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THE AUDITOR-GENERAL

ON

**STATE DEPARTMENT FOR HIGHER
EDUCATION AND RESEARCH**

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



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**MINISTRY OF EDUCATION
STATE DEPARTMENT FOR HIGHER EDUCATION & RESEARCH**

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

**THE NATIONAL ASSEMBLY
PAPERS LTD**

DATE: **29 FEB 2024** DAY:

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CLERK-AT-THE-TABLE:

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Reports and Financial Statements
For the year ended 30, June 2023.

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1. ACRONYMS AND GLOSSARY OF TERMS

1. PSASB - Public Sector Accounting Standards Board
2. MDAs – Ministries, Departments and Agencies
3. AIE – Authority to Incur Expenditure
4. HEST - Higher Education Science and Technology (HEST)
5. KAIST - Establishment of Kenya Advanced Institute of Science and Technology
6. ACE II - Eastern and Southern Africa Higher Education Centers of Excellence
7. IPSAS – International Public Sector
8. PFM – Public Finance Management
9. DUE – Directorate of University Education
10. DRST – Directorate of Research, Science & Technology
11. NACOSTI – National Commission for Science, Technology & Innovation
12. HELB – Higher Education Loans Board
13. NRF – National Research Fund
14. KENIA – Kenya National Innovation Agency

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2. KEY STATE ENTITY INFORMATION AND MANAGEMENT

(a) Background Information

The State Department for Higher Education and Research was established through executive order No. 1 of 2023. At cabinet level, the State Department is represented by the Cabinet Secretary for the Ministry of Education, who is responsible for the general policy and strategic direction of the State Department.

The State Department is mandated to develop University Education Policy and Standards, University Education Management, management of continuing education (excluding TVETs), public universities management, Education Research & Policies; Policy and Standard on Science and Technology. The main objectives of the State Department include:

1. Access to University Education by all eligible students
2. Enhance Equity and Inclusivity in Higher Education and ST&I
3. Enhance Access, Quality, and Relevance of Training and Research, Science, Technology, and Innovation in Higher Education
4. Strengthen Governance and Accountability in Higher Education and STI

The Vision is: ***“a globally competitive education, training, research, and innovation system for sustainable development”***

The Mission is: ***“to provide, promote and coordinate quality education and training for sustainable development”***

Organization of State Department for University Education

The State Department consists of the following directorates and departments:

(i) Directorate of University Education (DUE)

The mandate and functions of Directorate of University Education are:

- a) Formulation and review of policies on university education in collaboration with relevant bodies and agencies.
- b) Overseeing Governance and Management of Universities.
- c) Receiving and administration of university scholarships offered by foreign countries and agencies.
- d) Coordination of admission of students to public universities in liaison with Kenya Universities and Colleges Central Placement Service.
- e) Coordination of student’s exchange programmes.
- f) Implementing, monitoring and evaluation of various projects.
- g) Coordination of project implementation in university education.
- h) Clearance of students going for foreign training.

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(ii) Directorate of Research, Science and Technology (DRST)

The broad mandate of the Directorate is to promote, facilitate and guide the national research system through policies that rationalize the integration of Research and Development (R&D) into overall national economic development. Its functions include:

- a) Formulation and implementation of policies, strategies and programmes for research management and development;
- b) Management and development of the national innovation system;
- c) Development, promotion and application of science and technology;
- d) International collaborations, partnerships and global obligations in research, science and technology;
- e) National science, technology and innovation statistics;
- f) Linkages between government, research, academia, industry and the society;

| S/No | SAGA | Mandate |
|------|--|--|
| 1 | National Commission for Science, Technology and Innovation (NACOSTI) | To regulate and assure quality in science, technology and innovation sector and advice government in related matters. |
| 2 | Kenya National Innovation Agency (KENIA) | To scout for and nurture innovative ideas from individuals, training institutions, the private sector and similar institutions. |
| 3 | National Research Fund (NRF) | To Mobilize and channel resources for research, science, technology and innovation |
| 4 | Biosafety Appeals Board (BAB) | To make rules and regulation for appeal procedure, hear Appeals from persons aggrieved by decisions made by the National Biosafety Authority (NBA), and communicate decisions to the parties involved and public |
| 5 | Higher Education Loans Board (HELB) | To source for funds and finance Kenyan students enrolled in recognized institutions of higher learning. The Board also has the mandate of recovering all mature loans issued since 1974 |
| 6 | Commission for University Education (CUE) | To accredit and quality assure university education in both public and private universities |
| 7 | Universities Funding Board (UFB) | To mobilize resources for financing university education |
| 8 | Kenya Universities and Colleges Central Placement Service Board (KUCCPS) | To coordinate placement of Government sponsored students into universities and colleges |
| 9 | Universities and Constituent Colleges | To provide university education |
| 10 | National Biosafety Authority (NBA), | To exercise general supervision and control over the transfer, handling and use of genetically modified organisms (GMOs). |

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(iii) Administration and Planning Department:

The State department has other units, which offer support services to the technical directorates. These are: Administration, Central Planning and Project Monitoring Department, Legal Unit, Accounts Unit, Finance Department, Human Resource Management and Development Unit, ICT Section, Supply Chain Management Services and Public Communications Unit.

In order to effectively undertake its mandate, the State Department also comprises of Semi-Autonomous Government Agencies (SAGAs) which are charged with various responsibilities as indicated below:

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LIST OF ACCREDITED UNIVERSITIES

| SNO | Name of University | Year of establishment | Year of award of Charter |
|--------------------------------------|---|------------------------------|---------------------------------|
| Public Chartered Universities | | | |
| 1 | University of Nairobi (UoN) | 1970 | 2013 |
| 2 | Moi University (MU) | 1984 | 2013 |
| 3 | Kenyatta University (KU) | 1985 | 2013 |
| 4 | Egerton University (EU) | 1987 | 2013 |
| 5 | Jomo Kenyatta University of Agriculture and Technology | 1994 | 2013 |
| 6 | Maseno University (Maseno) | 2001 | 2013 |
| 7 | Chuka University | 2007 | 2013 |
| 8 | Dedan Kimathi University of Technology | 2007 | 2012 |
| 9 | Kisii University | 2007 | 2013 |
| 10 | Masinde Muliro University of Science and Technology | 2007 | 2013 |
| 11 | Pwani University | 2007 | 2013 |
| 12 | Technical University of Kenya | 2007 | 2013 |
| 13 | Technical University of Mombasa | 2007 | 2013 |
| 14 | Maasai Mara University | 2008 | 2013 |
| 15 | Meru university of Science and Technology | 2008 | 2013 |
| 16 | Multimedia University of Kenya | 2008 | 2013 |
| 17 | South Eastern Kenya University | 2008 | 2013 |
| 18 | Jaramogi Oginga Odinga University of Science and Technology | 2009 | 2013 |
| 19 | Laikipia University | 2009 | 2013 |
| 20 | University of Kabianga | 2009 | 2013 |
| 21 | Karatina University | 2010 | 2013 |
| 22 | University of Eldoret | 2010 | 2013 |
| 23 | University of Embu | 2011 | 2016 |
| 24 | Kibabii University | 2011 | 2015 |
| 25 | Kirinyaga University | 2011 | 2016 |
| 26 | Machakos University | 2011 | 2016 |
| 27 | Murang'a University of Technology | 2011 | 2016 |
| 28 | Rongo University | 2011 | 2016 |
| 29 | Taita Taveta University | 2011 | 2016 |
| 30 | The Co-operative University of Kenya | 2011 | 2016 |
| 31 | Garissa University | 2011 | 2017 |
| 32 | Alupe University | 2015 | 2022 |
| 33 | Kaimosi Friends University | 2015 | 2022 |
| 34 | Tom Mboya University | 2016 | 2022 |
| 35 | Tharaka University | 2017 | 2022 |

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| | | | |
|---|---|------|------|
| 36 | National Defense University-Kenya | | 2021 |
| Public University Constituent Colleges | | | |
| 37 | Gatundu University College | 2021 | |
| 38 | Turkana University College (MMUST) | 2017 | |
| 39 | Bomet University College | 2017 | |
| 40 | Koitalel Samoei University College | 2018 | |
| 41 | National Intelligence Research University | 2021 | |
| 42 | KAIST University College | 2022 | |

(b) Key Management

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

- Directorate of University Education
- Directorate of Research Management
- Department of Administration and Planning

(c) Fiduciary Management

The key management personnel who held office during the reporting period and who had direct fiduciary responsibility were:

| No. | Designation | Name |
|------------|---|--------------------------------|
| 1. | Cabinet Secretary, Ministry of Education | Hon. Ezekiel Machogu |
| 2. | Principal Secretary, State Department for University Education and Research | Dr. Beatrice Muganda Inyangala |
| 3. | Ag. Director, Directorate of Research Science & Technology | Titus Zakayo Ingana |
| 4. | Director, Directorate of Higher Education | Mr. Darius Ogutu Mogaka |
| 5. | Secretary, Administration | Mr. Fredrick Ndambuki |
| 6. | Head of Accounting Unit | CPA Margaret W. Kariuki |
| 7. | Chief Finance Officer | CPA Jim Chira Maina |

(d) Fiduciary Oversight Arrangements

Composition of the Committee Members

The various committee members within the State Department are drawn from various sectors of the economy and have a wide range of skills and experience and each contributes independently judgement and knowledge of the committee discussions.

On appointment each committee member is provided with a comprehensive and tailored induction processes covering the State Department's business and operations and provided with information relating to their legal and regulatory obligations.

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All committee members are required to re-submit themselves for re-appointment after expiry of their term.

i. Audit and Finance Committee Activities

The committee was responsible and instrumental in:

- Improving the quality of financial reporting by ensuring the accounts are prepared in a timely and accurate manner to facilitate prompt submission of annual financial statements to the Auditor General with a copy to the National Treasury and the Controller of Budget not later than 30th September of each subsequent year as well as submission of quarterly financial statements accounts to the Cabinet Secretary with a copy to the National Treasury and the Controller of Budget not later than fifteen (15) after the end of each quarter.
- Reviewing and making recommendations on management programs established to monitor compliance with sound public financial management, internal controls, policies, laws, regulations, procedures and the code of ethics.
- Strengthening the effectiveness of the internal audit function including regular review of its capacity, review and approval of the internal audit charter and internal audit annual work plan.

(e) State Department for Higher Education Headquarters

P.O BOX 9583-00200
Nairobi, Kenya
Jogoo House B, Harambee Avenue
Tel: +254-020-3318581
Fax: +254-020-251991
Email: info@scienceandtechnology.go.ke

State Department for Higher Education Contacts

Tel: +254-020-3318581
Fax: +254-020-251991

(f) State Department for Higher Education Bankers

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

(g) Independent Auditors

Auditor General
Office of the Auditor-General

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Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

(h) Principal Legal Adviser

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

3. STATEMENT OF GOVERNANCE

3.0 Introduction

The State Department of Higher Education and Research is domiciled in the larger Ministry of Education. The other state Departments are Basic Education and Technical Vocational and Entrepreneurship Training (TVET). The senior leadership in the education sector are described in the sections that follow.

3.1 Cabinet Secretary

Hon. Ezekiel Machogu was sworn in as Cabinet Secretary in charge of the Ministry of Education of the Republic of Kenya on October 27, 2022.

He is a seasoned career civil servant, administrator and legislator. Before his appointment as Cabinet Secretary, Hon. Machogu was the Member of Parliament in the twelfth Parliament where he served as the the Chairperson of the National Assembly Committee on Members, Service and Facilities; and as a Member of the Committee on Regional Integration.

Hon. Machogu has served as Senior Deputy Secretary in the Ministries of Arid and Semi-Arid Lands, Trade and Tourism, and the Public Service Commission from 2002 to 2016; as Deputy Provincial Commissioner of the Coast among other postings across the Republic.

Hon. Machogu is an alumnus of the University of Nairobi where he undertook his Bachelor of Arts degree in Political Science (Government and Sociology).

He has also attended numerous senior management courses locally and across the world over the course of his long-standing career in the civil service.

3.2 Principal Secretary

Dr. Beatrice Muganda Inyangala is the Principal Secretary, the State Department for Higher Education and Research, Ministry of Education, Kenya.

She is a passionate educator and leader who is committed to transforming higher education and its impact on the continent and globally. Prior to her appointment, she worked for the Partnership for African Social and Governance Research (PASGR); a Pan-African not-for-profit organization for 11 years, and exited as the Deputy Executive Director. Her accomplishments through the Pedagogical Leadership in Africa (PedaL) project are internationally acclaimed.

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She has extensive knowledge of actors, issues, challenges and opportunities in African higher education and has trained over 3,000 teaching staff in 91 universities in 11 African countries in innovative pedagogies. She has contributed immensely to the formulation of education policy and participated in education policy debates within the region and globally: Association of African Universities; EU-Africa policy dialogues; London School of Economics Africa Summit, among others. She holds a B.Ed and M. Phil in Planning and Economics of Education, Moi University, Kenya; PhD from the University of Athens, and has received further training at the International Institute of Educational Planning in Paris, France.

3.3 Management Committees Established and Their Roles

3.3.1 The Audit Committee

Audit Committee in the State Department is established as per the PFMA 2012 Sec73 (5) and 155(5) and Regulation 174(1) which gives authority for the accounting officers and the governing bodies to appoint audit

The Committee is in place and vibrantly performing its roles and holds regular meetings which give an outline of the financial status of the State Department.

The internal Auditor is the secretary to the committee.

3.3.2 Human Resource Management Advisory Committee (HRMAC)

This the committee that is charged with undertaking various human resource matters in the State Department. It deals with all staff issues including promotions discipline and promotion of values and Principles of Public Service.

3.3.3 Budget Implementation Committee (BIC)

There is an established and functional budget implementation Committee (BIC) which guides on the budgetary issues in the State Department.

3.3.4 Risk Management, compliance, conflict of interest etc.

3.3.5 Report on recent training and development in governance for those in key leadership

The Ministry sponsors senior staff in courses in various matters of governance such as strategic Development, senior management and executive development. however, resource constraint is a huge challenge in this activity.

3.3.6 Public participation activities

3.3.7 Compliance with laws and regulations among others

Regular Audits, filing of reports to Statutory bodies is done as the public service procedures as a means of enhancing accountability in the state Department.

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4. STATEMENT BY THE CABINET SECRETARY

The State Department for Higher Education and Research has made the following achievement during the FY 2022/23; increased its gross enrolment of students 621,231 to 638,479 which has been possible due to factors like the increase in the enrolment capacity of both public and private universities and 100 % transitional rate. Further placement of 140,147 Government sponsored students in universities and 144,500 students in TVETs has been done. In addition, Ksh. 44,023 million was disbursed as capitation to support government sponsored students in public universities and Ksh. 35,415.55 million was disbursed to private universities as a grant for Government Sponsored Students.

The State Department has also disbursed loans to 228,453 undergraduate student amounting to Ksh 10,077 million, one hundred and ninety-six (196) academic programmes were evaluated, and one hundred and fourteen (114) academic programmes were accredited. Further, four (4) institutional audits were conducted, eight (8) degree, and two (2) postgraduate diploma academic programmes were developed in The Open University of Kenya, evaluated and accredited by the Commission for University Education (CUE).

During the period, the Higher Education, Science and Technology (HEST) project equipped eight universities to support teaching, training and research in the field of engineering and physical sciences. This initiative led to enhanced capacity for training, research and innovation at universities where Seventeen engineering programmes were accredited as a result of support of the project and a total of 95 priority research projects were funded amounting to 253 million.

Furthermore, the State Department initiated and signed Strategic Memorandum of understanding (MoUs) in the key national priority. In addition, implementation of key infrastructures which include development of the: National Science & Technology Park at Dedan Kimathi University of Science and Technology and a National Physical Science Research Laboratory at Konza Technopolis are ongoing which are key enabler in achieving The Kenya Vison 2030.

It is my belief that The Higher Education and Research Sub-Sector will continue partnering with local and international stakeholders to implement programs aimed at enhancing access, quality, retention, completion and gender parity as well as ensuring adequate supply of human resources required for the support of competitive education, research and innovation in the Kenyan universities.

Signature

Date.....

Hon. Ezekiel Machogu

Cabinet Secretary

Ministry of Education

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5. STATEMENT BY THE PRINCIPAL SECRETARY/ACCOUNTING OFFICER

5.1 BUDGET PERFORMANCE

In the financial year 2022/23 the State Department for University Education and Research had a gross budget of Ksh. 108,450.30 million which was made up of Ksh. 103,829.70 million recurrent vote and Ksh. 4,620.60 million development vote. The funds were to be expended under three programmes: University Education; Research, Science and Technology and Innovation; and General Administration, Planning & support Services.

