

REPUBLIC OF KENYA



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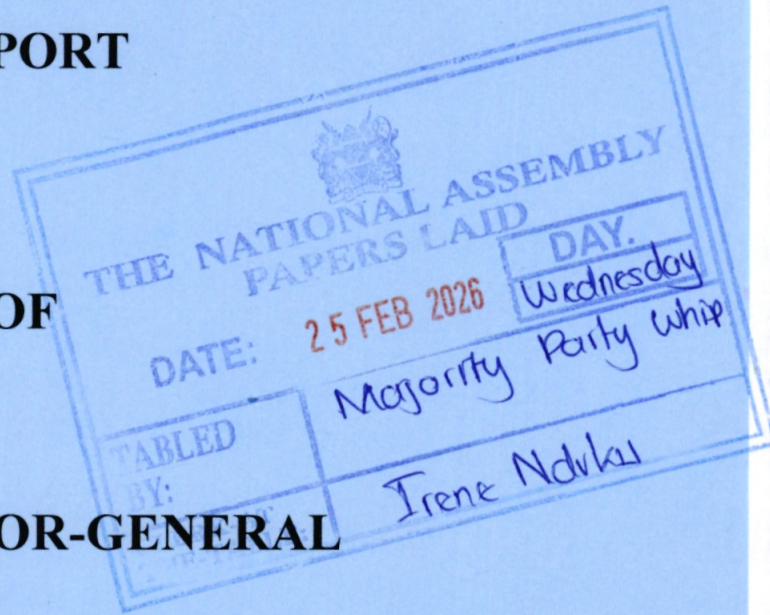


OFFICE OF THE AUDITOR-GENERAL  
Enhancing Accountability

# REPORT

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ON

KARATINA UNIVERSITY

FOR THE YEAR ENDED  
30 JUNE, 2025

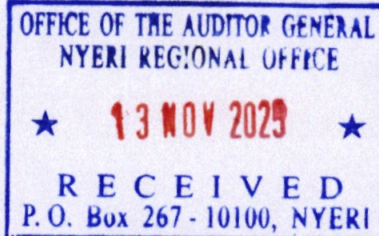




Inspiring Innovation and Leadership

**KARATINA UNIVERSITY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
JUNE 30, 2025**



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





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## 1. Acronyms and Definition of Key Terms

### A: Acronyms

ADR	Alternative Dispute Resolution
AIA	Appropriation In Aid
ARSA	Academic, Research and Student Affairs
COD	Committee of Deans
CSR	Corporate Social Responsibility
CUE	Commission for University Education
DVCs	Deputy Vice Chancellors
ERP	Enterprise Resource Planning
FY	Financial Year
IGA	Income Generating Activity
ICT	Information Communication Technology
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
ISO	International Organization of Standardization
KMFRI	Kenya Marine and Fisheries Research Institute
KUCCPS	Kenya Universities & Colleges Central Placement Service
KRAs	Key Result Areas
NCK	Nursing Council of Kenya
ODEL	Open Distance & E- Learning
P, F&A	Planning, Finance & Administration
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies

SC	State Corporations
SNRES	School of Natural Resources and Environmental Studies
UNEP	United Nations Environment Programme
VC	Vice Chancellor

**B: Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization

**Comparative Year-** Means the prior period.

## 2. Key University Information and Management

### a) Background

Karatina University is a public chartered institution of higher learning as provided for in the Universities Act of 2012, domiciled in Kenya - Nyeri County. It is located 140km North of Nairobi (0039'S37014'E) and 15km from Karatina town, off the Nairobi-Nyeri highway, in an area rich in agricultural soils and endowed with vast natural resources. The serene environment makes it very conducive for scholarly and academic work. The University has established six schools namely: School of Agriculture and Bio-technology, School of Business, School of Education and Social Sciences, School of Natural Resources and Environmental Studies, School of Pure and Applied Sciences and School of Health Sciences.

### b) Principal Activities

The principal activities of the University are stipulated in its vision, mission statements and core values shown below:

#### **Vision**

A University of global excellence, meeting the dynamic needs and development of society.

#### **Mission**

To conserve, create and disseminate knowledge through training, research, innovation and community outreach for posterity.

#### **Core Values**

Equity  
Excellence  
Mutual Respect  
Good Governance  
Academic Freedom  
Accountability  
Teamwork  
Probity

**c) Key Management**

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

- i) University Council (Governance organ)
- ii) Vice Chancellor's Office
- iii) Planning, Finance and Administration Division
- iv) Academic, Research and Student Affairs division

S No.	Designation	Name
1	University council (Governance Organ)	Prof. Joseph Mailutha
2	Vice Chancellor	Prof. Linus MuthuriGitonga
3	Deputy ViceChancellor (P,F&A)	Prof. Richard Kiai
4	Deputy Vice Chancellor (ARSA)	Prof. Franklin Wabwoba
5	Registrar Academic Affairs	Dr. Wangari Gathuthi
6	Registrar Planning &Administration	Mr. Richard Ruhiu
7	Finance Officer	CPA Bethsy Kaino

**d) Fiduciary Management**

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

S No.	Designation	Name
1	Vice Chancellor	Prof. Linus MuthuriGitonga
2	Deputy ViceChancellor (P,F&A)	Prof. Richard Kiai
3	Deputy Vice Chancellor (ARSA)	Prof. Franklin Wabwoba
4	Registrar Academic Affairs	Dr. Wangari Gathuthi
5	Registrar Planning &Administration	Mr. Richard Ruhiu
6	Finance Officer	CPA Bethsy Kaino
7	Senior Legal Officer	Ms. Anne Mumbi
8	Director Quality Assurance	Dr. Charles Wahogo
9	University Librarian	Dr. Evelyne Anduvare
10	Dean of Students	Mr. Joseph Wanjau
11	Director Research, Innovation and Commercialization	Prof. Michael Lokoruka
12	Director ICT	Dr. Gilbert Mugeni
13	Senior Internal Auditor	Ms. Cecily Mukami

**e) Fiduciary Oversight Arrangements**

The Council has the overall mandate of ensuring sound management of the University. This includes: Approving statutes and policies; strategic planning; reviewing management implementation of strategies, policies and plans; risk assessment and management, approving budgets and enhancing sound financial management; promoting quality assurance and

recommending Instruments of Governance. For effectiveness, the Council governs through clearly mandated council committees, coupled with robust monitoring and reporting systems. Each standing council committee has specific terms of reference as set out in the corporate governance statement on pages (xx) to (xxvi).

**f) University Head quarters**

Karatina University  
P.O BOX 1957 - 10101,  
KARATINA

**g) University Contacts**

Telephone no: +254-(0)729-721-200 / 020-2176713  
Web: [www.karu.ac.ke](http://www.karu.ac.ke)  
Email: [vc@karu.ac.ke](mailto:vc@karu.ac.ke)

**h) University Bankers**

1. Kenya Commercial Bank  
P. O. BOX, 192-10101  
KARATINA
2. Co-operative Bank of Kenya  
P.O. BOX, 931-10101  
KARATINA
3. Equity Bank of Kenya  
P.O. Box 855 – 10101  
KARATINA

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112,

City Square 00200 Nairobi, Kenya.

