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**REPORT**

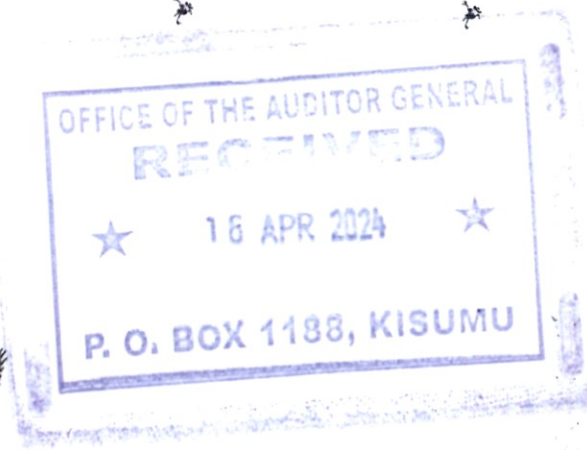
**OF**

**THE AUDITOR-GENERAL**

**ON**

**JARAMOGI OGINGA ODINGA  
UNIVERSITY OF SCIENCE  
AND TECHNOLOGY**

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



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# JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE & TECHNOLOGY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE 2023

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



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*Jaramogi Oginga Odinga University of Science and Technology*  
*Annual Report and Financial Statements*  
*For the year ended 30 June 2023*

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## 1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

### A: Acronyms and Abbreviations

CEO	Chief Executive Officer
CS	Cabinet Secretary
PS	Principal Secretary
PIC	Public Investment Committee
JOOUST	Jaramogi Oginga Odinga University of Science and Technology
GOK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
CPA	Certified Public Accountant
IPSAS	International Public Sector Accounting Standards
VC	Vice Chancellor
PAF	Planning Finance and Administration
ASAR	Academic, Students' Affairs and Research
KUCCPS	Kenya Universities and Colleges Central Placement Service
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
TVET	Technical and Vocational Education and Training
PSC	Public Service Commission
KUPAA	Kenya Universities Performing Arts and Film Association
SAJOOUST	Students' Association of Jaramogi Oginga Odinga University of Science and Technology
WHO	World Health Organization
SRC	Salaries and Remuneration Commission

### 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 UNIVERSITY INFORMATION AND MANAGEMENT

### (a) Background information

Jaramogi Oginga Odinga University of Science and Technology is a Public University established under the University Act No.42 of 2012 to train dependable manpower, offer high quality University teaching, and to carry out innovative research and community outreach programmes for sustainable socio-economic development. JOOUST was founded in 2009 through Legal Order No. 56 of 11<sup>th</sup> May, 2009 as a Constituent College of Maseno University. The University was chartered as a fully-fledged institution of higher learning on 13<sup>th</sup> February, 2013.

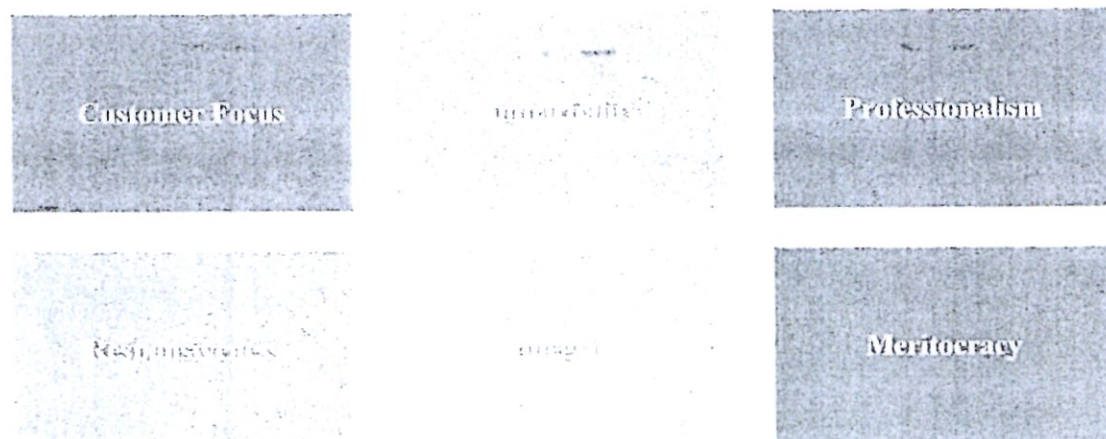
### (b) Principal Activities

JOOUST is committed to deliver on its mandate of Teaching, Research and Innovation in support of the achievement of National Development Agenda. To this end, JOOUST has differentiated itself as a centre of excellence in training, research and community outreach services offering practical and market-oriented courses. JOOUST continually realigns her strategies and programmes in response to changes and emerging trends in operational environment and benchmarks with global best practices.

**Vision**  
**A beacon of excellence in University Education and Research**

**Mission**  
To provide quality education, research and innovation in support of the national development agenda through teaching, learning and community outreach services.

### Core Values



These values espouse the philosophy of holistic scholarship, service to humanity through wisdom, science and technology.

### Strategic Themes

- The obligation to offer quality education and training that meets the market demand, global standards and statutory & regulatory requirements.
- The need to create new knowledge through Research, Innovation and consultancy.
- The requirement to disseminate research output and innovations to the community through partnerships and linkages.
- Inadequate infrastructural capacity (human, financial and capital) to facilitate optimal operations of the University to deliver on its mandate.
- The need for aggressive resource mobilization to support implementation of identified strategies

### Strategic Objectives

- Offer accredited and market driven programmes to increase student numbers from 8,000 to 20,000.
- Enhance Students retention and completion rate to 100%.
- Integrate research and innovation in all academic programmes.
- Institutionalize research to achieve 100% response to relevant calls for proposals.
- Increase research programmes and other initiatives aligned to community development needs.
- Expand capacity to accommodate 20,000 physical and online students.
- Strengthen Corporate Governance & management to improve national ranking from 19 to 15.
- Increase University revenue by 1 billion from the current 2.4B p.a. to 3.4B p.a by 2026.

### (c) Key Management

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

- The University Council
- Council Committees
- The Vice Chancellor / CEO
- The University Senate
- Senate Committee
- The University Management Board

### (d) Members of the University Council

Name		Date of appointment
Prof. Shem Oyoo Wandiga	Chair of the Council	8 <sup>th</sup> July 2022
Mr. David Moranga Oyugi	Independent Member	23 <sup>rd</sup> May 2023
Ms. Joan Atieno Odawa	Independent Member	23 <sup>rd</sup> May 2023
Amb. Ambeyi Ligabo	Independent Member	23 <sup>rd</sup> May 2023
Mr. Isaac Kiprop Kibon	Independent Member	23 <sup>rd</sup> May 2023
Dr. Willis Omwoyo	Independent Member	8 <sup>th</sup> June 2023
Mr. Micah Origa	Rep. CS National Treasury and Planning	Continuing in Council
Dr. Jemimah Onsare	Rep. PS, State Department for Higher Education and Research	August 2022
Prof. Joseph Bosire	Ag. Vice Chancellor – Secretary to Council	20 <sup>th</sup> June 2023

**(e) Fiduciary Management**

The University's direct fiduciary responsibility vests in the Vice Chancellor, with delegated responsibilities to the members of the University Management Board. During the financial year ended 30<sup>th</sup> June 2023, the key management personnel who held office and who had direct fiduciary responsibility were:

- |                                |   |  |
|--------------------------------|---|--|
| i) Professor Joseph Bosire     | - | Ag. Vice Chancellor                      |
| ii) Professor Aggrey Thuo      | - | Deputy Vice Chancellor – PAF             |
| iii) Professor Dennis Ochuodho | - | Ag. Deputy Vice Chancellor – ASAR        |
| iv) Dr. Walter Akuno           | - | Registrar – Academic Affairs.            |
| v) Dr. Patrick Akhaukwa        | - | Registrar – Planning and Administration. |
| vi) CPA George Aduda           | - | Chief Finance Officer.                   |

Professor Stephen Agong's term came to an end on 19<sup>th</sup> June 2023. He served as the founding Principal of the then Bondo University College and later Vice -Chancellor where he led the University to full Charter status in 2013. Professor Joseph Bosire was appointed the Acting Vice Chancellor by the University Council with effect from 20<sup>th</sup> June 2023.

**(f) Fiduciary Oversight Arrangements**

The University is answerable to key government organs on financial management. The organs that provide oversight are listed below.

- i) University Council
- ii) Council Committees
- iii) Office of the Auditor General
- iv) Public Investments Committee of the National Assembly
- v) Commission for University Education
- vi) Public Procurement Oversight Authority
- vii) Ethics and Anti-Corruption Commission

The University Council and its committees provide fiduciary oversight on the University financial operations through the Finance, Administration and Human Resources Committee. The Committee reviews the Quarterly and Annual Financial Statements before they are submitted to the Ministry of Education and the National Treasury.

The Audit, Risk and Governance Committee provides oversight on the University's financial operations and financial statements through the Internal Audit of the University. It also provides oversight on internal controls and maintenance of proper accounting records.

The Office of the Auditor General provides annual audits of the operations of the University. The reports of the Auditor General are submitted to the National Assembly through the P.I.C which provides the overall fiduciary oversight on the operations of the University.

Regular audit, financial and progress reports are provided to development partners who have provided funds to the University. This is to ensure financial probity on the utilization of funds in the University.

- (g) **University Headquarters**  
Main Campus, Bondo-Usenge Road  
P.O Box 210-40601  
Bondo, Kenya
- (h) **University Contacts**  
Telephone: (254) 057-2058000/2501804  
E-mail: vc@joooust.ac.ke  
Website: www.joooust.ac.ke
- (i) **University Bankers**  
**Kenya Commercial Bank Ltd**  
Bondo Branch  
P. O. Box 598 - 40601  
Bondo, Kenya
- Equity Bank Ltd**  
Bondo Branch  
P.O Box 26 - 40601  
Bondo, Kenya
- Co-operative Bank of Kenya Ltd**  
Bondo Branch  
P.O. Box 380 - 40601  
Bondo, Kenya
- ABSA Bank of Kenya Ltd**  
Kisumu Branch  
P.O Box 831 - 40100  
Kisumu, Kenya
- (j) **Independent Auditors**  
Auditor General  
Office of the Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084  
GOP 00100  
Nairobi, Kenya
- (k) **Principal Legal Adviser**  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

**3. THE UNIVERSITY COUNCIL**






**NAME:** Prof. Shem Oyoo Wandiga, FRSC, D.SC. (hc)  
**YOB:** 1939  
**POSITION/KEY RESPONSIBILITIES:** Chairman of the Council.  
 He was gazetted as the Chair of the Council.  
**QUALIFICATIONS:** EBS, Frsc, B.Sc (Howard University), M.Sc. (Maryland), Ph.D (Reserve University)  
**WORK EXPERIENCE:** Has a long working experience in academia, research, consultancy, administrative and advisory roles. These include in the following areas:  
 University of Nairobi: Professor; DVC (Administration & Finance); Principal College of Biological & Physical Science; Chair of Department Chemistry Dept.; Senior. Lecturer; Lecturer (inorganic Chemistry. Co-ordinator University Investment Project.  
 Chairman - Kenya National Academy of Sciences; Chairman - International Geosphere-Biosphere Programme Kenya Committee; Chairman - Constitutive Committee of African Union of Pure & Applied Chemistry and a member Kenya Chemical Society. Kenya's Representative to UNESCO Executive Board; Expert Consultant to UNEP; Member of General of the International Council of Scientific Unions; Chairman Programme and External Relations Commissions of UNESCO Executive Board; Member World Conference on Science Case Western Reserve University & University of Maryland. Teaching Assistant Inter American University: Temporary Assistant Professor of Chemistry.




**NAME:** Prof. Joseph Bosire  
**YOB:** 1959  
**POSITION/KEY RESPONSIBILITIES:** Ag. Vice Chancellor  
**QUALIFICATIONS:** B.Ed. (UoN), M. Ed and Ph.D. (KU)  
**WORK EXPERIENCE:** He has over 25 years of academic and administrative experience.



**NAME:** Mr. Isaac Kiprop Chebon  
**YOB:** 1962  
**POSITION/KEY RESPONSIBILITIES:** Chairperson - Technical, Academic, Research and Projects Committee and Member of Audit, Risk and Governance Committee.  
**QUALIFICATIONS:** B.A (UoN), MARD (the Institute of Social Studies)  
**WORK EXPERIENCE:** He served as Council Member University of Nairobi; Director Human Resource Management and Development Ministry of State for Public Service Gender and Youth Affairs; Director Kenya School of Government; Lecturer at the Egerton University. A champion in Good Governance, Quality Service Delivery and Innovation; Consultant in Food Security Strategies in Arid and Semi-Arid Lands in Kenya and Community Capacity Building, Gender Equity and Diversity Management.

<p><b>NAME:</b> Amb. Ambeyi Ligabo <b>YOB:</b> 1952 <b>POSITION/KEY RESPONSIBILITIES:</b> Member of Finance, Human Resource and Administration Committee and Technical, Academic, Research and Projects Committee <b>QUALIFICATIONS:</b> LLB, LLM (St. John University), M.A (Azer State University), PG Dip. (Institute of Diplomacy) <b>WORK EXPERIENCE:</b> With a distinguished career in diplomacy of over thirty years, he have served both the government and the United system in various senior representational positions as United Nations special Rapporteur (Human Rights), Ambassador (Democracy &amp; Good Governance) to the Great Lakes Organization, First envoy to Malaysia, Founding coordinator, Regional small arms and Light weapons secretariat, Senior political officer, U.N. Peace keeping mission, University lecturer and Director, Multi-Lateral Dec, Ministry of Foreign Affairs.</p>	
	<p><b>NAME:</b> CPA Micah Origa <b>YOB:</b> 1977 <b>POSITION/KEY RESPONSIBILITIES:</b> A member of Finance, Administration and Human Resources; Technical, Academic, Research and Projects; and Audit, Risk and Governance Committees of Council. <b>QUALIFICATIONS:</b> MBA (Calicut) Msc-Finance (UoN), B. Com, CPA (K). <b>WORK EXPERIENCE:</b> He has wide professional and work experience in the Public Sector, stretching over 15 years in Public Finance Management, Public Sector Budgetary Formulation and Management, and outstanding corporate governance. He has served in several other Boards. He is the Alternate Member in the Council to Cabinet Secretary, the National Treasury.</p>
<p><b>NAME:</b> Mr. David Moranga Oyugi <b>YOB:</b> 1961 <b>POSITION/KEY RESPONSIBILITIES:</b> Chairperson – Audit, Risk and Governance Committee, and a member of Technical, Academic, Research and Projects Committee. <b>QUALIFICATIONS:</b> MBA(KU); BBA(Newport) Dip. Agri. Ext (Egerton); Dip. Edu. Mgt., Cert. Edu. Mgt. <b>WORK EXPERIENCE:</b> Mr. Oyugi has over 30 years’ experience in education administration and management, and is currently working as a Principal. He has vast experience in coping with the challenges in the education sector in terms of finance and business strategies in the attainment of national development.</p>	




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	<p><b>NAME:</b> Ms. Joan Atieno Odawa  <b>YOB:</b> 1957  <b>POSITION/KEY RESPONSIBILITIES:</b> Chairman Finance, Administration and Human Resources Committee, and a member of Technical, Academic, Research and Projects Committee.  <b>QUALIFICATIONS:</b> MBA(Catholic); B.A. (UON)  <b>WORK EXPERIENCE:</b> She has over 15 years' experience in board memberships including serving as a Board Member Siaya County Service Board, Advisory Board Catholic Justice and Peace; Advisory Board Caritas Nairobi and several High Schools and Colleges. Her experience spans Planning and Administration, Reconciliation and Conflict Resolution, Mediation and Community Dialogue, Program and Project Management.</p>
<p><b>NAME:</b> Dr. Jemimah Onsare  <b>YOB:</b> 1976  <b>POSITION/KEY RESPONSIBILITIES:</b> Dr. Onsare is the representative of the Principal Secretary, State Department for University Education and Research in the Council.  <b>QUALIFICATIONS:</b> Ph.D. (Applied Microbiology – Antimicrobials)  <b>WORK EXPERIENCE:</b> Dr. Onsare is the Assistant Director Research at the Directorate Research Science and Technology (DRST), State Department of University Education and Research but currently deployed to the National Research Fund as the Ag. Deputy Director Research Grants. She previously served as the Ag. Chief Executive Officer of the National Research Fund for six years. She has experience in administration and management of board matters, resource mobilization and management of research grants and has participated in various programmes within the ST&amp;I sector both at national and international levels. She was recently appointed as the Country Focal Point and General Assembly representative to the European and Developing Countries, Clinical Trials Partnerships (EDCTP).  She has also served in the boards of National Commission for Science and Technology (NACOSTI) and Kenya National Innovation Agency (KENIA). She is experienced in microbiological research (antimicrobials) and has published research in international research journals of repute.</p>	
	<p><b>NAME:</b> Dr. Willis Omwoyo  <b>YOB:</b> 1976  <b>POSITION/KEY RESPONSIBILITIES:</b> Member of Finance, Human Resource and Administration Committee  <b>QUALIFICATIONS:</b>  <b>WORK EXPERIENCE:</b> A Medical Doctor (MD) and Public Health Specialist &amp; Development Expert, with over 20 years of experience. Has built strong local and global networks through his ability to negotiate and establish strategic partnerships with development partners, NGOs, technical experts, private sector and communities to build relationships and consensus that translate to the design and execution of transformative and innovative solutions for Health. Has Expertise in health systems management,</p>

	<p>epidemiology, Health programming, leadership and management in Health. Passionate about equity and gender equality generally and in the health system, Maternal, Neonatal and child health. Has taken part in several health-related policy formulation documents and research.</p> <p>Plays an integral role in the implementation of COP 23 for HIV and the National HIV Prevention Plan 2023-2030. He is one of the consultants for the CDC-led initiative on transitioning sustainable &amp; quality HIV services to the Counties aimed at actualizing the journey to self-reliance.</p>
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**4. UNIVERSITY MANAGEMENT TEAM**

<p><b>NAME:</b> Prof. Joseph Bosire  <b>YOB:</b> 1959  <b>POSITION/KEY RESPONSIBILITIES:</b> Ag. Vice Chancellor  <b>QUALIFICATIONS:</b> B.Ed. (UoN), M. Ed and Ph.D. (KU)</p> <p><b>WORK EXPERIENCE:</b>          He has over 25 years of academic and administrative experience.</p>	
	<p><b>NAME:</b> Prof Dennis Ochuodho  <b>YOB:</b> 1969  <b>POSITION/KEY RESPONSIBILITIES:</b> Ag. Deputy Vice Chancellor – Academic Affairs, Students and Research (ASAR)  <b>QUALIFICATIONS:</b> B.Sc., M.Sc. (UoN), Ph.D. (Habil Beyreuth).  <b>WORK EXPERIENCE:</b>          He has over twenty years of experience in university teaching, research and outreach.</p>
<p><b>NAME:</b> Prof. Aggrey D. M. Thuo  <b>YOB:</b> 1976  <b>POSITION/KEY RESPONSIBILITIES:</b> Deputy Vice Chancellor – Planning, Administration and Finance</p> <p><b>QUALIFICATIONS:</b> BES (KU), M.Sc (SIU), MBA (JKUAT), MEPM-(KU), Ph.D (Waikato)</p> <p><b>WORK EXPERIENCE:</b>          He has over 20 years of work experience at various levels: Associate Professor - Kenyatta University &amp; Maasai Mara University; Senior Lecturer - Jomo Kenyatta University of Agriculture and Technology; Lecturer and Assistant Lecturer – Kenyatta University. Honorary Professor- Western University, London, Canada.          Chairman - County Land Management Board; Corporate Member - Kenya Institute of Planners; Licensed National Environment Management Authority (Kenya) Lead Expert/ Auditor.</p>	



**NAME:** Dr. Walter Akuno  
**YOB:** 1965  
**POSITION/KEY RESPONSIBILITIES:** Registrar – Academic Affairs, Students and Research (ASAR)  
**QUALIFICATIONS:** Dip., B.Sc. M.Sc. and Ph.D. (Egerton)  
**WORK EXPERIENCE:**  
 He has over 24 years’ experience in administration in the public service and university environment. He is responsible to the DVC (Academic Affairs) for administration of University academic programmes.