Analysis by category of Expenditure: Programmes (Ksh. Million)

| Programme Details | Approved Budget | Actual Expenditure |
|---|------------------------|---------------------------|
| | 2022/23 | 2022/23 |
| P1 University Education | | |
| 1.1 University Education | 89,568.22 | 81,406.997 |
| 1.2 Quality Assurance and Standards | 378.05 | 282.490 |
| 1.3 Higher Education Support Services | 17,104.77 | 17,001.426 |
| Sub Total P1 | 107,051.04 | 98,690.913 |
| P2 Research, Science, Technology and Innovation | | |
| 2.1 Research Management and Development | 664.67 | 654.797 |
| 2.2 Knowledge and Innovation Development and Commercialization | 132.87 | 97.875 |
| 2.3 Science and Technology Development and Promotion | 269.84 | 269.841 |
| Sub Total P2 | 1,067.38 | 1,022.513 |
| P3 General Administration, Planning & Support Services | | |
| 3.1 Headquarters Administrative Services | 331.87 | 290.183 |
| Sub Total P3 | 331.87 | 290.183 |
| TOTAL VOTE 1065 | 108,450.29 | 100,003.614 |

i. Programme 1: University Education

The objective of this programme is to enhance access, equity, quality and relevance of university education through training research and Innovation. The programme was allocated net of Ksh. 107,051.04 million representing 98.7% of the total budget. A total of Ksh. 98,690.913 million was spent under the following sub programmes: University Education, Quality Assurance and Standards and Higher Education Support Services showing an absorption of 92.19 %.

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ii. Programme 2: Research, Science, Technology and Innovation

The objective of this programme is to develop, harness and integrate research, science, technology and innovation in national production system. The programme was allocated Ksh. 1,067.38 million representing 0.98% of the total budget. A total of Ksh. 1,022.513 was spent in three sub programme: Research Management and Development; Knowledge and Innovation Development and Commercialization, and Science and Technology Promotion and Dissemination with a absorption of 95.8%.

iii. Programme 3: General Administration, Planning & support Services

The objective of this programme is to improve tracking of implementation of development policies, strategies and programmes. This programme was allocated Ksh. 331.87 million representing 0.31% of the budget. A total of Ksh. 290.183 million was spent under the General Administration, Planning & support service programme this translates to absorption rate of 87.4%.

5.2 Key Achievements

Gross Enrolment of students: During 2022/23 financial year the sub-sector enrolment increase from 621,231 to 638,479 compared to FY 2021/22 in both public and private universities. This enrolment has been possible due to the increase in the enrolment capacity of both public and private universities in the country and 100 % transitional rate. The number of universitiess stands at 78 comprising of thirty-Six (36) public chartered universities, six (6) Public University Constituent Colleges, one (1) specialized degree awarding university (public) twenty-five (25) private chartered universities, eight (8) universities operating with Letters of Interim Authority (LIA) and three (3) Private University Constituent colleges.

Placement of Government sponsored students in universities and colleges: In the financial year 2021/22, 140,147 out of 173,345 candidates who sat KCSE in 2022 and scored C+ secured placement to degree courses in universities. In the same period, 144,500 students eligible for TVET courses were placed to TVET institutions to pursue TVET.

Capitation to Universities: The sub-sector through the University Funding Board (UFB) continues to disburse capitation to universities on the basis of the Differentiated Unit Cost (DUC). Under DUC, the Government allocates funds to universities based on the cost of each degree program. During the 2022/23 FY; Ksh. 44,023 million was disbursed as capitation to support government sponsored students in public universities and Ksh. 35,415.55 million was disbursed to private universities as a grant for Government Sponsored Students.

Students' loans, Bursaries and Scholarships: University students receiving bursaries increased from 17,846 in FY 2021/22 to 18,138 in FY2022/2023. At the same time TVET students receiving loans grew from 106,449 students on FY2021/22 to 122,320 students in FY 2022/23. In addition, TVET 19,822 students were awarded bursaries in FY 2021/22 and 20,012 students in FY 2022/23.

Accreditation of University Programmes: The sub-sector continued to implement the Universities Act No. 42 of 2012 Rev. 2016 (2015) to ensure maintenance of quality and relevance in all aspects of university education in Kenya. One hundred and ninety-six (196) academic programmes were

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evaluated in FY 2022/23, One Hundred and fourteen 114 academic programmes were accredited in FY 2022/23. In addition, four (4) institutional audits were conducted in FY in 2022/23.

During the period under review, 52 student recruitment agencies applications were received, inspected and licensed. On recognition and equation of qualifications, 2,359 applications were received and certified in 2022/23. The Universities Regulation 2014 (Revised 2023) were reviewed and Gazetted on 2nd May 2023. The objective of the review was to mainstream quality assurance practices and promote continuous improvement in universities regulation.

The Open University of Kenya: Academic programmes which include Eight (8) degree, and two (2) postgraduate diploma programmes were developed, and their curricula evaluated and accredited by the Commission for University Education (CUE). The ODeL infrastructure that will run OUK academic programmes were successfully inspected and accredited by the Commission.

Higher Education, Science and Technology (HEST): During the period, the project equipped eight universities to support teaching, training and research in the field of engineering and physical sciences. The project also facilitated the training of teaching staff in the universities at Masters and PhD level as well as supporting the construction of Wangari Maathai Institute of Environmental and Peace Studies (WMI). This initiative led to enhanced capacity for training, research and innovation at universities. Seventeen engineering programmes were accredited as a result of support of the project.

Research Funding: During the FY 2022/2023, a total of 95 priority research projects were funded amounting to 252,993,951.

Research, Science and Innovation Advisories: During the period under review, policy briefs on Personalized medicine and the incorporation of science, technology and innovation in the CBC curriculum were shared in the FY 2022/2023.

Strategic international collaborations and linkages: Strategic Memorandum of understanding (MoUs) in Science, Technology and Innovation in the key national priority areas have been initiated and signed and are in different stages of implementation. In FY 2022/2023, two (2) MoUs were negotiated and signed.

Infrastructure to support Science Technology and Innovation: The sub-sector through the Directorate of Research, Science and Technology is implementing infrastructure programmes necessary for the development of Science, Technology and Innovation. These include development of the: National Science & Technology Park at Dedan Kimathi University of Science and Technology and a National Physical Science Research Laboratory at Konza Technopolis.

5.3 Key Implementation Challenges

- i. Inadequate finance resource allocation for universities, and students through UF and HELB in comparison to increased demand for student loans due to high cost of living and rise in universities uptake. The increase in the number of universities and programs have also shot up operational cost for CUE.

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- ii. Declining allocation for Research, Science, Technology and Innovation programs which has translated to a low national R&D expenditure of 0.8% against the target of 2% of GDP.
- iii. There are timing differences between the opening dates of institutions of higher learning and the dates of release of exchequer funds and collection of A-I-A by HELB for disbursement to students which affects their learning cycle and operations.
- iv. Inadequate research and innovation infrastructures in most public research institutions and universities.
- v. Due to lack of provision of adequate finance, a number of universities are unable to sustain the CBA.
- vi. The TVET students placed by KUCCPS in universities are not being funded contrary to government policy.
- vii. Alignment of CBC to universities and colleges curriculum is a matter of concern

5.4 Recommendation

Arising from the challenges the following recommendations are made:

- i. Increase funding to HELB so as to cater for the increasing number of needy students applying for loans and avail the students' funds allocated to HELB by the exchequer in the first quarter of the financial year to enable timely disbursement of funds to students as per the opening dates of the institutions.
- ii. Put in place a robust Centralized Integrated University Data Management Information to inform policy and decision-making in the university sub-sector.
- iii. Consideration be made for lump sum budgetary provisions for successive medium-term period or more to support university accreditation and quality.
- iv. Lump sum support should be provided in the Medium-Term period to attain equity and improve infrastructure in the young universities and research projects which are yet to be completed.
- v. A number of sub sector research and development programmes were initiated and have never been fully funded hence need to relook on those major projects.
- vi. There is a need to provide funding to TVET students placed by KUCCPS in universities
- vii. All public universities need to fast-track the alignment of their curriculum to CBC with the help of CUE.
- viii. Develop a framework for development of idle assets/ resourcing and mobilization to provide services and income through public-private partnership.
- ix. Undertake HR audits in public Universities and undertake rationalization in a staggered manner.

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5.5 Conclusion and Way Forward

The Higher Education and Research Sub-Sector will continue implementing programme and projects to enhance access, quality, retention, completion and gender parity in higher education as well as ensuring adequate supply of human capital to the Economy through by enhancing creativity to student, research and innovation and industrial linkage.

Signature 

Date... 11/12/2023

Dr. Beatrice M. Inyangala

Principal Secretary/Accounting Officer

State Department for Higher Education & Research.

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6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FINANCIAL YEAR 2022/2023

6.0 Introduction

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

The key development objectives of the National Education Sector Strategic Plan (NESSP) 2018-2022 is to: enhance access and equity; to provide quality and competency-based education, training and research; to strengthen management, governance and accountability; and enhance relevance and capacities for Science, Technology and Innovation (ST&I) in education, training, and research for labour markets.

6.1 Progress on attainment of Strategic development objectives

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

| Programme | Key Output | Key Performance Indicators | Planned Target | Achieved Target | Remarks |
|--|----------------------------|---|----------------|-----------------|--|
| | | | 2022/23 | 2022/23 | |
| Programme 1.0: University Education programme | | | | | |
| Sub Programme 1.1: University Education | Student placement services | No. of students placed in universities | 143,902 | 140,107 | A No. of student who scored C+ and above opted to place to pursue diploma programmes |
| | | No. of students placed in TVET institutions | 165777 | 145060 | All applicants who chose for TVET courses were placed. |

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| | | | | | |
|--|-------------------------------------|--|---------|---------|---|
| | | No. of secondary schools guided on Career choices | 1,200 | 5522 | Target surpassed due to use of online platform which enabled reaching out to larger audience, |
| | | No. of secondary school teachers sensitized on career guidance | 1,500 | 9546 | Target surpassed due to use of online platform which enabled reaching out to larger audience, |
| | Enrolment in universities | No. of students enrolled in universities | 592,376 | 638,479 | More students qualified to join university. |
| | Student graduations | No. of PhD students graduated from universities | 738 | 717 | The achieved target excludes private universities |
| | | No. of Masters students graduated from universities | 4,880 | 4,742 | The achieved target excludes private universities |
| | | No. of undergraduate students graduated from universities | 82,693 | 64,744 | The achieved target excludes private universities |
| Sub Programme 1.2: Quality Assurance and standards | Quality Assurance and accreditation | No. of institutions/ODEL centers evaluated for accreditation | 7 | 10 | The demand by universities to have their ODeL accredited exceeded our target |
| | | % of programmes applications evaluated for accreditation | 80 | 82 | Change of mode of evaluation to online lead to more programmes evaluated hence exceeding the target |

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| | | | | | |
|---|----------------------------|---|---------|---------|---|
| | | No. of constituent colleges and Universities with LIAs evaluated/inspected for Chartering | 2 | 2 | Two institutions were evaluated for chartering |
| | | No. of academic programmes audited | 4 | 0 | Target not achieved due to non-payment of program audit fees by the universities |
| | | No. of universities audited | 8 | 4 | Target not achieved due to delays by the universities to pay audit fees and charges for the audit process |
| Sub Programme 1.3: Higher Education Support Services. | Student financing services | No. of Government sponsored students in Public Universities | 356,600 | 356,188 | The target was not achieved since student preferred to join other institution |
| | | No. of Government sponsored students in Private Universities | 90,527 | 89,644 | Decrease was due to student preferences and availability of competitive courses |
| | | No. of Universities Monitored and evaluated | 71 | 18 | Target not met due to budget constraints |
| | | No. of undergraduate students awarded loans | 237452 | 228453 | Budget allocations restrained the number of students funded |

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|--|--|--------|--------|--|
| | No. of undergraduate/TVET students awarded bursaries | 37229 | 38150 | The demand for the bursaries was high due to high cost of living and prevailing economic conditions that have affected families' income. |
| | No. of Postgraduate students awarded loans | 1500 | 1300 | Budget allocations restrained the number of postgraduate students awarded loans |
| | No. of Postgraduate students awarded scholarships | 104 | 104 | All the targeted students awarded |
| | No. of TVET students awarded loans | 102985 | 122320 | There was higher No. of loan applicants than the target due to demand for the loans. 37,000 TVET Trainee missed out on loans. |
| | % Portfolio at Risk | 24 | 26 | There was reduced confidence in repayment by most loanees following the court judgement on In-duplum rule and adverse effects of unemployment and inflation. |

Programme 2.0: Research, Science, Technology & Innovation Programme

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| | | | | | |
|--|--|--|-----|-----|--|
| Sub Programme 2.1: Research Management and Development sub programme | Research funding | No. of Research projects supported | 125 | 95 | The target was not achieved due to budget constraints |
| | | No. of up-scaled research projects commercialized | 6 | 0 | Insufficient funds have derailed up scaling of research projects. |
| | | No. of Post Covid – 19 Recovery Strategic Research Funded | 15 | 15 | Strategic research grant call on COVID-19 processed and funded |
| | Research Services | No. of bilateral MoUs on research and development signed | 2 | 3 | 3 MOUs with friendly countries were negotiated and signed. |
| | | % of R&D Projects monitored and coordinated | 100 | 100 | All the ongoing Projects were monitored and coordinated as projected. |
| | Adjudication and resolution of appeals | % of disputes resolved | 100 | 0 | There have been no appeals filed |
| | | No. of public awareness programmes on Biosafety Appeals Board thematic areas | 3 | 5 | More forums for public awareness done through collaboration with other friendly institutions |
| | GMO testing laboratory Established | % completion of Testing Laboratories | - | - | GMO testing laboratory completed |
| | Surveillance on GMOs | No. of counties covered | 35 | 19 | The mandate was moved to Ministry of Agriculture hence derailing achievement of target |

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| | | | | | |
|---|----------------------|---|-----|-----|--|
| | | No. of newly opened and operational entry points offices | 3 | 3 | The target was achieved |
| | | No. of laboratory personnel trained on sample preparation and testing | 100 | 100 | The Target was achieved |
| | | No of sampling and testing protocols developed and/or reviewed | 70 | 50 | There was reduction of sample presented for sampling |
| | | % of GMO applications risks assessed | 100 | 100 | All GMO application presented was assessed |
| SP 2.2: Knowledge and Innovation Development and Commercialization | Knowledge Management | No. of policies and strategies developed | 2 | 2 | Science, Technology and Innovation (STI) Policy drafts have been done. |
| | | No. of Internet Protocol offices established in STI institutions | 5 | 5 | Easy access to internet services provided to all targeted institutions |
| | Capacity building | No. of innovators trained to commercialize | 200 | 229 | The achievement is a result of KIW programme which attracted more innovators |
| | | No. of institutional leaders equipped to lead commercialization | 50 | 200 | More leaders were reached out as a result of online mode of delivery |

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|---|--|---|----|----|--|
| | | No. of curriculums on intellectual property and other rights developed and rolled out | 6 | 4 | A No. of curriculum have been developed and rolled out while 2 are on the process of development |
| | Incubation, Technology Transfer, and commercialization | No. of Incubation, Technology Transfer and commercialization centers operationalized | 2 | 2 | The target was achieved |
| | | No. of institutions running the commercialization programs | 2 | 2 | The target was achieved |
| | | No. of innovations commercialized | 12 | 8 | The target was not achieved due to budget constraints for seed money to commercialize the innovation |
| | | No. of national innovation awards operationalized | 12 | 15 | The achievement is a result of KIW programme |
| | Innovation Policy environment | No. of National Innovation programs organized and held | 2 | 2 | The target was achieved |
| Sub Programme 2.3: Science and Technology Development and Promotion | Science Technology and Innovation promotion services | No of Research Institutions registered/ accredited and inspected | 7 | 6 | All research institution applied for registrations were registered/accredited and inspected |
| | | No. of research studies monitored and evaluated | 10 | 10 | Research studies are slowly recovering from the Covid-19 pandemic |

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|---|---|--|-----|-----|---|
| | | No. of STEM, women and youth programmes undertaken | 2 | 2 | More programmes undertaken by leveraging on use of online platforms |
| | | No. of MDAs mainstreamed on STI | 280 | 265 | Despite sensitizations, some MDAs are not willing to report on STI |
| Programme 3.0: General Administration, Planning & Support Services | | | | | |
| S.P 3.1 General Administration, Planning and Support Services | ISO 9001:2015 certification | % of compliance on implementation of ISO 9001 -2015 | 100 | 100 | Internal audit done to ensure compliance on implementation of ISO 9001 - 2015 |
| | Human resource and development services | No. of staff trained | 192 | 89 | Resources limited training of staff |
| | Planning Services | % of institutions on Performance Contract | 100 | 100 | All the SAGAs, universities and university constituent colleges put on performance contract |
| | | No. of quarterly monitoring and evaluation of Projects and programmes done | 4 | 0 | Lack of sufficient funding to undertake M&E |
| | | No. of policies formulated for university education and research | 3 | 0 | No major policy developed during the period |
| | | % Completion of NESSP 2023 - 2027. | 100 | 30 | Draft NESSP 2023 - 2027 was developed and awaiting |