### 3. Members of the University Council

#### **Chairman of Council; Independent & Non-Executive Director**



**Prof. Joseph T Mailutha**

Prof. Joseph Thingithu Mailutha, born In 1956, is a retired Kenyan Agricultural Engineer with over four decades of experience in academia, public service, and consultancy. He holds a PhD in Agricultural Engineering (Renewable Energy) from Jomo Kenyatta University of Agriculture and Technology and advanced degrees in Farm Machinery and Energy from Krakow University of Agriculture, Poland. Prof. Mailutha served as Deputy Vice Chancellor (Administration, Planning, and Finance) at Kisii University and Associate Professor at JKUAT, mentoring postgraduate students, leading research, and fostering institutional growth. He also worked with Kenya's Ministry of Agriculture, spearheading rural structures and farm machinery initiatives. His extensive leadership experience, technical strategic planning and institutional development, would bring visionary leadership, innovative solutions, and a commitment to fostering growth and sustainability.



**Prof. Linus Gitonga**

#### **Vice Chancellor & Council Secretary, Executive Director**

Prof. Linus Gitonga is the Vice Chancellor of Karatina University. He was appointed to the position on 12<sup>th</sup> September, 2023. He served as the Deputy Vice Chancellor in charge of Planning, Finance and Administration. Previously, He served as the Deputy Principal in charge of the same portfolio before the institution's transition to University status. In that capacity as head of Planning, Finance and Administration Division, he was responsible for overseeing preparation and implementation of budgets, performance contracting and general infrastructural growth of the university. He also served as a member of the Board at the Kenya Innovation Agency (KENIA) where he was chair of the Finance and HR Committee. Further, he has served in the Board of Mikumbune Secondary School as a member and Chairman.

Prof. Linus Gitonga is a full professor of entomology and holds a PhD from JKUAT and Masters of Science degrees from Kenyatta University. He has long teaching and research experience at

JKUAT and held several administrative positions. He served as the Director Academic Programs at both Taita Taveta Campus and Meru University college of Science and Technology. In the course of his work, he has supervised many Postgraduate students and is well published. He was born in 1964.

**Independent & Non-Executive Director**



**Eng. David Opiyo**

Eng. David Opiyo holds an MBA in Financial Management and Investment and a degree in Mechanical Engineering (Hons). He is the Director of Enterprise Management, EMR Consult Ltd in Nairobi. He also chairs the Boards of Space and Style Ltd and Centre for Enterprise Development and Innovation. He is a Lead Consultant in Environmental Impact Assessment and Environmental Audit since 2009. He has been a Lead Expert in Resource profiling and Development of Industrialization policy for Kisii, Nyamira, Meru, Baringo and Uasin Gishu among others. He is a member of Engineers Registration Board, Kenya from 1977. Previously he has worked as Acting Chief Executive Officer of Kenya Industrial Estates Ltd (2002-2003), a position he rose to from a Project Officer then to General Manager Operations. He is the current Chair of Finance, HR and Resource Mobilization Committee of Council. He was born in 1955.

**Independent & Non-Executive Director**



**CPA Pauline Kitsao Lujanje**

CPA Pauline Kitsao Lujanje holds Master of Business and Administration in Finance from Kenya Methodist University and Certified Public Accountant of Kenya. She retired from the Civil Service at the position of Chief Finance Officer. She is a member of two professional associations; Institute of Public Accountants of Kenya (ICPAK) and Women Accountants of Kenya (AWAK). She is a registered Member of Kenya Accountants Board. She brings a wealth of experience having served within the Public sector in respect to Strategic leadership, project development, budget formulation and execution, expenditure controls and reporting, procurement processes and corporate governance. She is the current chairperson of the Audit and risk management committee. She was born in 1961.



**Mr. Nicholas Kunga Ngece**

### **Independent & Non-Executive Director**

Mr. Nicholas Kunga Ngece holds Master of Science, Bachelor degree in Science and is PhD Candidate in Management Economics. He is the Convener/ Coordinator for the Sustainability Impact Network Africa. He is an Expert in Project Cycle Design, Planning & Management of Finance Grants and Human Resources. He has done consultancies in Programme Design, Management, MEAL. He has previously worked as a Resource Mobilization Specialist at DETRA- Africa Consulting. He has experiences as Programme/Grants Manager in Environment, Natural Resources and Climate Change for Swedish International Development Agency (SIDA)/ Embassy of Sweden. Further, he has served as a Regional Projects Coordinator for Carbon-zero Balance Africa Ltd. Mr. Ngece has also served as a Director at Kenya Trade Remedies Agency in the Ministry of Trade. He is the current chair of Academic, Research and Enterprise Development committee. He was born in 1975.



**Malik Aman**

### **Independent & Non-Executive Director**

Malik Aman is a distinguished Environmental Economist with over 20 years of expertise in climate finance, climate change adaptation, and policy advocacy. He holds a Master of Science in Environmental Economics and has consistently demonstrated exceptional leadership in advancing Kenya's climate resilience agenda. As a Council Member at the University of Karatina, Malik serves as the alternate representative of the Principal Secretary of the National Treasury, contributing his expertise to governance and institutional development. At the National Treasury Climate Finance and Green Economy Unit, he plays a pivotal role in shaping strategies to mobilize resources and implement sustainable, impactful climate initiatives.

In his role as Program Manager for the Financing Locally Led Climate Action Program (FLLoCA), Malik oversees transformative efforts that empower national and county governments to deliver effective climate action to local communities, addressing climate risks and fostering resilience. With extensive experience in mobilizing climate finance, influencing policy frameworks at both local and international levels, and championing locally led approaches to climate adaptation, he integrates global climate goals with actionable, community-driven strategies to ensure sustainable and equitable resilience.



**Ms. Winnie Mwai**

**Independent & Non-Executive Director**

Ms. Winnie Mwai was born in 1971. She holds Master's degree in Business Management (MBA) Strategic Management- USIU (2007), Bachelor Degree in International Relations (2004) – USIU and Diploma in Business Administration - Kenya Polytechnic (1992). Has over 20 years' experience serving in various capacities in the public and private sector.

Ms. Mwai has a wealth of experience in the public sector in regards to Governance, Leadership and management.



**Mr. James Mwangi Kiburi**

**Independent & Non-Executive Director**

Mr. James Mwangi Kiburi was born in the year 1965. He holds a Master of Philosophy (MPhil.) in Educational Psychology from Moi University as well as a Bachelor of Education (Science) Degree from Kenyatta University as well as Master of Philosophy (MPhil.). He is currently pursuing a PhD in Educational Psychology at Maasai Mara University.