**NAME:** CS. Dr. Patrick J. Akhaukwa, PhD, CPS(K), MIHRM  
**YOB:** 1963  
**POSITION/KEY RESPONSIBILITIES:** Registrar – Planning & Administration  
**QUALIFICATIONS:** BA (KU), M.Sc. (MMUST), Ph.D (Moi)  
**WORK EXPERIENCE:**  
 He has over 26 years administrative work experience. He is a Member of the Institute of Certified Public Secretaries of Kenya and the Institute of Human Resource Management. He is responsible to the DVC (PAF) for administration, general management and planning in the University.



**NAME:** CPA George K. Aduda  
**YOB:** 1972  
**POSITION/KEY RESPONSIBILITIES:** Chief Finance Officer  
**QUALIFICATIONS:** B.com. Accounting (Nairobi), MBA, Finance (Catholic), CPA-K.  
**WORK EXPERIENCE:**  
 He has over 19 years’ experience in financial management in both the public sector and University management.

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## 5. CHAIRMAN'S STATEMENT



I am delighted to present the Annual Report and Financial Statements for the year ended 30 June 2023. During the period, the University remained deeply committed to fostering research and community outreach as integral components of its mission. Among the achievements was the inauguration of the Blue Economy Research Hub at Miyandhe by the President of the Republic of Kenya, H.E. Dr. William Samoei Ruto, on January 4, 2023. This Research Hub is poised to unlock extensive research prospects within the Lake Victoria Basin, consequently establish the University as a worldwide hub of distinction for research and innovation. Additionally, it will take a leading role in furnishing the requisite highly skilled human capital and cutting-edge research solutions to support the burgeoning Blue Economy, driven by governmental impetus.

The quality and reputation of the University's research partnership portfolio continued to grow. Notably, the University launched the Belgium-funded JOOUST VLIR-IUC Project. The launch was attended by fifteen (15) Flemish partners, one hundred and fifty (150) local participants including representatives from Siaya County Government, sister universities (UON, JKUAT, Maseno University), research institutions (KARI, KEFRI, KEMFRI), Non-Governmental Organizations and other local community stakeholders. The University also partnered with the Food and Agricultural Organization (FAO) to promote the use of black soldier fly larvae for poultry and fish feeds.

The tenure of the founding Vice-Chancellor, Professor Stephen Agong', concluded after a dedicated 13-year service to the University. Also, following the expiry of the term of several Council members, a fresh Council was established, and appropriate steps were taken to ensure a smooth transition. I genuinely appreciate the retired members of council for their unwavering dedication throughout the year and tenure in ensuring the University's progress and the acting Vice-Chancellor Professor Joseph Bosire for taking on the mantle from 20<sup>th</sup> June 2023. On behalf of the University Council, I extend my gratitude to the outgoing Vice-Chancellor for his exemplary leadership during his time in office. Further, it is truly heartening to witness the remarkable transformation and transition of this University from its modest origins as a University College with limited student enrollment and infrastructure into a fully-fledged University that commands respect throughout the region.

On March 3, 2023, the University celebrated a decade since receiving its Charter and held the 10<sup>th</sup> graduation ceremony. The event was graced by the Cabinet Secretary, Ministry of Education, Hon Ezekiel Machogu. During the ceremony, a total of 1,367 graduands were conferred with various degrees, diplomas, and certificates.

Despite challenges experienced in resource constraints from inadequate funding resulting in a slow completion rate of capital projects, the University Council has remained steadfast in the provision of quality services and would like to thank the government for its unwavering financial and technical assistance which remains pivotal in achieving the University's objectives. Our deep appreciation extends to all stakeholders, research collaborators, alumni, and companions for their contributions in guiding the University through yet another prosperous year.



**Prof. Shem O. Wandiga, FRSC, D.Sc. (hc)**  
**Chairman of Council**

## **6. REPORT OF THE VICE CHANCELLOR**

I am pleased to present the Annual report and Financial Statements for the year ended 30<sup>th</sup> June 2023. This report offers a comprehensive overview of the University's financial performance, highlighting key accomplishments, challenges, and insights that have shaped its operational landscape over the past year.

In pursuit of academic excellence, amid highly constrained resource environment and maintenance of discipline, the University continued to consistently demonstrate its commitment to providing high quality education, fostering research and innovation, and contributing positively to the socio-economic development of the community, region and beyond.

### **THE 10<sup>th</sup> GRADUATION CEREMONY**

The University's 10<sup>th</sup> graduation ceremony was held on 3<sup>rd</sup> March 2023. During the ceremony 1,367 graduands were awarded and conferred with various degrees, diplomas and certificates. The event was officiated by the Chairman of the Council, Professor Shem O. Wandiga as the presiding Chancellor. The ceremony was graced by national and county government officers including The Chief Guest Cabinet Secretary, Ministry of Education, Hon. Ezekiel Machogu, The Governor of Siaya County, Hon James Orenge and the Deputy Governor, Kisumu County, Dr. Mathew Ochieng Owili. During the ceremony Mr. Juan Smith, from the East Coast University, Oklahoma (USA) was conferred with a Doctor of Science (D.Sc.) *Honoris Causa*.

### **PARTNERSHIPS AND COLLABORATIONS**

The University has strengthened its cooperation with global collaborators, government bodies at both national and county levels, local communities, industries, worldwide organizations, fellow academic institutions, and various interested parties. This effort aims to fulfil its fundamental mission of engaging in teaching, research, and outreach to the community.

During the year under review, the University established partnerships with the Calestous Juma Legacy Foundation with the aim of establishing a framework for collaboration between the two institutions. The purpose of this collaboration will be to foster innovation and learning in order to address sustainable development challenges in Africa. JOOUST and KCB Foundation are at an advanced stage of implementing a Fingerlings Distribution Model that will involve capacity building of youth and financial support to establish fingerling nurseries among artisanal fish farmers.

The Food and Agricultural Organization (FAO) and JOOUST have partnered to promote the use of black soldier fly larvae for poultry and fish feeds. FAO has supported this program to the tune of Kshs 10 million. The key deliverable is to engage at least 2,000 youths who are organized into registered youth groups within Siaya, Kisumu and Kakamega counties. Kenya National Innovation Agency (KENIA) in collaboration with African Centre for Technology Studies (ACTS) is currently supporting JOOUST among other five universities to realign the various technologies and research work to products, thus commercialization. The partnership will enable the University to: create a technology transfer support unit; establish an Incubation Centre to aid in innovation and product creation and strengthen the commercialization wing of the University with the aim of fostering resource mobilization.

## **COMMUNITY OUTREACH & CORPORATE SOCIAL RESPONSIBILITY**

The University maintained engagement with various stakeholders and the community through a range of initiatives in order to enhance teaching and research and community involvement.

These engagements included the University Participation in the Climate-Smart Fish Culture Systems (CSFCS) under the Kenya Climate Smart Agriculture Project (KCSAP) with Kings World Youth Group on 12<sup>th</sup> December 2022 at Usigu, Bondo, Siaya county which was aimed at training the youth on Climate-Fish Culture Technology developed by Egerton University.

Through the Grassroot Financial Innovation Project, the University reached out to small-scale business owners and low-income community groups in Kisumu and Ugenya, with an innovation designed to facilitate access to critical basic services for improving livelihood. The University held short farmer training programs on Black Soldier Fly Value Addition, cricket enriched biscuits production, and fingerlings production which were conducted in the counties of Busia, Homabay and at the University's main campus in Bondo. A total of 52 farmers benefited from this training.

Learning institutions and schools from diverse counties had the opportunity to explore the University, enhancing their exposure. Likewise, the University hosted sister institutions seeking to benchmark, effectively showcasing its established role as a frontrunner in academia, research, and innovation.

## **CAPITAL PROJECTS**

Infrastructure development in the University continued to progress, albeit at a slow level. Due to inadequate and irregular receipt of capital development funds, the projects have fallen behind schedule and their envisioned completion dates. We request the Government to consider increasing the level of funding of the ongoing capital projects to enable the University to complete them.

The JOOUST Blue Economy Research Hub in Miyandhe Campus was commissioned by the President Dr. William S. Ruto on the 4th January, 2023. The hub is designed to establish the University as a global leader in teaching, research, and engagement and attract students, researchers and academicians from across the globe.

The capital projects once completed will greatly enhance infrastructural facilities and provide additional space required by the University to achieve its mandate as a global centre of excellence in University education.

## **FINANCIAL STEWARDSHIP**

During the FY 2022/23, the University operated in a dynamic and highly challenging economic environment. The inflationary tendencies caused by rising costs on essential commodities caused unforeseen financial shocks to the operations of the University. The resources available were allocated to key strategic priority areas in the University to enable us achieve our mandate. In exercising strong fiduciary responsibility and optimizing the utilization of the meagre resources, the University strived to maintain fiscal discipline by invoking austerity measures that ensured prudent fiscal stewardship.

**Annual Report and Financial Statements**  
**For the year ended 30 June 2023**

		Undertake drug, substance abuse & HIV/AIDs, Gender, Disability & Environmental mainstreaming.	social mainstreaming	Effective and efficient processes	This was done through the Directorate of Special Services
		Prepare annual budgets, Work plans and Performance contracts through a participatory process	Approved annual Budgets, Work plans & performance Contract plans	Performance of Budget & Work Plan Implementation	The Annual Budget, Consolidated Work Plan and Performance Contract for 2022/23 FY were developed and implemented as planned.
	Attract, retain and develop qualified and competent workforce	Rationalize/ Deploy staff as per the staff establishment.	No of staff redeployed	Optimization of staff establishments	Staff Establishment stood at 550 as at June 2023.
		Recruit staff as per the staff establishment.	No of staff recruited	Optimization of staff establishments	
		Operationalize mentoring and coaching policy	Number of staff under coaching & mentoring	Increased staff performance	Opportunities were availed for 17 youths and 180 graduates to benefit from Internships and attachments.
		Conduct Staff Appraisal.	Staff appraisal Report	Index on staff performance report	Annual staff appraisal for 2021/22FY was conducted and report prepared for managerial decision-making.
		Facilitate continued training and professional development for staff in their relevant disciplines	Training report	knowledgeable and competent workforce	During the 2021/22 FY 322 members of staff were facilitated to attend capacity building courses in various disciplines. Additionally, 34 members of staff were facilitated for continued membership to their respective professional bodies.
<b>Resource Mobilization</b>					
To increase University revenue by 1 billion from the current 2.4 B (Budget	Broaden and optimize existing sources of funds.	Establish beneficial and reliable partnerships with financial institutions.	No of partnerships	Increased efficiency in financial partnerships	The University has maintained beneficial partnerships with Commercial Institutions including Banks, Saccos etc

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2022/23) P.A. to 3.4 B P.A.		Develop and submit research proposals for funding.	No. of funded proposals	Increased revenue Collection	Additional 24 fundable proposals were developed by Researchers during the period.
		Enhance performance of existing income-generating streams.	Investment in marketing	Increase sales and profits	The University produced and sold about 50,000 fingerlings to local farmers to boost aquaculture production in the Lake Victoria Basin.
		Strengthening existing Business lines	Optimal expansion of existing business lines	Increased revenue	
	Develop and initiate new sources of funding	Initiate revenue-generating workshops, short course training and paid-up lectures.	No of programmes mounted	Increased number of students	Short course training mounted on Governance
		Adopt hedging/forward contracts on foreign transactions (Research funded in foreign currency).	No of funded projects on foreign currency	Increased cash flows	The University operates a dollar account for research projects funded in foreign currency to hedge on foreign exchange transactions
	Increase efficiency in management and utilization of funds	Assess, Review and Implement financial, procurement, and internal audit control Systems.	Updated systems	Efficient updated systems	Internal control systems were reviewed for efficiency by the Internal and Finance Departments.
		Continuous Sensitization of staff on cost savings and prudent resource utilization.	No of sensitization activities conducted	Reduced costs	Members of staff were sensitized on prudent resource utilization
		Establish an effective revenue management system by ensuring prompt invoicing and collection of debts.	Established implemented system	Efficient management of revenue and debt collection	Automated financial management system through the ERP which has enhanced debt collection during the period.
		Put in place appraisal measures to realize prudent application of revenue streams.	Automated systems	Increased revenue	The University implemented cost-cutting strategies including pool purchases and rationalization of stationery use
		Dispose off assets in excess of requirements.	No of Disposed assets	Increased revenue from idle assets	Idle assets in excess of requirements disposed during the period. Boarded Vehicles were disposed off as required by regulations.

## **9. CORPORATE GOVERNANCE STATEMENT**

JOOUST was granted a Charter on 13<sup>th</sup> February 2013. The University is governed by the University Council, appointed in accordance with the University Act, 2012, and the enabling statutes. The University Council is responsible for the governance of the University and is accountable to the stakeholders in ensuring that the University complies with the laws and the highest standards of ethics and corporate governance. Accordingly, the Council attaches high importance to good corporate governance practices and has embraced the internationally developed principles and code of best practices of good corporate governance.

### **Council Size, Composition and Appointments**

The constitution of the Council is stipulated in the University Charter and the Universities Act No. 12 of 2012. The University Council is headed by the Chairman and is composed of Nine [9] members inclusive of the Vice-Chancellor who is the only executive member. The constitution of the Council takes into consideration requirements of the education sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the University.

### **Membership of the University Council**

The Membership of the University Council is as follows:

- a) The Chairman to the University Council appointed by the Cabinet Secretary in charge of Education.
- b) Five (5) independent Council members appointed by the Cabinet Secretary in charge of Education.
- c) The Vice-Chancellor who is also the Secretary to the Council.
- d) The Cabinet Secretary for the National Treasury or his alternate.
- e) The Principal Secretary for the State Department of Higher Education and Research or his alternate.

Newly appointed members of the Council are facilitated to undergo an induction process covering the business of the University by availing relevant information and also taking them through structured induction training.

A member of the University Council other than the Vice-Chancellor shall normally hold office for a term of three years, upon expiry of which the member shall be eligible for re-appointment. No member may be appointed to the Council for more than two consecutive terms. The profile of the current University council members is provided on pages *viii - x*. The Cabinet Secretary may from time to time remove or replace a member of Council for a good cause. Vacancies may also arise in the Council when a member resigns, at the expiry of a member's term or death while serving in office.

The University Charter and the Universities Act No 42 of 2012 have established the following organs of governance: -

- The Council
- The Senate
- University Management Board

The University has continued to implement effective corporate governance by ensuring timely and relevant disclosures as provided in the PFM Act 2012, ensuring strong audit procedures and audit independence, having clearly defined Council and Management duties and responsibilities and ensuring compliance with relevant laws and ensuring the highest levels of integrity at all levels in the University.

### **Council Charter**

The Charter of the Council is crucial to the University's governance and defines the Council's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight functions. The Charter provides guidance on the following:

- The separation of the roles, functions, responsibilities and powers of the Council and its individual members
- Nomination, appointment, induction, ongoing training and performance evaluation of the Council and its committees
- Policies and practices of Council on corporate governance matters, Council members' declarations and conflict of interest, the conduct of Council and Council committee meetings
- Powers delegated to Council committees as well as matters reserved for final decision-making and approval by the Council

### **Responsibility of the University Council**

As stipulated in the Universities Act No. 42 of 2012, the Council performs the following roles: -

- (i) Employ staff;
- (ii) Approve the statutes of the University and ensure they are published in the Kenya Gazette;
- (iii) Approve the policies of the University;
- (iv) Approve the budget;
- (v) Recommend for the appointment of the Vice-Chancellor, Deputy Vice-Chancellors and principals of constituent colleges through a competitive process; and
- (vi) Undertake other functions set out under the Act and JOOUST Charter.

Other functions and roles the Council performed include:

- (i) Strategic Leadership: approving, monitoring, and guiding the implementation of the University's Strategic plan.
- (ii) Performance Evaluation: Setting performance targets and reviewing the University's results so as to ensure the achievement of the operational plans.
- (iii) Integrity of Financial Reporting: Reviewing and monitoring controls, policies and procedures put in place to ensure integrity in the University's accounting records and financial statements.
- (iv) Risk Management and Compliance: Monitoring and reviewing the policies and procedures put in place by the management to ensure that the various risks facing the University are effectively mitigated and various regulatory and legislative requirements are complied with.
- (v) Stakeholders' Interest: Guiding the University so as to ensure the fulfilment of the interests of various stakeholders besides reviewing and monitoring corporate governance and corporate social responsibility practices at the University.

### **Activities of the Council**

The Chairman and the Vice Chancellor worked closely in planning the annual program and agenda for Council meetings. The meetings were structured to allow open discussions. All substantive agenda items had comprehensive briefing documents which were circulated early in advance before the meetings for members to study and be acquainted with beforehand. Besides regular Council meetings, there were a number of other meetings to deal with specific matters. When Council members were unable to attend a meeting, they were advised on the matters to be discussed and given the opportunity to discuss their views with the Chairman.

### **Role of the Vice Chancellor**

The Vice-Chancellor who is an independent ex-officio member of the Council is responsible for leading and managing the work of the Council and ensuring that the decisions made were sound and well informed. On the other hand, the Vice Chancellor was fully responsible to the Council for the day to day running of the University. The Vice Chancellor bears responsibility for all management actions and functions. Furthermore, he performed his role as the administrative and academic head of the University.

### **Training & Induction and Performance**

The Council members are trained regularly to ensure they are abreast with contemporary management trends and also to be familiar with legal regimes affecting University's operations and changes that emerge in legislation from time to time. The trainings provided to Council members cover risk management, financial management, audit, ethics and governance. The Council members are evaluated annually by SCAC on their performance and their performance was rated at 95% in the FY 2022/2023.

### **Remuneration**

The Council members are not entitled to salaries. The University covers the costs of travel and subsistence of Council members while on official duty and a sitting allowance for meetings attended as per the government guidelines. The Chairman is paid a monthly honorarium.

### **Risk Management**

The Council is responsible for risk management and has an approved policy and procedure document for risk management. The Council conducts risk assessment on a regular basis which informs the internal audit plan. The identification and management of risk is a continuous process linked to the achievement of the University's objectives.

### **University Council meetings**

The meetings of the University Council are held every quarter in a calendar year. In order to facilitate the smooth running of its affairs, the University Council establishes such committees with membership and with such terms of reference as provided for in the regulations. A calendar of the University Council and its committees is prepared before the beginning of each financial year. The Chairperson calls for meetings of the University Council after giving the requisite notice to all its members. During any meeting, the Council members so present signed declaration of interest forms, in accordance with governing statutes.

### **Committees of the Council**

The code requires that Council should have an Audit Committee and a maximum of three other committees to discharge the functions of Governance, technical matters, risk, strategy, compliance, human resources and finance. The Council has the mandatory Audit Committee and two other committees to assist in the discharge of the various mandates. Each Committee is headed by a member whose orientation, training and professional skills are in the area. Each committee is serviced by the head of the functional area in the University. The Committees derive their authority from the

University Act and report to the full council. From time to time, there are special Committees established to discharge specific mandates on an ad-hoc basis. The following are the committees of JOOUST Council that were in place in the financial year:

- (i) Audit, Risk and Governance Committee
- (ii) Finance, Administration and Human Resources Committee
- (iii) Technical, Academic, Research and Projects Committee

The University Council nominates the Chairperson of each committee of the Council provided that in the absence of the Chairperson of any committee, the members present and constituting a quorum may elect a person from among them to chair the meeting. The Chairperson of the University Council and the Vice Chancellor are ex-officio members of every committee of the Council.

**Audit, Risk and Governance Committee**

The Committee had an approved Audit Charter that spells out its responsibilities. The mandate of the Audit Committee is to provide oversight.