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| | | | | | alignment the Guidelines | with new |
|--|--|--|--|--|--------------------------------|-------------|

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7. MANAGEMENT DISCUSSION AND ANALYSIS

Table 2.4 Analysis by category of Expenditure: Programmes (Ksh. Million)

| Programme Details | Approved Budget | | | Actual Expenditure | | |
|---|-----------------|----------------|-------------------|--------------------|----------------|--------------------|
| | 2020/21 | 2021/22 | 2022/23 | 2020/21 | 2021/22 | 2022/23 |
| P1 University Education | | | | | | |
| 1.1 University Education | 75,595 | 86,951 | 89,568.22 | 69,761 | 82,626 | 81,406.9 |
| 1.2 Quality Assurance and Standards | 341 | 393 | 378.05 | 329 | 393 | 282.490 |
| 1.3 Higher Education Support Services | 15,216 | 17,107 | 17,104.77 | 11,542 | 16,849 | 17,001.426 |
| Sub Total P1 | 91,152 | 104,451 | 107,051.04 | 81,632 | 99,869 | 98,690.915 |
| P2 Research, Science, Technology and Innovation | | | | | | |
| 2.1 Research Management and Development | 594 | 675 | 664.67 | 582 | 672 | 654.797 |
| 2.2 Knowledge and Innovation Development and Commercialization | 43 | 88 | 132.87 | 43 | 78 | 97.875 |
| 2.3 Science and Technology Development and Promotion | 203 | 277 | 269.84 | 203 | 277 | 269.841 |
| Sub Total P2 | 840 | 1,040 | 1,067.38 | 828 | 1,026 | 1,022.515 |
| P3 General Administration, Planning & Support Services | | | | | | |
| 3.1 Headquarters Administrative Services | 207 | 226 | 331.87 | 194 | 214 | 290.183 |
| Sub Total P3 | 207 | 226 | 331.87 | 194 | 214 | 290.183 |
| TOTAL VOTE 1065 | 92,198 | 105,717 | 108,450.29 | 82,654 | 101,109 | 100,003.614 |

University Education programme was allocated Ksh. 91,152 million in FY 2020/21 Ksh. 104,451 million in FY 2021/22 and Ksh. 107,051.04 million in FY 2022/23 against an actual expenditure of Ksh. 81,632 million, Ksh. 99,869 million and Ksh. 98,690.915 million respectively. The University Education Programme was allocated the largest component of the total approved budget at 98%, 98.86% and 99% in FY2020/21, 2021/22 and FY 2022/23 respectively. This was done to facilitate expenditure needs for both recurrent and capital for efficient service delivery in the universities and SAGAs that directly support universities.

University Education sub-programme was allocated Ksh. 75,595 million in FY 2020/21, Ksh. 86,951 million in FY 2021/22 and Ksh. 89,568 million in FY 2022/23 against an actual expenditure of Ksh. 69,761 million Ksh. 82,626 million and Ksh 81,406.9 million respectively

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Quality Assurance and Standards sub-programme was allocated Ksh. 341 million in FY 2020/21 and Ksh. 393 million in FY 2021/22 and Ksh. 378 million in FY 2022/23 against an actual expenditure of Ksh. 329 million Ksh. 393 million and 284.490 million respectively.

Higher Education Support Services sub-programme was allocated Ksh. 15,216 million in FY 2020/21 Ksh. 17,107 million in FY 2021/22 and Ksh. 17,104 million in FY2022/23 against an actual expenditure of Ksh. 11,542 million Ksh. 16,849 million and Ksh. 17,001.426 million respectively.

The allocation to Research, Science, Technology and Innovation increased from Ksh.840 million in FY 2020/21 to Ksh. 1,040 million in FY 2021/22 and Ksh. 1,067 million in FY 2022/23. The expenditure for the same period was Ksh. 828 million, Ksh. 1,026 million and Ksh. 1,022.515 million respectively.

Research Management and Development sub-programme was allocated Ksh. 594 million in FY 2020/21, Ksh. 675 million in FY 2021/22 and Ksh. 664 million against an actual expenditure of Ksh. 582 million, Ksh. 672 million and Ksh. 654.797 million respectively.

Knowledge and Innovation Development and Commercialization sub-programme was allocated Ksh. 43 million in FY 2020/21, Ksh. 88 million in FY 2021/22 and Ksh. 132 million in FY 2022/23 against an actual expenditure of Ksh. 43 million, Ksh. 78 million and Ksh. 97.875 million respectively.

Science and Technology Development and Promotion sub-programme was allocated Ksh. 203 million in FY 2020/21, Ksh. 277 million in FY 2021/22 and Ksh. 269 million in FY 2022/23 against an actual expenditure of Ksh. 203 million, Ksh. 277 million and Ksh. 269.841 million respectively.

In the General Administration, Planning & Support Services programme the budget was Ksh.207 million in FY 2020/21, Ksh. 226 million in FY 2021/22 and Ksh. 331 million in FY 2022/23. The actual expenditure for this programme is Ksh. 194 million, Ksh. 214 million and Ksh. 290.183 million for FY 2020/21, FY 2021/22 and FY 2022/23, respectively.

Despite the marginal increment in FY 2022/23, the State Department is still under funded which limits its ability to conduct crucial activities like Monitoring and Evaluation of projects and programmes and routine operations and maintenance.

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Projects being implemented under this Sub Sector.

1. Establishment of Kenya Advanced Institute of Science and Technology (KAIST)

As at 30th June 2023, the project was domiciled at Ministry of Education in Jogoo House “B”. Currently the Project is domiciled at the Ministry of ICT. The construction site is in Konza Technopolis. The Project is for a duration of five years and nine months from December 2017 to September 2023 with an approved budget of US\$ 136,392,000 equivalent of Kshs. 13,952,669,734 as highlighted in the table below:

| Source of funds | Donor Commitment | | Amount received to date (30 June 2023) | | Cumulative Amount paid to date (30 June 2023) | | Unutilised balance to date (30 June 2023) | | Project Status |
|---|--------------------|-----------------------|---|----------------------|---|----------------------|--|-----------------------|-------------------|
| | USD | KShs | (USD) | KShs. | (USD) | KShs. | (USD) | KShs. | |
| | (A) | (A') | (B) | (B') | (B) | (B') | (A)-(B) | (A')-(B') | |
| (i) Loan | | | | | | | | | |
| The Export-Import Bank of Korea. (Government Agency of the EDCF) | 94,697,000 | 9,687,342,115 | 33,211,798 | 3,397,510,523 | 33,211,798 | 3,397,510,523 | 61,485,202 | 6,289,831,592 | 17.59%. |
| (ii) Counterpart funds | | | | | | | | | |
| Government of Kenya | 41,695,000 | 4,265,327,619 | 2,627,480 | 268,786,770 | 2,627,480 | 268,786,770 | 39,067,520 | 3,996,540,849 | |
| Total | 136,392,000 | 13,952,669,734 | 35,839,278 | 3,666,297,293 | 35,839,278 | 3,666,297,293 | 100,552,722 | 10,286,372,441 | |

2. Eastern and Southern Africa Higher Education Centres of Excellence (ACEII) project

The project was to strengthen selected Eastern and Southern Africa Higher Education Institutions to deliver quality post graduate education and build collaborative research capacity in the regional priority areas. In Kenya, the selected implementing institutions are Moi, Jaramogi Oginga Odinga and Egerton universities. The Project is for duration of six years from 2017 to 2023 with an approved budget of XDR13.4 Million equivalent to Kshs. 1,917,405,000 (rate 142) as highlighted in the table below:

| Source of funds | Donor Commitment- | | Amount received to date – (30 June 2023) | | Cumulative Amount paid to date | Unutilized balance to date | | Project Status |
|--|-------------------|----------------------|---|----------------------|--------------------------------------|-------------------------------|--------------------|-------------------|
| | XDR | Ksh | XDR | Ksh | | XDR | Ksh | |
| | (A) | (A') | (B) | (B') | | (A)-(B) | (A)-(B) | |
| (i) Loan | | | | | | | | |
| International Development Association of the World bank | 12,800,000 | 1,826,100,000 | 10,585,619 | 1,587,487,772 | 1,587,487,772 | 2,214,381 | 238,612,228 | |
| (ii) Counterpart funds | | | | | | | | |
| Government of Kenya | 626,960 | 91,305,000 | 392,726 | 56,951,164 | 56,951,164 | 234,234 | 34,353,836 | |
| Total | 13,426,960 | 1,917,405,000 | 10,978,345 | 1,644,438,936 | 1,644,438,936 | 2,448,615 | 272,966,064 | |

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3. Support to Enhancement of Quality and Relevance in Higher Education, Science and Technology (HEST) Project.

The project was to improve quality and relevance in engineering faculties in line with Kenya's Vision 2030 priorities for Science Technology and Innovation (STI). The Project was initially for a duration of Six (6) years from 2013 to 2019 with an approved budget of UA 36.03 million equivalent to Ksh. 4,724,613,900 as highlighted in the table below, however an extension was sought and granted for one and a half more years.

| Source of funds | Donor Commitment | | Amount received to date (30 June, 2023) | | Cumulative Amount paid to date | Unutilized balance to date | | Project Status |
|--|--------------------------|----------------------|---|----------------------|--------------------------------|----------------------------|--------------------|----------------|
| | <i>Donor currency UA</i> | <i>Ksh</i> | <i>Donor currency UA</i> | <i>Ksh</i> | | <i>Donor currency UA</i> | <i>Ksh</i> | |
| | <i>(A)</i> | <i>(A')</i> | <i>(B)</i> | <i>(B')</i> | | <i>(A)-(B)</i> | <i>(A)-(B)</i> | |
| (i) Loan | | | | | | | | 75% |
| ADfB: Direct Payments (African Development Bank) | UA28.00 Million | 3,671,640,000 | 27,270,803 | 3,576,020,397 | 3,576,020,397 | 729,198 | 95,619,603 | |
| (ii) Counterpart funds | | | | | | | | |
| Government of Kenya | UA8.03 Million | 1,052,973,900 | 3,534,471 | 463,475,128 | 463,475,128 | 4,495,529 | 589,498,772 | |
| Total | UA36.03M | 4,724,613,900 | 30,805,274 | 4,039,495,525 | 4,039,495,525 | 5,224,727 | 685,118,375 | |

8. ENVIROMENTAL AND SUSTAINABILITY REPORTING

The State Department for Higher Education and Research has the responsibility to guide its downstream institutions by leading in putting efforts on educating the nation's life and advanced science, technology and innovations. The social responsibility of higher education institution is implemented in two aspects, namely social and environmental aspects. CSR of higher education includes education, research, innovations and community service. CSR of this institution integrates the social and environmental aspects into higher education.

Sustainable development is a principled development process that meets the needs of today without sacrificing the needs of future generations. The development includes various aspects such as land, city, business and community. In the context of society, the process of sustainable development cannot be separated in relation to the education aspect. Higher education as part of the national education system has a strategic role in educating the nation's life and advancing science and technology by observing and applying the value of humanities as well as the sustainable culture and empowerment of the Kenyan nation. The strategic role of higher education reflects CSR from higher education institutions. Existentially, CSR is not only the responsibility of the business enterprise. Higher education institution also has a social responsibility to society and the environment. These responsibilities are reflected in efforts to educate the nation and promote science and technology.

The state department Research consider the broader interests of the society by taking responsibility for the impact of our activities. We believe our responsibility extends beyond the statutory obligation to comply with legislation, to include voluntarily taking action to improve the quality of life among our employees and their families, local communities and society at large as well as protecting the environment.

We are dedicated to creating workplace that is safe, fair and enriching. Safety procedures and programs are constantly monitored and improved to help ensure that our employees work safely. The state department fosters a workplace culture in which the rights, needs and unique contributions of each employee are respected, while supporting their professional development opportunities through offering conducive environment to support their further trainings to enhance their skills.

The State Department believes in strong partnerships to enable a better and improved well-being of the society and the economy. We acknowledge this through offering special responsibility and role to play in helping the communities thrive through promoting research innovations. Through our various cross cutting activities, we participate in environmental and health initiatives to help conserve the environment and save lives. We always emphasize on the presidential directive on forest and landscape restoration under adopt a forest initiative to our employees to ensure environmental conservation and improving the country's tree cover.

The state department contributes support to its employees to endeavors which help provide for a better quality of life, including contributing sustainability to local employment, training and skills development, especially for the management staff and the support staff. In addition, our employees participate in community programmes to educate on Alcohol Drugs and Substance Abuse and HIV and AIDS prevention and other volunteer services through different committees.

We are committed to enhancing the quality of life for our employees, colleagues in the other sectors and the community in which we work with or live with by encouraging, educating, engaging and ultimately spreading good by offering leadership in volunteerism and community service.

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In the financial year 2022/2023 the State Department for Higher Education and Research (SDHE&R) engaged in tree planting activities in various parts of the country as part of corporate social responsibility (CSR).

Tree planting activities.

In the financial year 2022/2023 the State department formed a tree planting committee which was tasked with co-ordination of tree planting activities in collaboration with both public and private universities as well as semi-autonomous agencies within the state department. The targeted areas were Central, Eastern, Nyanza and Western Kenya. Several institutions responded and proposed to provide tree seedlings. The tree planting exercise is in line with the Presidential directive of planting of 15 billion trees by 2032, a move aimed at reducing greenhouse emissions, stopping and reversing deforestation and, restoring 5.1 million hectares of deforested and degraded landscapes through the African Landscape Restoration Initiative which was launched on 22nd December, 2022.

Through the State Department Semi-Autonomous Government Agency Biosafety appeals board in collaboration with the County Government of Nairobi, University of Nairobi, Kenya Forest service and Equity bank they participated in a tree planting exercise at the Michuki memorial park in Nairobi.



CEO Biosafety Appeal Board Judy Wamae plants a tree at Michuki memorial park in Nairobi in June 2023

The Principal Secretary Amb. Simon Nabukwesi in the FY 2022-2023 led a team officer in the State Department in several tree planting activities organized by universities. The tree planting exercise

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was organized to increase the countries forest cover and support the Governments initiative of environment conservation



Former Principal Secretary Amb. Simon Nabukwesi Amb. plants a tree during graduation ceremony at Meru University in November 2022



PS. Dr. Beatrice Inyangala plants a tree during the launch of the MMUST Council members

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PS. Dr. Beatrice Inyangala takes a photo after planting a tree during the Kaptagat National tree planting exercise

It was proposed that the State Department forms a CSR committee in the FY 2022/ 2023 that will organize and participate in annual activities as a way of supporting CSR.

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9. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the State Department for University Education is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) 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 entity; (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 entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the State Department for University Education accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the State Department for University Education's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2023, and of the entity's financial position as at that date. The Accounting Officer charge of the State Department for University Education further confirms the completeness of the accounting records maintained for the State Department for University Education, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the State Department for University Education confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the State department for University Education's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

MINISTRY OF EDUCATION - STATE DEPARTMENT FOR HIGHER EDUCATION & RESEARCH

Annual Report and Financial Statements

For the year ended 30 June, 2023.

Approval of the financial statements

The State Department for University Education's financial statements were approved and signed by the Accounting Officer on 11/12/ 2023.



Dr. Beatrice M. Inyangala
Principal Secretary.



CPA Margaret W. Kariuki
Senior Deputy Accountant General
ICPAK Member Number: 4291

REPUBLIC OF KENYA

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REPORT OF THE AUDITOR-GENERAL ON STATE DEPARTMENT FOR HIGHER EDUCATION AND RESEARCH FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 are 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 the State Department for Higher Education and Research set out on pages 1 to 21, which comprise of the statement of

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

In my opinion, 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 State Department for Higher Education and Research 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 (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Irregularities in Transfers to Other Government Units

The statement of receipts and payments reflects transfers to other Government units of Kshs.82,550,137,837 as disclosed in Note 7 to the financial statements. The following observations were made:

1.1 Unconfirmed Transfers to Other Government Units

Included in the amount are transfers to Bomet University College and East African Centre for Excellence (ACE II) Project - IDA of Kshs.372,600,707 and Kshs.11,682,020 respectively, all totalling to Kshs.384,282,727. However, records at the University College and Donor Project reflect receipts of Kshs.313,170,059 and Kshs.11,645,220 resulting to an unreconciled and unexplained variances of Kshs.59,430,648 and Kshs.36,800 respectively, totalling to Kshs.59,467,448.