Mr. James is the Director of Education in the Ministry of Education, State Department for Higher Education and Research. He served as the Acting Director of Higher Education for over two (2) years from March 2016 to September, 2018. He has worked with the Ministry of Education in various capacities and duty stations since 1999 to 2024. He previously worked with the City Council of Nairobi as Senior Education Officer and Assistant Director of City Education from 2002 to 2007 and Teachers Service Commission (March 1990 – January 1999) as Secondary School Teacher and Deputy Head Teacher at Simotwo High School and Mukoe Secondary School respectively.

## 4. Key Management Team



**Prof. Linus Gitonga**

**Vice Chancellor**

**Academic Qualification**

Ph.D. (JKUAT); M. Sc. (Kenyatta); B. Ed(Sc.) (Kenyatta)

**Deputy Vice Chancellor  
(Planning, Finance & Administration)**

**Academic Qualification**

Ph.D. (KarU); MBA(JKUAT);  
B.Sc.(Egerton); CPA(K); CIFA; CISA



**Prof. Richard Kiai**

**Deputy Vice Chancellor  
(Academic, Research & Student Affairs)**

**Academic Qualification**

Ph.D. (Masinde Muliro) M.Sc. (Kenyatta University); B.Ed. (Ergerton University);



**Prof. Frankline Wabwoba**

**Registrar (Academic Affairs)**

**Academic Qualification**

D.Phil (Moi); MBA(Moi); M. Ed (UoN);  
B. Ed (Arts)(Moi); MKIM



**Dr. Wangari Gathuthi**



**Mr. Richard Ruhiu**

**Ag.Registrar(Planning & Administration)**

**Academic Qualification**

MBA (Strategic Management), KMU  
B.Ed (Mathematics and Economics), Moi

**Ag. Finance Officer**

**Academic Qualification**

BCOM (JKUAT), MBM Finance (KarU),  
CPA (K)



**CPA, Bethsy Kaino**



**Ms. Anne C Mumbi**

**Senior Legal Officer**

**Academic Qualification**

LLB (UoN); Dip. Law (KSL); CPS (K)

## 5. Council Chairman's Statement

I am pleased to present annual report and financial statements for the year that ended on 30<sup>th</sup> June 2025. This was the twelfth year in operation as a fully-fledged University. We are pleased with the progress made in the University.

Some of the most outstanding achievements during the year include:

- a) Commenced construction of the tuition and laboratory block, Student Centre, and the School of Health Sciences. The projects are significant not only because they will increase available teaching space but also because they are done entirely using internally generated resources.
- b) Completed construction of the University Library that had been under construction since 2018.
- c) Reviewed and promoted a significant number of teaching and non-teaching staff who had stagnated in one job group for a long period. This has motivated the workforce and is expected to result in improved performance.
- d) Appointment of both Deputy Vice Chancellors.
- e) Appointment of the University Chancellor
- f) Supporting the staff in training development both internally and externally. This is expected to increase productivity as well as efficiency
- g) Payment of pending bills and an Up-to date remittance of statutory deductions such as SHIF, NSSF and PAYE. This includes remitting of check-off deductions made by staff members.

The University has also faced some challenges, in particular, overstretched infrastructure due to increase in the number of students. This will be alleviated once the ongoing projects are complete.

As a Council, we continue encouraging academic staff to explore and implement alternative resource mobilization strategies. We will therefore enhance training of staff to build their capacity to write competitive funding proposals.

We are grateful that so far, the Government has supported the University by timely remittance of recurrent grants. We also thank H.E the President of the Republic of Kenya and the Cabinet Secretary for Education for having given us the opportunity to serve Karatina University and indeed the country at large.

I note that the Term of three members will soon be expiring and trust that the Cabinet Secretary will renew their terms. In the meantime, I wish to thank all members of Council for their immense contributions, ideas and presence in both meetings and other activities they were required to participate in. I also wish to thank the University Management for ensuring that there was prudent use of resources. Finally, I wish to thank members of staff, students and guardians for taking up their roles and supporting the University achieve its mission of conserving, creating and disseminating knowledge



**Chairman, Karatina University Council**

## 6. Report of the Vice Chancellor

I hereby present the Annual Report and Financial Statements of Karatina University for the year that ended on 30<sup>th</sup> June 2025 as required by the Universities Act 2012, Karatina University Charter and the Public Financial Management Act 2012.

### Economy and Sector Review

GDP was projected to grow 5.4% in 2024 and 5.8% in 2025, driven by services and household consumption. Inflation is projected to rise to 5.9% in 2024 and 5.5% in 2025, driven by food and energy inflation. Monetary policy is expected to remain tight. The fiscal deficit is expected to narrow to 5.7% of GDP in 2024 and 5.5% in 2025, in line with the fiscal consolidation path. The current account deficit is projected to narrow to 5.0% of GDP in 2024 and 4.8% in 2025, attributable to a recovery in global demand. The outlook is subject to considerable risks, including the effects of a prolonged Russia's invasion of Ukraine on commodity prices, tight global financing, drought, and slow global economic recovery. Possible risk mitigation measures include diversifying exports and market destinations, enhancing domestic resource mobilization, deepening financial sector reforms, and accelerating structural reforms.

### Performance Review

During the year under review, the University undertook its principal activities by use of physical and virtual interactions. All academic activities were conducted smoothly. The University continued to invest in ICT infrastructure so as to ensure business continuity during changes in the business environment.

The University had a student population of 12,575 and 434 members of staff at the end of the financial year. A total of 1,493 students were conferred with various degrees and awarded diplomas during the 12<sup>th</sup> graduation ceremony in October, 2024.

### Operations and Management Review

The University had several achievements during the year under review. Key achievements include:

- i. Realized significant growth in income especially from the New Funding Model. This has enabled the University to undertake major capital projects and procure critical equipment for use in teaching and learning.
- ii. Improved the working environment by providing appropriate office space, furniture and other equipment to support service delivery.
- iii. Upgrading of the ERP software from NAV 2017 to NAV 365 which is web based this is expected to increase efficiency and productivity.

- iv. Supported a large number of staff to attend trainings both within and outside the University. This retooling is intended to equip staff with appropriate skills for effective performance.
- v. Completed the development of Strategic Plan for the period 2023-2027. The priority areas include Quality Teaching and Learning, Research and Innovation Excellence, Partnerships and Linkages, Financial Sustainability, Governance and Human Resource Development and Infrastructural Development.
- vi. Revamped the Directorate of Community outreach to enhance our presence in the neighborhood and beyond. The University undertook various activities such as support for libraries in schools, medical camp and tree planting initiatives.
- vii. Increased international engagement such as participation in the joint ICTP-IAEA-FUNAAB Sub-Sahara Africa School on Applications of Monte Carlo and Molecular Dynamics Simulations in Radiation and Health Physics held from 23rd to 28th June, 2024 in Abeokuta Nigeria, Conference for the International Society for Clinical Biostatistics (ISCB45) held in Thessaloniki, Greece in July and the 2024 summer workshop on Advanced Biostatistical methods, Machine learning for real world data funded by Hasselt University, Belgium among others.
- viii. Established the World Academy for the Future of Women (WAFW) as part of the Karatina University and the Africa Leadership Transformation Framework for Collaboration established in 2023. Karatina University hosted the first such Academy in Africa.