- (i) The integrity of the financial statements and disclosures of the University
- (ii) The effectiveness of the internal controls and accounting policies of the University.
- (iii) The effectiveness of the Internal Audit function of the University

The Committee has delegated authority and meets on a quarterly basis. It is composed of five members one of whom is a registered and practicing accountant and a member of the Institute of Certified Public Accountants of Kenya. It has the authority to authorize investigations. The members of the Audit, Risk and Governance Committee who served were:

Name of Committee	Members
<b>Audit, Risk and Governance Committee</b>	Mr. David M. Oyugi - Chairperson
	CPA Micah Origa – Rep. CS, The National Treasury
	Mr. Isaac K. Chebon – Independent Member
	Dr. Jemimah Onsare – Rep. PS, State Department of Higher Education and Research
	CPA Francis Ngati – Internal Audit/Secretary

**Finance, Administration and Human Resources Committee**

The Finance, Administration and Human Resources Committee is responsible for providing oversight on the mobilization and utilization of resources, financial reporting, staffing, salaries and terms of service. In addition, the Committee considered and made recommendations to full Council on University Policies. The membership of Finance, Administration and Human Resources Committee who served were:

Name of Committee	Members
<b>Finance, Administration and Human Resources Committee</b>	Ms. Joan A. Odawa - Chairperson
	Amb. Ambeyi Ligabo – Independent Member
	Dr. Willis Omwoyo - Independent Member
	Dr. Jemimah Onsare – Rep. PS, State Department of Higher Education and Research
	CPA Micah Origa – Rep. CS, The National Treasury

**Technical, Academic, Research and Projects Committee**

The Technical Committee had a delegated authority from the Council and was responsible for University's planning in the short-run, medium-term and long-term. The Committee was responsible for providing oversight on infrastructure development, capital projects, major maintenance works, and development of teaching, research and outreach programmes and setting priorities for the University. The membership of the Technical, Academic, Research and Projects Committee who served were:

Name of Committee	Members
<b>Technical, Academic, Research and Projects Committee</b>	Mr. Isaac K. Chebon - Chairperson
	Ms. Joan A. Odawa – Independent Member
	CPA Micah Origa – Rep. CS, The National Treasury
	Mr. David M. Oyugi – Independent Member
	Amb. Ambeyi Ligabo – Independent Member
	Dr. Jemimah Onsare – Rep. PS, State Department of Higher Education and Research

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**Meetings of Council and Committees of Council**

The table below shows the membership and attendance of meetings of Council and its Committee during the year.

This record is per the Council membership that existed prior

Members	Full Council meetings	SCAC Evaluation for council	SCAC Results	Special meeting on UBJ	Finance, Admin. and Human Resource committee.	Special FAHR	Audit, Risk and Governance Committee	Audit Special	Technical, Academic, Research and Projects Committee	Confirmation of FAHR Minutes	Confirmation of Minutes TARP	Meeting on Research Centre commissioning
Prof. Shem Wandiga	8/8	1/1	2/2	1/1	-	-	-	-	-	-	-	1/1
Dr. Jonah K. Kangogo	8/8	1/1	2/2	1/1	4/4	2/2	-	-	-	1/1	-	1/1
Ms. Joyce N. Karinge	8/8	1/1	2/2	-	-	-	5/5	2/2	6/6	-	1/1	1/1
Mr. Ibrahim M. Mutembei	8/8	1/1	2/2	1/1	4/4	2/2	-	-	-	1/1	-	1/1
Mr. Zeth Ouma Omollo	8/8	1/1	2/2	1/1	4/4	2/2	-	-	6/6	1/1	1/1	1/1
Ms. Janet Nasimiyu Wekesa	8/8	1/1	2/2	-	-	-	5/5	2/2	6/6	-	1/1	1/1
CPA Dismas Ogot	2/8	1/1	-	1/1	1/4	2/2	2/5	0/2	1/6	-	-	-
Mr. Micah Origa	8/8	1/1	2/2	0/1	4/4	2/2	5/5	2/2	6/6	1/1	1/1	1/1
Dr. Jemimah Onsare	5/8	0/1	1/2	-	3/4	0/2	5/5	2/2	6/6	1/1	1/1	1/1

## 10. MANAGEMENT DISCUSSION AND ANALYSIS

### Section A: UNIVERSITY FINANCIAL AND OPERATIONAL PERFORMANCE

#### Overview

The University's operations during the period were relatively smooth with all the academic programmes and other University activities proceeding as scheduled. The students concluded their examinations successfully in May 2023 and proceeded on long holiday, where they undertook industrial attachments and were supervised accordingly. The University resumed its academic programmes in September, 2023 with the reporting of the 2022 KUCCPS Cohort of first-year students.

#### Appointment of Members of Council

New council members were appointed on 23rd May 2023 for a period of 3 years following the expiry of the term of the previous council members in March 2023. The new members took the Oath of Office at the University's East African Community Integration Institute on 8th June 2023.

#### Transition in the Office of the Vice Chancellor

The tenure of Professor Stephen Agong' came to an end on 19<sup>th</sup> June 2023 after successfully completing his terms of service, first as the founding Principal of the then Bondo University College and then as the Vice-Chancellor when the Institution got a Charter to be fully pledged University status in 2013.

The University appreciates Professor Agong' for the steadfast and exemplary leadership demonstrated during his tenure in office and for guiding the University from the inception.

Prof Joseph Bosire was appointed the Acting Vice Chancellor with effect from 20<sup>th</sup> June 2023. The outgoing Vice-Chancellor officially handed over the instruments of leadership to the incoming Acting Vice-Chancellor on 22<sup>nd</sup> June 2023.

#### Appointment of DVC (PAF)

Professor Aggrey Thuo was appointed Deputy Vice-Chancellor in charge of Planning, Administration and Finance Division with effect from 19<sup>th</sup> June 2023.

#### Appointment of Ag. DVC – (ASAR)

Professor Denis Ochuodho was appointed as the Acting Deputy Vice Chancellor in charge of Academics, Students' Affairs and Research with effect from 20<sup>th</sup> June 2023.

### a) FINANCIAL PERFORMANCE

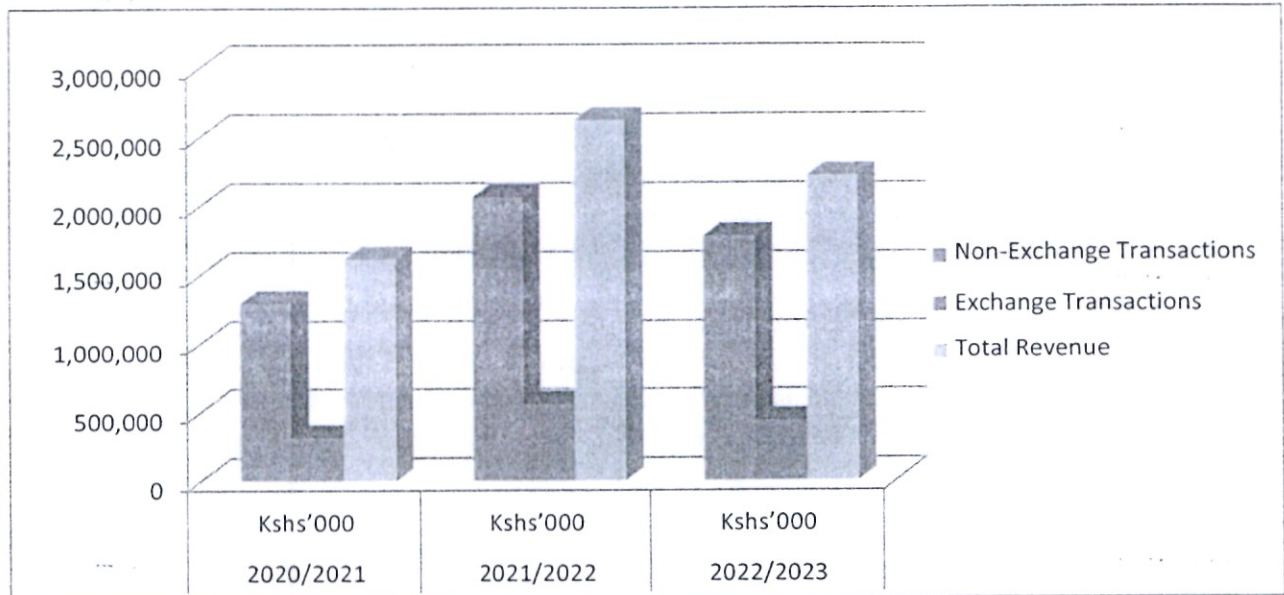
#### Revenue

During the year under review, the University's total revenue was Kshs. 2,216M (2022: Kshs. 2,622M), comprised of Kshs. 1,777M (2022: Kshs. 2,063M) from Non-Exchange Transactions and Kshs. 439M (2022: Kshs. 559M) from Exchange Transactions.

The revenues of the University have been as shown in Table 1 and Figure 1 below over the last three years:

**Table 1: Three-year Revenue trend**

Revenue	2020/2021	2021/2022	2022/2023
	Kshs'000	Kshs'000	Kshs'000
Non-Exchange Transactions	1,297,990	2,063,270	1,776,524
Exchange Transactions	319,878	558,902	439,698
<b>Total Revenue</b>	<b>1,617,868</b>	<b>2,622,172</b>	<b>2,216,222</b>



*Figure 1: The trend of revenue over the last three years*

The University's revenue from non-exchange transactions, GOK and other donors, comprised 79% of the total revenue (2022: 79%, 2021: 80%), underlying the University's dependence on funding from Government to finance its operations.

The decline in revenue from non-exchange transactions in 2022/2023 was mainly due to a slight decrease of GOK recurrent capitation and the descoping of the USAID Boresha Jamii Project from October 2022. The operations of the project were reduced to two counties: Kisumu and Kakamega compared to last financial year where operations were in Kisumu, Kakamega, Vihiga and Nyamira counties.

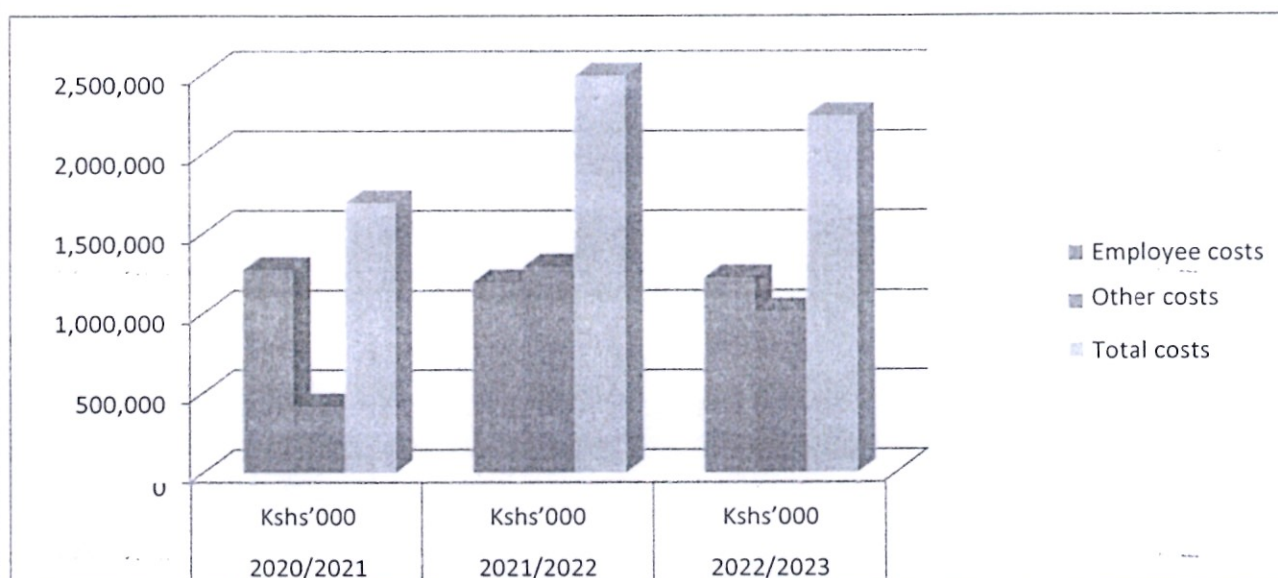
The decline in revenue from exchange transactions in the financial year 2020/2021 was mainly due to the closure of the University during the year due to the COVID-19 pandemic but there was an upward trend from the last financial year following resumption of full academic programmes and return to normalcy in the operations of the University.

### Operating Expenditure

The total operating expenditure was Kshs. 2,245M (2022: Kshs. 2,493M). Table 2 and figure 2 below indicate the expenditure trends over the last three years:

*Table 2: Three-year Expenditure trend*

Expenditure	2020/2021	2021/2022	2022/2023
	Kshs'000	Kshs'000	Kshs'000
Employee costs	1,275,662	1,197,728	1,225,210
Other costs	418,819	1,295,879	1,017,635
<b>Total costs</b>	<b>1,694,481</b>	<b>2,493,298</b>	<b>2,242,845</b>



*Figure 2: The trend of Expenditure over the last three years*

Employee costs comprised the largest proportion of operating expenditure in the last two financial years, 2021 and 2022 at 75% and 48% respectively. In the current financial year, employee costs constituted 51% of the total expenditure. The decrease in non-payroll related expenditure was mainly due to the reduced costs related to the USAID Boresha Jamii Project.

The dashboard below broadly illustrates the financial performance of the University. The amounts are reflected in millions.

Amounts in Kshs. Millions	AS AT 30.06.23	AS AT 30.06.22
	Kshs 'M'	Kshs 'M'
Revenue: Non-Exchange Transaction	1,777	2,063
Revenue from Exchange Transaction	439	559
<b>Total Revenue</b>	<b>2,216</b>	<b>2,622</b>
<b>Total Expenditure</b>	<b>2,238</b>	<b>2,493</b>
<b>Operating Surplus /(Deficit)</b>	<b>(22)</b>	<b>129</b>

**b) Operational Performance**

In FY 2022/2023, the following major events were undertaken by the University.

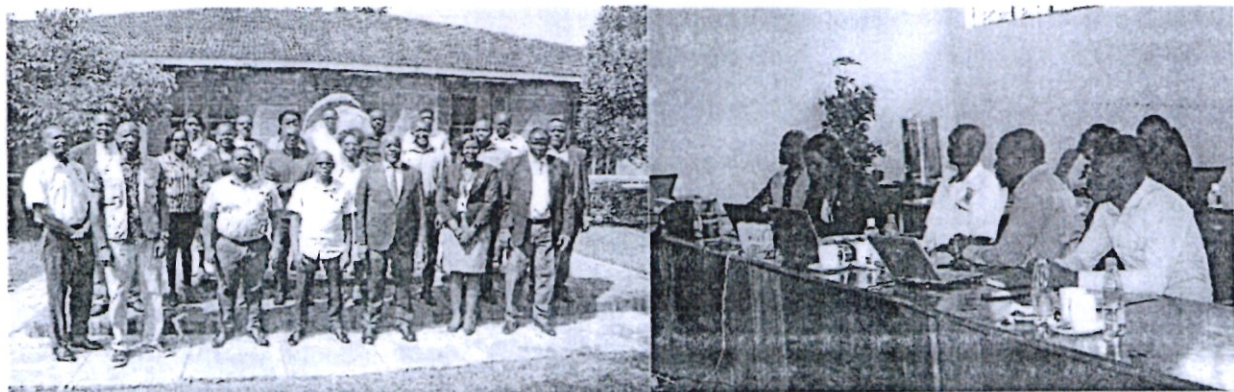
**i) JOOUST welcomes First Year Students**

During the year, the University welcomed first-year diploma and degrees students in August 2022. This was the first Cohort of diploma students under the TVET program. The students were welcomed to the University by the Vice-Chancellor, Prof. Stephen Agong’.



**ii) Annual Performance Contracting Evaluation and Moderation FY 2021/2022**

The University participated in the annual Performance Contracting Evaluation and Moderation for the financial year 2021/22 on 27<sup>th</sup> September 2022. The event was facilitated by PSC.

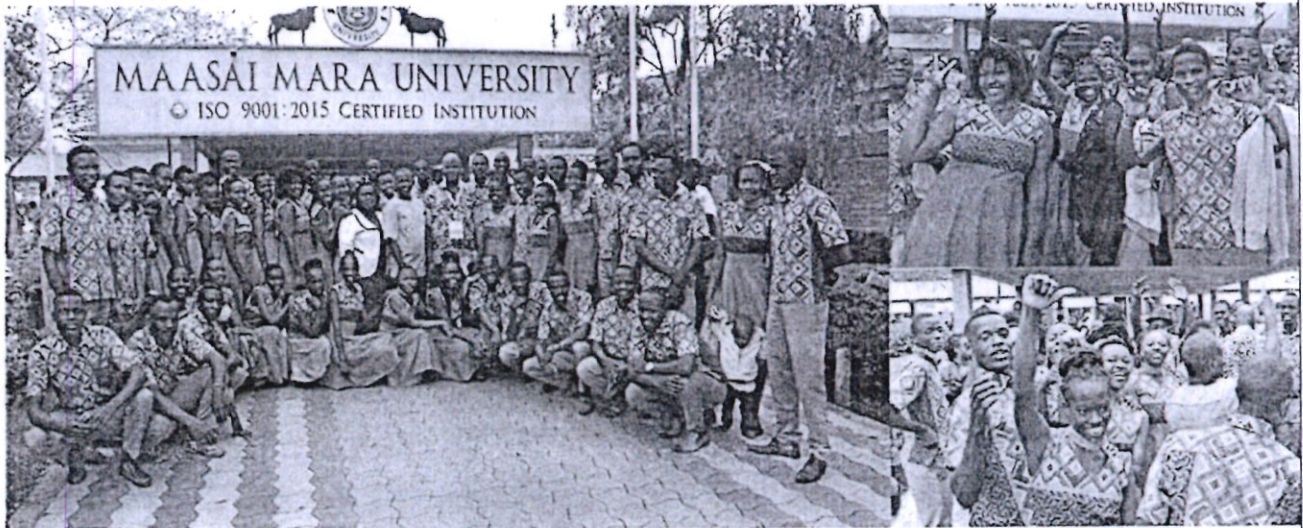


**iii) Nyanza/western regional Kenya Universities Performing Arts and Film Association (KUPAA) festivals.**

The KUPAA Nyanza/Western regional festival was held in JOOUST between 20<sup>th</sup> – 22<sup>nd</sup> October 2022 to prepare for the national KUPAA drama festivals which took place from 4<sup>th</sup> to 12<sup>th</sup> November 2022. The festivals were themed: “**Shaping societal development through performing arts. #Tekeleza**”.

In addition, JOOUST Students choir performed at The 2nd KUPAA National Music, Dance and Elocution Festivals at Maasai Mara University held between 12<sup>th</sup> -19<sup>th</sup> March 2023 under the theme “**Advocating for Social Responsibility through Music, Dance, and Elocution Performances**”. The University put a sterling performance, winning several awards.

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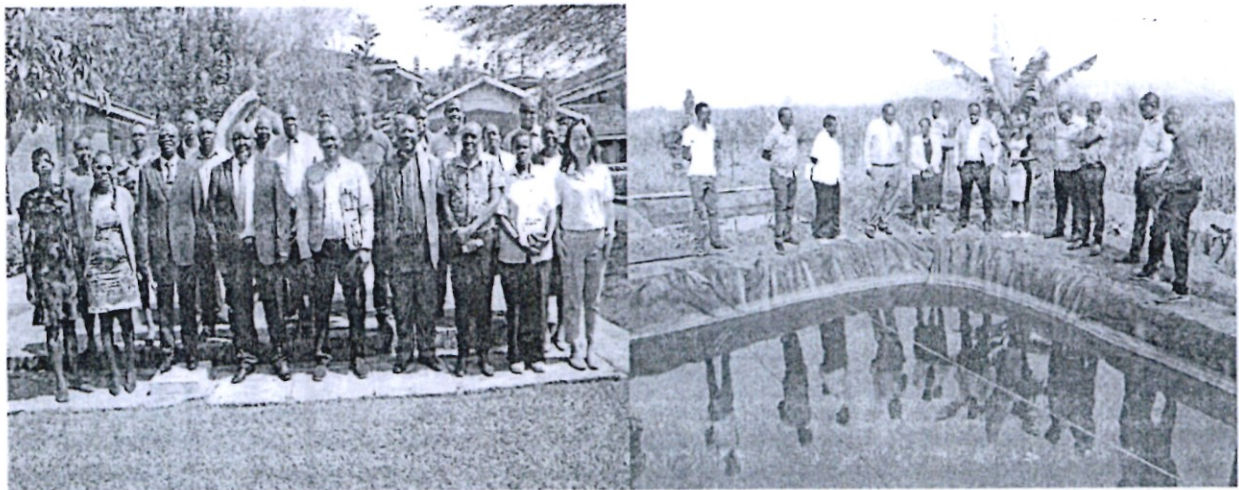
**iv) Successful virtual SAJOOUST Elections and inauguration**

The University conducted successful virtual SAJOOUST leadership and governing council elections to elect new leaders for the period 2022/23 and swore them in.