Further, records maintained by the State Department indicate that an amount of Kshs.284,526,438 was transferred to Tharaka University College. However, the University acknowledged receipt of Kshs.338,152,120, resulting to an unrecorded transfers of Kshs.53,625,682. Similarly, a total amount of Kshs.3,374,601,855 is indicated as having been transferred to Kenyatta University in the financial statements which differs with confirmed receipts by the University of Kshs.3,454,601,855, resulting to an understatement of the transfers by Kshs.80,000,000.

1.2 Discrepancies between Expected and Actual Capitation Funding

Included in the transfers to other Government units of Kshs.82,550,137,837 is a total of Kshs.44,283,954,992 transferred to thirty-nine (39) public universities with total enrolment of four hundred and fifty thousand nine hundred and twenty-six (450,926) students comprising ninety-four thousand seven and thirty-eight (94,738) first year students and three hundred thousand and fifty-six, one hundred and eighty-eight (356,188) continuing

students. However, the total expected capitation for the students was Kshs.44,023,955,000, thus resulting to net over disbursement of Kshs.259,999,992.

Further, nineteen (19) of the universities with expected capitation of Kshs.23,097,771,318 received Kshs.27,515,096,720, resulting to over-capitation of Kshs.4,417,325,402. In addition, the other twenty (20) universities had expected capitation of Kshs.20,926,183,272 and received Kshs.16,768,858,272, resulting to underfunding of Kshs.4,157,325,410. No explanation was provided for the over and under disbursements during the year under review.

In the circumstances, the accuracy of transfers to other Government units of Kshs.82,550,137,837 could not be confirmed.

2. Unconfirmed Fuel Expenditure

The statement of receipts and payments reflects use of goods and services expenditure of Kshs.184,595,214 which, as disclosed in Note 6 to financial statements, includes an expenditure of Kshs.12,504,579 incurred on fuel, oil and lubricants. However, the fuel supply statement does not indicate the registration numbers of the motor vehicles that drew the fuel. It was therefore difficult to track the fuel drawdowns to the individual copies of motor vehicle work tickets. Further, Management did not maintain the department's fuel register to assist in reconciliation with the suppliers' statements before making any payment.

In the circumstances, the regularity of fuel, oil and lubricants expenditure of Kshs.12,504,579 could not be confirmed.

3. Irregularities in Grants Transfers to Private Universities

The statement of receipts and payments reflects transfers to other Government entities amounting to Kshs.82,550,137,837 which, as disclosed in Note 7 to the financial statements, includes an amount of Kshs.3,174,791,597 in respect of grants to private universities for Government Sponsored Students (GSS). A special audit of the capitation grants revealed that a total of Kshs.15,762,573,515 was disbursed to thirty-two (32) private universities for Government Sponsored Students (GSS) for the period of seven (7) financial years from 2016/2017 to 2022/2023. Various irregularities were noted as detailed below.

Included in the amount is an expenditure of Kshs.201,638,928 disbursed to fifteen (15) universities in respect of capitation grants for four thousand five hundred twenty-one (4,521) students who were not placed by the Kenya Universities and College Central Placement Services (KUCCPS). Further, the amount includes an expenditure of Kshs.412,729,628 in respect of capitation grants for nine thousand four hundred and eighty-nine (9,489) students who had stayed beyond the durations of course programmes they were undertaking. Similarly, the amount includes an expenditure of Kshs.17,774,388 in respect of double payments of capitation grants and a further expenditure of Kshs.35,199,064 in respect of capitation grants for students who had already graduated.

The expenditure also includes an amount of Kshs.53,594,188 disbursed for students who had deferred their studies or were on long academic leave.

In the circumstances, the accuracy and regularity of transfers in respect of grants to private universities for Government Sponsored Students (GSS) of Kshs.3,174,791,597 could not be confirmed.

4. Irregularities in Compensation of Employee Costs

The statement of receipts and payments reflects compensation of employees costs of Kshs.237,548,747 as disclosed in Note 5 to the financial statements. However, included in the compensation of employees amount is an expenditure of Kshs.351,500, being responsibility allowance paid to seven (7) officers whose basis for payments was not provided for audit. Further, included in the compensation amount is Kshs.1,130,000, being extraneous allowance paid to three (3) officers and whose basis for payment was not provided for audit.

In the circumstances, the regularity of responsibility allowance amounting to Kshs.351,500 and extraneous allowances totalling Kshs.1,130,000 could not be confirmed.

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

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts - recurrent and development combined reflects final receipts budget and actual on comparable basis of Kshs.108,283,480,612 and Kshs.100,169,820,476 respectively, resulting to an underfunding of Kshs.8,113,660,136 or 7.5% of the budget. Similarly, the State Department spent Kshs.100,161,714,840 against an approved budget of Kshs.108,450,331,267, resulting to an under-expenditure of Kshs.8,288,616,427 or 8% of the budget. The underfunding and under-performance may have affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is however, not modified in respect of this matter.

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 in the year under review.

Other Matter

Unresolved Prior Year Audit Matters

Various prior year audit issues remained unresolved as at 30 June, 2023. Management did not provide evidence of matters discussed and determined by the oversight body and the failure to resolve the prior year matters.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and 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. Unbalanced Budget

The statement of comparison of budget and actual amounts - recurrent and development combined reflects final budgeted expenditure of Kshs.108,450,331,267 which exceeded the budgeted final receipts of Kshs.108,283,480,612 by an amount of Kshs.166,850,655 against the provisions of Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states inter alia, that the budget shall be balanced.

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

2. Use of Personal Email Addresses in Official Communication

During the year under review, it was observed that the State Department's staff used personal emails for official communication contrary to the directive of the Head of Public Service Circular No. SH/ADM/23(1) dated 14 June, 2022 which states, inter alia, that no Government official will be allowed to use personal email internet addresses for official Government communication.

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

3. Staff Over-Establishment

Review of the staff establishment and staff in post at the State Department revealed that one-hundred and eighty-four (184) members of staff were in post against an approved staff establishment of one-hundred and sixteen (116), resulting to an over-establishment of sixty-eight (68) members of staff. Further, the State Department did not have in place annual human resource plans as required by Part II Section B.2(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016.

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

4. Failure to Prepare and Submit Separate Board Financial Statements for Audit

The statement of receipts and payments reflects transfers to other Government units of Kshs.82,550,137,837 as disclosed in Note 7 to the financial statements. Included in the amount is Kshs.29,634,474 in respect of Biosafety Appeals Board. However, Management did not prepare and submit for audit separate financial statements for the Board. This was contrary to Section 81(4)(a) of the Public Finance Management Act, 2012 which requires that, not later than three months after the end of each financial year, the Accounting Officer for the entity shall; submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.

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

5. Non-Submission of Financial Statements for Audit – Open University of Kenya

The statement of receipts and payments reflects transfers to other Government units of Kshs.82,550,137,837 as disclosed in Note 7 to financial statements. Included in the transfers amount is an amount of Kshs.153,739,147 transferred to the Open University of Kenya. However, the University did not prepare and submit financial statements for the year under review. This was contrary to Section 68(2)(k) of the Public Finance Management Act, 2012 which requires an Accounting Officer to prepare annual financial statements for each financial year within three months after the end of the financial year, and submit them to the Auditor-General for audit.

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

6. Non-Compliance with Section 53 of the Universities Act, 2012

The statement of receipts and payments reflects transfers to other Government units of Kshs.82,550,137,838 as disclosed in Note 7 to financial statements. The transfers amount comprises current grants to Government agencies and other levels of Government of Kshs.77,354,114,273, capital grants to Government Agencies and other levels of Government of Kshs.2,021,231,968, all totaling Kshs.Kshs.79,375,346,241 and transfers to private universities of Kshs.3,174,791,597. However, the State Department for Higher Education and Research has been directly financing all the universities, contrary to Section 53(1 and 2) of the Universities Act, 2012 which provides that there shall be a Fund to be known as the Universities Fund whose objective and purpose shall be to provide funds for financing universities.

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

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015 and 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 of Conclusion

Lack of an ICT Steering Committee

Review of ICT operations revealed that the State Department did not have an IT Steering Committee in place. The lack of the Committee poses a risk on governance where the IT Department's needs are not addressed at budgeting stage and that decisions made by the IT Department's Management are not implemented as expected. Further, during the audit, it was observed that the ICT operations are frequently affected by the absence of internet which is not promptly solved by the responsible officers.

In the circumstances, the effectiveness of the IT Department could not be confirmed.

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the State Department'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 the Management is aware of the intentions to abolish the State Department or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may

occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 State Department's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the State Department 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 State Department to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi


25 January, 2024

MINISTRY OF EDUCATION - STATE DEPARTMENT FOR UNIVERSITY EDUCATION
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For the year ended 30, June 2023.


11. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE, 2023

| | Note | 2022-2023 | 2021-2022 |
|---|------|------------------------|------------------------|
| | | Kshs | Kshs |
| RECEIPTS | | | |
| Proceeds from Domestic and Foreign Grants | 1 | 49,623,420 | - |
| Transfers from National Treasury | 2 | 62,547,196,816 | 64,449,798,619 |
| Proceeds from Foreign Borrowings | 3 | 1,500,000,000 | 53,679,386 |
| Proceeds from Sale of Assets | 4 | 36,073,000,240 | 36,641,041,318 |
| TOTAL REVENUES | | 100,169,820,476 | 101,144,519,323 |
| PAYMENTS | | | |
| Compensation of Employees | 5 | 237,548,747 | 258,008,361 |
| Use of goods and services | 6 | 184,595,214 | 136,047,479 |
| Transfers to Other Government Units | 7 | 82,550,137,837.45 | 85,016,468,678 |
| Other grants and transfers | 8 | 248,832,357 | 251,964,581 |
| Social Security Benefits | 9 | 5,474,944 | 2,650,000 |
| Acquisition of Assets | 10 | 16,935,125,741 | 15,451,712,500 |
| TOTAL PAYMENTS | | 100,161,714,840 | 101,116,851,599 |
| SURPLUS/(DEFICIT) | | 8,105,636 | 27,667,724 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11/12 2023 and signed by:



Dr. Beatrice M. Inyangala
Principal Secretary.



CPA Margaret W. Kariuki
Senior Deputy Accountant General
ICPAK Member Number: 4291


MINISTRY OF EDUCATION - STATE DEPARTMENT FOR HIGHER EDUCATION & RESEARCH


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

12. STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE, 2023

| | Note | 2022-2023 | 2021-2022 |
|---|------|-------------------|--------------------|
| | | Kshs | Kshs |
| FINANCIAL ASSETS | | | |
| Cash and Cash Equivalents | | | |
| Bank Balances | 11A | 24,107,736 | 182,274,170 |
| Cash Balances | 11B | - | 623,010 |
| Total Cash And Cash Equivalents | | 24,107,736 | 182,897,180 |
| Accounts Receivables - Outstanding Imprest and Clearence Accounts | 12 | 3,154,121 | 889,485 |
| TOTAL FINANCIAL ASSETS | | 27,261,857 | 183,786,665 |
| LESS: FINANCIAL LIABILITIES | | | |
| Accounts Payables - Deposits | 13 | 18,474,331 | 156,118,937.50 |
| NET FINANCIAL ASSETS | | 8,787,527 | 27,667,728 |
| REPRESENTED BY | | | |
| Fund balance b/fwd | 14 | 27,667,727 | 3,211,278 |
| Surplus/de ficit | | 8,105,636 | 27,667,724 |
| Prior year adjustments | 15 | (26,985,833) | (3,211,278) |
| NET FINANCIAL POSITION | | 8,787,530 | 27,667,724 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11/12/2023 and signed by:


Dr. Beatrice M. Inyangala
Principal Secretary.


CPA Margaret W. Kariuki
Senior Deputy Accountant General
ICPAK Member Number: 4291

MINISTRY OF EDUCATION - STATE DEPARTMENT FOR HIGHER EDUCATION & RESEARCH


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For the year ended 30 June, 2023.

13. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2023

| | Note | 2022-2023 | 2021-2022 |
|--|------|-------------------------|-------------------------|
| | | Kshs | Kshs |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts for operating income | | | |
| Transfers from National Treasury | 1 | 62,547,196,816 | 64,449,798,619 |
| | | 62,596,820,236 | 64,449,798,619 |
| Payments for operating expenses | | | |
| Compensation of Employees | 5 | 237,548,747 | 258,008,361 |
| Use of goods and services | 6 | 184,595,214 | 136,047,479 |
| Transfers to Other Government Units | 7 | 82,550,137,837 | 85,016,468,678 |
| Other grants and transfers | 8 | 248,832,357 | 251,964,581 |
| Social Security Benefits | 9 | 5,474,944 | 2,650,000 |
| | | 83,226,589,099 | 85,665,139,099 |
| Adjusted for: | | | |
| Changes in receivables | 16 | (2,264,636) | (889,485) |
| Changes in payables | 17 | (137,644,607) | 7,695,660 |
| Adjustments during the year | 15 | (26,985,833) | (3,211,278) |
| Net cashflow from operating activities | | (20,796,663,939) | (21,211,745,583) |
| CASHFLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Assets | 4 | 36,073,000,240 | 36,641,041,318 |
| Acquisition of Assets | 10 | (16,935,125,741) | (15,451,712,500) |
| Net cash flows from Investing Activities | | 19,137,874,499 | 21,189,328,818 |
| CASHFLOW FROM BORROWING ACTIVITIES | | | |
| Proceeds from Foreign Borrowings | 3 | 1,500,000,000 | 53,679,386 |
| Net cash flow from financing activities | | 1,500,000,000 | 53,679,386 |
| NET INCREASE IN CASH AND CASH EQUIVALENT | | (158,789,440) | 31,262,621 |
| Cash and cash equivalent at BEGINNING of the year | | 182,897,180 | 151,634,556 |
| Cash and cash equivalent at END of the year | | 24,107,740 | 182,897,177 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11/12/2023 and signed by:


Dr. Beatrice M. Inyangala
 Principal Secretary.


CPA Margaret W. Kariuki
 Senior Deputy Accountant General
 ICPAK Member Number: 4291

MINISTRY OF EDUCATION - STATE DEPARTMENT FOR UNIVERSITY EDUCATION

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**14. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: RECURRENT AND DEVELOPMENT
COMBINED FOR THE YEAR ENDED 30 JUNE, 2023**


| | Note | Printed Estimate | Reallocati on / Transfer | Supplementary Estimates | Final Approved Estimate (Net) | Actual | Budget Utilization Differences | % of Utilization |
|---|------|---------------------------|--------------------------------|----------------------------|----------------------------------|---------------------------|-----------------------------------|---------------------|
| | | a | b | c | d=a+b+c | e | f=d-e | g=e/d% |
| RECEIPTS | | | | | | | | |
| Proceeds from Domestic and Foreign Grants | 1 | 388,133,330.00 | 0 | -95,469,064.00 | 292,664,266.00 | 49,623,420.45 | 243,040,845.55 | 16.96% |
| Exchequer releases | 2 | 64,655,030,000.00 | 0 | -1,678,379,345.00 | 62,809,800,000.00 | 62,547,196,815.60 | 262,603,184.40 | 99.58% |
| Proceeds from Foreign Borrowings | 3 | 2,415,353,000.00 | 0 | -376,753,000.00 | 2,038,600,000.00 | 1,499,999,999.80 | 538,600,000.20 | 73.58% |
| Proceeds from Sales of Assets | 4 | 42,379,478,998.00 | 0 | 762,937,348.00 | 43,142,416,346.00 | 36,073,000,240.00 | 7,069,416,106.00 | 83.61% |
| Total | | 109,837,995,328.00 | 0 | -1,387,664,061.00 | 108,283,480,612.00 | 100,169,820,475.85 | 8,113,660,136.15 | 92.51% |
| PAYMENTS | | | | | | | | |
| Compensation of Employees | 5 | 250,000,000.00 | 0 | -12,600,000.00 | 237,400,000.00 | 237,548,746.70 | -148,746.70 | 100.06% |
| Use of goods and Services | 5 | 263,734,696.00 | 0 | -40,074,345.00 | 223,660,351.00 | 184,595,214.10 | 40,242,009.40 | 82.53% |
| Transfers to Other Government Units | 7 | 92,134,195,328.00 | 0 | -1,479,339,716.00 | 90,654,855,612.00 | 82,550,137,837.45 | 8,152,533,748.55 | 91.06% |
| Other Grants and Transfers | 8 | 252,000,000.00 | 0 | 0 | 252,000,000.00 | 248,832,357.00 | 3,167,643.00 | 98.74% |
| Social Security Benefits | 9 | 16,450,000.00 | 0 | -10,950,000.00 | 5,500,000.00 | 5,474,944.10 | 25,055.90 | 99.54% |
| Acquisition of Assets | 10 | 16,921,615,304.00 | 0 | 155,300,000.00 | 17,076,915,304.00 | 16,935,125,741.00 | 250,896,859.00 | 99.17% |
| Total | | 109,837,995,328.00 | 0 | -1,387,664,061.00 | 108,450,331,267.00 | 100,161,714,840.35 | 8,446,716,569.15 | 92% |

Note:

(The variances in the combined statement have been explained in the separate statements for recurrent and development.)