The challenges experienced by the University include;

- i) Infrastructure challenges due to high number of students admitted under the new funding model. This is being addressed by construction of new tuition and Laboratory block which is expected to be completed within two years.

#### **Risk Management**

The University has put in place a robust risk management strategy. This involves a quarterly review of the risks the University faces and developing mechanisms to mitigate them. In addition, the University has ensured a strict adherence to statutory requirements.

### Future Developments

Karatina University Strategic Plan for the period 2023-2027 focuses on five KRAs; - Teaching and Learning, Research and Innovation Excellence, Partnership and Linkages, Financial Sustainability, Governance and Human Resource Development and Infrastructural Development

Some of the specific areas the University will be focusing on include:

- i. Construction of the ICT Complex and subsequent establishment of an ICT Centre of excellence.
- ii. Completion of the School of Health Sciences in Karatina Town as well as the development of a Teaching and Referral Hospital. This will be done in collaboration with the Karatina Level IV hospital.
- iii. Strengthening the School of Nursing and Health Sciences by developing new academic programmes, enhancing the infrastructure and human resources to ensure quality training that meets international standards.
- iv. Enhancing Open and Distance Learning (ODeL) to build capacity so as to recruit more privately sponsored students. iii. Adopt a system-wide approach/ framework to inspire and empower students to complete their studies in time.
- iv. Active engagement with leading partner organizations for research projects and for the purpose of generating additional funds.

On behalf of Karatina University management and staff, I wish to take this opportunity to thank the government, our development partners and all the stakeholders for their continued support.

Finally, I would like to express my sincere gratitude to the University Council for providing policy and strategic guidelines; the entire University staff and students community who worked conscientiously to ensure smooth and successful operations of the University.

Thank you.



**Prof. Linus Gitonga, PhD**  
Vice Chancellor

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

Karatina University has six key result areas (KRAs) and six objectives within its Strategic Plan for the FY 2023- 2027. The key result areas and their respective strategic objectives are as shown below:

- a) Quality Teaching and Learning
- b) Research and Innovation Excellence
- c) Partnership and Linkages
- d) Financial Sustainability
- e) Governance and Human Resource Development
- f) Infrastructural Development

KRA 1	KRA 2	KRA 3	KRA 4	KRA 5	KRA 6
<b>Quality Teaching and learning</b> To produce quality Graduates	<b>Research and Innovation Excellence</b> Production of quality research and innovations	<b>Partnerships and Linkages</b> Enhance linkages and partnerships with industry and other institutions	<b>Financial Sustainability</b> Enhance extension services and technology transfer to the community	<b>Governance and Human Resource Development</b> Strengthen governance and human capital through effective leadership, optimal staffing, continuous development, and robust performance management.	<b>Infrastructural Development</b> Development of quality infrastructure

**Figure 1: Karatina University Key Result Areas and Strategic objectives**

During the year under review, Karatina University pursued strategic intentions within its Strategic Plan. The University included its strategic pillars in the Performance Contract for FY 2024/2025 and developed its annual work plans. Assessment of the Council's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2024/2025 period as indicated in the table:

**Table 1: Review of Karatina University Performance for FY 2024/2025**

KRA	Objective(s)	Key performance indicators	Activities	Achievements
1. Quality Teaching and Learning	1. To strengthen quality of academic programmes	Reviewed and/or aligned curricula	Review and align Curriculum to CBET	The University has reviewed academic programmes that were due for review.
			Training on CBET	Training on CBET was conducted for all the academic staff from 28th to 30th May 2025
		Joint faculty-student research initiatives undertaken	Undertake joint faculty-student research initiatives	Postgraduate students for SNRES have been actively engaged in conducting fieldwork at various Institution such as Mpala Research Center, KMFRI Sagana, KMFRI, Mombasa
		Participation in professional conferences/workshops/seminars	Support professional conference/workshops / seminars attendance	Karatina has supported academic staff to attend conference/workshop both internally organized as well external workshops
	2. To enhance entrenchment of ODEL systems and pedagogical skills	Capacity building sessions /programmes undertaken	Undertake staff capacity building on ODEL	ODEL Toolkit have been developed and training on the same for academic staff conducted.
2. Research and innovation Excellence	3. To strengthen Research capacity	Linkages with local and international communities established	Establish linkages with local and international community	The University has signed nine (9) collaborations with local and International partners Several joint activities have been undertaken with the partners
	4. To foster an innovation culture	Innovation challenges and competitions held	Organize innovation challenges and competitions	Start up Competitions done in November 2024 and another held in May 2025

		Products/ services/ processes commercialized	Facilitate commercialization	<p>The University has continuously developed new tea products which includes, purple tea, yoghurt Kombucha, fermented vegetable, hair products, shoe polish, kefir tea among others.</p> <p>The University hosted Tea Centenary celebrations in October 2024</p> <p>The University has facilitated the DVCs for a training on Setting and Operationalizing a Technology Transfer Office in a University which will play a key role in commercialization</p>
	5.To promote a green entrepreneurial culture	Trees planted and nurtured	Tree planting	The University has planted over 12000 trees in the 2024/25 FY in collaborations with various stakeholders

KRA	Objective(s)	Key performance indicators	Activities	Achievements
3. Partnerships and Linkages	6 To diversify community engagement programmes	Community projects implemented	Identify and implement impactful community projects.	<p>The University organized medical camps in Karatina on Nov. 23rd, 2024 and Meru on 22nd February 2025 in collaboration with various stakeholders</p> <p>The University conducted a webinar on Navigating Grief: Coping Strategies for Loss &amp; Bereavement on 24th October 2024 and a Webinar on Stress Management for Emotional Well-being on 6th, December 2024</p>
				Conducted a training for 20 farmers on organic tea farming in February 2025.

				The University continues to encourage community to build more hostels for students given the increasing numbers of students and encouraging them to live harmoniously with the students.
4.Financial Sustainability	7.To enhance resource mobilization capacity	Grants/donations mobilized	Seek grants/donations	The University has received Ksh. 646,400 of donations during the 2024/25FY.
5.Governance and Human Resource Development	8.To enhance human resource management	Staff recruited	Recruitment of staff	The University has hired forty six (46) new personnel for the recently established departments within the School of Health Sciences, prompted by a rise in student enrollment in that School.
6. Infrastructural Development	9. To develop and maintain adequate physical and technological infrastructure	Construct tuition and laboratory block	Complete superstructure	Construction began in August 2024 and has made significant progress during the 2024/25 year. The superstructure has been completed.
		Construction of School of Health Science complex in Karatina town plot	60% of superstructure	Construction began in April 2025, and the ground floor substructure and columns have been successfully completed.
		Construction of Students Centre	Complete Superstructure	Construction started in April 2025, and concrete work has been completed up to the first-floor substructure.