**v) JOOUST in collaboration with FAO to commercialize livestock feed**

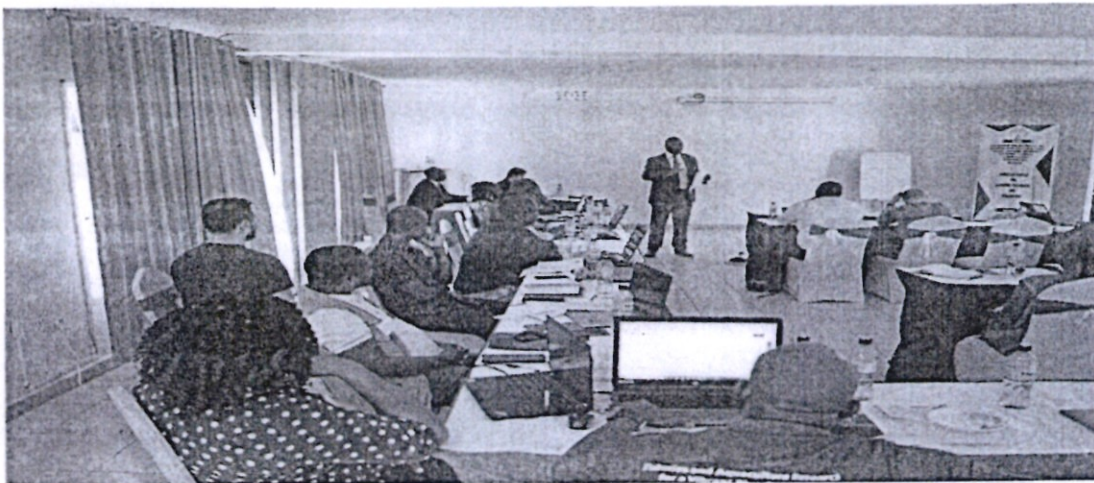
JOOUST in collaboration with the Food and Agricultural Organization (FAO) signed an agreement to support the inclusive commercialization of the production of Black Soldier Fly Larvae (BSFL) for the livestock feed industry. The innovation will further reduce the cost of livestock feed while creating employment opportunities for the youth. Other areas of collaboration and strategic partnerships include around climate change and the environment along the Lake Region Economic Block (LREB) Region.



**vi) JOOUST commits to addressing the plight of riparian communities in the Great Lakes region**

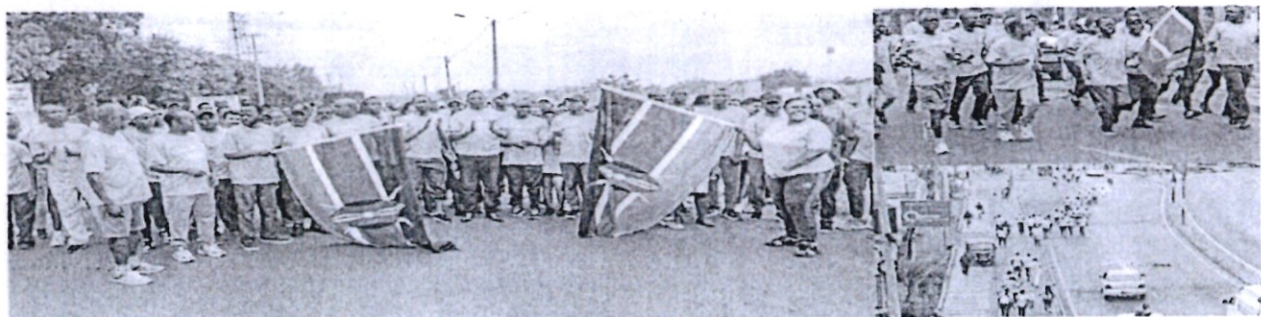
JOOUST in conjunction with Geoscience and Remote Sensing Society facilitated by Rochester Institute of Technology and coordination with the Lake Victoria Fisheries Organization and co-hosted by the African Center for Aquatic Research and Education, Kenya Marine and Fisheries Research Institute and Kings College, London hosted a training to help ensure the collective scientific knowledge and ability to address issues on the African Great Lakes. The training

emphasized the need to mobilize resources for result-based research interventions and explore the many opportunities for the blue economy. Further, the need to address declining ecosystem services and loss of biodiversity, dwindling fish catches, pollution and deteriorating water quality and quantity.



**vii) Participation in the Kisumu Stanchart Marathon**

University staff and students participated in the Kisumu Stanchart Marathon held on 29th October 2022 in Kisumu City. The University team performed exemplarily with the best top 5 men and ladies coming from JOOUST. The event was co-ordinated by the then DVC(ASAR) Prof. Joseph Bosire and Mr. Gabriel Oluoch of Standard Chartered Bank, Kisumu.



**viii) The President officially launched The Jaramogi Oginga Odinga University of Science and Technology's Blue Economy Research Hub in Miyandhe**

The Head of State, H.E. Hon. William Samoei Ruto, officially launched the Jaramogi Oginga Odinga University of Science and Technology's Blue Economy Research Hub situated in Miyandhe. In his remarks, the President urged Universities to become key drivers in research and innovation that develop solutions to the pressing challenges facing Africa and the world. He further added that the Country's labour economy shows great demand for the specialized competencies required by a modern and globally competitive economy.

In his turn, the University Council Chairman, Prof. Shem Wandiga expressed gratitude to the President for gracing the ceremony, acknowledging the Government's input in supporting Universities in research endeavors geared towards sustainable development in the country.



**ix) JOOUST hosts the 10th Graduation Ceremony**

JOOUST held her 10th Graduation ceremony physically since the Covid-19 pandemic on 3rd March 2023 during which students were awarded various degree awards. The ceremony was presided over by the CS, Ministry of Education, Hon. Ezekiel Machogu Ombaki. During the ceremony, the CS urged Universities to come up with innovative ways of resource mobilization geared towards enhancing research and sustainable development.



**x) JOOUST hosts Kongamano la Chama cha Wanafunzi Afrika Mashariki chini ya Kauli Mbiu - Kiswahili na Teknolojia Endelevu**

Chuo kikuu cha Sayansi na Teknolojia cha Jaramogi Kimeandaa Kongamano la Chama cha Wanafunzi Afrika Mashariki chini ya Kauli Mbiu - Kiswahili na Teknolojia Endelevu.



**xi) JOOUST hosts the 2nd East Africa Aquaculture conference & exhibition**

JOOUST held the second East African Aquaculture Conference and Exhibition themed: Africa's turn. The three-day conference from 14th to 17th March 2023 was graced by The Principal Secretary, State Department for Blue Economy and Fisheries, Hon. Betsy Muthoni Njagi. The East Africa Research Aquaculture Conference (EARAC) brought together researchers, exhibitors, students, farmers, and key stakeholders in the aquaculture industry to discourse on matters of blue economy, aquatic biodiversity, aquaculture policy framework and strategies, the impact of aquaculture on the communities, aquatic animal health, welfare and food security and more.



**xii) JOOUST launches its VLIR-IUC project**

JOOUST launched its VLIR-IUC project with the first phase of the project set to run for five years. This phase will focus on among other objectives, building capacity more so for the postgraduate students on the five thematic areas the project was founded upon namely; Information and Communication Technology (ICT), Health, Food Security, Climate Change, and Natural Resource Management.



In the fourth quarter of the FY 2022/2023, JOOUST welcomed a team from Ghent University and the University of Pisa for an exploratory visit under the VLIR-IUC Sub-project II: Building Capacity for Transformative Agri-Food Systems for Resilience in the Lake Victoria Basin of Kenya.



**xiii) JOOUST hosts the young change maker's inter-university seminar**

JOOUST Hosts the First Young Change Makers Inter-University Seminar on Sustainable Development under the theme “Tourism and the Blue Economy”.



**xiv) The Archbishop of the Catholic Diocese of Kisumu conducts a confirmation mass at the University chaplaincy**

The Archbishop of the Catholic Diocese of Kisumu, the Most Reverend Maurice Muhatia Makumba is welcomed to the University by the Deputy Vice-Chancellor, Prof. Joseph Bosire ahead of a confirmation mass at the University Chaplaincy.



**xv) Youth Agribusiness Trade Fair**

The University hosted its first Youth Agribusiness Trade Fair sponsored by the Food and Agriculture Organization of the United Nations (FAO) under the burner "**Inawezekana Na Agribiz; Vijana Tuamke Sote**". The trade fair brought on board youth from Siaya and Kakamega Counties.



**xvi) International Undergraduate Research Symposium (IURS)**

JOOUST received a team from the International Undergraduate Research Symposium (IURS) which sought to inspire and prepare students for a successful scientific life of service to humanity



**xvii) The Turkish Cooperation and Coordination Agency (TIKA)**

The Turkish Cooperation and Coordination Agency (TIKA) led by the Director Mr. Eyüp Yavuz Ümütlü, paid a courtesy call to JOOUST to assess the capacity of the University to implement an Aquaponic project.



**xviii) Staff Wellness Day**

The University marked its third edition of Staff Wellness Day aimed at promoting staff wellness and mental well-being.

While giving his remarks, Vice Chancellor Prof. Stephen Agong' appreciated the members of staff and the stakeholders present for supporting the University's incentives in advocacy for mental health. This being the last in his tenure, Prof. Agong' thanked the members of staff for the support accorded him and the University Management during his service. The Vice-Chancellor urged members to uphold the same level of commitment to service to the incoming leadership.

The Deputy Vice-Chancellor of Academic Affairs Prof. Joseph Bosire acknowledged and extended his gratitude to the facilitators who sensitized the members of staff on Gender laws, Mental health and drugs, Complaints management and National Cohesion.

To complement these, JOOUST staff engaged in physical fitness activities led by the Sports department including Football, Netball, Volleyball, Table Tennis and crowned it with a tug of war.

Through the Directorate of Special Services, the University liaises with stakeholders in the private sector, including state corporations, and endeavors to have at least two wellness sessions in an Academic year.



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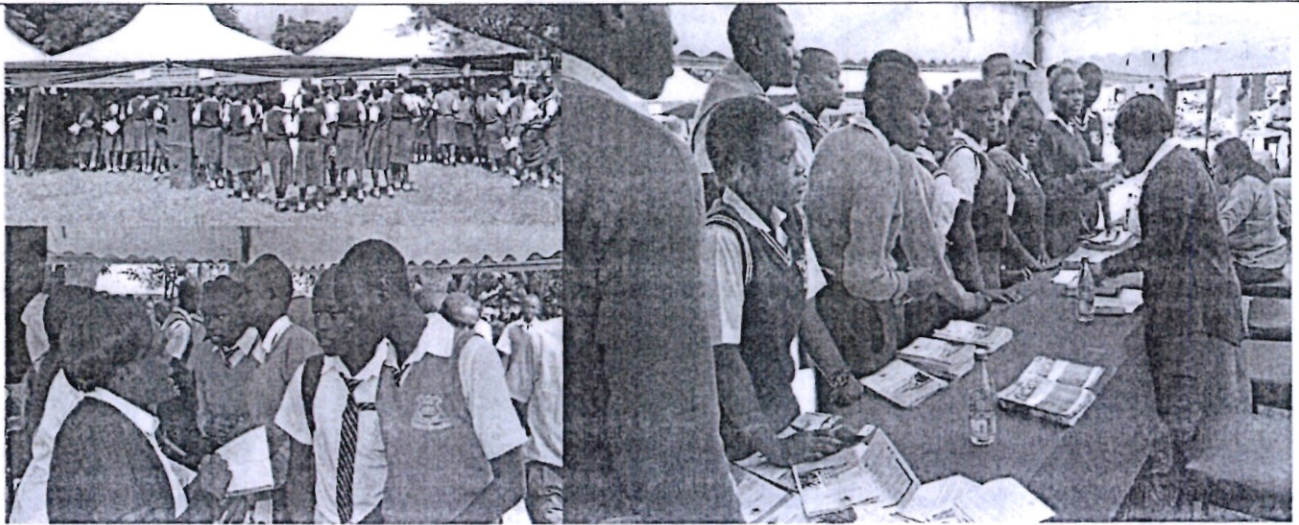
**xix) KCB 2jjajiri Foundation Graduation Ceremony**

KCB 2jjajiri Foundation held a colourful graduation ceremony for its 2nd and 3rd Cohort of graduands at JOOUST Main Campus. The program aims to empower and equip unemployed and out-of-school youth to grow micro-enterprises by providing them with technical skill training opportunities.



**xx) University Open Day**

JOOUST and KUCCPS jointly held a two-day open day in Bondo town for the public to openly interact and receive services on matters of education from the two institutions.



**xxi) Calestous Juma Legacy Foundation (CJLF)**

A team from Calestous Juma Legacy Foundation (CJLF) visited JOOUST to establish a framework for collaboration between the two parties.



**xxii) Change in leadership at the University**

Professor Joseph Bosire is the new Acting Vice-Chancellor taking over from Professor Stephen Agong', whose term came to an end after serving as the founding Principal of the then Bondo University College and later Vice -Chancellor when he led the University to full Charter status in 2013. The outgoing Vice-Chancellor officially handed over the instruments of leadership to the incoming Acting Vice-Chancellor on 22nd June 2023.

The University welcomes the newly appointed Deputy Vice-Chancellor, Planning, Administration and Finance (PAF), Professor Aggrey Thuo, and Professor Denis Ochuodho as the Acting Deputy Vice Chancellor, Academic Affairs, who will also oversee the Division of Research, Innovation and Outreach.



**xxiii) Staff improvement and training.**

The University wishes to maintain committed staff who will be able to drive her mandate. Through skill needs assessment, the university has continued to support staff to attend relevant training, workshops and conferences to benefit their development and capabilities. Also, in helping them increase efficiency in performance and delivery of service.

**xxiv) Council activities**

New council members were appointed on 23rd May 2023 upon the expiry of the 3-year term of the previous council members: Joyce Karinge, Ibrahim Mutembei, Zeth Omollo, Dr. Jona Kangogo, and Janet Wekesa. The newly appointed members are David Oyugi, Isaac Chebon, Joan Odawa, Amb. Ambeyi Ligabo and Dr. Willis Omwoyo who will hold office for a term of 3 years. The new members took the Oath of Office at the University's East African Community Integration Institute on 8th June 2023.



**Section B: KEY CAPITAL PROJECTS IMPLEMENTED/ONGOING**

The main projects under construction during the year include the Tuition Block, Research Centre and Administration Block. These projects are funded by the Government of Kenya through the Ministry of Education. The University received Kshs. 78.8 million to facilitate the development projects.

Project Title	Approved Budget (Kshs)	Supplementary I Estimates
Research Centre	100,000,000	39,430,648
Administration Block	60,000,000	23,658,400
Tuition Block	40,000,000	15,772,259
<b>Total</b>	<b>200,000,000</b>	<b>78,861,307</b>

Following the reduction during Supplementary I Budget Estimates from Kshs 200,000,000 to Kshs 78,861,307, the University has prioritized the completion of the Research Centre given the reduced funds.

There has been generally slow progress in the completion of the capital projects due to inadequate and slow disbursement of funds from the government hence significantly affecting the envisaged work plans and practical completion of the projects hence generally making them to be behind schedule.

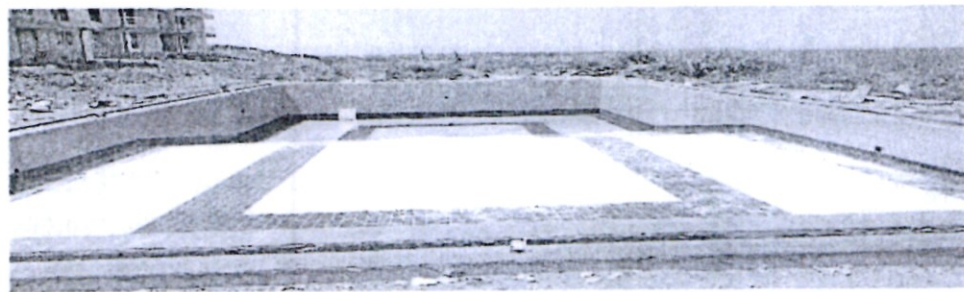
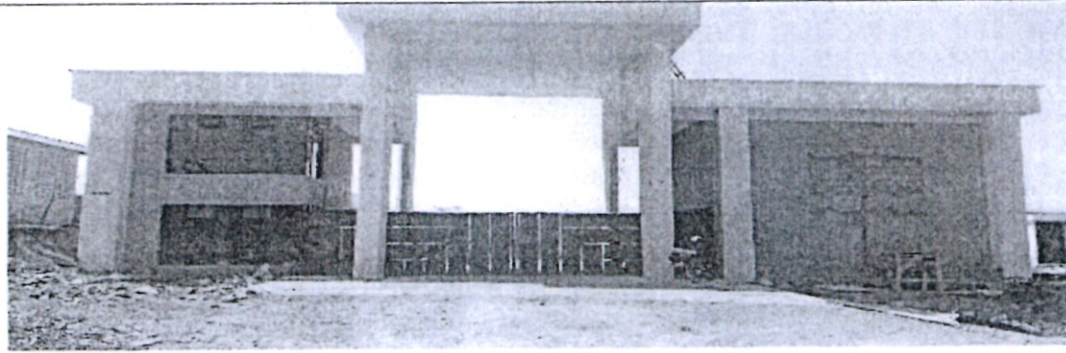
The University has commissioned one of the flagship projects, the Research Hub for Blue Economy at Miyandhe Campus. This facility will provide a platform for attracting students and academics alike to work in a new and exciting environment.

The University capital projects are geared towards positioning the University as a global centre of excellence in teaching, research and outreach as well as being a leader in university education. The projects, once completed will greatly enhance infrastructural facilities and additional space required by the University to achieve its mandate.

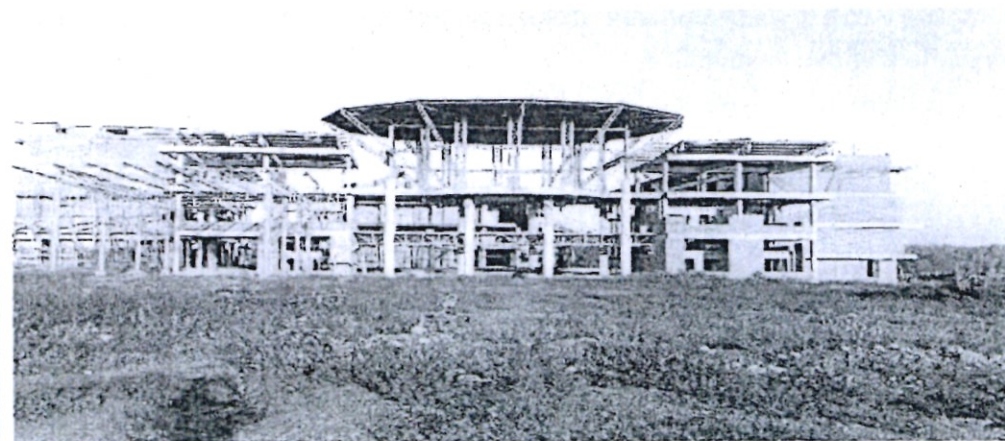
Pictorial impressions of the ongoing projects are listed here below.