The entity financial statements were approved on 11/12/2023 and signed by


Dr. Beatrice M. Inyangala
Principal Secretary.


CPA Margaret W. Kariuki
Senior Deputy Accountant General
ICPAK Member Number: 4291

MINISTRY OF EDUCATION - STATE DEPARTMENT FOR HIGHER EDUCATION & RESEARCH

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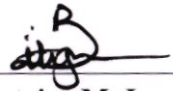
15. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: RECURRENT FOR THE YEAR ENDED 30 JUNE, 2023


| | Note | Printed Estimate | Reallocation / Transfer | Supplementary Estimates | Final Approved Estimate (Net) | Actual | Budget Utilization Differences | % of Utilization |
|---|-----------|------------------------|-------------------------|-------------------------|-------------------------------|--------------------------|--------------------------------|------------------|
| | | a | b | c | d=a+b+c | e | f=d-e | g=e/d% |
| RECEIPTS | | | | | | | | |
| Proceeds from Domestic and Foreign Grants | 1 | 0 | 0 | 42,664,266 | 42,664,266 | 42,664,266 | 0 | 100.00% |
| Exchequer releases | 2 | 60,477,800,000 | 0 | 166,850,655 | 60,477,800,000 | 60,525,959,601 | (48,159,601) | 100.08% |
| Proceeds from Sales of Assets | 4 | 42,379,478,998 | 0 | 762,937,348 | 43,142,416,346 | 36,073,000,240 | 7,069,416,106 | 83.61% |
| Total | | 102,857,278,998 | 0 | 972,452,269 | 103,662,880,612 | 96,641,624,107 | 7,021,256,505 | 93.23% |
| PAYMENTS | | | | | | | | |
| Compensation of Employees | 5 | 250,000,000 | 0 | (12,600,000) | 237,400,000 | 237,548,747 | (148,747) | 100.06% |
| Use of goods and Services | 6 | 263,734,696 | 0 | (40,074,345) | 223,660,351 | 184,595,214 | 39,065,137 | 82.53% |
| Transfers to Other Government Units | 7 | 86,653,478,998 | 0 | 1,019,376,614 | 87,672,855,612 | 80,528,935,869.80 | 7,143,919,742 | 91.85% |
| Other Grants and Transfers | 8 | 252,000,000 | 0 | 0 | 252,000,000 | 248,832,357 | 3,167,643 | 98.74% |
| Social Security Benefits | 9 | 16,450,000 | 0 | (10,950,000) | 5,500,000 | 5,474,944 | 25,056 | 99.54% |
| Acquisition of Assets | 10 | 15,421,615,304 | 0 | 16,700,000 | 15,438,315,304 | 15,435,125,741.20 | 3,189,563 | 99.98% |
| Total | | 102,857,278,998 | 0 | 972,452,269 | 103,829,731,267 | 96,640,512,873 | 7,189,218,394 | 93.08% |

Notes:

- i. The under collection of Proceeds from Sale of Assets by 16.39% was due to under collection of AIA by the Universities and SAGAs.
- ii. The underutilization of use of goods and services by 17.47 % is due to delay in procurement process.
- iii. The underutilization of transfers to other government units by 8.15% was due to under collection of AIA by the Universities and SAGAs.

The entity financial statements were approved on 11/12/ 2023 and signed by:


Dr. Beatrice M. Inyangala
 Principal Secretary.


CPA Margaret W. Kariuki
 Senior Deputy Accountant General
 ICPAK Member Number: 4291

MINISTRY OF EDUCATION - STATE DEPARTMENT FOR HIGHER EDUCATION & RESEARCH

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16. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS: DEVELOPMENT FOR THE YEAR ENDED 30 JUNE, 2023


| | Note | Printed Estimate | Reallocat ion / Transfer | Supplementary Estimates | Final Approved Estimate (Net) | Actual | Budget Utilization Differences | % of Utilization |
|---|------|-------------------------|--------------------------------|----------------------------|----------------------------------|-------------------------|-----------------------------------|---------------------|
| | | a | b | c | d=a+b+c | e | f=d-e | g=e/d% |
| RECEIPTS | | | | | | | | |
| Proceeds from Domestic and Foreign Grants | 1 | 388,133,330.00 | 0 | -138,133,330.00 | 250,000,000.00 | 6,959,154.45 | 243,040,845.55 | 2.78% |
| Exchequer releases | 2 | 4,177,230,000.00 | 0 | -1,845,230,000.00 | 2,332,000,000.00 | 2,021,237,214.30 | 310,762,785.70 | 86.67% |
| Proceeds from Foreign Borrowings | 3 | 2,415,353,000.00 | 0 | -376,753,000.00 | 2,038,600,000.00 | 1,499,999,999.80 | 538,600,000.20 | 73.58% |
| Total | | 6,980,716,330.00 | 0 | -2,360,116,330.00 | 4,620,600,000.00 | 3,528,196,368.55 | 1,092,403,631.45 | 76.36% |
| PAYMENTS | | | | | | | | |
| Transfers to Other Government Units | 7 | 5,480,716,330.00 | 0 | -2,498,716,330.00 | 2,982,000,000.00 | 2,021,201,967.65 | 960,798,032.35 | 67.78% |
| Acquisition of Assets | 10 | 1,500,000,000.00 | 0 | 138,600,000.00 | 1,638,600,000.00 | 1,499,999,999.80 | 138,600,000.20 | 91.54% |
| Total | | 6,980,716,330.00 | 0 | -2,360,116,330.00 | 4,620,600,000.00 | 3,521,201,967.45 | 1,099,398,032.55 | 76% |

Notes:

- i. The under receipt and non-utilization of proceeds from domestic and foreign grants by 97.22% was as a result of not spending an allocation of Kshs. 138m for HEST project since the funds were held and paid from the deposit account.
- i. The under receipt of exchequer releases by 13.33% is due to delays in implementation of capital projects.
- ii. The under receipt of proceeds from foreign borrowings (KAIST Project) by 26.42% is due to delays in disbursement process.
- iv. The underutilization of transfers to other Government Units (Capital Grants) by 32.22% is due to suppliers not meeting terms of the contract.
- v. Underutilization of acquisition of assets (KAIST Project) by 8.46% is due to delays in the disbursement process

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Dr. Beatrice M. Inyangala
 Principal Secretary.


CPA Margaret W. Kariuki
 Senior Deputy Accountant General
 ICPAK Member Number: 4291

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17. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES FOR THE YEAR ENDED 30 JUNE, 2023

| Program | Sub | Description | Approved | Actual Payments | Variance |
|------------------|------------|--|---------------------------|---------------------------|-------------------------|
| 504000000 | | University Education | 107,051,055,663.00 | 98,847,838,640.35 | 8,203,217,022.65 |
| | 504010000 | University Education | 89,568,228,167.00 | 81,563,921,157.75 | 8,004,307,009.25 |
| | 504020000 | Quality Assurance and Standards | 378,050,487.00 | 282,490,487.00 | 95,560,000.00 |
| | 504030000 | Higher Education Support Services | 17,104,777,009.00 | 17,001,426,995.60 | 103,350,013.40 |
| 506000000 | | Research, Science, Technology and Innovation | 1,067,397,362.00 | 1,022,515,626.35 | 44,881,735.65 |
| | 506010000 | Research Management and Development | 664,679,595.00 | 654,797,859.35 | 9,881,735.65 |
| | 506020000 | Knowledge and Innovation Development and Commercialization | 132,875,963.00 | 97,875,963.00 | 35,000,000.00 |
| | 506030000 | Science and Technology Development and Promotion | 269,841,804.00 | 269,841,804.00 | 0 |
| 508000000 | | General Administration, Planning and Support Services | 331,878,242.00 | 291,360,573.65 | 40,517,668.35 |
| | 508010000 | Headquarters Administrative Services | 331,878,242.00 | 291,360,573.65 | 40,517,668.35 |
| | | Grand Total | 108,450,331,267.00 | 100,161,714,840.35 | 8,288,616,426.65 |

18. SIGNIFICANT ACCOUNTING POLICIES

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

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the State Department of University Education. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012 and also comprise of the following development projects implemented by the State Department for University Education:

- i. Support for Higher Education Science and Technology (HEST) Project.
- ii. Establishment of Kenya Advanced Institute of Science and Technology (KAIST) Project.
- iii. Eastern and Southern Africa Higher Education Centers of Excellence (ACE II) Project.

3. Reporting Currency

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

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

i) Transfers from the Exchequer

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

ii) External Assistance

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

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criterion is applied for loans received in the form of a direct payment.

During the year ended 30th June 2023, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

iii) Other receipts

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

b) Recognition of payments

The State Department for University Education recognises all payments when the event occurs, and the related cash has been paid out.

i) Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

ii) Use of Goods and Services

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

iii) Interest on Borrowing

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

iv) Principal on Borrowing

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made.

v) Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

vi) In-kind contributions

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

vii) Third Party Payments

Included in the receipts and payments, are payments made on its behalf to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties in the statement of receipts and payments as proceeds from foreign borrowings.

c) Cash and Cash Equivalents

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

Restriction on Cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2023, this amounted to Kshs 18,474,330.90 as compared to Kshs 156,118,938.00 in prior period as indicated on note 13. There were no other restrictions on cash during the year

a) Imprests and advances

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

b) Third party deposits and retentions

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

d) Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2022 for the period 1st July 2022 to 30th June 2023 as required by Law and there were two supplementary adjustments to the original budget during the year.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

Government Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers.

e) Comparative Figures

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

f) 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 30th June 2023.

g) Prior Period Adjustments

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

h) Related Party Transactions

Related party means parties are related if one party has the ability to:

- a) Control the other party or
- b) Exercise significant influence over the other party in making financial and operational decisions, or if the related party entity and another entity are subject to common control.

Related party transaction is a transfer of resources or obligations between related parties regardless of whether a price is charged.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships, The State Department of University Education 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.

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19. NOTES TO THE FINANCIAL STATEMENTS

1. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

| Name of Donor | 2022-2023 | 2021-2022 |
|--|-------------------|------------------|
| | Kshs | Kshs |
| Grants Received from Bilateral Donors (Foreign Governments) | | |
| IDA | 49,623,420 | - |
| TOTAL | 49,623,420 | - |

2. EXCHEQUER RELEASES

| Description | 2022-2023 | 2021-2022 |
|--|-----------------------|-----------------------|
| | Kshs | Kshs |
| Total Exchequer Releases for quarter 1 | 17,029,691,220 | 19,438,505,507 |
| Total Exchequer Releases for quarter 2 | 10,515,613,295 | 12,332,477,895 |
| Total Exchequer Releases for quarter 3 | 17,330,302,991 | 19,551,687,097 |
| Total Exchequer Releases for quarter 4 | 17,671,589,310 | 13,127,128,120 |
| TOTAL | 62,547,196,816 | 64,449,798,619 |

3. PROCEEDS FROM FOREIGN BORROWINGS

| Description | 2022-2023 | 2021-2022 |
|---------------------------------------|----------------------|-------------------|
| | Kshs | Kshs |
| Exchequer | | |
| Foreign Borrowing - Direct Payments | 1,500,000,000 | 53,679,386 |
| Foreign Currency and Foreign Deposits | | |
| TOTAL | 1,500,000,000 | 53,679,386 |

4. PROCEEDS FROM SALE OF ASSETS

| Description | 2022-2023 | 2021-2022 |
|---|-----------------------|-----------------------|
| | Kshs | Kshs |
| Receipts from the Sale of Inventories, Stocks and Commodities (AIA from Universities) | 31,347,000,240 | 32,141,041,318 |
| Repayments from Domestic Loans to Individuals and Households (HELB) | 4,726,000,000 | 4,500,000,000 |
| TOTAL | 36,073,000,240 | 36,641,041,318 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. COMPENSATION OF EMPLOYEES

| Description | 2022-2023 | 2021-2022 |
|--|--------------------|--------------------|
| | Kshs | Kshs |
| Basic salaries of permanent employees | 167,495,584 | 177,044,012 |
| Personal allowances paid as part of salary | 70,053,163 | 80,964,349 |
| TOTAL | 237,548,747 | 258,008,361 |

6. USE OF GOODS AND SERVICES

| Description | 2022-2023 | 2021-2022 |
|--|-----------------------|--------------------|
| | Kshs | Kshs |
| Utilities, supplies and services | 6,787,502 | 6,294,457 |
| Communication, supplies and services | 7,911,593 | 3,831,549 |
| Domestic travel and subsistence | 37,512,663 | 12,093,738 |
| Foreign travel and subsistence | 10,561,279 | 8,774,221 |
| Printing, advertising and information supplies & services | 1,600,052 | 2,424,996 |
| Rentals of produced assets | 46,345,258 | 47,113,219 |
| Training expenses | 7,128,636 | 5,830,339 |
| Hospitality supplies and services | 21,933,629 | 8,616,096 |
| Specialized materials and services | 3,428,359 | 4,704,630 |
| Office and general supplies and services | 7,611,954 | 5,162,681 |
| Fuel Oil and Lubricants | 12,504,579 | 8,432,842 |
| Other operating expenses | 4,377,141 | 5,117,748 |
| Routine maintenance – vehicles and other transport equipment | 8,730,393 | 10,677,121 |
| Routine maintenance – other assets | 8,162,177 | 6,973,842 |
| TOTAL | 184,595,214.10 | 136,047,479 |

7. TRANSFERS TO OTHER GOVERNMENT ENTITIES

| Description | 2022-2023 | 2021-2022 |
|--|-----------------------|-----------------------|
| | Kshs | Kshs |
| Current Grants to Government Agencies and other Levels of Government | 77,354,114,273 | 78,128,307,412 |
| Capital Grants to Government Agencies and other Levels of Government | 2,021,231,968 | 3,513,369,663 |
| Transfers to Private Universities | 3,174,791,597 | 3,374,791,603 |
| TOTAL | 82,550,137,837 | 85,016,468,678 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. OTHER GRANTS AND OTHER PAYMENTS

| Description | 2022-2023 | 2021-2022 |
|---|--------------------|--------------------|
| | Kshs | Kshs |
| Scholarships and other educational benefits | 248,832,357 | 251,964,581 |
| Total | 248,832,357 | 251,964,581 |

9. SOCIAL SECURITY BENEFITS

| Description | 2022-2023 | 2021-2022 |
|--|------------------|------------------|
| | Kshs | Kshs |
| Government pension and retirement benefits | 5,474,944 | 2,650,000 |
| TOTAL | 5,474,944 | 2,650,000 |

10. ACQUISITION OF ASSETS

| Description | 2022-2023 | 2021-2022 |
|--|-----------------------|-----------------------|
| | Kshs | Kshs |
| Non Financial Assets | | |
| Construction of Buildings | 1,500,000,000 | 53,679,386 |
| Purchase of Vehicles and Other Transport Equipment | 16,393,000 | |
| Purchase of Office Furniture and General Equipment | 7,732,741 | 2,382,652 |
| Sub Total | 1,524,125,741 | 56,062,038 |
| Financial Assets | | |
| Domestic Lending and On-Lending | 15,411,000,000 | 15,395,650,462 |
| Sub Total | 15,411,000,000 | 15,395,650,462 |
| TOTAL | 16,935,125,741 | 15,451,712,500 |

11A. BANK ACCOUNTS

| Name of Bank, Account No. & currency | Exc rate (if in foreign currency) | 2022-2023 | 2021-2022 |
|---|-----------------------------------|-------------------|--------------------|
| | | Kshs | Kshs |
| Central Bank of Kenya, 1000302698- Recurrent, KShs | 1 | 104,171.35 | 13,128,285 |
| Central Bank of Kenya, 1000302771-CBK 165, KShs | 1 | - | - |
| Central Bank of Kenya, 1000302712- Development, KShs | 1 | 5,529,234.15 | 13,026,947 |
| Central Bank of Kenya, 1000302747- Deposit, KShs | 1 | 18,474,330.90 | 156,118,938 |
| Total | | 24,107,736 | 182,274,170 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11.B CASH IN HAND

| Description | 2021-2022 | 2021-2022 |
|--|-----------|----------------|
| | Kshs | Kshs |
| Cash in Hand – Held in domestic currency | - | 623,010 |
| Cash in Hand – Held in foreign currency | - | |
| TOTAL | - | 623,010 |

12. ACCOUNTS RECEIVABLES

| Description | 2022-2023 | 2021-2022 |
|---------------------|------------------|----------------|
| | Kshs | Kshs |
| Salary Advances | 14,721 | 58,884 |
| District suspense | - | |
| Government Imprests | 3,139,400 | 830,601 |
| TOTAL | 3,154,121 | 889,485 |