## 8. Corporate Governance Statement

Karatina University's corporate objective is to create long-term value in the Academic and Research sub-sector through the creation, conservation and dissemination of knowledge. This is realized by using innovation, training and community outreach as prescribed by the mission statement and through the discovery, development and conversion of talent and natural resources, and the provision of innovative customer and market- focused academic programmes.

### Corporate Governance Principles

In pursuit of the corporate objective, we have committed to the highest level of governance and strive to foster a culture that values and rewards exemplary academic excellence within clear ethical standards, personal and corporate integrity and respect for others. The University council's governance role, and conduct of business are guided by the Universities Act no. 42 of 2012; the Karatina University Charter, 2013; Mwongozo Code, 2015; Commission for University Education regulations and standards, 2014 and Karatina University Statutes, 2021.

### Appointment, Removal from Office and Succession Plan

Council members are appointed by the Cabinet Secretary - Ministry of Education through a competitive process advertised to the public. The appointment process takes into consideration the following; development of university education, balanced competencies, gender equity, and the inclusion of stakeholders, persons with disabilities, the marginalized and other minority groups. The term of one member, Dr. Dunstone Ulwodi lapsed within the year and Mr. Malik Aman was appointed in his place. Similarly, the Chairman of Council was appointed in October, 2024.

### Size and Composition of Council

The council consists of Eight (8) members who possess extensive experience in a variety of disciplines all of which are applied in the overall management of the University as shown on pages (vi) to (ix). In addition, the Inspector General, State Corporations seconded a member to be attending regular meetings of Council.

### The Role and Functions of Council

The role and functions of council have been indicated on page (xxxix) and is separate from that of management. The collective responsibility of Council has been set out on page (xli).

### Induction Training and Development for Council members

The University organized an annual training for Council members in December, 2024. The training that took place in Mombasa was facilitated by Charles Waithiru, ICT Authority, Patrick

Kagwe, ODPC, Cavin Otieno, Strathmore Business School, and CPA Jones Kimeu. The training dealt with emerging issues in data protection, Artificial Intelligence and resource mobilization.

In addition, another training specific to Audit matters was organized in February, 2025. It was facilitated by the Public Sector Accounting Standards Board (PSASB). Council Chair, Prof. Joseph T. Mailutha was facilitated to attend a retreat for chairpersons of Councils of Public Universities

held between 16<sup>th</sup> -20<sup>th</sup> June, 2025.

### Board and members performance

Council evaluation is essential in assessing performance, efficiency and effectiveness of the board and individual members. The evaluation of council is an annual exercise conducted by the State Corporations Advisory Committee (SCAC). During the financial year, Council conducted self-evaluation on 6<sup>th</sup> September, 2024 and received the feedback on 22<sup>nd</sup> October, 2024.

### Council Meetings and Attendance

Council conducted its business under three (3) committees. Membership was however re-organized severally due to expiry of terms of some of the members. The Committees are:

- 1 Academic, Research and Enterprise Development Committee
- 2 Finance, HR and Infrastructure Development Committee
- 3 Audit and Risk Management Committee

Composition of each committee is shown below:

Committee	Members (July-Nov 2024)	Dec2024-June 2025
1. Academic, Research and Enterprise Development Committee	Mr. Nicholas Kunga – Chair Vice Chancellor Eng. David K. Opiyo Ms. Winfred Mwai CPA.Pauline Luganje Dr. James Mwangi Kiburi	Mr. Nicholas Kunga Ngece – Chair Vice Chancellor Eng. David K. Opiyo CPA Pauline Luganje Ms. Winfred Mwai Dr. James Mwangi Kiburi
2. Finance, HR and Infrastructure Development Committee	Eng. David K. Opiyo – Chair Vice Chancellor Dr. James Mwangi Kiburi Dr. Dunstone Ulwodi Ms. Winfred Mwai	Eng. David K. Opiyo – Chair Vice Chancellor Dr. James Mwangi Kiburi Mr. Malik Aman Ms. Winfred Mwai
3. Audit and Risk Management Committee	CPA.Pauline Luganje – Chair Mr. Nicholas Kunga Ngece Dr. Dunstone Ulwodi Senior Internal Auditor	CPA Pauline Luganje- Chair Mr. Malik Aman Mr. Nicholas Kunga Ngece Senior Internal Auditor

During the year, the full Council held a total of eight (8) regular and special meetings, one interview session, one sessions on self-evaluation and two trainings. Members also attended two (2) university functions, the Graduation Ceremony and opening meeting on Commission of University Education Audit in Main Campus and Introductory meeting with the Chancellor at Karen Country, Club, Nairobi . Individual attendance is tabulated below: -

S. No	Name	No of meetings attended
1	Prof. Joseph T. Mailutha – Chairman	6
2	Vice Chancellor/ Secretary	8
3	Dr. Dunstone Ulwodi – Rep. Cabinet Secretary, The National Treasury and Planning	4
4	Mr. Abdul Malik- Rep. Cabinet Secretary, The National Treasury and Planning(appointed in December 2024)	3
5	Ms. Winfred Mwai	8
6	CPA Pauline Luganje	9
7	Dr. James Mwangi Kiburi	8
8	Eng. David K. Opiyo	8
9	Mr. Nicholas Kunga Ngece	9
	Mr. Edwin Murimi – Rep. Inspector General, State Corporations	5

**Notes:**

1. Tabulation includes council self-evaluation engagements and excludes trainings, retreat, Introductory meeting with the Chancellor and interview meeting;
2. Ms. Abdul Malik joined Council in December, 2024.
3. Prof. Joseph Mailutha, Chairman of Council joined in October, 2024.
4. The term of Dr. Dunstone Ulwodi lapsed in December 2024.

**Academic, Research and Enterprise Development Committee**

The Committee does the following: Receive and consider reports from the Research and Outreach Committee of Senate and to transmit such reports to the Council; Consider and advise on policy and plans for the exploitation of the University's Intellectual Property and other commercial activities flowing from its research; Advise Council on budgetary allocation of research funds and their effective administration for the support of research and enterprise activities; To receive, consider and make recommendations to Council on matters relating to implementation of academic programmes; To receive and recommend to Council for approval qualified students to be conferred with degrees and awarded diplomas and certificates of the University that the Senate may refer to the Committee; and

to review and recommend to the Council various policies to assist in the overall management of the academic and research function of the University.

The committee held five (5) meetings and individual participation is tabulated below:

S. No	Name	No of meetings attended
1.	Mr. Nicholas Ngece – Chair	4
2.	Vice Chancellor	4
3.	CPA. Pauline Luganje	4
4.	Eng. David K. Opiyo	4
5.	Ms. Winfred Mwai	4
6.	Dr. James Mwangi Kiburi	4

#### Finance, HR and Infrastructure Development Committee

The committee critically scrutinizes the budgets and other financial requirements before they are presented to Council. It oversees the University's financial affairs on behalf of Council; develops strategies to mobilize resources and advises the University Council on all human resource matters, including recruitment, staffing levels, performance contracting and infrastructural developments.