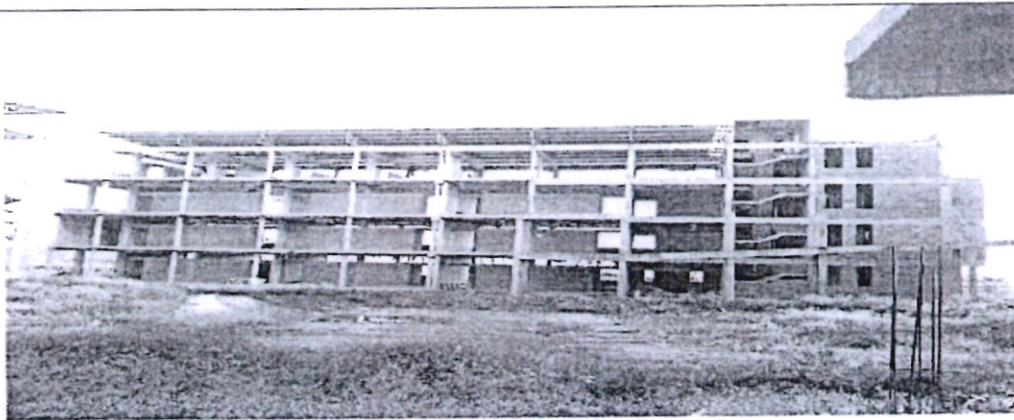
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*Research Centre at Miyandhe*



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Appendix 1. Indicates the status of implementation of the projects.

**Section C: MAJOR RISKS/CHALLENGES FACING THE UNIVERSITY**

The University faces a number of challenges that include funding gaps in terms of government and research grants. This has led to a major deficit in budget implementation, especially in areas of staff remuneration and facilitation of completion of capital projects, which has led to high pending bills and a slowdown in the completion rate for capital projects. Approved research projects have also missed funding from both the government and other development partners.

In addition, the University is facing a risk from the reduction in the number of self-sponsored students admitted to the University due to a decreased pool of self-sponsored students. The decrease in the number of admissions of this cohort of students has resulted in reduction in anticipated tuition fees, thus resulting in financial challenges. There is also inadequate capacity to adopt and blend science and innovations in the sector.

**STUDENTS' AFFAIRS**

The students participated in the regional and national Kenya Universities' Performing Arts and Film (KUPAA) Music Festivals held at Kisii and Maasai Mara Universities respectively. At the national festivals, out of the items presented, the University won position 1 in three (3) items, position 2 in one item and position 3 in one item. The University qualified to present two items at the national gala.

The students also participated in four KUSA Western activities, 21<sup>st</sup> - 22<sup>nd</sup> January 2023 at Masinde Muliro University of Science and Technology, 4<sup>th</sup> - 5<sup>th</sup> February 2023 at Kababii University, 18<sup>th</sup> to 19<sup>th</sup> February 2023 at Kabianga University, and KUSA National women championship at Rongo University from 3<sup>rd</sup> to 5<sup>th</sup> March 2023 through representation by: Hockey, soccer, basketball, handball chess, scrabble and tennis.

The Students Association of Jaramogi Oginga Odinga University of Science and Technology (SAJOUST) continued exercising their mandate in coordinating and organizing student governance and associated activities. In particular, they performed the following:

- a) Two Congress meetings held to discuss the review of SAJOOUST Constitution, among other items.
- b) Organized the Semester bash for students at the main campus and for School of Agricultural and Food Sciences (SAFS) in Siaya.

**HUMAN RESOURCES AND ADMINISTRATION**

The University carried out a skill gap analysis in 2018/2019 FY out of which an annual Training Needs Assessment (TNA) was prepared. The University continued to implement activities to address skills gap identified during the period and training needs earmarked for 2023/2024 FY to enhance skills and proficiency of individual employees and improve institutional performance.

To address the gaps, the University improved the human resource capacity by recruiting eleven (11) members of staff including six (6) academic staff. The University also reviewed staff and changed the terms of service for sixty-five (65) members of staff to permanent and pensionable (49) and contract (16). Eighteen (18) interns were engaged and one hundred and ninety-seven (197) students benefited from attachment opportunities at the University against a planned target of one hundred (100). During the staff reviews, one hundred and nine (109) members of staff were also promoted including sixty-two (62) academic members of staff. During the period, the University unfortunately lost some members of staff through demise in service (1), resignation (12), retirement (3) and dismissal (1). At the end of the financial year the University staff portfolio stood at five hundred and forty-seven (547).

The University supported six hundred members of staff for capacity building in various fields during the period. This was part of competency development programme informed by the annual TNA projections. One of the key trainings included e-learning pedagogical skills and on-line examinations. To ensure good standing with professional bodies, the university supported members of staff totaling fifty-three (53) with subscription payments.

The University ensured that Staff Welfare matters were addressed as appropriate including, provision of staff uniforms, group life insurance, comprehensive medical insurance and continuous sensitization of staff on guidelines and protocols as per the government directives. The University also conducted a staff welfare day on 2<sup>nd</sup> June, 2023 which included various sporting activities and sensitization of staff in a number of areas including physiological wellness, Citizens Service Delivery Charter and complaints handling mechanism among others.

**INFORMATION COMMUNICATION & TECHNOLOGY (ICT)**

The University continued to strengthen its ICT systems to enhance automation and digitation of processes as recommended by the government. One of the key activities undertaken to bolster the ICT system was the revision of the ICT policy to incorporate business continuity and disaster recovery and data protection act provisions. Other important measures included procurement of additional ICT equipment, deployment of a new firewall at Main Campus, contract renewal with internet service providers, upgrading wi-fi and LAN coverage at the

Main Campus, increasing the internet bandwidth to about 1000 mbps from 715 mpbs; Renewal of antivirus software and regular user support services including preventive maintenance.

**REPAIRS AND MAINTENANCE**

The University Administration continued to carry out cleaning, repair and maintenance works of all facilities as part of its routine to maintain a conducive physical environment for learning. Some key activities include refurbishment of Staff houses, Research and Teaching Laboratory, Auditorium and Bondo Hostel. The University also ensured uninterrupted electricity supply and carried out a number of improvements to enhance lighting including: - providing external and Internal lighting in Bondo Hostel; Installation of lighting arrestors at SAFS, engaging in power factor correction process and upgrading of power lines to three phase. The water supply was stable throughout the year as well as ensuring all needed plumbing and painting maintenance works were done as requested. A dairy unit for SAFS, was also constructed at Siaya campus. Transport & Plant department ensured fleet of vehicles; plant & equipment were in optimal working conditions throughout the financial year. Servicing and maintenance of vehicles was up to date including fuelling, annual inspection and renewal of insurance cover.

**Section D: MATERIAL AREAS IN STATUTORY/FINANCIAL OBLIGATIONS**

The University had arrears in pending bills or statutory obligations as at the end of the financial year.

**Section E: THE UNIVERSITY'S FINANCIAL PROBITY AND SERIOUS GOVERNANCE ISSUES**

The University ensures a strict following of the code of ethics that is based on integrity, professionalism and honesty, in the management of the University's financial resources, procurement and beyond the legal requirements.

The University has put in place measures to promote financial probity. These include:

- i) The University Council, Management and Staff act ethically at all times in accordance with the Public Officers' Code of Conduct as set out in the governing statutes.
- ii) Officers do not make improper use of their positions.
- iii) Officers avoid placing themselves in a position where is potential for claims of biasness.
- iv) The University does not seek to benefit from stakeholder practices that may be dishonest, unethical or unsafe
- v) Conflicts of interest are managed appropriately
- vi) All stakeholders are treated fairly and equitably

The University has put in place governance structures to ensure that any exposures are addressed promptly.

There were no reported financial improbity issues reported by either internal or external parties during the year.

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## 11. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

JOOUST exists to train and provide well equipped and dependable manpower through offering practical and market-oriented courses and programmes. Towards this end, the university has continually realigned her strategies in response to changing and emerging trends in the environment. In order to achieve this, the university has developed various strategies with the students, who are her main customers in focus through the methodology of delivery of learning which has metamorphosed to include blended virtual/e-learning with physical contact.

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

Taking cognizant of the complexity of the social-economic operating environment, the University has developed and embedded robust mechanisms and actionable plans to meet her mandate. The University admitted 600 students in the 1<sup>st</sup> Cohort of the TVET program in September 2022. We are expecting about 600 students in September 2023 for the 2<sup>nd</sup> Cohort.

Further, through constant engagements with internal partners, national and county governments, the community, local industries & international organizations, peer institutions and stakeholders, the University is poised to provide cutting edge teaching and research in order to provide sustainable solutions to perennial challenges. In addition, the university being a beacon of excellence welcomes interaction with high schools for purposes of enhancing exposure to students and also being visited by various universities for benchmarking.

### **ii) Environmental performance**

The University is committed to providing a safe and conducive workplace, protecting the environment, and conserving energy by use of renewable over non-renewable energy and natural resources by reusing and recycling materials, purchasing recycled materials, and using recyclable packaging and other materials where necessary and as appropriate.

Further, the university ensures that it minimizes waste; prevents air, water, and other pollution, as well as disposal of waste safely and responsibly. As regards the communities where the university operates, JOOUST will act promptly and responsibly to correct incidents and/or conditions that endanger health, safety, and/or the environment.

Being a learning institution, the university will strive to provide leadership in Scientific, technological and innovation efforts to prove environmental protection and understanding.

To ensure that the momentum of good environmental practices is maintained, the university periodically conducts detailed audits and self-assessments on environmental policy adherence and implementation in order to make any corrective measures as appropriate.

### **iii) Employee welfare**

The University has a recruitment policy that provides guidelines for ensuring a transparent and fair hiring process that assists the University in selecting the right candidate on the basis of merit

and relevance to the job. This policy is in compliance with Constitution of Kenya 2010, PSC, SRC and The Employment Act 2007.

The university conducts training needs assessment to evaluate the skills gap of the employees in the university and organizes for their training by providing the necessary resources. This is meant to attract and retain high calibre staff to help in executing the mandate of the University.

Further and in compliance with the public service commission code, the university employees are appraised against agreed upon set targets. The performance appraisal is an on-going process that links performance to organizational objectives, professional development and training as well as reward systems.

The University adheres to the OSHA Act 2007 by ensuring a secure, safe, health and welfare of all employees at work as well as protecting persons other than persons at work against risks to safety and health arising out of, or in connection with, the activities of persons at work.

**iv) Market place practices-**

**a) Responsible competition practice.**

The University executes its mandate with its customers in a fair professional, transparent and accountable manner. To ensure this is achieved the university has an ethics and integrity policy which establishes the ethical principles and conduct of its workers. The University is apolitical and serves all without discrimination.

**b) Responsible Supply chain and supplier relations**

Suppliers of the university are major stakeholders. They ensure timely provision of goods and services for smooth operations. The university being a public entity and, in an effort, to adhere to the law on procurement follows the Public Procurement and Asset Disposal (PPAD) Act 2015.

The University honours all the contracts it signs with its contractors and payments for services provided are paid as per agreement between parties on signing the contract.

**c) Responsible marketing and advertisement**

The University uses online and print media to reach the public and stakeholders. Through online means, the university uses its website and social media platforms such as WhatsApp, Twitter, LinkedIn and Facebook for marketing, advertisements and communication.

In the print media, the University makes advertisements through the Government Advertisement Agency (GAA) which regulates advertisements from all government entities.

**d) Product stewardship**

JOOUST is committed to providing quality university education through training research and community outreach. In order to achieve this, the University has drawn & outlined a broad and robust service charter. It is the desire of the University to implement the charter fully to ensure continued success.

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## 12. REPORT OF THE COUNCIL

The University Council submit their report together with the financial statements for the year ended June 30, 2023, which show the state of the University's affairs.

### i) Principal activities

The principal activities of the University continue to be to offer high-quality university training, carry out innovative research and community outreach for sustainable socio-economic development.

### ii) Results

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


### iii) Members of the Council

The members of the Council who served during the year are shown on pages viii - x. During the year Joyce Karinge, Ibrahim Mutembei, Zeth Omollo, Dr. Jona Kangogo, and Janet Wekesa retired, and David Oyugi, Isaac Chebon, Joan Odawa, Amb. Ambeyi Ligabo and Dr. Willis Omwoyo were appointed with effect from 23<sup>rd</sup> May 2023 for a term of three years.

### iv) 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 for the year ended June 30, 2023.

By Order of the Council



.....  
**Prof. Emily Achieng Akuno**  
**Vice Chancellor/Secretary to the Council**

### **13. STATEMENT OF COUNCIL RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and Section 47 of the Universities Act, 2012 require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for that year. The Council 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 also responsible for safeguarding the assets 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 accepts responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM 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 the University's transactions during the financial year ended June 30, 2023, and of the University's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Council 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 26<sup>th</sup> September 2023 and signed on its behalf by:



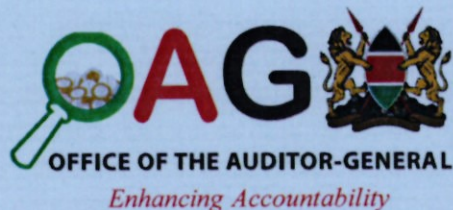
**Prof. Shem O. Wandiga**  
Chairman of Council



**Prof. Emily Achieng Akuno**  
Vice-Chancellor

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## REPORT OF THE AUDITOR-GENERAL ON JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY FOR THE YEAR ENDED 30 JUNE, 2023

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### PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 Jaramogi Oginga Odinga University of Science and Technology set out on pages 1 to 45, 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 the Jaramogi Oginga Odinga University of Science and Technology as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the University Act, 2012.

### **Basis for Qualified Opinion**

#### **1. Unsupported Receivables from Exchange Transactions**

The statement of financial position and as disclosed in Note 23 to the financial statements reflects an amount of Kshs.280,421,725 relating to receivables from exchange transactions, which includes a total of Kshs.469,824,169 due from University students. Analysis of student debtors revealed that out of Kshs.469,824,169, a total of Kshs.278,888,943 is considered as bad and doubtful debts. The basis of this provision is detailed in an analysis which shows that Management provided 100% from the year 2000-2017, 25% in the year 2017, 10% in the year 2018 and 0% from 2019-2023. However, this is contrary to the University Finance Policy which provides: below 8 months (0%), between 8-12 months (10%), between 13-24 months (25%) and 25 months and above (100%).

In the circumstances and in the absence of Council approval, it was not possible to confirm the accuracy of the total provision for bad and doubtful debts amount of Kshs.278,888,943 under student debtors.

#### **2. Failure to Revalue Fully Depreciated Assets in Use**

The statement of financial position reflects property, plant and equipment balance of Kshs.3,531,299,331 which as disclosed in Note 26 to the financial statements, includes fully depreciated assets with a total cost value of Kshs.231,818,926 which were still in use but had not been revalued as required.

In the circumstances, the accuracy and completeness of property, plant and equipment valued at Kshs.231,818,926 could not be confirmed.

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

##### **3.1 Repairs and Maintenance**

The statement of financial performance reflects an amount of Kshs.11,374,913 relating to repairs and maintenance, which as disclosed in Note 16 to the financial statements

which includes an amount of Kshs.7,228,335 relating to building, repairs and refurbishments, which further includes a direct cost of Kshs.6,425,903. Although schedules were provided to support the amount, the tender opening minutes, letter of award, local service order, inspection and acceptance committee report were provided for audit verification.

### **3.2 Procurement of Security Services**

The statement of financial performance reflects use of goods and services expenditure totalling to Kshs.226,110,404 as disclosed in Note 13 to the financial statements. Included in this amount is expenditure on security expenses of Kshs.21,447,700 which includes payment made to a Company of Kshs.21,151,200. However, although the contract agreement was signed on 1 November, 2021, the tender documents including advertisement, tender opening minutes, evaluation report among other documents were not provided for review

### **3.3 Research Expenses**

The statement of financial performance and as disclosed in Note 17 of the financial statements reflects a total expenditure on research expenses of Kshs.706,050,302 in the year under review. Review of Note 17 to the financial statements revealed that no expenditure was incurred during the year under review on nine (9) out of the thirty-eight (38) donor funded projects including; Clean Cooling Solutions, TNO FF Project, Promotion Awareness and Participation of Persons with Disability, Maize Yield, Transformative Innovation, Acheta Domesticus and Grillus Bima, Rufforf Foundation and Pamoja Project, with a total balance of Kshs.6,327,957 as at 1 July, 2022. No explanation or documents were provided to justify the existence of these projects in the University books including the financing agreements or details on the nature of work the respective projects are involved in.

In the circumstances, the accuracy and validity of the expenditure amounting to Kshs.21,577,103 in respect to repairs and maintenance and security services could not be confirmed, and it was not possible to justify the existence of the nine research projects in the University records.

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

### **Key Audit Matters**

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

# 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 to believe that public resources have not been applied lawfully and in an effective way.

## Basis for Conclusion

### 1. Delay in Completion of Projects

The statement of financial position reflects property, plant and equipment balance of Kshs.3,531,299,331 which includes work-in-progress amount of Kshs.2,465,815,219 as disclosed in Note 26 to the financial statements. Review of payment vouchers and other documents revealed that the University made payments totalling Kshs.86,001,413 during the year under review to two of the four major projects.

However, field verification carried out on the projects at the time of audit in December, 2023, revealed that all the four projects were incomplete with no contractors on the sites. As disclosed in the previous audit reports, the four projects whose work started in the years between 2012 and 2019 have stalled and the current status detailed below:

#### 1.1 Research Centre

- i. It was noted that 88% of the work has been completed implying that 12% of the work valued at Kshs.141,816,189 had not been done twelve (12) years after commencement of the project and no value for money has been realized.
- ii. The building is showing signs of degeneration where by the polycarbonate roof at the entrance of the building was ripped off by the winds and the replacement will be done at an additional cost resulting to cost overruns.
- iii. The contract provided for construction of a borehole as a source of water to the Research Centre had no geological survey done before providing for the same in the bills of quantity. It was later noted that the borehole water production is very low and an alternative source of water must be sort for the success of the project.
- iv. In September, 2021, the main contractor requested for an additional Kshs.43,579,467 in excess of the contract amount citing among others fluctuation of works completed and price changes on works to complete. However, detailed report and approval was not provided for audit verification.
- v. Although the Research Centre was commissioned in January, 2023, at the time of the audit in January, 2024, the project had not been put to use as some works

including water reticulation, electrical finishes, part of mechanical works had not been completed.

## **1.2 Tuition Block**

- i. The main contractor was awarded at a contract sum of Kshs.650,024,181 and consultant at a fee of Kshs.65,002,418 bringing the total cost of the project to Kshs.715,026,599. The project is at 40% completion. Three requests for extensions have been approved and the last one ended on 8 November, 2023.
- ii. The financial schedule revealed that out of the total cost of Kshs.715,026,559, a total of Kshs.362,014,609 has been paid out and resulting into a balance of Kshs.353,011,990. However, the payment vouchers and certificates were not provided for audit verification to confirm total payment of Kshs.362,014,609.
- iii. At a certain stage, the roof was ripped off by the wind and it was not clear if this was because of poor design or compromised workmanship but the work was redone by the contractor. Further, physical verification revealed poor roof workmanship as the insulation sheet, which was fixed underneath the iron sheet, was poorly done.
- iv. Although it is stated in the status report that the project may be completed within one year from June, 2023, there is no evidence that this is possible since no work was in progress at the time of the audit in January, 2024.

## **1.3 Administration Block**

- i. The project started on 10 April, 2019 and was contracted at a cost of Kshs.739,705,635 for the main contractor and Kshs.73,970,564 for the consultant bringing the total sum to Kshs.813,676,199. The work commenced on 10 April, 2019 and was expected to be completed on 9 April, 2021. However, the approved third extension request is expected to end on 31 March, 2024.
- ii. According to the progress of works-financial records, out of the total cost of Kshs.813,676,199 only Kshs.271,173,203 has been paid out resulting into unpaid balance of Kshs.542,497,995. As at 30 June, 2023 only 34% of the work had been completed. However, the certificate and payment vouchers supporting total payments of Kshs.271,173,203 were not provided for audit verification.
- iii. The major pending works includes roofing, external works, relocation of the nursery and gate house, electrical and mechanical works and communication systems and related works, which is estimated to take one year to complete. However, at the time of the audit in January, 2024, no work was in progress.