13. ACCOUNTS PAYABLE

| Description | 2022-2023 | 2021-2022 |
|--------------|-------------------|--------------------|
| | Kshs | Kshs |
| Deposits | 18,474,331 | 148,423,379 |
| TOTAL | 18,474,331 | 148,423,379 |

14. BALANCES BROUGHT FORWARD

| Description | 2022-2023 | 2021-2022 |
|---------------------------------------|-------------------|------------------|
| | Kshs | Kshs |
| Bank accounts | 182,274,170 | 151,634,556 |
| Cash in hand | 623,010 | - |
| Receivables - Outstanding Imprests | 889,485 | 0 |
| Payables - Deposits | (156,118,938) | (148,423,278) |
| TOTAL | 27,667,727 | 3,211,278 |

15. PRIOR YEAR ADJUSTMENTS

| Description of the error | Balance b/f FY 2021/2022 as per audited financial statements | Adjustments during the year relating to prior periods | Adjusted ** Balance b/f |
|--------------------------|--|--|--------------------------------|
| | Kshs | Kshs | Kshs |
| Bank account Balances | 182,274,170 | (26,155,232) | 156,118,938 |
| Cash in hand | 623,010 | | |
| Accounts Payables | (156,118,938) | - | (156,118,938) |
| Receivables | 889,485 | (830,601) | 889,485 |
| Total | 27,667,727 | (26,985,833) | 889,485 |

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. (INCREASE)/ DECREASE IN RECEIVABLE

| Description | 2022-2023 | 2021-2022 |
|---|-------------|-----------|
| | KShs | KShs |
| Receivables as at 1 st | 889,485 | - |
| Receivables as at 30 th | 3,154,121 | 889,485 |
| (Increase)/ Decrease in Receivables (c=(a-b)) | - 2,264,636 | - 889,485 |

17. INCREASE/ (DECREASE) IN ACCOUNTS PAYABLE

| Description | 2022-2023 | 2021-2022 |
|--|---------------|----------------|
| | Kshs | Kshs |
| Payables as at 1 st July (a) | 156,118,936 | 148,423,276.00 |
| Payables as at 30 th June (b) | 18,474,331 | 156,118,936 |
| Increase/ (Decrease) in payables (b-a) | - 137,644,605 | 7,695,660 |

18. PROGRESS ON FOLLOW UP OF PRIOR YEARS AUDITOR'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: | Timeframe: |
|--|---|--|---------------------------|---|
| | | | (Resolved / Not Resolved) | (Put a date when you expect the issue to be resolved) |
| 2021/2022 | | | | |
| 322 | Unsupported other Grants and Transfers | The supporting documentation has been availed to the Auditors. | Pending PAC Resolutions | |
| 323 | Failure to Prepare Bank Reconciliation | Bank reconciliation have been prepared and availed to the Auditor. | Pending PAC Resolutions | |
| 324 | Undisclosed Foreign Travel | Documentatio to support the foreign travel and the revised estimates have been availed to the Auditor. | Pending PAC Resolutions | |
| 325 | Other Operating Expenses | | Pending PAC Resolutions | |
| 325.1 | Expenditure not Disclosed as a pending bill | The pending bill orinated later from basic education as a shared garbage collection cost and has since been settled. | Pending PAC Resolutions | |
| 325.2 | Expenditure wrongly Classified | The error has since been rectified through a journal entry in the IFMIS system | Pending PAC Resolutions | |
| 326 | Compensation of Employees | A Journal was posted to correct this anormally. | Pending PAC Resolutions | |
| 327 | Transfers to Other Government Agencies | | Pending PAC Resolutions | |

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| | | | | |
|-------|---|--|--------------------------------|--|
| 327.1 | Current Grants to Government Agencies and Other Levels of Government. | The supporting documentation on these transfers has been availed to the Auditors and the two affected Universities(Gatundu& Tharaka) have reconciled their records and sent confirmation letters of receipt availed to the Auditors. | <i>Pending PAC Resolutions</i> | |
| 327.2 | Unsupported Capital Grants to Government Agencies | A reconciliation has been done on the figures and the necessary documentation availed to the Auditor. | <i>Pending PAC Resolutions</i> | |
| 327.3 | Unsupported Transfers to Private Universities | The relevant explanations and documentation has been provided to the Auditor | <i>Pending PAC Resolutions</i> | |
| 328 | Lack of Audit Committee | The Audit committee has been appointed and the appointment letter availed to the Auditors. | <i>Pending PAC Resolutions</i> | |
| 329 | Non-Compliance with one Third Pay Rule | This was due to the changes in the tax structure during the COVID period | <i>Pending PAC Resolutions</i> | |
| 330 | Lack of Fixed Asset Register | A fixed Asset register has been Availed to the Auditors. | <i>Pending PAC Resolutions</i> | |
| 331 | Non Conformity to the Staff Establishmet | This was as Postings of staff by different scheme administrators whom the state dept has no control. | <i>Pending PAC Resolutions</i> | |
| 332 | Employees in Biodata but not in Payroll | The biodata and payroll have been reconciled | <i>Pending PAC Resolutions</i> | |
| | | DONOR FUNDED PROJECTS. | <i>Pending PAC Resolutions</i> | |
| 333 | Inaccuracies in the Financial Statements | These inaccuracies have since been reconciled and availed to the Auditor. | <i>Pending PAC Resolutions</i> | |
| 334 | Defects and Delays in Delivery of Equipment to Various Universities | These defects and delays have been explained and supporting documentation availed to the Auditor. | <i>Pending PAC Resolutions</i> | |
| 335 | Uncorrected Prior Periods Error on Recall of Performance Securies. | These errors have since been corrected,reflected and disclosed the state departments financial statements. | <i>Pending PAC Resolutions</i> | |
| 336 | Undisclosed Pending Accounts Payables | These pending accounts payables have now been analysed and the analysis provided to the Auditor. | <i>Pending PAC Resolutions</i> | |
| 337 | Late Submission of Financial Statements | The necessary explanations have now been submitted to the Auditor. | <i>Pending PAC Resolutions</i> | |
| 338 | Irregular Signing of Contract | The explanations and supporting documentation has been availed to the Auditor. | <i>Pending PAC Resolutions</i> | |
| 339 | Failure to Open and Maintain a separate Project Bank Account | The project design allowed for direct payment by the Donor as per the financing agreement through journals to the National treasury. | <i>Pending PAC Resolutions</i> | |
| 342 | Unsupported and Unaccounted for Expenditure on Fuel and Lubricants for Motor Vehicles | Surppoting documentation for the expenditure on fuel and lubricants was verified by the Auditor. | <i>Pending PAC Resolutions</i> | |

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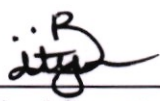
| | | | | |
|-----|--|---|-------------------------|--|
| 343 | Payment for Undelivered Goods and Irregular charge of Unrelated Expenditure | The supporting documentation for the purchase of the project vehicle and other transport equipment has been availed to the Auditor. The project staff were all from the state department and therefore used these vehicles. | Pending PAC Resolutions | |
| 344 | Lack of Fixed Asset Register and Ownership Documents | A fixed Asset register has been provided by management and availed to the Auditor. | Pending PAC Resolutions | |
| 345 | Delayed Construction Works | Explanation for the delayed construction works have availed to the Auditor by the management. | Pending PAC Resolutions | |
| 346 | Lack of Internal Audit on the Project | The management has availed the explanations to the Auditor on the overlap. | Pending PAC Resolutions | |
| 349 | Budgetary Control and Performance | The necessary explanations have been availed to the Auditor. | Pending PAC Resolutions | |
| 350 | Failure to Open and Maintain a separate Project Bank Account | The necessary explanations have been provided by management as per the financing agreement. | Pending PAC Resolutions | |
| 353 | Unsupported Adjustments in the Financial statements | The adjustments have since been supported by management | Pending PAC Resolutions | |
| 354 | Ineligible Expenditure | The necessary explanations and support have been availed to the Auditor. | Pending PAC Resolutions | |
| 355 | Non -Compliance with Public Finance Management Regulations,2015- Budgetary Control and Performance | The managements comments on the non-compliance have been availed to the Auditor. | Pending PAC Resolutions | |
| 356 | Delays in Project Implementation | The necessary explanations have been availed to the Auditors. | Pending PAC Resolutions | |
| 360 | Budgetary Control and Performance | Managements comments have been provided to the Auditor. | Pending PAC Resolutions | |
| 361 | Acquisition of Non - Financial Assets - Renewable Energy Equipment | The managements explanations have been availed to the Auditor. | Pending PAC Resolutions | |
| 362 | Imprests and Advances | The managements comments and explanations were provided to the Audit | Pending PAC Resolutions | |
| | | | | |
| | | | | |
| | YEAR 2020/2021 | | | |
| 282 | Cash and Cash Equivalents - Unsupported Payments | The supporting details of the payments were availed and verified. | Resolved | |
| 283 | Unsupported Payments on Rentals of Produced Assets | The signed lease agreements supporting payments of rent were availed and verified. | Resolved | |
| 284 | Unauthorized Motor Vehicle Repairs | The supporting documentation for approval of the motor vehicle repairs were availed and verified | Resolved | |
| 285 | Unconfirmed Transfers to Private Universities | The transfers to three universities were confirmed and reconciled. | Resolved | |

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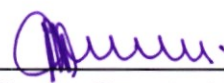
| | | | | |
|------------|---|--|----------|--|
| 286 | Capital Grants to Government Agencies | | | |
| 286.1 | Unsupported Disbursements | These were project funds disbursed as capital grants to the universities implementing them. The details of the disbursements were availed and verified. | Resolved | |
| 286.2 | Wasteful and Unauthorized Legal Costs | The liability arose from a court case and it had to be settled to caution the Accounting Officer from being committed for contempt of court and to also ensure that the Government does not lose more in terms of interest that would have subsequently accrued. Authority was sort to settle the legal costs. | Resolved | |
| 287 | Use of Goods and Services | The payments were made following National Treasury's advise to utilize available balances in order to clear the negatives that resulted from the budget cuts during supplementary I and II budget revision. | Resolved | |
| 288 | Other Grants and Transfers – Irregular Payment of Allowances | The payments were made following National Treasury's advise to utilize available balances in order to clear the negatives that resulted from the budget cuts during supplementary I and II budget revision. | Resolved | |
| 290 | Compensation of Employees | | | |
| 290.1 | Irregular Payment of Special Duty Allowance | The supporting evidence for the payments was availed and verified. | Resolved | |
| 290.2 | Entertainment Allowance | The circular supporting approval for the payment of this allowance was sort, availed and verified. | Resolved | |
| 290.3 | Unapproved Positions in the Establishment | The State Department sort approval from the Public Service Commission to review the staff establishment. | Resolved | |
| 291 | Proposed Construction of Design and Manufacturing Block at Dedan Kimathi University of Technology | The contractor took over the site and noted adverse site conditions which necessitated redesigning of the foundation. Due to the effects, the contractor proposed that the project completion date be been revised. | Resolved | |
| 293 | Delayed Completion of Projects | The delay resulted from budget cuts (budget rationalization) on development funding slowing down implementation of the projects and affecting the completion dates. | Resolved | |
| 294 | Inaccuracies in the Financial Statements | The opening balances for the purchase of specialized plant, equipment and machinery was restated reconciling the donor and project account and verified. | Resolved | |
| 295 | Defects and Delays in Delivery of Equipment to Various Universities | The issue of rejected equipment was presented to the Public Accounts Committee in the Financial reports of the project for the financial years 2016/17, 2017/18, 2018/19 and 2019/2020. The committee pronounced that the explanations provided by the Ministry were satisfactory. | Resolved | |

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| | | | | |
|-------|---|---|----------|--|
| 300 | Acquisition of Asset | This expenditure was capitalized and captured in the Financial Statements under building and structure. It has been rectified in year 2021/2022 Financial Statements as work in progress. | Resolved | |
| | Purchase of Goods and Services | Payments made for the project were incurred by the project implementation committee members who are also staff of the State Department involved in project implementation activities. | Resolved | |
| 302 | Project Motor Vehicles | Two project vehicles were procured for the project activities and were being used by the Ministry officials while undertaking the project activities. | Resolved | |
| 369.1 | Capital grants to Universities. | Funds are transferred to various universities in accordance with Public Finance Management Act and Treasury circulars. All the transfers have been supported | Resolved | |
| 369.2 | Capital Grants with no Specific Projects: | Capital Grants with no specific projects have been supported. | Resolved | |
| 369.3 | Current Grants to Government Agencies and Other Levels of Government. | The transfers to universities has been explained and supported. | Resolved | |
| 371 | Delay of Exchequer Release | Release of funds is the responsibility of the National Treasury and it depends on Revenue collection. | Resolved | |
| 372 | Pending Bills | The pending bills have been settled. | Resolved | |
| | | Responses are with Public Accounts Committee of Parliament awaiting recommendations. | Resolved | |



Principal Secretary



Senior Deputy Accountant General

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20. ANNEXES

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

| S. No. | Supplier of Goods or Services | Original Amount | Date Contracted | Amount Paid To-Date | Outstanding Balance | Outstanding Balance | Comments |
|--------|--|-----------------|-----------------|---------------------|---------------------|---------------------|----------|
| | | | | | 2022/2023 | 2021/2022 | |
| | | a | b | c | d=a-c | | |
| | Supply of goods | | | | | | |
| 1 | COMCHOICE AFRICA LTD | | | | | 16,135,415.00 | Not Paid |
| 2 | AKARIM AGENCIES CO. LTD | | | | | 939,295.00 | Not Paid |
| 3 | Aveda General Agencies | | | | | 58,500.00 | Not Paid |
| 4 | Attic tours and travel Ltd | | | | | 71,450.00 | Not Paid |
| 5 | GOFIT TRAVEL & LOGISTICS LIMITED | | | | | 1,373,710.00 | Not Paid |
| 6 | Grand Winstone Hotel | | | | | 369,600.00 | Not Paid |
| 7 | REALEDGE AFRICA | | | | | 3,684,380.00 | Not Paid |
| 8 | Ministry of Information Communication Technology | | | | | 554,077.00 | Not Paid |
| 9 | Machakos University | | | | | 358,000.00 | Not Paid |
| 10 | Marypride Ventures | | | | | 122,600.00 | Not Paid |
| 11 | Masada Hotel | | | | | 175,000.00 | Not Paid |
| 12 | Pewin motors | | | | | 411,055.55 | Not Paid |
| 13 | Safaricom Ltd | | | | | 69,588.00 | Not Paid |
| 14 | Tanklin Investment | | | | | 141,050.00 | Not Paid |
| 15 | Trawell Co. Ltd | | | | | 249,105.00 | Not Paid |
| 16 | Vilech enterprise | | | | | 433,500.00 | Not Paid |
| 17 | Daima Productions | | | | | 196,000.00 | Not Paid |
| 18 | Empolos Hotel | | | | | 419,650.00 | Not Paid |
| 19 | Kaylan Tours and Travel Ltd | | | | | 113,974.00 | Not Paid |

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| | | | | | | |
|----|-------------------------------|--|--|--------------|----------------------|----------|
| 20 | Waterbuck Hotel Ltd | | | | 587,700.00 | Not Paid |
| 21 | Amsun Products and services | | | | 72,757.00 | Not Paid |
| 22 | Worldbay Agencies Ltd | | | | 182,460.00 | Not Paid |
| | SUB TOTAL 2021/2022 | | | | 26,718,866.55 | |
| | RECURRENT | | | | | |
| 23 | JAYPA ENTERPRISES | | | 869,040.00 | | Not Paid |
| 24 | FLEX OFFICE SYSTEM | | | 685,975.00 | | Not Paid |
| 25 | BOKOH LIMITED | | | 3,790,137.65 | | Not Paid |
| 26 | CAMBARIC INVESTMENTS | | | 178,800.00 | | Not Paid |
| 27 | HILORN GENERAL SUPPLIES | | | 183,450.00 | | Not Paid |
| 28 | SWIFT GRAPHIC SUPPLIES | | | 332,800.00 | | Not Paid |
| 29 | JERICH HAND CRAFTS | | | 356,188.00 | | Not Paid |
| 30 | DECHTECH SOLUTIONS | | | 784,600.00 | | Not Paid |
| 31 | UNIFACE AGENCIES | | | 192,550.00 | | Not Paid |
| 32 | ZAYONI ENTERPRISES | | | 142,330.00 | | Not Paid |
| 33 | WHITEROSE OFFICE SERVICES | | | 325,200.00 | | Not Paid |
| 34 | JOELY GENERAL SUPPLIES | | | 485,000.00 | | Not Paid |
| 35 | TWERA ENTERPRISES | | | 390,000.00 | | Not Paid |
| 36 | PINETOWN AGENCIES LIMITED | | | 162,800.00 | | Not Paid |
| 37 | SCARBEX SERVICES | | | 229,100.00 | | Not Paid |
| 38 | ONLINE AGENCIES | | | 403,400.00 | | Not Paid |
| 39 | EIMARKS ENTERPRISE | | | 129,800.00 | | Not Paid |
| 40 | LONGROCK TOURS AND TRAVEL LTD | | | 296,515.00 | | Not Paid |
| 41 | UNIKEM ENTERPRISES | | | 138,250.00 | | Not Paid |
| 42 | SAROVA WOODLANDS | | | 3,104,000.00 | | Not Paid |