The committee held seven (7) meetings and individual participation is tabulated below:

S. No	Name	No of meetings attended
1.	Eng. David Opiyo – Chair	5
2.	Vice Chancellor	5
3.	Dr. Dunstone Ulwodi – Rep. Cabinet Secretary, The National Treasury	3
4.	Mr. Abdul Malik – Rep. Cabinet Secretary, The National Treasury	2
5.	Ms. Winfred W. Mwai	5
6.	Mr. James Kiburi - Rep. Principal Secretary, Ministry of Education	5

NB: NB: The attendance varied on account of re-organization of the Committee not on account of apologies.

#### Audit and Risk Management Committee

Karatina University Council aspires to use the public resources at its disposal in an efficient and accountable manner. In line with the Treasury Circular No. 16/2005, an audit committee was established to provide independent advice and assurance on the University's strategy, performance and compliance to the different statutes.

The committee is required to:- review and report to the Council on the comprehensiveness, reliability and integrity of internal controls measures; recommend to the Council quality assurance and standards needed to provide effective monitoring of processes; monitor and recommend to Council action in respect of the University's management of risks; consider, review and recommend to the Council policies in respect to management and control systems on internal business processes, including accounting policies, anti-fraud and whistle-blowing; consider and approve annual audit plans including any audit reviews that the Council may request from time to time; consider and advise the University Council on matters relating to the security of the University, staff and students; and Review and advise the Council on all matters relating to the risk management framework and internal audit function of the University. The committee held four (4) meetings.

The committee members and number of meetings held during the year are tabulated below: -

S. No	Name	No of meetings attended
1.	CPA Pauline Lujanje - Chair	4
2.	Dr. Dunstone Ulwodi – Rep. Cabinet Secretary, The National Treasury	2
3.	Mr.Abdur Malik – Rep. Cabinet Secretary, The National Treasury	2
4.	Mr. Nicholas Ngece	4

NB: The attendance varied on account of re-organization of the Committee not on account of apologies.

#### **Succession Plan**

Appointed Council members are required during the first meeting to determine by lot which two of their number shall vacate office after a period of three and four years respectively to ensure continuity in the activities of the Council. It has not been possible to actualize this since appointments and renewals are the prerogative of the Cabinet Secretary. As in the past, it is hoped the Cabinet Secretary will exercise fair judgment when appointing members.

#### **Policy to Manage Conflict of Interest**

Council members and staff are required to make disclosure of any potential or real conflict of interest while conducting matters that pertain to the institution. During meetings, members are expected to declare any conflict of interest in the agenda items under discussion and the same is recorded. In case of conflict, the affected member is excluded from discussions and/or decisions on the matter in question. During the year, no member was recorded as having any conflict of interest in the agenda items.

#### **Council Remuneration**

Council members are remunerated as per guidelines set out in State Corporations Advisory Committee circulars and National Treasury directives in respect to sitting allowance for every

meeting attended, lunch allowance (in lieu of lunch being provided), mileage and accommodation allowance are reimbursed where applicable. Also, the Chairman is paid a monthly honorarium.

### **Council Charter and Meetings**

The Council has a board charter which defines the role, functions and responsibility of the board in governance of the institution. The Council has committees whose roles are clearly defined and reviewed annually. Council meets at least once in a quarter i.e. 4 times in a year, unless there are urgent matters that call for a special meeting. These regular meetings are intended to receive reports from the committees of Council that will have considered the matters in detail. Members receive adequate notice and board papers in advance to enable them review and prepare for the meeting.

### **Ethics and Conduct**

Council has an approved Karatina University Code of Ethics and Conduct which governs the general conduct of Council members, management and staff. The code binds both the Council members and staff as they are required to sign and abide with requirements upon joining the University.

### **Governance and Legal Audit**

The Council formed a standing committee on governance to ensure compliance with all statutory requirement during the year. Governance and legal audits are to be performed on an annual basis indicating scope and the person who conducts them. During the year under review, the University was unable to conduct both governance and legal audit.

### **Terms of reference of committees**

#### **Academic, Research and Enterprise Development Committee**

Receive and consider reports from the Research and Outreach Committee of Senate and to transmit such reports to the Council; Consider and advise on policy and plans for the exploitation of the University's Intellectual Property and other commercial activities flowing from its research; Advise Council on budgetary allocation of research funds and their effective administration for the support of research and enterprise activities; To receive, consider and make recommendations to Council on matters relating to implementation of academic programmes; To receive and recommend to Council for approval qualified students to be conferred with degrees and awarded diplomas and certificates of the University that the Senate may refer to the Committee; and to review and recommend to the Council various policies to assist in the overall management of the academic and research function of the University.

#### **Finance, HR and Infrastructure Development Committee**

The committee critically scrutinizes the budgets and other financial requirements before they are presented to Council. It oversees the University's financial affairs on behalf of Council; develops



strategies to mobilize resources and advises the University Council on all human resource matters, including recruitment, staffing levels, performance contracting and infrastructural developments.

### **Audit and Risk Management Committee**

The committee is required to:- review and report to the Council on the comprehensiveness, reliability and integrity of internal controls measures; recommend to the Council quality assurance and standards needed to provide effective monitoring of processes; monitor and recommend to Council action in respect of the University's management of risks; consider, review and recommend to the Council policies in respect to management and control systems on internal business processes, including accounting policies, anti-fraud and whistle-blowing; consider and approve annual audit plans including any audit reviews that the Council may request from time to time; consider and advise the University Council on matters relating to the security of the University, staff and students; and Review and advise the Council on all matters relating to the risk management framework and internal audit function of the University.

## 9. Management Discussion and Analysis

### SECTION A

#### **Karatina University Operational and Financial Performance**

The University reported surplus of 1.03M as at June 2025. This is improved performance when compared to the previous year when it reported a surplus of 572M as at 30<sup>th</sup> June 2024. The performance recorded can be attributed to improved AIA generated from the enhanced enrolment by students and implementation of the New Funding Model. Students who had deferred their studies in the last intake resumed their studies. Further, the University's performance was also affected by the increased cost of living as a result of fuel price surge and increased prices of many commodities that the University procured to conduct its mandate. The University projects improvement in its cash flows during 2024/2025FY. This is due to intake in the second year of the New funding Model.

The improved performance of KCSE candidates may increase enrolment for University education which will result to increased internally generated funds.

### SECTION B

#### **Compliance with Statutory Requirements**

During the reporting period the University complied with all statutory requirements. The University does not have non-compliance issues that may expose it to potential contingent liabilities. On the other hand, the University has five litigation cases made against it that have financial exposure as shown in page 37.

### SECTION C

#### **Key projects and investment decisions the University is planning/implementing**

The University has three ongoing projects; The construction of the tuition block and laboratory, The construction of the school of health sciences and The construction of a student Centre during 2024/2025 FY. The construction of a tuition block and the school of health science is a strategic move to create adequate space for staff and students, in line with the university's goal of enhancing access to education and supporting Kenya's Vision 2030 objectives. With the growing number of students, the projects will increase classrooms and lab space addressing the expanding student and staff population. The construction of the school of Health Sciences will foster the expansion of health science training aligned with the national healthcare and development goals.