## **1.4 Ultra-Modern Library**

Construction of ultra-modern library at an original contract price of Kshs.408,787,406 later varied upwards by Kshs.63,177,000 resulting into a revised contract sum to Kshs.471,964,406. The consultant was contracted at Kshs.47,196,441 bringing the total project cost to Kshs.519,160,847. The contract was later terminated in July, 2021.

After termination, the contractor took the matter for arbitration claiming compensation of Kshs.496,023,408 for wrongful termination. Despite this, Management, initiated a fresh procurement process and other contractors were identified to continue with the remaining work at a total contract sum of Kshs.119,414,970. The following observations were made:

#### **1.4.1 Roofing Works**

Through an agreement dated 22 December, 2021, a company was awarded a contract to supply and install proposed steel works for the library at a cost of Kshs.15,200,000 and was paid Kshs.9,120,000. Physical verification carried out in July, 2023 revealed that despite this payment, there is no evidence of work done. However, Management explained that fabrication of steel works is ongoing at the contractor's yard in Nairobi and are yet to be delivered to the University.

#### **1.4.2 Builder's Works**

Through an agreement dated 22 December, 2021, another company was awarded a contract to complete the construction of the stalled library block at a contract sum of Kshs.72,914,970, however, as at the time of audit in July, 2023, the work had not commenced and the contractor was not on site. Although the financial schedule provided revealed that out of Kshs.519,160,848, a total of Kshs.450,917,163 has been paid out resulting into unpaid balance of Kshs.50,303,684. However, no detailed report was submitted to show amount payable to the first and second contractor.

As a result of delayed completion of the projects, the University is denied the use of the facilities hence failure to realize value of the expenditure so far incurred and the contractors may invoke the provisions in the contract and sue for cost of idle equipment, labour and general breach of contract resulting into possible cost overruns. In addition, the structural capacity of the buildings will deteriorate and affect the strength of the buildings. There is also the possibility of cost escalations considering the time taken from when the projects were started to date.

In the circumstances, the University has not obtained value for money for the expenditure of Kshs.86,001,413 on the projects during the year under review.

## **2. Employee Cost**

### **2.1 Unsupported Casual Wages**

The statement of financial performance reflects employee costs amounting to Kshs.1,225,209,951 which includes casual wages of Kshs.13,707,593. However, there was no evidence that a needs assessment and staff rationalization was carried out to identify the department's staff shortage to justify the need for hiring casual employees. Further, there was no documentary evidence of how the casual workers were identified and recruited. In addition, muster roll records indicating the work performed by the casual workers were not provided for audit. This is in contravention of Section 6.1 of the University's Financial Management Policy and Procedures Manual which provides for an accurate recording of expenditures to ensure that vendors, faculty, staff, and students are paid accurately and in a timely manner.

## **2.2 Staff on Acting Capacity Beyond Six (6) Months**

Review of the personnel records provided for audit revealed that seven employees, in various levels of staffing in the University were in acting capacity for more than six (6) months contrary to Section 34(3) of the Public Service Commission Act, 2017 which requires that an officer may be appointed in an acting capacity for a period of at least thirty (30) days but not exceeding a period of six months.

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

## **3. Poor Record Keeping on Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.291,060,340 as at 30 June, 2023. Review of the bank reconciliation statements, bank statements and the cashbooks revealed the following unsatisfactory matters:

### **3.1 Failure to Maintain a Separate Deposit Account**

Included under Note 30 to the financial statements is an amount of Kshs.72,814,914 that relates to refundable deposits and prepayments from customers. It was however noted that the entity does not have a separate bank account into which the said funds can be deposited awaiting to be refunded to the respective parties once the liability falls due. Instead the monies are held in the University's collection account. Failure to maintain separate bank accounts is contrary to Regulation 100 of the Public Finance Management Regulations, 2015, which requires that Accounting Officers shall keep in all offices concerned with receiving cash or making payments a cashbook showing the receipts and payments and shall maintain such other books and registers as may be necessary for the proper maintenance and production of the accounts of the Vote for which he or she is responsible.

In addition, best practice requires that an entity maintains a separate deposit bank account to safeguard money meant to be refunded to third parties.

### **3.2 Dormant Bank Accounts**

Included under cash and cash equivalents are three bank accounts with balances totalling to Kshs.700,033. No clear explanation was provided as to why the accounts are still maintained. Further, for Health Pilot Project, the cashbook and bank statement were not provided for audit.

### **3.3 Failure to Maintain Individual Research Project Accounts**

Note 22 to the financial statements reflects cash and cash equivalents balance of Kshs.291,060,340. It was noted that there were 38 active research projects in the University as reflected in Note 17 while Management maintains a total of seventeen (17) bank accounts and cashbooks. This implies that research income and expenditure records for some projects are posted in a single cashbook. It therefore makes it difficult to confirm the financial position of each research project.

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

#### 4. Stalled Enterprise Resource Planning (ERP) Software

A contractor was contracted in November, 2019 to install an Enterprise Resource Planning software in the University at a contract sum of Kshs.16,030,004. The new software system was expected to support automation and processes in finance, human resources, supply chain services, academic, inventory, students e-portal etc. The work was expected to be completed and handed over in November, 2020. However, despite extending the contract period by another 14 months to January, 2022, the vendor was yet to complete and hand over the project. At the audit in December, 2023 a total of Kshs.12,232,283 of the contract sum had been paid. Review of the Management meeting minutes held on 9 September, 2022 on the progress on the ERP Implementation revealed the following status:

- i. The Academic Department was 70% complete but the department was experiencing some challenges.
- ii. The student portal was 60% effective which implies that the amount payable by students was not accurately captured.
- iii. The finance department was 98% complete. The vendor was yet to customize the general ledger chart of accounts to the template which is usable by the department.
- iv. The interbank transfer level of implementation was at 0%.
- v. The procurement reporting level is at 0% as the reports could not be generated through the system among others.

It was further observed that the contract lapsed on 12 January, 2022 and there is no evidence that any request for extension has been made by the vendor. Further, it is possible that because of failure to conclude the implementation of the new system, the output generated by the system may not be reliable. This was noted in audit of inventory, student e-portal, preparation of the schedules supporting financial statements and all the other expected functions.

Failure to complete the project not only denies the University use of the facility but also was in contravention of Section 83(2)(h) of the Public Financial Management (National Government) Regulations, 2015, which requires the procuring entity to recognize the time value of money and manage inventories to the minimum level necessary for efficient and effective programme delivery.

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

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

### **Conclusion**

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

### **Basis for Conclusion**

#### **Lack of Effective Internal Controls on Inventories**

Review of the accounting records provided on inventories revealed the following unsatisfactory matters:

- (i) Stationery, food stuff, cleaning materials, computer accessories, medical drugs, hardware materials stock taking reports were not checked and approved in the year.
- (ii) Bottling plant report as at year end did not indicate the name of person who prepared the document and the same was not approved.
- (iii) There were various disposable medical drugs worth Kshs.33,752 that were recommended for disposal through Incineration on 30 March, 2023 that were still in the stores.
- (iv) Obsolete Items worth Kshs.293,598 had been withdrawn from the stores records but had not been disposed of.
- (v) It was noted that the online system of posting hardware items had challenges on posting requisitions resulting in negative variances.
- (vi) No attempt was made to invite the Office of the Auditor-General to witness stock taking exercise to ascertain transparency in the whole process.

In the circumstances it was not possible to confirm the completeness and accuracy of the amount of Kshs.17,017,343 stated in the financial statements under inventories.

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is

necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions, and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is 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 controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit

the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal controls 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 University 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 continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to continue to sustain its services.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal 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 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**

**02 May, 2024**

**15. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from other government entities	6	1,071,976,228	1,072,112,488
Research Grants	7	703,530,897	987,657,199
Donations	8	1,016,646	3,500,000
		<b>1,776,523,771</b>	<b>2,063,269,687</b>
<b>Revenue from Exchange Transaction</b>			
Rendering services	9	347,706,857	432,928,350
Rental Revenue from Facilities and equipment	10	12,634,708	15,256,529
Other Income	11	79,356,556	110,717,602
		<b>439,698,121</b>	<b>558,902,481</b>
<b>Total Revenue</b>		<b>2,216,221,892</b>	<b>2,622,172,168</b>
<b>Expenditure</b>			
Employee costs	12	1,225,209,951	1,197,728,293
Use of goods & services	13	226,110,404	215,737,904
Council Expenses	14	17,501,275	15,534,167
Depreciation and Amortisation expenses	15	43,024,827	42,456,324
Repairs and Maintenance	16	11,374,913	14,532,262
Research Expenses	17	706,050,302	991,717,164
Finance Costs	18	13,573,081	15,592,221
Total Expenses		<b>2,242,844,752</b>	<b>2,493,298,334</b>
Gain on Foreign Exchange Transactions	19	4,102,425	382,848
Loss on Revaluation of Biological Assets	20	(275,000)	37,000
Gain on sale of fixed assets	21	522,000	-
<b>Surplus/(Deficit) for the year</b>		<b>(22,273,436)</b>	<b>129,293,682</b>

The notes set out on pages 7 to 44 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 49 were signed on behalf of the Council by:



**Prof. Emily A. Akuno**  
**Vice-Chancellor**



**CPA George K. Aduda**  
**Chief Finance Officer**  
**ICPAK M/No:6788**

**Prof. Shem O. Wandiga**  
**Chairman of Council**

Date 26/09/23

Date 26/09/23

Date 26/09/23

*Jaramogi Oginga Odinga University of Science and Technology*  
*Annual Report and Financial Statements*  
*For the year ended 30 June 2023*

**16. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	22	291,060,340	156,977,473
Receivables from exchange transactions	23	280,421,725	265,174,102
Receivables from Non- exchange transactions	24	28,861,307	-
Inventories	25	17,017,343	19,656,932
<b>Total Current Assets</b>		<b>617,360,715</b>	<b>441,808,507</b>
<b>Non-Current assets</b>			
Property, plant and equipment	26	3,531,299,331	3,474,654,607
Intangible assets	27	12,232,283	11,427,002
Biological Assets	28	395,000	670,000
<b>Total Non-Current Assets</b>		<b>3,543,926,614</b>	<b>3,486,751,609</b>
<b>TOTAL ASSETS</b>		<b>4,161,287,329</b>	<b>3,928,560,116</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	29	101,057,223	26,062,125
Refundable deposits from customers	30	72,814,914	69,922,400
Prepayments and Deposits	31	63,011,242	83,443,422
Current portion of Bank Loan	32	19,771,058	17,240,133
Deferred income	33	165,316,712	111,389,116
Employee benefit obligations	34	110,230,837	27,956,965
<b>Total Current Liabilities</b>		<b>532,201,985</b>	<b>336,014,160</b>
<b>Non-Current Liabilities</b>			
Bank Loan	32	76,893,355	96,941,838
<b>Total Non-Current Liabilities</b>		<b>76,893,355</b>	<b>96,941,838</b>
<b>Total Liabilities</b>		<b>609,095,340</b>	<b>432,955,999</b>
<b>Net Assets</b>		<b>3,552,191,989</b>	<b>3,495,604,117</b>
Capital Grants Reserves	35	3,537,376,383	3,458,515,076
Revenue Reserve	36	14,815,606	37,089,041
<b>Total Net assets</b>		<b>3,552,191,989</b>	<b>3,495,604,117</b>

The financial statements set out on pages 1 to 49 were signed on behalf of the Council by:



Prof. Emily A. Akuno  
Vice Chancellor

Date 26/09/23



CPA George Aduda  
Chief Finance Officer  
ICPAK No. 6788

Date 26/09/23



Prof. Shem O. Wandiga  
Chairman - University Council

Date 26/09/23

**17. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023**

	Capital Grants reserves	Revenue reserves	Total
	Kshs	Kshs	Kshs
<b>As at July 1, 2021</b>	<b>3,243,515,076</b>	<b>(92,204,641)</b>	<b>3,151,310,435</b>
Surplus for the year	-	129,293,682	129,293,682
Capital/development grants received during the year	215,000,000	-	215,000,000
<b>As at June 30, 2022</b>	<b>3,458,515,076</b>	<b>37,089,041</b>	<b>3,495,604,117</b>
<b>As at July 1, 2022</b>	<b>3,458,515,076</b>	<b>37,089,041</b>	<b>3,495,604,117</b>
Deficit for the year	-	(22,273,436)	(22,273,436)
Capital development grants received during the year	78,861,307	-	78,861,307
<b>As at June 30, 2023</b>	<b>3,537,376,383</b>	<b>14,815,605</b>	<b>3,552,191,989</b>

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**18. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	2022/2023	2021/2022
		Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Transfers from other governments entities	6	1,071,976,228	1,072,112,488
Research grants	7	703,530,897	987,657,199
Donations	8	1,016,646	3,500,000
Rendering of services	9	347,706,857	432,928,350
Rental revenue from facilities and equipment	10	12,634,708	15,347,196
Other income	11	79,356,556	110,626,935
Finance income	19	4,102,425	382,848
Gain on revaluation of biological assets	20		37,000
Gain on Disposal of Fixed Asset	21	522,000	
<b>Total Receipts</b>		<b>2,220,846,316</b>	<b>2,622,592,016</b>
<b>Payments</b>			
Employee Costs	12	1,225,209,951	1,197,419,013
Use of Goods and Services	13	226,110,404	216,047,184
Council Expenses	14	17,501,275	15,534,167
Depreciation and Amortization	15	43,024,827	42,456,324
Repairs and Maintenance	16	11,374,913	14,532,262
Research Expenses	17	706,050,302	991,717,164
Finance costs	18	13,573,081	15,592,221
Loss on revaluation of biological assets	20	275,000	-
<b>Total Payments</b>		<b>2,243,119,752</b>	<b>2,493,298,335</b>
		<b>(22,273,436)</b>	<b>129,293,681</b>
Add back: Depreciation	13	43,024,827	42,456,324
Asset Donation			(3,500,000)
Gain/Loss on revaluation	20	275,000	(37,000)
Gain on Revaluation of Fixed Asset	21	(522,000)	-
<b>Operating surplus before working capital changes</b>		<b>20,504,391</b>	<b>168,213,005</b>
(Increase)/decrease in Inventory	25	2,639,589	(3,438,229)
(Increase)/decrease in Receivables	23-24	(44,108,930)	(74,369,686)
Increase/(decrease) in Payables	29-34	193,656,899	(41,184,047)
<b>Net cash flows from operating activities</b>		<b>172,691,948</b>	<b>49,221,043</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and intangible assets	26	(99,669,551)	(249,720,013)
Increase in intangible assets		(805,281)	(4,809,001)
Cash Proceeds from Disposal of Fixed Assets		522,000	-
<b>Net cash flows used in investing activities</b>		<b>(99,952,832)</b>	<b>(254,720,013)</b>
<b>Cash flows from financing activities</b>			
Capital development grants received		78,861,307	215,000,000
Repayment of borrowings		(17,517,557)	(15,498,417)
<b>Net cash flows used in financing activities</b>		<b>61,343,750</b>	<b>199,501,583</b>
Net increase/(decrease) in cash and cash equivalents		134,082,867	(5,997,386)
Cash and cash equivalent at period start		156,977,473	162,974,859
<b>Cash and cash equivalent at period end</b>	<b>22</b>	<b>291,060,340</b>	<b>156,977,473</b>

19. 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	
<b>Revenue</b>						
Transfers from other government entities	1,071,976,228	-	1,071,976,228	1,071,976,228	-	100%
Development Grants-Government	200,000,000	(121,138,693)	78,861,307	78,861,307	-	100%
Development Grants-Dev. Partners	50,000,000	(50,000,000)	-	-	-	
Research Grants	256,236,000	450,821,990	707,057,990	703,530,897	3,527,093	100%
Donations	-	-	-	1,016,646	(1,016,646)	0%
Rendering services	478,419,500	(60,100,000)	418,319,500	347,706,857	70,612,643	83%
Rental Revenue from Facilities and equipment	17,405,116	(3,500,000)	13,905,116	12,634,708	1,270,408	91%
Other Income	168,175,384	(77,500,000)	90,675,384	79,356,556	11,318,828	88%
<b>Total Income</b>	<b>2,242,212,228</b>	<b>138,583,297</b>	<b>2,380,795,525</b>	<b>2,295,083,199</b>	<b>85,712,326</b>	<b>96%</b>
<b>Expenses</b>						
Employee Costs	1,162,876,769	62,800,000	1,225,676,769	1,225,209,951	466,818	100%
Use of goods & services	351,396,938	(124,284,015)	227,112,923	226,110,404	1,002,519	100%
Council Expenses	17,447,400	500,000	17,947,400	17,501,275	446,125	98%
Depreciation and Amortization	56,370,000	(11,999,994)	44,370,006	43,024,827	1,345,179	97%
Repairs and Maintenance	12,469,983		12,469,983	11,374,913	1,095,070	91%
Research Expenses	159,557,990	547,500,000	707,057,990	706,050,302	1,007,688	100%
Finance costs – principal and interest	31,918,000	-	31,918,000	31,090,638	827,362	97%
Capital Expenses	450,175,148	(335,932,694)	114,242,454	99,669,551	14,572,903	87%
<b>Total Expenditure</b>	<b>2,242,212,228</b>	<b>138,583,297</b>	<b>2,380,795,525</b>	<b>2,360,031,860</b>	<b>20,763,665</b>	<b>99%</b>
<b>Surplus for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(64,948,662)</b>		

1. The underutilization in capital expenditure is due to the delay in receipt of GOK development grants from Kshs 200 million to Kshs 79 million.
2. Changes between original and final budget is due to reallocations/virements.
3. The finance costs comprised of principal loan repayment of Kshs 17,517,557 (Note 32) and interest on loan Kshs 13,573,081 (Note 18)

Reconciliation with the Statement of Financial Performance:

	Kshs	Kshs
<b>Surplus as per actual on comparable basis</b>		<b>(64,948,662)</b>
* Add: Gain on foreign exchange transactions	4,102,425	
Gain on Disposal of assets	522,000	
Repayment of the principal amount of loan	17,517,557	
Capital expenditure	99,669,551	121,811,533
		56,340,871
Less: Loss on Revaluation of Biological Assets		(275,000)
Capital development income		(78,861,307)
* <b>Surplus as per statement of financial performance</b>		<b>(22,273,436)</b>

## **20. NOTES TO THE FINANCIAL STATEMENTS**

### **1. General Information**

JOOUST is established by and derives its authority and accountability from the Universities Act, 2012 and the Jaramogi Oginga Odinga University of Science and Technology Charter, 2013. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is the provision of University education through integrated training, research and community outreach for sustainable development.

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

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

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University.

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

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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><b>IPSAS 41:</b> Financial Instruments</p>	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(The university does not apply hedge accounting hence this standard has no impact on its financial statements.)</i></p>
<p><b>IPSAS 42:</b> Social Benefits</p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>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> <p>(a) The nature of such social benefits provided by the Entity.</p>

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Standard	Effective date and impact:
	<p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p><i>(The university does not provide social benefits hence this standard has no impact on its financial statements).</i></p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p><b>Applicable: 1st January 2023:</b></p> <p>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.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>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>
<p>Other improvements to IPSAS</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p> <ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <i>IPSAS 29: Financial instruments: Recognition and Measurement.</i> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul>

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><i>Applicable 1<sup>st</sup> January 2025</i></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 Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>(The university does not any leases hence this standard has no impact on its financial statements.)</i></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></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><i>(The university does not hold any non-current assets for sale hence this standard has no impact on its financial statements)</i></p>

iii. *Early Adoption of standards*

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

**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**

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

**Transfers from other government entities**

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

**ii) Revenue from exchange transactions**

**Rendering of services**

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

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

**Dividends**

Dividends or similar distributions are recognized when the shareholder's or the University's right to receive payments is established.