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| | | | | | | |
|----|--|--|--|--|---------------|----------|
| 43 | KONZA TECHNOPOLIS DEV'T AUTHORITY | | | | 10,929,612.80 | Not Paid |
| 44 | SAROVA WOODLANDS | | | | 2,896,000.00 | Not Paid |
| 45 | TYSONS LIMITED | | | | 14,597,764.80 | Paid |
| 46 | KENYA DEVELOPMENT CORPORATION LTD | | | | 8,528,398.00 | Not Paid |
| 47 | GOVERNMENT ADVERTISING AGENCY | | | | 259,768.75 | Not Paid |
| 48 | TELKOM | | | | 217,458.04 | Not Paid |
| 49 | ZOA TAKA LIMITED | | | | 1,005,041.00 | Not Paid |
| 50 | SGS KENYA LIMITED | | | | 410,036.00 | Not Paid |
| 51 | LONGROCK TOURS AND TRAVEL LTD | | | | 296,515.00 | Not Paid |
| 52 | HIMLEYS SERVICES | | | | 129,700.00 | Not Paid |
| 53 | GOVERNMENT ADVERTISING AGENCY | | | | 98,793.25 | Not Paid |
| 54 | KELNTONARD ENTERPRISES | | | | 550,000.00 | Not Paid |
| 55 | ZICHLONA TRADERS | | | | 80,320.00 | Not Paid |
| 56 | ZEEN LINK MEDIA LTD | | | | 678,950.00 | Not Paid |
| 57 | VANSCO ENTERPRISES | | | | 168,500.00 | Not Paid |
| 58 | JOHUB GENERAL SUPPLIES | | | | 682,000.00 | Not Paid |
| 59 | NEWTELIN AGENCIES | | | | 255,100.00 | Not Paid |
| 60 | MOKEMO INVESTMENTS | | | | 127,600.00 | Not Paid |
| 61 | KENYA SCHOOL OF GOVERNMENT | | | | 725,630.00 | Not Paid |
| 62 | KENYA SCHOOL OF GOVERNMENT | | | | 120,640.00 | Not Paid |
| 63 | KENYA SCHOOL OF GOVERNMENT | | | | 766,000.00 | Not Paid |
| 64 | LEWIX GENERAL SERVICES | | | | 1,234,000.00 | Not Paid |
| 65 | EAGLE PALACE HOTEL LTD | | | | 214,600.00 | Not Paid |

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| | | | | | | | |
|----|--|--|--|--|--------------|--|----------|
| 66 | INSTITUTE OF HUMAN RESOURCE MANAGEMENT | | | | 162,400.00 | | Not Paid |
| 67 | GOVERNMENT ADVERTISING AGENCY | | | | 88,725.75 | | Not Paid |
| 68 | EMPOLOS HOTEL | | | | 758,500.00 | | Not Paid |
| 69 | REALEDGE AFRICA VENTURES | | | | 183,690.00 | | Not Paid |
| 70 | SAROVA WOODLANDS | | | | 202,500.00 | | Not Paid |
| 71 | KENYA POWER | | | | 4,220,670.00 | | Paid |
| 72 | EMPOLOS HOTEL | | | | 980,500.00 | | Not Paid |
| 73 | ALICEPAT INVESTMENTS | | | | 1,547,750.00 | | Not Paid |
| 74 | CLACEN LIMITED | | | | 925,370.00 | | Not Paid |
| 75 | ZIPJOE AGENCIES | | | | 399,999.00 | | Not Paid |
| 76 | JOJAC INVESTMENTS | | | | 18,900.00 | | Not Paid |
| 77 | DUPLEAF AFRICAN LIMITED | | | | 230,750.00 | | Not Paid |
| 78 | JOJAC INVESTMENTS | | | | 821,400.00 | | Not Paid |
| 79 | UNES UNIVERSITY BOOKSTORE | | | | 545,496.00 | | Not Paid |
| 80 | FIRST AUTO CARE | | | | 63,568.00 | | Not Paid |
| 81 | GOVERNMENT ADVERTISING AGENCY | | | | 98,793.25 | | Not Paid |
| 82 | WINNIFER ENTERPRISES | | | | 673,091.00 | | Not Paid |
| 83 | FIRST AUTO CARE | | | | 127,136.00 | | Not Paid |
| 84 | CUNNINGHAM STANLEY INVESTMENT LTD | | | | 178,470.00 | | Not Paid |
| 85 | KENYA SCHOOL OF GOVERNMENT | | | | 1,555,360.00 | | Not Paid |
| 86 | KENYA SCHOOL OF GOVERNMENT | | | | 405,420.00 | | Not Paid |
| 87 | KELNTONARD ENTERPRISES | | | | 164,600.00 | | Not Paid |
| 88 | FOJASI TECH SOLUTIONS | | | | 857,500.00 | | Not Paid |

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| | | | | | | |
|--------------------|---|--|--|-----------------------|----------------------|-----------------------|
| 89 | VICMARK HOTEL & LODGES | | | 178,600.00 | | Not Paid |
| 90 | EMPOLOS HOTEL | | | 203,500.00 | | Not Paid |
| 91 | REALEDGE AFRICA VENTURES | | | 39,400.00 | | Not Paid |
| 92 | GOVERNMENT ADVERTISING AGENCY | | | 180,757.50 | | Not Paid |
| 93 | COMMISSION FOR UNIVERSITY EDUCATION | | | 2,560,000.00 | | Not Paid |
| 94 | CENTER FOR MATHEMATICS SCIENCE & TECHNOLOGY IN AFRICA | | | 146,860.00 | | Not Paid |
| 95 | EMPOLOS HOTEL | | | 462,500.00 | | Not Paid |
| 96 | BONCLYDE AFRICA LTD | | | 370,750.00 | | Not Paid |
| 97 | JENNTECH SYSTEMS | | | 479,950.00 | | Not Paid |
| 98 | Trawel company limited | | | 510,450.00 | | Not Paid |
| 99 | Eserian Resort | | | 168,000.00 | | Not Paid |
| 100 | Hotel Waterbuck | | | 179,400.00 | | Not Paid |
| | SUB - TOTAL - REC. 2022/2023 | | | 78,843,119.79 | | |
| | DEVELOPMENT | | | | | |
| 101 | PARKLANE CONSTRUCTIONS LTD | | | 22,000,000.00 | | Not Paid |
| 102 | MS. PARKLANE CONSTRUCTION LTD | | | 12,690,868.00 | | Not Paid |
| 104 | ZIPJOE AGENCIES | | | 869,850.00 | | Not Paid |
| 105 | GLHOPEN KENYA LIMITED | | | 2,995,920.00 | | Not Paid |
| 106 | INSTITUTE OF INTERNAL AUDITORS | | | 136,880.00 | | Not Paid |
| | SUB TOTAL - DEV. 2022/2023 | | | 38,693,518.00 | | |
| TOTALS | | | | 117,536,637.79 | 26,718,866.55 | |
| GRAND TOTAL | | | | | | 144,255,504.34 |

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ANNEX 2 – FIXED ASSETS SCHEDULE

| Asset class | Historical Cost b/f | Additions during the Year | Disposals during the Year | Transfers in/(out) during the year | Historical Cost c/f |
|-----------------------------------|----------------------------|----------------------------------|----------------------------------|---|----------------------------|
| | (Kshs) | (Kshs) | (Kshs) | | (Kshs) |
| Land | | | | | |
| Buildings and structures | 6,292,250,216.00 | 1,390,892,703.80 | | | 7,683,142,919.80 |
| Transport equipment | 2,778,600.00 | 16,393,000.00 | | | 19,171,600.00 |
| Office equipment, furniture | 3,555,083.00 | 7,732,741.20 | | | 11,287,824.20 |
| Machinery and Equipment | 7,269,390.00 | | | | 7,269,390.00 |
| Heritage and cultural assets | | | | | |
| Intangible assets | | | | | |
| Domestic lending and on - lending | | | | | |
| Total | 6,305,853,289.00 | 1,415,018,445.00 | | | 7,720,871,734.00 |

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ANNEX 3 – LIST OF PROJECTS IMPLEMENTED BY THE STATE DEPARTMENT FOR HIGHER EDUCATION AND RESEARCH

| Ref | Project Name | Principal activity of the project | Accounting Officer | Project consolidated in these financial statements (yes/no) |
|-----|---|---|---------------------------|---|
| 1 | Support To Enhancement Of Quality And Relevance In Higher Education | (i) To Finance the purchase of identified equipment for existing (ii) Capacity building of existing staff in engineering and applied sciences at (iii) The project will support the construction of a teaching, learning and experiential centre at WMI. | Dr. Beatrice M. Inyangala | YES |
| 2 | Construction of Centres of Excellence (ACE II) | (i) Build institutional capacity to provide quality post graduate education with (ii) Develop and enhance partnerships with other academic institutions (national, Develop and enhance partnerships with industry and private sector to generate greater impact. | Dr. Beatrice M. Inyangala | YES |
| 3 | Construction of KAIST at Konza Technopolis | To promote relevant Research and Development through promotion of industrial- academic collaboration for stimulating of technological and industrial transformation. This aims at making Kenya industrially competitive in the globe by transforming it into an industrializing middle-income country as envisioned in the Kenya vision 2030. | Dr. Beatrice M. Inyangala | YES |

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ANNEX 4 – LIST OF SAGAs & PUBLIC UNIVERSITIES FUNDED UNDER THE STATE DEPARTMENT FOR UNIVERSITY EDUCATION

| Ref | SC, SAGA or Public Fund's Name | Principal Activity of Entity | Accounting Officer | Amount transferred during the year 2022-2023 - Recurrent | confirmations | Amount transferred during the year 2022-2023 Development - | Total Rec & Dev Amount Transferred during the Financial Year 2022-2023 | Inter-Entity Reconciliations Done?(Yes/No) |
|-----|--|------------------------------|--------------------|--|---------------|--|--|--|
| 1 | Technical University of Kenya | Provide University Education | Vice Chancellor | 1,988,880,331.00 | | 35,487,583.00 | 2,024,367,914.00 | Yes |
| 2 | Technical University of Mombasa | Provide University Education | Vice Chancellor | 962,347,916.00 | | - | 962,347,916.00 | Yes |
| 3 | University of Nairobi | Provide University Education | Vice Chancellor | 5,610,967,359.00 | | - | 5,610,967,359.00 | Yes |
| 4 | Koitalel Samoei UC | Provide University Education | Principal | 129,658,360.00 | | 39,430,648.00 | 169,089,008.00 | Yes |
| 5 | University of Embu | Provide University Education | Vice Chancellor | 628,750,182.00 | | 27,601,454.00 | 656,351,636.00 | Yes |
| 6 | Kenyatta University | Provide University Education | Vice Chancellor | 3,374,601,855.00 | | | 3,374,601,855.00 | Yes |
| 7 | Machakos University | Provide University Education | Vice Chancellor | 999,531,333.00 | | 47,601,454.00 | 1,047,132,787.00 | Yes |
| 8 | Egerton University | Provide University Education | Vice Chancellor | 2,228,358,479.00 | | | 2,228,358,479.00 | Yes |
| 9 | Jomo Kenyatta University of Agriculture and Technology | Provide University Education | Vice Chancellor | 3,009,118,251.00 | | 27,207,147.00 | 3,036,325,398.00 | Yes |
| 10 | Open university | Provide University Education | Vice Chancellor | 153,739,147.00 | | | 153,739,147.00 | Yes |
| 11 | Pan African University | Provide University | Vice Chancellor | 63,465,215.00 | | | 63,465,215.00 | Yes |

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| | | | | | | | | |
|----|-----------------------------------|------------------------------|-----------------|------------------|--|----------------|------------------|-----|
| | | y Education | | | | | | |
| 12 | Kirinyaga University | Provide University Education | Vice Chancellor | 360,106,665.00 | | 23,658,389.00 | 383,765,054.00 | Yes |
| 13 | Murang'a University of Technology | Provide University Education | Vice Chancellor | 515,665,956.00 | | 125,629,922.00 | 641,295,878.00 | Yes |
| 14 | Taita Taveta University | Provide University Education | Vice Chancellor | 406,118,796.00 | | 35,487,583.00 | 441,606,379.00 | Yes |
| 15 | Co-operative University | Provide University Education | Vice Chancellor | 283,060,755.00 | | 35,132,707.00 | 318,193,462.00 | Yes |
| 16 | Maseno University | Provide University Education | Vice Chancellor | 1,750,126,981.00 | | 34,698,970.00 | 1,784,825,951.00 | Yes |
| 17 | Kabianga University | Provide University Education | Vice Chancellor | 814,344,603.00 | | 27,601,454.00 | 841,946,057.00 | Yes |
| 18 | Tom Mboya UC | Provide University Education | Principal | 389,135,453.00 | | 39,430,648.00 | 428,566,101.00 | Yes |
| 19 | Moi University | Provide University Education | Vice Chancellor | 3,438,280,603.00 | | 31,544,431.00 | 3,469,825,034.00 | Yes |
| 20 | Gatundu UC/Mama Ngina | Provide University Education | Principal | 145,234,111.00 | | 39,430,648.00 | 184,664,759.00 | Yes |
| 21 | Bomet UC | Provide University Education | Principal | 313,170,059.00 | | 59,430,648.00 | 372,600,707.00 | Yes |
| 22 | Garissa University | Provide University Education | Vice Chancellor | 469,085,070.00 | | 232,804,361.00 | 701,889,431.00 | Yes |
| 23 | Rongo University | Provide University Education | Vice Chancellor | 628,719,691.00 | | 77,678,377.00 | 706,398,068.00 | Yes |
| 24 | Alupe UC | Provide University Education | Principal | 183,316,260.00 | | 99,715,324.00 | 283,031,584.00 | Yes |

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| | | | | | | | | |
|----|--|------------------------------|-----------------|------------------|--|----------------|------------------|-----|
| 25 | Masinde Muliro University | Provide University Education | Vice Chancellor | 1,762,741,502.00 | | 75,202,982.00 | 1,837,944,484.00 | Yes |
| | Kibabii University | Provide University Education | Vice Chancellor | 652,226,400.00 | | 33,121,745.00 | 685,348,145.00 | Yes |
| 27 | Kaimosi UC | Provide University Education | Principal | 456,358,077.00 | | 102,837,069.00 | 559,195,146.00 | Yes |
| 28 | Turkana UC | Provide University Education | Principal | 226,778,986.00 | | 27,601,454 | 254,380,440.00 | Yes |
| 29 | South Eastern Kenya University | Provide University Education | Vice Chancellor | 940,357,506.00 | | 37,995,760.00 | 978,353,266.00 | Yes |
| 30 | Pwani University | Provide University Education | Vice Chancellor | 784,105,289.00 | | 26,812,841.00 | 810,918,130.00 | Yes |
| 31 | Chuka University | Provide University Education | Vice Chancellor | 1,333,854,721.00 | | 15,772,259.00 | 1,349,626,980.00 | Yes |
| 32 | Kisii University | Provide University Education | Vice Chancellor | 1,183,877,277.00 | | 25,629,921.00 | 1,209,507,198.00 | Yes |
| 33 | Laikipia University of Technology | Provide University Education | Vice Chancellor | 894,695,904.00 | | 31,938,825.00 | 926,634,729.00 | Yes |
| 34 | Dedan Kimathi University of Technology | Provide University Education | Vice Chancellor | 926,103,693.00 | | 22,869,776.00 | 948,973,469.00 | Yes |
| 35 | Meru University of Technology | Provide University Education | Vice Chancellor | 738,783,422.00 | | 111,983,041.00 | 850,766,463.00 | Yes |
| 36 | Multimedia University | Provide University Education | Vice Chancellor | 619,558,004.00 | | 20,858,813.00 | 640,416,817.00 | Yes |
| 37 | Maasai Mara University | Provide University Education | Vice Chancellor | 1,055,337,864.00 | | | 1,055,337,864.00 | Yes |