The construction of the Library Phase 1 is complete and handing over was done on 30th September 2024, Liability defects period lapsed on 31st march 2025. The library enhances academic resources and it provides modern study spaces supporting higher quality research and learning.

The construction of the student Centre provides space for student engagement, personal development and well-being which enhances retention and campus community. It will enable workshops, trainings and events that align with the University and national values. Universities are required to support the Government in providing, promoting and coordinating lifelong education, training and research for Kenya's sustainable development. Karatina University is making significant strides in expanding and modernizing its Infrastructure to meet academic growth and fulfil its mission in line with the national development.

## SECTION D

### Major Risks facing the University

The University's activities are exposed to a variety of financial risks including credit and liquidity risks and changes in market prices. The University's overall risk management framework focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The specific details of each risk component have been discussed on pages 18 to 19 of this report.

## SECTION E

### Material Arrears in Statutory and Financial Obligations

The University has significant amounts outstanding relating to part-time lecturers' payments and loan due to the GoK in respect to acquisition of the Tea Training Institute, the fore runner of Karatina University, by Moi University. Karatina University is processing a subsidiary Loan agreement with National Treasury in order to take up a loan obligation of Kshs 216M. At the end of the reporting period, the University had ksh. 1.7M and Kshs 5.3M outstanding in respect to suppliers and part-time lecturers' payment respectively. The balance is expected to be cleared in the 1<sup>st</sup> quarter of the FY 2025/2026.

## SECTION F

### Financial Probity and serious Governance issues

During the reporting period, the University underwent internal audit and external auditors' reviews. There were no cases of financial improbity reported. The University Management members had a cordial working relationship and no governance issues were raised.

**SECTION G**

**Trend analysis of the University's Financial Performance**

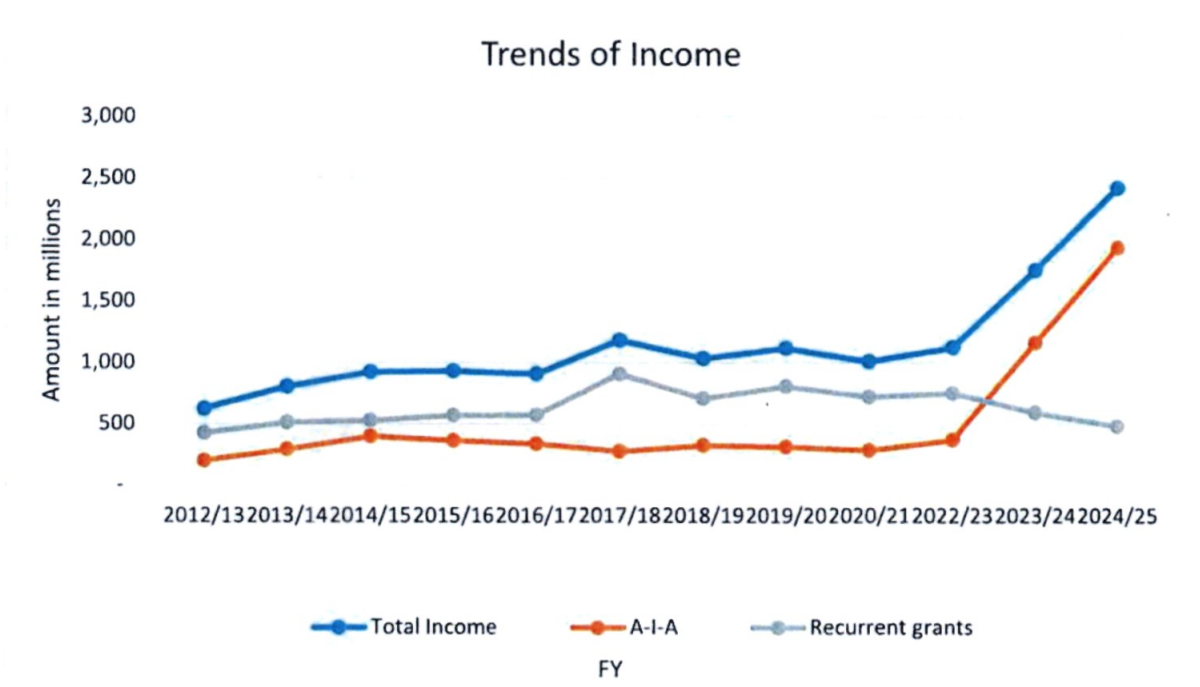
From figure 1, the performance of the University which has been fluctuating over the years, which is brought about by the varying incomes received vis-à-vis the expenditure incurred during the financial year. The analysis shows yearly performance from July 2012 to June 2025. The University reported surplus during 2024/2025FY.

*Figure1: Trend of the University's financial performance*



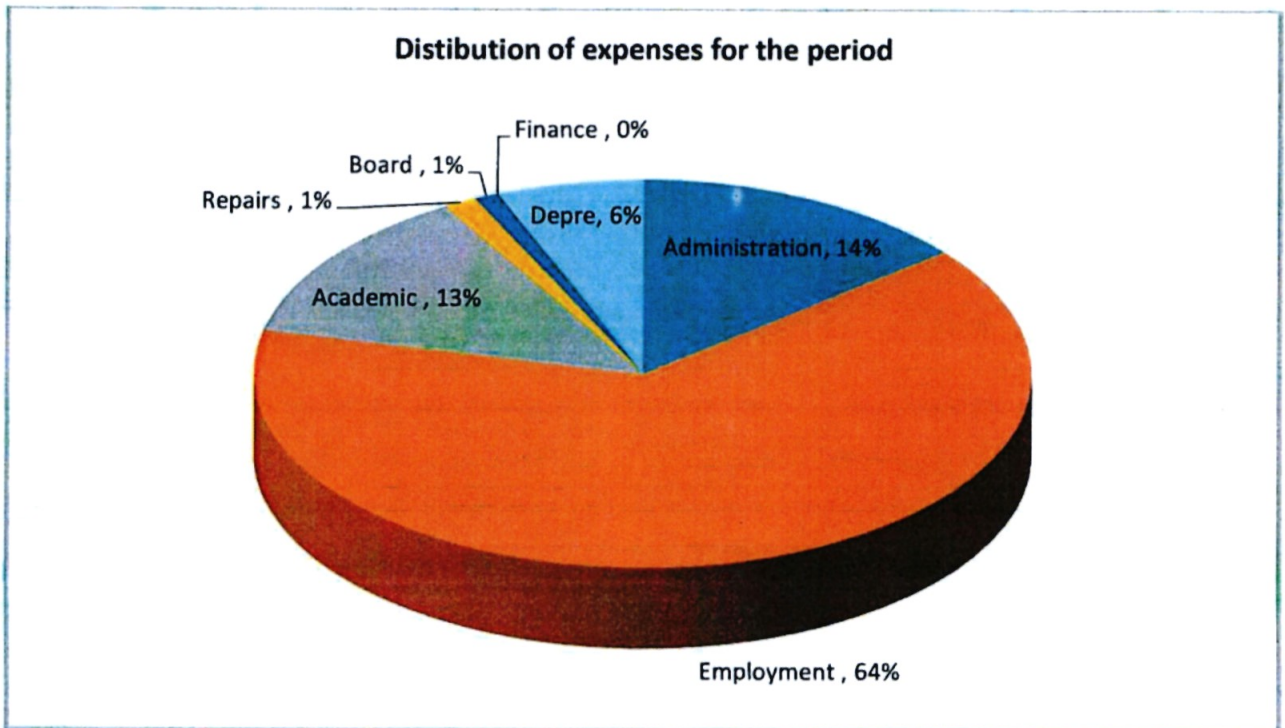
*Figure 1: Trend of the University's financial performance*