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

**Summary of Significant Accounting Policies (Continued)**

**Rental income**

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

**b) Budget information**

The original budget for FY 2022-2023 was approved by the National Assembly on 28<sup>th</sup> July, 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University's development grants were reduced from Kshs 200 million to Kshs 79 million.

The University's budget is prepared on the same basis as the actual income and expenditure disclosed in the financial statements. The financial statements and budget are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is presented in the statement of comparison of budget and actual amounts.

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

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

**c) Taxes**

**Current income tax**

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

**d) 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.

**e) 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 the useful period. 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 derecognition. Transfers are made to or from investment property only when there is a change in use.

**f) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

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

**Summary of Significant Accounting Policies (Continued)**

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.

Depreciation is calculated on a straight-line basis to write down the cost of each asset, or the re-valued amount, to its residual value over its estimated useful life using the following annual rates:

Description	Annual Rate
Buildings	2.5%
Plant, machinery and equipment	20%
Office equipment	20%
Computer equipment	33.3%
Motor vehicles	25%
Furniture and fittings	12.5%
Crockery & Utensils	33.5%
Library Books	20%

**g) Leases**

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the University. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The University also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the University will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

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

**Summary of Significant Accounting Policies (Continued)**

**h) 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.

**i) Research and development costs**

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

**j) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The university does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the its financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

**Summary of Significant Accounting Policies (Continued)**

**Financial instruments (Continued)**

At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

**a) Financial assets**

**Classification of financial assets**

The University classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both its 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 an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

**Subsequent measurement**

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

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

**Summary of Significant Accounting Policies (Continued)**

**Amortized cost**

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

**Fair value through net assets/ equity**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Trade and other receivables**

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

**Fair value through surplus or deficit**

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

**Impairment**

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in Note XX.

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

**Summary of Significant Accounting Policies (Continued)**

**b) Financial liabilities**

**Classification**

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

**k) Inventories**

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

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

**l) Provisions**

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

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

**Summary of Significant Accounting Policies (Continued)**

**Provision for Bad and Doubtful Debts**

The University makes provisions for bad and doubtful debts at the following rates:

Period Outstanding	Percentage Provision
Below 8 months	0%
8 – 12 Months	10%
13 – 24 Months	25 %
25 months and above	100%

**m) Contingent liabilities**

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

**n) Contingent assets**

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

**o) Nature and purpose of reserves**

The University creates and maintains reserves in terms of specific requirements. The capital reserve relates to items of property, plant and equipment developed from capital grants from the National Government, inherited from the former Bondo Teachers Training College. Revenue reserves relate to transfers on the purchase of additional assets.

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

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

EA

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

**Summary of Significant Accounting Policies (Continued)**

**q) Employee benefits**

**Retirement benefit plans**

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

The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on a proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**r) Foreign currency transactions**

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

**s) Borrowing costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when the construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

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

**Summary of Significant Accounting Policies (Continued)**

**t) Related parties**

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

**u) Service concession arrangements**

The University analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the University recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

**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 various commercial banks at the end of the financial year. 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 are accounted for in accounts receivables.

**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.

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

**Summary of Significant Accounting Policies (Continued)**

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

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

**Estimates and assumptions**

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

**Useful lives and residual value**

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

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

**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.

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

**6. Transfers from Ministries, Departments and Agencies (MDAs)**

Description	2022/2023	2021/2022
	KShs	KShs
<b>Government Recurrent Grants</b>		
July	125,998,019	88,979,734
August	85,998,019	88,979,734
September	55,998,019	88,979,734
October	89,331,352	88,979,734
November	89,331,353	88,979,734
December	89,331,352	88,979,734
January	89,331,353	88,979,734
February	89,331,353	88,979,734
March	89,331,350	88,979,734
April	89,331,353	88,979,734
May	89,331,353	91,157,576
June	89,331,352	91,157,572
<b>Total</b>	<b>1,071,976,228</b>	<b>1,072,112,488</b>

Name of The Entity Sending the Grant	Amount recognized to Statement of Financial performance	Amount recognized in capital fund.	Total grant income during the period 30th Jun 2023	Comparative period 30th Jun 2022
	KShs	KShs	KShs	KShs
Ministry of Education/State Department for University Education and Research	1,071,976,228	78,861,307	1,150,837,535	1,287,112,488
<b>Total</b>	<b>1,071,976,228</b>	<b>78,861,307</b>	<b>1,150,837,535</b>	<b>1,287,112,488</b>

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**Notes to the Financial Statements (Continued)**

**7. Research grants**

Description	2022/2023	2021/2022
	KShs	KShs
TNO FF Project	-	470,558
Recycling Network Project	-	242,658
Conflict Violence and Environmental change Project	3,845,200	4,580,946
Neonatal Sepsis Study	385,000	-
Clean cooling solutions (NRF)	-	796,200
Promotion Awareness & Participation of Persons with Disability (NRF)	-	537,397
Whose Heritage Matters	531,000	1,936,210
ACE 11 - World Bank	67,922,476	112,144,641
Common wealth-TEL /Delta Project	275,000	64,166
Grassroot Financial Innovation	5,211,091	14,576,534
Wheel Change	571,800	766,455
Safe Water and Waste Management	7,200,290	5,113,227
Mobility Fund	69,242	-
WHO (One Health for Vector Borne Diseases)	1,152,600	2,860,800
Maize yield	-	79,400
Covid 19 Containment	2,936,702	5,506,847
Participatory Innovation	695,600	1,877,782
Transformative Innovation	-	1,402,000
Institutional Development Fund (NFR)	6,718,312	3,471,406
Healthy Insect Project	6,191,183	6,068,019
More Crop Per Drop	87,360	847,395
Acheta Domesticus and Gryllus Bima	-	546,640
VLIR	11,687,502	13,216,282
Pilot Health	24,320	2,336,314
EDCTP-CDAE	5,386,235	2,261,225
Rufforf Foundation	-	2,153,104

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Research grants (Continued)

Description	2022/2023	2021/2022
	KShs	KShs
Parkinsons Awareness (PACKS)	6,875,659	3,111,353
APPEAR	1,380,680	1,389,861
Sweanfun Project	135,000	63,526
TransCIIT	4,870,546	35,653
Pamoja Project	-	100,000
NerveDog	2,226,029	-
Africa Research Excellence Fund	203,855	-
Design & Synthesis	650,839	-
FAO	1,800,566	-
EARC	3,346,872	-
Afrifoodlink	10,140,088	-
USAID Boresha Jamii	550,333,146	799,100,600
<b>Total</b>	<b>703,530,897</b>	<b>987,657,199</b>

Research grants relate to funds received for various research projects.

8. Donation

Description	2022/2023	2021/2022
	KShs	KShs
Donations	1,016,646	3,500,000
<b>Total</b>	<b>1,016,646</b>	<b>3,500,000</b>

The donation of Kshs 1,016,646 relates to a cash donation of Kshs 1,000,000 from the Government of Kenya by the President Kenya H.E. William Samoei Ruto, for the construction of an Outreach Livelihood Centre in Miyandhe, and meteorological equipment worth Kshs 16,646 donated by the Chinese Government. The equipment has been included in the Property, Plant and Equipment under Note 26.

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Notes to the Financial Statements (Continued)

9. Rendering of Services

Description	2022/2023	2021/2022
	KShs	KShs
Activity Fee	6,710,400	9,946,800
Computer time income	27,685,750	41,002,250
Material Development	1,842,000	-
Examination Fee	19,124,500	24,424,250
Field Practical work	23,390,000	19,370,000
Library Fee	6,078,000	8,329,250
Maintenance Fee	6,349,500	8,106,250
Registration fee	3,148,000	4,048,500
Students ID	1,433,500	1,621,500
Students Medical fee	13,690,500	20,203,500
Tuition Fees	234,883,607	294,636,050
Dissertation	3,371,100	1,240,000
<b>Total Revenue</b>	<b>347,706,857</b>	<b>432,928,350</b>

10. Rental Revenue from Facilities and Equipment

Description	2022/2023	2021/2022
	KShs	KShs
Students Accommodation Fees	8,076,700	9,841,000
Hall Hire	87,000	105,000
Hire of Transport and Equipment	140,169	816,492
Staff Rent Income	3,476,000	3,546,000
Hire of Gown	555,250	702,000
Other Rental Revenue	120,000	75,000
Lease of land	179,589	171,037
<b>Total</b>	<b>12,634,708</b>	<b>15,256,529</b>

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11. Other Income

Description	2022/2023	2021/2022
	KShs	KShs
Application Fees	1,374,000	1,206,000
Catering Income	12,135,474	11,251,295
Graduation fees	5,367,350	9,394,400
Library and photocopy incomes	549,100	516,797
Sale of Water	116,530	244,325
Examination Resit	2,871,400	1,555,600
Nursery Income	352,900	749,050
Ethical Review	947,000	832,000
Investment Income	1,286,183	3,052,055
Research Admin Charges	16,254,280	12,737,031
Other Incomes	1,728,683	1,807,529
Short courses	-	20,300
De minimis	36,373,656	67,351,221
<b>Total</b>	<b>79,356,556</b>	<b>110,717,602</b>

12. Employee Costs

Description	2022/2023	2021/2022
	KShs	KShs
Payroll Expenses	1,105,629,350	1,090,209,111
Medical Insurance Expenses	82,374,195	70,489,943
Staff Development	5,548,957	6,193,743
Office Entertainment	1,606,947	1,249,626
Part-Time Lecturers	30,050,502	29,585,870
<b>Total</b>	<b>1,225,209,951</b>	<b>1,197,728,293</b>

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Notes to the Financial Statements (Continued)

13. Use of Goods and Services

Description	2022/2023	2021/2022
	KShs	KShs
Accreditation & curriculum development Expenses	1,767,300	1,930,100
Admission Related expenses	692,194	703,793
Advertising & Publicity	2,260,779	1,497,740
Anti- corruption expenses	52,600	45,900
Auditing Services	580,000	580,000
Bank charges & commissions	466,498	508,294
Cleaning materials	1,821,935	1,031,387
Committee expenses	5,570,152	6,314,633
Computer Operating Expenses	1,264,508	1,139,946
Conference & seminars	3,374,690	1,974,696
Cooking Fuel & Gas	94,780	599,095
Covid 19 Response initiatives	-	52,414
Disability mainstreaming	160,140	382,880
Electricity expenses	11,043,570	13,674,250
Examination Materials	473,915	26,800
Gender mainstreaming and HIV Expenses	112,935	108,950
Graduation Expenses	8,548,274	8,084,063
ICT expenses	2,075,398	3,645,021
Insurance Expenses (Property & staff)	14,808,490	8,414,884
Internet Expenses	17,432,163	15,330,681
Investment seed capital	2,932,124	7,639,968
ISO Certification expenses	334,717	481,037
Lease and rental	7,667,089	6,574,719
Library expenses	126,765	35,480
License and Subscriptions	4,808,223	4,994,576
Medical Expenses-Students	2,631,489	6,197,712
Outreach Programmes	390,162	743,480
Performance Contract expenses	157,100	725,772
Postal and courier expenses	276,139	346,837
Professional and legal services	4,978,474	1,439,316

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Use of Goods and Services (Continued)

Purchase of foodstuff	18,974,652	13,327,636
Resource Mobilization	145,800	-
Sanitary Expenses	1,331,236	2,416,207
Security expenses	21,447,700	20,449,270
Senate expenses	241,210	-
Shows & Exhibitions	109,250	44,800
Sports & Games	2,422,359	1,585,070
Staff Welfare	1,856,817	1,071,582
Stationery Expenses	5,584,003	4,885,313
Student Activities	7,002,633	5,745,562
Supervision of thesis	8,836,384	13,034,470
Teaching materials	503,766	171,868
Teaching Practice & Field Attachment	7,743,235	4,963,593
Telephone expenses	1,154,112	2,287,627
Transport operating expenses	14,320,241	11,256,372
Travelling & Accommodation	11,964,427	13,743,553
Uniforms & Clothing	2,171,178	3,195,004
Water & Sewerage expenses	1,200,337	4,600,535
Provision for bad & Doubtful Debts	22,229,226	17,735,020
<b>Total</b>	<b>226,110,404</b>	<b>215,737,904</b>

14. Council Expenses

Description	2022/2023	2021/2022
	KShs	KShs
Honorarium	1,024,355	87,000
Sitting allowances	11,683,010	8,120,000
Travel and Subsistence	2,837,586	5,705,675
Capacity Building and Training	1,956,325	1,621,492
<b>Total</b>	<b>17,501,275</b>	<b>15,534,167</b>

15. Depreciation and Amortization Expense

Description	2022/2023	2021/2022
	KShs	KShs
Depreciation Expenses	43,024,827	42,456,324
<b>Total</b>	<b>43,024,827</b>	<b>42,456,324</b>

Notes to the Financial Statements (Continued)

16. Repairs and Maintenance

Description	2022/2023	2021/2022
	KShs	KShs
Building repairs & Refurbishments	7,228,335	11,401,000
Maintenance of Plant & Equipment	4,146,578	3,131,262
<b>Total</b>	<b>11,374,913</b>	<b>14,532,262</b>

17. Research Expenses

Description	2022/2023	2021/2022
	KShs	KShs
TNO FF Project	-	470,558
Recycling Network Project	-	242,658
Conflict Violence and Environmental change Project	3,845,200	4,580,946
Neonatal Sepsis Study	385,000	-
Clean cooling solutions (NRF)	-	796,200
Promotion Awareness & Participation of Persons with Disability (NRF)	-	537,397
Whose Heritage Matters	531,000	1,936,210
ACE 11 -World Bank	67,922,476	112,144,641
Common wealth-TEL /Delta Project	275,000	64,166
Grassroot Financial Innovation	5,211,091	14,576,534
Wheel Change	571,800	766,455
Safe Water and Waste Management	7,200,290	5,113,227
Mobility Fund	69,242	-
WHO (One Health for Vector Born Diseases)	1,152,600	2,860,800
Maize yield	-	79,400
Covid 19 Containment	2,936,702	5,506,847
Participatory Innovation	695,600	1,877,782
Transformative Innovation	-	1,402,000
Institutional Development Fund (NFR)	6,718,312	3,471,406
Healthy Insect Project	6,191,183	6,068,019
More Crop Per Drop	87,360	847,395
Acheta Domesticus and Gryllus Bima	-	546,640
VLIR	11,687,502	13,216,282
Pilot Health	24,320	2,336,314
EDCTP-CDAE	5,386,235	2,261,225

Notes to the Financial Statements (Continued)

Research Expenses (Continued)

Description	2022/2023	2021/2022
	KShs	KShs
Rufforf Foundation	-	2,153,104
Parkinsons Awareness (PACKS)	6,875,659	3,111,353
APPEAR	1,380,680	1,389,861
Sweanfun Project	135,000	63,526
TransCIIT	4,870,546	35,653
Pamoja Project	-	100,000
NerveDog	2,226,029	-
Africa Research Excellence Fund	203,855	-
Design & Synthesis	650,839	-
FAO	1,800,566	-
EARC	4,023,575	-
Afrifoodlink	10,140,088	-
USAID Boresha Jamii	550,333,146	799,100,600
University research	2,519,405	4,059,965
<b>Total</b>	<b>706,050,302</b>	<b>991,717,164</b>

18. Finance Costs

Description	2022/2023	2021/2022
	KShs	KShs
1st Instalment	4,809,720	5,462,565
2nd Instalment	4,538,573	5,213,386
3rd Instalment	4,224,788	4,916,270
<b>Total</b>	<b>13,573,081</b>	<b>15,592,221</b>

19. Gain/Loss on Foreign Exchange Transactions

Description	2022/2023	2021/2022
	KShs	KShs
ABSA Dollar	4,194,762	481,883
Equity Bank	(92,337)	(99,035)
<b>Gain/Loss on exchange transaction</b>	<b>4,102,425</b>	<b>382,848</b>

Notes to the Financial Statements (Continued)

20. Gain/Loss on Revaluation of Biological Assets

Description	2022/2023	2021/2022
	KShs	KShs
Balance b/f	670,000	(633,000)
Closing Balance	395,000	670,000
Gain on Valuation	(275,000)	37,000

21. Gain/Loss on Sale of Fixed Assets

Description	2022/2023	2021/2022
	KShs	KShs
Receipt from Disposal	522,000	-
Loss on sale	522,000	-

22. Cash and Cash Equivalents

Description	2022/2023	2021/2022
	KShs	KShs
Current Accounts	217,474,839	151,949,141
Savings Account	73,085,503	4,945,682
Others	500,000	82,650
<b>Total</b>	<b>291,060,340</b>	<b>156,977,473</b>

22 (a) Detailed Analysis of the Cash and Cash Equivalents

	Account Number	2022/2023	2021/2022
		KShs	KShs
<b>Financial institution</b>			
<b>a) Current Accounts</b>			
<b>Equity Bank</b>			
Equity Bondo Project	750261507711	269,350	-
Equity Account	750294239156	24,142,093	6,535,092
Equity Account Angawa	1260299751274	5,059,424	624,650
Equity KLIP 1	750298895605	302,717	302,717
Equity KLIP 2	750299070880	233,630	233,630
Equity ACE 11 Project	750271748376	57,681,060	89,201,166
Equity VLIR	750280920794	16,209,557	1,942,769
USAID Boresha Jamii	1260280923860	43,728,860	1,780,740
<b>ABSA Bank</b>			

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ABSA Dollar Account	2024 513 516	15,849,831	5,662,473
<b>Co-operative Bank</b>			
Co-operative Bank Siaya	112 92557 09500	15,791,708	29,596,348
Co-operative Bank Jooustess A/c	1141255709	57,950	224,645

**Notes to the Financial Statements (Continued)**

**Detailed Analysis of the Cash and Cash Equivalents (Continued)**

	Account Number	2022/2023	2021/2022
Financial institution		KShs	KShs
<b>KCB Bank Ltd</b>			
KCB Bondo Project	1171196679	33,624,356	13,063,101
KCB Current Account	111 576 6643	206,231	1,812,990
KCB Development Account	111 387 3035	673,468	153,922
KCB HELB Account	111 712 2409	3,480,938	651,211
KCB Health Pilot Project	1286039975	163,686	163,686
<b>Sub-Total</b>		<b>217,474,839</b>	<b>151,949,141</b>
<b>b) Savings Account</b>			
KCB Savings Account	111 304 6066	73,085,503	4,945,682
<b>Sub-Total</b>		<b>73,085,503</b>	<b>4,945,682</b>
<b>c) Others</b>			
Cash at hand		-	82,650
Bank Guarantee		500,000	
<b>Sub-Total</b>		<b>500,000</b>	<b>-</b>
<b>Grand Total</b>		<b>291,060,340</b>	<b>156,894,823</b>

**23 Receivables from Exchange Transactions**

**23 (a) Receivables from Exchange Transactions**

Description	2022/2023	2021/2022
	KShs	KShs
Students Debtors	469,824,169	457,180,667
Provision for Doubtful debts	(278,888,943)	(256,659,717)
Staff Imprest	8,429,292	1,842,700
Deposit with Suppliers	472,000	467,000
Internal Debtors	4,301,122	2,525,019
Prepaid Expenses	6,558,715	1,545,641
Other Debtors	16,253,375	2,227,240
USAID Boresha Jamii	53,471,996	56,045,551
<b>Total</b>	<b>280,421,725</b>	<b>265,174,102</b>

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Notes to the Financial Statements (Continued)

23 (b) Reconciliation for Impairment Allowance on Receivables from Exchange Transactions

Impairment allowance/ provision	2022/2023	2021/2022
	Kshs	Kshs
At the beginning of the year	256,659,717	238,924,696
Additional provisions during the year	22,229,226	17,735,021
At the end of the year	<b>278,888,943</b>	<b>256,659,717</b>

24 Receivables from Non-Exchange Transactions

Description	2022/2023	2021/2022
	KShs	KShs
GoK Development Grant Receivable	28,861,307	-
<b>Total</b>	<b>28,861,307</b>	<b>-</b>