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|----|-------------------------------------|--|-----------------|------------------|---------------|------------------|-----|
| 38 | University of Eldoret | Provide University Education | Vice Chancellor | 1,973,497,469.00 | 19,715,324.00 | 1,993,212,793.00 | Yes |
| 39 | Karatina University | Provide University Education | Vice Chancellor | 750,597,143.00 | 27,601,454.00 | 778,198,597.00 | Yes |
| 40 | Jaramogi Oginga Odinga University | Provide University Education | Vice Chancellor | 1,071,976,228.00 | 78,861,307.00 | 1,150,837,535.00 | Yes |
| 41 | Tharaka UC | Provide University Education | Principal | 284,526,438.00 | 53,625,681 | 284,526,438.00 | Yes |
| 42 | KUCCPS | Placement of students in universities & colleges | CEO | 21,958,110.00 | | 21,958,110.00 | Yes |
| 43 | NACOSTI | Regulate and assure quality in science, technology & innovation centre | CEO | 207,841,804.00 | | 207,841,804.00 | Yes |
| 44 | Commission for University Education | A credit and quality assure in university education | CEO | 160,490,487.00 | | 160,490,487.00 | Yes |
| 45 | HELB - Current Grants | Source for funds and finance students enrolled in recognised institutions of learning. | CEO | 171,598,080.00 | | 171,598,080.00 | Yes |
| 46 | National Research Fund | Mobilise and channel resources for research, science, technology | Ag. CEO | 323,037,923.00 | | 323,037,923.00 | Yes |

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| | | | | | | | | |
|----|--|---|---------|----------------|--|---------------|----------------|-----|
| | | y and innovation | | | | | | |
| 47 | Kenya National Innovation Agency | Scout for and nurture innovative ideas | CEO | 62,875,963.00 | | | 62,875,963.00 | Yes |
| 48 | University Funding Board | Mobilise resources for financing education | CEO | 274,525,812.00 | | | 274,525,812.00 | Yes |
| 49 | African Institute for Capacity and Development | Provide University Education | CEO | 56,000,000.00 | | | 56,000,000.00 | Yes |
| 50 | Biosafety Appeals Board | Hear Appeals from persons aggrieved by decisions made by the National Biosafety Authority | Ag. CEO | 29,634,474.00 | | | 29,634,474.00 | Yes |
| 51 | National Biosafety Authority | Supervision and control of genetically modified organisms | CEO | 108,675,000.00 | | | 108,675,000.00 | Yes |
| 52 | 103902- Science & technology programme activities | Placement of students in universities & colleges | CEO | | | 30,400,400.00 | 30,400,400.00 | Yes |
| | 103903- construction of physical science lab phase 1 | | | | | 44,526,200.00 | | |

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|----|---|--|-----|--|-----------------------|----------------------|-----------------------|-----|
| | 103904-infrast.Dev for National sci,tech & innovation. | | | | | 5,073,600.00 | | |
| 53 | University Education Management System | | | | | 67,200.00 | 67,200.00 | |
| 54 | KAIST | Regulate and assure quality in science, technology & innovation centre | CEO | | | 65,414,015.00 | 65,414,015.00 | Yes |
| 55 | ACE II | | | | | 11,682,020.00 | 11,682,020.00 | |
| 59 | 1044 Construction of admin & lecture theatre | Source for funds and finance students enrolled in recognised institutions of learning. | CEO | | | 2,761,454.00 | 2,761,454.00 | Yes |
| 60 | Construction and Equipping Science Laboratories | | | | | 31,544,518.00 | 31,544,518.00 | |
| 61 | Construction of Modern Library | | | | | 15,772,259.00 | 15,772,259.00 | |
| | Sub Total | | | | 45,917,797,007 | 1,878,014,531 | 47,773,813,192 | |
| | HELB | | | | | | | |
| | HELB - Scholarships & Other Educational Benefits - Tertiary | | | | 237,000,000.00 | | | Yes |

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|--|--|--|-------------------------------|--|--|--|-----|
| HELB - Loans from the Higher Education Loans Board | | | 10,685,000,000 .00 | | | | Yes |
| AIA - HELB | | | 4,726,000,000. 00 | | | | |
| Total | | | 15,648,000,000 .00 | | | | |

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ANNEX 5 – OTHER CURRENT TRANSFERS (TRANSFERS TO PRIVATE UNIVERSITIES)

| Ref. | University / University College | Amount Transferred Recurrent - FY 2022- 2023 |
|-------------|---|---|
| 1 | AFRICA INTERNATIONAL UNIVERSITY | 32,785,659.20 |
| 2 | AFRICA NAZARENE UNIVERSITY | 71,542,153.61 |
| 3 | AMREFINTERNATIONAL UNIVERSITY | 3,057,281.72 |
| 4 | CATHOLIC UNIVERSITY OF EAST AFRICA | 222,699,003.60 |
| 5 | DAYSTAR UNIVERSITY | 64,817,433.17 |
| 6 | GREAT LAKES UNIVERSITY OF KISUMU | 31,077,914.10 |
| 7 | GRETTA UNIVERSITY | 67,720,733.12 |
| 8 | INTERNATIONAL LEADERSHIP UNIVERSITY | 1,297,807.70 |
| 9 | KABARAK UNIVERSITY | 357,433,101.35 |
| 10 | KCA UNIVERSITY | 317,867,850.46 |
| 11 | KENYA ASSEMBLIES OF GOD EAST UNIVERSITY | 7,492,525.34 |
| 12 | KENYA HIGHLANDS EVANGELICAL UNIVERSITY | 41,808,525.52 |
| 13 | KENYA METHODIST UNIVERSITY | 208,269,566.34 |
| 14 | TECHNOLOGY | 18,843,715.90 |
| 15 | LUKENYA UNIVERSITY | 55,650,418.35 |
| 16 | MANAGEMENT UNIVERSITY OF AFRICA | 20,471,859.51 |
| 17 | MARIST INTERNATIONAL UNIVERSITY COLLEGE | 11,416,297.94 |
| 18 | MOUNT KENYA UNIVERSITY | 750,253,163.76 |
| 19 | PAN AFRICA CHRISTIAN UNIVERSITY | 10,570,889.60 |
| 20 | PIONEER INTERNATIONAL UNIVERSITY | 58,435,936.70 |
| 21 | PRESBYTERIAN UNIVERSITY OF EAST AFRICA | 152,947,601.13 |
| 22 | RAF INTERNATIONAL UNIVERSITY | 4,974,773.52 |
| 23 | RIARA UNIVERSITY | 15,840,256.07 |
| 24 | SCOTT CHRISTIAN UNIVERSITY | 21,614,582.08 |
| 25 | ST PAULS UNIVERSITY | 123,116,084.19 |
| 26 | TANGAZA UNIVERSITY COLLEGE | 16,961,215.79 |
| 27 | THE EAST AFRICAN UNIVERSITY | 34,208,309.42 |
| 28 | UMMA UNIVERSITY | 44,066,890.12 |
| 29 | UNITED STATES INTERNATIONAL UNIVERSITY | - |
| 30 | UNIVERSITY OF EASTERN AFRICA, BARATON | 157,842,792.28 |
| 31 | UZIMA UNIVERSITY COLLEGE | 63,593,329.61 |
| 32 | ZETECH UNIVERSITY | 186,113,929.18 |
| | TOTAL | 3,174,791,600 |

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ANNEX 6 – ANALYSIS OF DEPOSITS HELD IN DEPOSIT BANK ACCOUNT AS AT 30TH JUNE 2023

| NO. | NAME OF SUPPLIER | | 2022-2023 | 2021 - 2022 |
|-----|--|-----------------|-------------------|----------------------|
| 1 | Parkline Construction Limited (Retention money) | | | 2,149,325.80 |
| 2 | Parkline Construction Limited (Retention money) | | | 4,900,000.00 |
| 3 | Parkline Construction Limited (Retention money) | | | 4,463,382.50 |
| 4 | Parkline Construction Limited (Retention money) | | | 4,100,000.00 |
| 5 | Parkline Construction Limited (Retention money) | | | 1,082,851.10 |
| 6 | Net Proceeds from disposal of idle assets | | | 855,240.00 |
| 7 | BEING PAYMENT OF DEDUCTION FROM AINEAH MUHANJI AU | PV000093/1 | 3,000.00 | |
| 8 | BEING PAYMENT OF DEDUCTION FROM MATHEWS TEKEL AUGUST 2022 SALARY | PV000093 | 6,000.00 | |
| 9 | BEING PAYMENT OF SEPTEMBER 2022 SALARY DEDUCTION | PV000419/1 | 9,000.00 | |
| 10 | BEING PAYMENT OF NOVEMBER, 2022 SALARY DEDUCTIONS | PV000914 | 9,000.00 | |
| 11 | BEING PAYMENT OF DECEMBER 2022 SALARY DEDUCTION | PV001115 | 9,000.00 | |
| 12 | BEING PAYMENT OF JANUARY 2023 SALARY DEDUCTION | PV001461 | 9,000.00 | |
| 13 | BEING PAYMENT OF FEBRUARY 2023 SALARY DEDUCTION | PV001703 | 9,000.00 | |
| 14 | BEING PAYMENT OF FEBRUARY 2023 SALARY DEDUCTION | PV001703/1 | 22,902.25 | |
| 15 | | STD020323/11255 | 815,657.40 | |
| 16 | BEING PAYMENT OF MARCH 2023 SALARY DEDUCTION | PV001978 | 17,821.10 | |
| 17 | BEING PAYMENT OF APRIL 2023 SALARY DEDUCTION | PV002381 | 13,500.00 | |
| | TOTALS | | 923,880.75 | 17,550,799.40 |
| | GRAND TOTAL | | | 18,474,680.15 |

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ANNEX 7- FY 2022/2023 AIA COLLECTION FOR UNIVERSITIES & SAGAS

| S/N | Institution | AIA Estimates for FY 2022/23 | Actual AIA Collected | AIA CAPTURED IN IFMIS | VARIANCE |
|-----|---------------------------------------|------------------------------------|----------------------------|-----------------------------|-----------------|
| 1 | Technical University of Kenya (TUK) | 938,000,000 | 678,344,018 | 678,344,018 | 259,655,982 |
| 2 | Technical University of Mombasa (TUM) | 700,000,000 | 1,022,008,328 | 700,000,000 | (322,008,328) |
| 3 | University of Nairobi | 8,713,000,000 | 9,796,712,814 | 8,713,000,000 | (1,083,712,814) |
| 4 | Koitalel Samoei University College | 43,999,998 | 33,685,486 | 33,685,486 | 10,314,512 |
| 5 | Embu University College | 371,000,000 | 404,802,064 | 371,000,000 | (33,802,064) |
| 6 | Kenyatta University | 5,985,000,000 | 3,562,206,823 | 3,562,206,823 | 2,422,793,177 |
| 7 | Machakos University College | 538,000,000 | 496,049,394 | 496,049,394 | 41,950,606 |
| 8 | Egerton University | 1,523,000,000 | 1,025,611,418 | 1,025,611,418 | 497,388,582 |
| 9 | Jomo Kenyatta University | 3,173,000,000 | 2,705,843,497 | 2,705,843,497 | 467,156,503 |
| 10 | Kirinyaga University | 340,000,000 | 487,579,063 | 340,000,000 | (147,579,063) |
| 11 | Muranga University | 283,000,000 | 386,837,250 | 283,000,000 | (103,837,250) |
| 12 | Taita Taveta University College | 131,000,000 | 143,475,141 | 131,000,000 | (12,475,141) |
| 13 | Cooperative University College | 583,000,000 | 635,493,392 | 583,000,000 | (52,493,392) |
| 14 | Maseno University | 1,082,000,000 | 1,292,507,885 | 1,082,000,000 | (210,507,885) |
| 15 | Tom Mboya University | 131,000,000 | 182,530,684 | 131,000,000 | (51,530,684) |
| 16 | Moi University | 3,477,000,000 | 1,345,585,922 | 1,345,585,922 | 2,131,414,078 |

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| | | | | | |
|----|---|---------------|---------------|---------------|---------------|
| 17 | Gatundu University College | 32,000,000 | 15,422,411 | 15,422,411 | 16,577,589 |
| 18 | Bomet University College | 83,000,000 | 93,571,176 | 83,000,000 | (10,571,176) |
| 19 | Garissa University College | 140,000,000 | 149,476,655 | 140,000,000 | (9,476,655) |
| 20 | Rongo University College | 240,000,000 | 376,070,561 | 240,000,000 | (136,070,561) |
| 21 | Alupe University | 61,000,000 | 69,328,029 | 61,000,000 | (8,328,029) |
| 22 | Masinde Muliro University of Science & Technology | 1,366,000,000 | 1,271,491,326 | 1,271,491,326 | 94,508,674 |
| 23 | Kibabii University College | 376,000,000 | 378,745,266 | 376,000,000 | (2,745,266) |
| 24 | Kaimosi University College | 168,000,000 | 170,022,480 | 168,000,000 | (2,022,480) |
| 25 | Turkana University College | 93,000,000 | 77,786,693.00 | 77,786,693.00 | 15,213,307 |
| 26 | Southern Kenya University | 269,000,000 | 285,422,680 | 269,000,000 | (16,422,680) |
| 27 | Pwani University | 435,000,000 | 454,515,000 | 435,000,000 | (19,515,000) |
| 28 | Chuka University | 532,000,000 | 744,178,112 | 532,000,000 | (212,178,112) |
| 29 | Kisii University | 760,000,000 | 889,824,207 | 760,000,000 | (129,824,207) |
| 30 | Laikipia University | 356,000,000 | 348,707,949 | 348,707,949 | 7,292,051 |
| 31 | Dedan Kimathi University of Technology | 480,000,000 | 722,474,097 | 480,000,000 | (242,474,097) |
| 32 | Meru University of Science & Technology | 452,000,000 | 481,493,154 | 452,000,000 | (29,493,154) |
| 33 | Multi Media University | 490,000,000 | 458,188,848 | 458,188,848 | 31,811,152 |
| 34 | Maasai Mara University | 365,000,000 | 390,972,948 | 365,000,000 | (25,972,948) |
| 35 | University of Kabianga | 373,000,000 | 429,946,039 | 373,000,000 | (56,946,039) |

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| | | | | | |
|----|---|-----------------------|-----------------------|-----------------------|----------------------|
| 36 | University of Eldoret | 467,479,000 | 477,029,687 | 467,479,000 | (9,550,687) |
| 37 | Karatina University | 300,000,000 | 376,960,050 | 300,000,000 | (76,960,050) |
| 38 | Jaramogi Oginga Ondinga University of Science and Technology | 664,000,000 | 454,757,294 | 454,757,294 | 209,242,706 |
| 39 | Tharaka University College | 60,000,000 | 170,272,783 | 60,000,000 | (110,272,783) |
| 40 | | | | | |
| 41 | HELB Kenya Universities and colleges central Placement Services | 4,726,000,000 | 5,387,220,556 | 4,726,000,000 | (661,220,556) |
| 42 | National Commision for Science Technology and innovation | 856,000,000 | 755,840,161 | 755,840,161 | 100,159,839 |
| 43 | Commission of University Education | 62,000,000 | 83,251,412 | 62,000,000 | (21,251,412) |
| 44 | Universities Fund Board | 122,000,000 | 228,374,791 | 122,000,000 | (106,374,791) |
| 45 | National Biosafety Authority | 0 | | | - |
| 46 | National Research Fund | 3,000,000 | 5,527,100 | 3,000,000 | (2,527,100) |
| 47 | National Innovation Agency | - | 42,664,266 | 42,664,266 | (42,664,266) |
| | | 35,000,000 | 40,827,840 | 35,000,000 | (5,827,840) |
| | Total | 42,378,478,998 | 40,029,636,750 | 36,115,664,506 | 2,348,842,248 |

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ANNEX 8- REPORTS GENERATED FROM IFMIS

The following financial Reports Generated from IFMIS should be generated and attached as appendices to these financial statements.

- i. GOK IFMIS Comparison Trial Balance
- ii. FO30 (Bank reconciliations) for all bank accounts
- iii. GOK IFMIS Statement of Receipts and Payments
- iv. GOK IFMIS Statement of Financial Position
- v. GOK IFMIS Statement of Cash Flows
- vi. GOK IFMIS Notes to the Financial Statements
- vii. GOK IFMIS Statement of Budget Execution (Combined, Recurrent & Development)
- viii. GOK IFMIS Statement of Deposits
- ix. GOK IFMIS Budget Execution by Programme and Economic Classification
- x. GOK IFMIS Budget Execution by Heads and Programmes
- xi. GOK IFMIS Budget Execution by Programmes and Sub-programmes

APPENDICES

The following appendices have been attached to the annual report and financial statements.

- i. Certificate of Balances as at 30th June 2023
- ii. Board of Survey Report on Cash and Bank Balances as at 30th June 2023
- iii. Bank Statement Extracts on Closing Bank Balances as at 24th July 2023
- iv. Cashbook Extracts on Closing Cashbook Balances as at 24th July 2023
- v. Summary of Exchequer Issues for the Financial Year Ended 30th June 2023

