Mara University:

Name: CPA SKAMO LOLTIANYA

Sign

Date

14/4/2024

Appendix VI: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Botanical Garden	Tree nursery for tree planting across the county	To achieve significant tree cover in the county through primary and secondary school tree planting	Tree planting in schools	89,525.00	89,525.00	89,525.00	89,525.00	Internally generated	Primary and secondary schools in Narok County

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Appendix VII: Reporting on Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
0	0	0	0	0	0	0