25 Inventories

Description	2022/2023	2021/2022
	KShs	KShs
Maintenance Stores	8,174,899	8,744,508
Computer Accessories	2,396,529	
Stationery	3,356,673	5,318,889
Medical Drugs Reagents & Others	1,814,246	2,476,802
Cleaning Materials	489,183	1,470,530
Foodstuffs	62,320	1,265,277
Bottling plant	723,494	380,925
<b>Total</b>	<b>17,017,343</b>	<b>19,656,932</b>

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26 Property, Plant and Equipment

Current year	Land	Buildings	Work in Progress	Motor Vehicles	Plant & Equipment	Crockery's	Library Books	Computers	Furniture & Fittings	Total
Cost										
At 1 July 2021	190,501,760	1,010,452,023	2,137,646,215	113,445,845	93,726,587	2,438,074	41,965,822	63,942,882	76,066,721.00	3,730,185,929
Additions	-	-	242,167,591	3,500,000	669,493	-	-	3,671,295	3,402,633	253,411,012
At 30 June 2022	190,501,760	1,010,452,023	2,379,813,806	116,945,845	94,396,080	2,438,074	41,965,822	67,614,177	79,469,354	3,980,096,941
Additions	-	-	86,001,413	-	2,241,290	-	2,029,119	9,397,729	-	99,669,551
Disposals	-	-	-	(18,000,000)	-	-	-	-	-	(18,000,000)
At 30 June 2023	190,501,760	1,010,452,023	2,465,815,219	98,945,845	96,637,370	2,438,074	43,994,941	77,011,906	79,469,354	4,065,266,493
Depreciation										
At 1 July 2021	-	123,749,315	-	103,249,271	76,707,248	2,376,885	40,329,594	59,524,781	60,548,918	466,486,011
Charge for the Year	-	25,261,301	-	1,990,000	5,149,897	61,189	699,689	3,729,062	5,565,186	42,456,324
At 1 July 2022	-	149,010,616	-	105,239,271	81,857,145	2,438,074	41,029,283	63,253,843	66,114,104	508,942,335
charge for the Period	-	25,261,301	-	1,990,000	5,047,683	-	656,779	5,010,443	5,058,622	43,024,827
Disposals	-	-	-	(18,000,000)	-	-	-	-	-	(18,000,000)
At 30 June 2023	-	174,271,916	-	89,229,271	86,904,828	2,438,074	41,686,061	68,264,286	71,172,725	533,967,162
Net Book Value										
At 30 June 2023	190,501,760	836,180,107	2,465,815,219	9,716,574	9,732,542	-	2,308,880	8,747,620	8,296,629	3,531,299,331
At 30 June 2022	190,501,760	861,441,408	2,379,813,806	11,706,574	12,538,935	-	936,539	4,360,334	13,355,250	3,474,654,607

*The University received a meteorological equipment worth Kshs 16,646 donated by the Chinese Government. The equipment has been included in the Property, Plant and Equipment.*

**Notes to the Financial Statements (Continued)**

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

<b>Description</b>	<b>Cost or valuation</b>	<b>Normal annual depreciation charge</b>
Motor Vehicles	69,007,791	1,990,000
Plant and Equipment	58,287,175	5,047,683
Crockery	1,934,074	-
Library Books	22,061,328	656,779
Computers	62,808,384	5,010,443
Furniture and Fittings	17,720,174	5,058,622
Buildings	-	25,261,301
<b>Total</b>	<b>231,818,926</b>	<b>43,024,827</b>

**27 Intangible Assets (ERP Software)**

<b>Description</b>	<b>2022/2023</b>	<b>2021 2022</b>
	<b>KShs</b>	<b>KShs</b>
Opening Balance	11,427,002	6,618,001
Additions in the year	805,281	4,809,001
<b>Closing Balance</b>	<b>12,232,283</b>	<b>11,427,002</b>

*The current ERP is still under implementation.*

**28 Biological Assets**

<b>Description</b>	<b>2022/2023</b>	<b>2021 2022</b>
	<b>KShs</b>	<b>KShs</b>
Biological Assets - Livestock	670,000	633,000
Gain/(Loss) during the Year	(275,000)	37,000
<b>Closing Balance</b>	<b>395,000</b>	<b>670,000</b>

**29 Trade and Other Payables**

<b>Description</b>	<b>2022/2023</b>	<b>2021 2022</b>
	<b>KShs</b>	<b>KShs</b>
Payables for provision of goods & services	101,057,223	26,062,125
<b>Total</b>	<b>101,057,223</b>	<b>26,062,125</b>

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Notes to the Financial Statements (Continued)

30 Refundable Deposits and Prepayments from Customers

Description	2022/2023	2021 2022
	KShs	KShs
Student Caution Money	22,285,025	19,111,025
Contractors Retention Amount	44,564,969	44,564,969
General Third Parties	3,096,596	2,865,183
Commissioner of University Education	618,017	422,517
KUCCPS	1,108,500	850,500
Student Union fees	676,190	1,256,690
Unclaimed receipt deposits	465,616	851,515
<b>Total</b>	<b>72,814,914</b>	<b>69,922,400</b>

31 Prepayments and Deposits

Description	2022/2023	2021 2022
	KShs	KShs
Students Advance Receipts		
Continuing Students	39,098,264	54,238,225
Other Students	23,912,978	29,205,198
<b>Total</b>	<b>63,011,242</b>	<b>83,443,422</b>

32 Bank Loan

Description	2022/2023	2021 2022
	KShs	KShs
Balance brought forward	114,181,971	129,680,388
Less: Payments	(17,517,557)	(15,498,417)
<b>Balance at the end of the year</b>	<b>96,664,413</b>	<b>114,181,971</b>
Less: Current Payable within the Year	(19,771,058)	(17,240,133)
<b>Balance carried forward</b>	<b>76,893,355</b>	<b>96,941,838</b>

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Notes to the Financial Statements (Continued)

33 Deferred Income

Description	2022/2023	2021 2022
	KShs	KShs
ACE II-World Bank	36,145,808	49,277,661
National Research Fund	4,025,594	4,025,594
Water Hycinth Project	104,245	104,245
Conflict Violence and Environmental Change Project	39,396	3,884,596
Scholarship Fund	69,241	69,242
Safe Water and Waste Management	2,426,299	6,957,994
Wheel Change	1,489	573,289
Neonatal Sepsis Study	6,911	391,911
Clean Cooking solutions (NRF)	13,150	13,150
Clean Cooking solutions (ADB)	8,014	8,014
Common wealth-TEL /DeltaProject	515,723	408,307
Grassroot Financial Innovation	4,953,863	10,164,954
WHO (One Health for Vector Born Diseases)	709,563	1,862,163
Whose Heritage	94,307	-
Maize yield	7,500	7,500
COVID-19 Containment	30,472	2,967,174
Perticipatory Innovation	57,186	752,786
Transformative Innovation	813,451	493,451
ACU-ECR Training	4,560	4,560
Institutional Development Fund (NRF)	5,769,211	12,487,523
Healthy Insect Project	3,588,153	4,014,777
More Crop Per Drop	63,740	151,100
Acheta Domesticus and Gryllus Bima	830,960	830,960
VLIR-IUC	16,907,542	1,942,768
Pilot Health	139,366	163,686
EDCTP-CDAE	1,351,358	6,050,944
Parkinsons Awareness (PACKS)	60,953	22,874
APPEAR	34,459	1,415,139
Sweanfun Project	224,982	359,982
TransCIIT	2,478,311	202,032
NerveDog	9,817,562	-
Africa Research Excellence Fund	282,839	-
Agriprenuership	249,497	-
FAO	5,735,594	-
Afrifoodlink	24,026,553	-
USAID Boresha Jamii	43,728,860	1,780,740
	<b>165,316,712</b>	<b>111,389,116</b>

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Notes to the Financial Statements (Continued)

**34 Employee Benefit Obligations**

Description	2022/2023	2021 2022
	KShs	KShs
Employee Benefit Obligation	8,165,880	2,651,352
Part-Time Lecturers	40,721,862	20,123,286
KRA Withholding Tax Control	261,722	-
Payroll Deductions	61,081,373	5,182,327
<b>Total</b>	<b>110,230,837</b>	<b>27,956,965</b>

**35 Capital Grants Reserves**

Description	2022/2023	2021 2022
	KShs	KShs
Balance brought forward	3,458,515,076	3,243,515,076
Capital development grants	78,861,307	215,000,000
<b>Total</b>	<b>3,537,376,383</b>	<b>3,458,515,076</b>

**36 Revenue Reserves**

Description	2022/2023	2021 2022
	KShs	KShs
Opening Balance	37,089,041	(92,204,641)
For the Period	(22,273,435)	129,293,682
<b>Total</b>	<b>14,815,607</b>	<b>37,089,041</b>

**37 Cash Generated from Operations**

Description	2022/2023	2021 2022
	KShs	KShs
<b>Surplus for the period</b>	<b>(22,273,436)</b>	<b>129,293,682</b>
<b>Adjusted for:</b>		
Depreciation	43,024,827	42,456,324
Gain/Loss on revaluation	275,000	(37,000)
Donation		(3,500,000)
Gain on Revaluation of Fixed Asset	(522,000)	
<b>Working Capital adjustments</b>	<b>20,504,391</b>	<b>168,213,005</b>
(Increase)/Decrease in Inventory	2,639,589	(3,438,229)
(Increase)/Decrease in Receivables	(44,108,930)	(74,369,686)
Increase /(Decrease) in Payables	193,656,899	(41,184,047)
<b>Net cash flow from operating activities</b>	<b>172,691,948</b>	<b>49,221,043</b>

**Notes to the Financial Statements (Continued)**

**38 Financial Risk Management**

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

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

**i) Credit risk**

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

**Financial Risk Management**

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

	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
<b>As at 30 June 2023</b>				
Receivables from exchange transactions	558,633,965	271,315,730	8,429,292	278,888,943
Receivables from non-exchange transactions	28,861,307	28,861,307		
Bank balances	291,060,340	291,060,340		
<b>Total</b>	<b>878,555,612</b>	<b>622,534,146</b>	<b>8,429,292</b>	<b>278,888,943</b>
<b>As at 30 June 2022</b>				
Receivables from exchange transactions	521,833,819	263,331,402	1,842,700	256,659,717
Bank balances	156,977,473	156,977,473	-	-
<b>Total</b>	<b>678,811,292</b>	<b>420,308,875</b>	<b>1,842,700</b>	<b>256,659,717</b>

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the University has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The University Council

sets the University's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

**ii) Liquidity risk management**

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

**iii) Market risk**

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

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit, Risk and Governance Committee.

**a) Foreign currency risk**

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

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

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Notes to the Financial Statements (Continued)

Financial Risk Management

	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As At 30 June 2023</b>			
<b>Financial Assets</b>			
Cash at Bank	275,210,509	15,849,831	291,060,340
<b>Total Financial Assets</b>	<b>275,210,509</b>	<b>15,849,831</b>	<b>291,060,340</b>
<b>Financial Liabilities</b>			
Trade and Other Payables	101,057,223	-	101,057,223
Borrowings	96,664,413	-	96,664,413
<b>Total Financial Liabilities</b>	<b>197,721,636</b>	<b>-</b>	<b>197,721,636</b>
<b>Net Foreign Currency Asset/(Liability)</b>	<b>77,488,873</b>	<b>15,849,831</b>	<b>93,338,704</b>

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the two 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.

iv) Capital Risk Management

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

Description	2022-2023	2021-2022
	Kshs	Kshs
Revenue Reserve	14,815,607	37,089,041
Capital Grants Reserve	3,537,376,383	3,458,515,076
<b>Total Funds</b>	<b>3,552,191,990</b>	<b>3,492,903,777</b>
Total Borrowings	96,664,413	114,181,971
Less: Cash and Bank Balances	(291,060,340)	(156,977,473)
Net Debt/(Excess Cash and Cash Equivalents)	(194,395,927)	(42,795,502)
<b>Gearing</b>	<b>3%</b>	<b>3%</b>

**Notes to the Financial Statements (Continued)**

**39 Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

The Government of Kenya is the principal shareholder of the University, holding 100% of the University's equity interest.

**Other related parties include:**

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

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Grants /transfers from the government</b>		
Grants from the national government	1,071,976,228	1,072,112,488
Donations in kind	16,646	3,500,000
<b>Total</b>	<b>1,071,992,874</b>	<b>1,075,612,488</b>
<b>b) Key management compensation</b>		
Councils' emoluments	17,501,275	15,534,167
Compensation to key management	70,384,138	67,385,164
<b>Total</b>	<b>87,885,413</b>	<b>82,919,331</b>

**40 JOOUST Enterprise Limited**

The University registered JOOUST enterprises Limited in 2017-2018 financial year. The company opened a bank account in July 2021, and at the end of the period, the bank balance was Kshs 57,950. During the year under review, the enterprise made sales of Kshs. 1,286,183, comprising of Kshs. 726,488, Kshs 1,150 and Kshs. 558,545 from sale of bottled water, sale of sanitizer and farm income respectively.

**Notes to the Financial Statements (Continued)**

**41 Siaya Learning Centre**

Siaya County Government donated 50 acres of land to the University to host the School of Agriculture and Food Security. The University is in the process of obtaining the title for this land.

**Notes to the Financial Statements (Continued)**

**42 Contingent Liability**

The University had no contingent liabilities set to materialise within the next 12 months or in the financial year.

**43 Events after the Reporting Period**

Prof. Emily Achieng Akuno was appointed Vice Chancellor and signed the letter of acceptance on 7<sup>th</sup> September, 2023. There were no other material adjusting and non- adjusting events after the reporting period.

**44 Ultimate and Holding Entity**

The University is a State Corporation/ or a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**45 Currency**

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

**21. APPENDICES**

**Appendix I: 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:
1	Failure to prepare and submit for audit financial statements for USAID Boresha Jamii Project	The financial statements for the project for FY 2022/23 have been prepared, and this will be done every FY	Resolved	June 2023
2	Doubtful Receivables from Exchange transactions	The University is undertaking a comprehensive review of all receivables with a view to writing off unrecoverable amounts	Not Resolved	June 2024
3	Failure to revalue fully depreciated assets in use and disclose obsolete assets	Valuation is on-going	Not resolved	June 2024

Signed:

.....  
Prof. Emily Achieng Akuno  
Vice Chancellor

Date: 26/09/23

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**Appendix II: Projects implemented by JOOUST**

Projects implemented by the University 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	Consolidated in these financial statements (Yes/No)
USAID BORESH JAMII	72061521CA00004	USAID	5 yrs	\$25,000,000	NO	YES
African Centre of Excellence in Sustainable use of Insects as Food and Feeds	P15146	WORLD BANK	5 yrs	\$6,000,000	YES	YES
Strengthening JOOUST capacity in Natural Resource Management, Food Security & Health	KE2021IUC041A105	VLIR- OUS	12 yrs	KES 784,000,000	NO	YES
Grassroot Financial Innovations for Inclusive Economic Growth	18-11-CBS	DANIDA	4 YRS	DKK 8,856,626	YES	YES

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**Appendix III: Status of Projects completion**

STATUS OF PROJECTS COMPLETION										
Project		Project Cost					Timeline			
		Project cost	Consultant cost	Total Project Cost	Cumulative Expenditure up to June. 2023	Amount required to Completion	% age of Completion of ongoing Projects as at 30.06.23	Start date	Original Completion Date	Extended Completion Date
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.				
1	Research Centre	477,759,597	43,418,012	521,177,609	379,361,420	141,816,189	88%	04/10/2019	10/10/2020	30/06/2025
2	Tuition Block	650,024,181	65,002,418	715,026,599	372,072,578	342,954,021	50%	04/10/2019	04/10/2021	08/12/202
3	Administration Block	739,705,635	73,970,563	813,676,198	267,712,612	545,963,586	34%	04/10/2019	04/10/2021	30/11/2027
4	Ultra-Modern Library	119,414,970	40,543,939	159,958,909	56,467,693	103,491,216	44%	01/04/2012	14/08/2014	05/11/2027
5	Enterprise Resource Planning	16,030,004	-	16,030,004	12,232,283	3,797,721	90%	Nov. 2019	Nov. 2020	12/01/2024
<b>Sub-Total</b>		<b>2,002,934,987</b>	<b>222,934,932</b>	<b>2,225,869,319</b>	<b>1,087,636,806</b>	<b>1,138,232,513</b>				

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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	Income		
State Department for Higher Education and Research	04/08/2022	Recurrent	125,998,019	125,998,019	-	-	-	125,998,019	125,998,019	
	09/09/2022	Recurrent	85,998,019	85,998,019	-	-	-	85,998,019	85,998,019	
	09/10/2022	Recurrent	55,998,019	55,998,019	-	-	-	55,998,019	55,998,019	
	10/11/2022	Recurrent	89,331,352	89,331,352	-	-	-	89,331,352	89,331,352	
	09/12/2022	Recurrent	89,331,353	89,331,353	-	-	-	89,331,353	89,331,353	
	30/12/2022	Recurrent	89,331,352	89,331,352	-	-	-	89,331,352	89,331,352	
	04/02/2023	Recurrent	89,331,353	89,331,353	-	-	-	89,331,353	89,331,353	
	17/03/2023	Recurrent	89,331,353	89,331,353	-	-	-	89,331,353	89,331,353	
	15/04/2023	Recurrent	89,331,350	89,331,350	-	-	-	89,331,350	89,331,350	
	05/05/2023	Recurrent	89,331,353	89,331,353	-	-	-	89,331,353	89,331,353	
	09/06/2023	Recurrent	89,331,353	89,331,353	-	-	-	89,331,353	89,331,353	
	27/06/2023	Recurrent	89,331,352	89,331,352	-	-	-	89,331,352	89,331,352	
	09/10/2022	Development	50,000,000	-	50,000,000	-	-	-	50,000,000	50,000,000
	04/07/2023	Development	28,861,307	-	-	-	28,861,307	-	28,861,307	28,861,307
27/04/2023	Donor Fund	54,053,759	-	-	54,053,759	-	-	54,053,759	54,053,759	
<b>Total</b>			<b>1,204,891,294</b>	<b>1,071,976,228</b>	<b>50,000,000</b>	<b>28,861,307</b>	<b>1,071,976,228</b>	<b>1,204,891,294</b>		

**Appendix V: Inter-Entity Confirmation Letter**

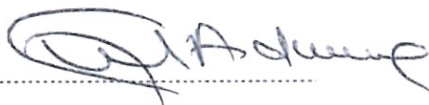
<b>ENTITY NAME:</b>		<b>JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY</b>		
<b>Breakdown of Transfers from the State Department for Higher Education and Research FY 2022/2023</b>				
<b>a. Recurrent Grants</b>				
		<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>FY</b>
State Department for Higher Education and Research		04/08/2022	125,998,019	2022/2023
		09/09/2022	85,998,019	2022/2023
		09/10/2022	55,998,019	2022/2023
		10/11/2022	89,331,352	2022/2023
		09/12/2022	89,331,353	2022/2023
		30/12/2022	89,331,352	2022/2023
		04/02/2023	89,331,353	2022/2023
		17/03/2023	89,331,353	2022/2023
		15/04/2023	89,331,350	2022/2023
		05/05/2023	89,331,353	2022/2023
		09/06/2023	89,331,353	2022/2023
		27/06/2023	89,331,352	2022/2023
	<b>Total</b>		<b>1,071,976,228</b>	
<b>b. Development Grants</b>				
		<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>FY</b>
State Department for Higher Education and Research		09/10/2022	50,000,000	2022/2023
		04/07/2023	28,861,307	2022/2023
		<b>Total</b>	<b>78,861,307</b>	
<b>c. Donor Receipts</b>				
World Bank		27/04/2023	54,053,759	2022/2023
		<b>Total</b>	<b>54,053,759</b>	
		<b>Total (a+b+c)</b>	<b>1,204,891,294</b>	

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

**Chief Finance Officer**  
Jaramogi Oginga Odinga University  
of Science and Technology

**Head of Accounting Unit**  
Ministry of Education  
State Department for Higher  
Education and Research

Sign.....



Sign.....

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