Figure 2 presents the trends in income from FY 2012/13 to FY 2024/25. Overall, total income shows an upward trajectory, primarily driven by a gradual increase in recurrent grants. Since FY 2017/18, the Appropriations-In-Aid (A.I.A) has generally remained around Kshs 300 million, with notable exceptions in FY 2023/24 and FY 2024/25. In FY 2023/24, A.I.A rose significantly to Kshs 378 million and Kshs 1.1 billion, while in FY 2024/25, it recorded the highest level ever at Kshs 1.9 billion. This sharp increase is largely attributed to improved first-year student enrolment.



**Figure 2: Trend of University's Incomes**

Figure 3, shows a distribution of classified expenditure by nature vis-à-vis total expenditure for the FY 2024/2025. Employment expense is significant at 64%. This is because the core mandate of the University is training which requires skilled professionals whose salaries are negotiated through National Collective Bargaining Agreements. The other expenses comprise of administrative expenses at 14% and academic expenses at 13%. Academic expenditure for the period was slightly low because the University has adopted blended learning which reduces costs. Consequently, employment expense which is a fixed cost appear to be higher when compared to the other expenses which are variable costs.



*Figure 3: Distribution of recurrent expenses during the FY 2024/2025*

## 10. Environmental and Sustainability Reporting

Karatina University has rebranded itself as a Green Entrepreneurial University. In this regard, the University has adopted a pragmatic approach of greening its systems, processes and lifestyles. The aim is to have a friendly environment and sustainability practices. It entails pursuing knowledge and practices that lead to responsible ecological decisions and lifestyles. This will help protect the environment and sustain its natural resources for current and future generations. Outlined below is Karatina University policies and activities that promote sustainability.

### i) Sustainability strategy and profile

The University's model of a Green University follows the UNEP style and is categorized into ten thematic areas: Environmental Education; Energy, Carbon, and Climate Change; Water: Water efficiency, Water reuse and recycling; Waste: Green system aims at reducing, re-using and recycling; Biodiversity and Ecosystem Services; Planning, Design and Development; Green Procurement; Green Offices and Green Labs; Green IT; and Green Transport. At the same time, the university initiated other programmes and activities that catapult it towards attaining internationally recognized Green University Standards. The University has adopted all reasonable and practical measures to enhance sustainability as per United Nations Sustainable Development Goals.

### ii) Environmental Performance

The University has an Environmental Policy that provide a framework for: Reducing negative environmental impacts such as energy or water consumption, waste production or impacts on natural systems. Karatina University under the Green University initiative has adopted the following: -

- a) Waste segregation bins for ease of disposal and further treatment/processing. This has resulted in an effective and sustainable waste management system and reduced pollution.
- b) Energy conservation by use of "Turn off lights stickers" being mounted on switches all around the university. The stickers were to sensitize the University community on energy saving.
- c) Reforestation through the Presidential directive the University continues to meet that mandate by planting trees and having community engagement the latest being Mount Kenya forest and Igwagi Primary school.
- d) Paperless meeting in Senate, Committee of Deans (CoD), school boards, Directorate boards, Departmental boards and in adhoc committees.
- e) Continuous improvement with solar installation for security lights  
Key achievements include: -
  - a) Organized an International Conference\Public Lecture on Setting National Priorities for Sustainable Development with support of Copenhagen Consensus Center on 28th May at the Safari Park Hotel
  - b) Held International Conference spearheaded by school of business.
  - c) Planting of 500 trees at Main Campus, Mount Kenya forest and Ihwagi Primary school.

One of the challenges faced is limited funding to undertake the environmental sustainability projects.

### iii) Employee Welfare

As at 30<sup>th</sup> June, 2025 the University workforce was four hundred and thirty-four (434).

There are one hundred and sixty-nine (169) teaching staff. These include three (3) Professors, seventeen (17) Associate Professors, twenty-four (24) Senior Lecturers, ninety-one (91) Lecturers. Twenty-six (26) Lecturers are in specialized areas as provided in the guidelines by the Commission for University Education and therefore have not yet earned PhDs), twenty-seven (27) Assistant Lecturers, six (6) Tutorial Fellows and one (1) Graduate Assistant. In addition, three (3) PhD holders are serving in administrative positions. Three hundred and eleven (311) staff (72%) are aged fifty (50) years and below. There are fifteen (15) teaching staff aged between 61-70 years of age. Seven (7) members of staff are living with disability and are registered by National Council for Persons Living with Disability. The details are as summarized in the table below:

**Table 1: Staff Numbers**

Quarter 4		Teaching			Administrative			Total		Grand Total
		M	F	T	M	F	T	F	M	
	No	91	78	169	123	142	265	214	220	434
30 <sup>th</sup> June, 2025	%	20.96	17.97	38.94	28.34	32.71	61.05	49.31	50.69	100

The University has four (4) members of staff on leave of absence and four (4) members of staff on study leave pursuing PhD. Further, the University continues to support twenty seven (27) teaching staff (assistant lecturers and tutorial fellows) who are pursuing PhD programmes. Members of staff have taken part in trainings and seminars sponsored by the University so as to enhance their skills.

Career progression was enhanced by reviewing and appropriately placing one hundred and eight (108) academic and administrative staff as per the University's Schemes of Service. In commitment to promote employee well-being at the workplace, the University has a Work Environment, Health and Safety policy which outlines guidelines and standards for the prevention and protection of University staff against accidents and occupational hazards arising at the work place.

The University is committed to continually improve staff welfare. The 2021-2025 CBA was implemented fully and efforts to improve the working environment have been scaled up. This includes availing office space as well as required furniture and equipment. Additionally, various trainings have been organized within the University and individual staff supported to attend trainings outside the University.

#### **iv) Market Place Practices**

##### **a) Responsible Competition Practices**

Karatina University ensures responsible competition by:

Enforcing strict policies to prevent bribery and corruption, including transparent procurement and financial processes.

Responsible Political Involvement by avoiding undue influence on political decisions and adhering to legal limits on political donations.

Fair Competition in complying with the laws and fostering fair trade by avoiding monopolistic or unethical practices.

Respect for Competitors in promoting healthy competition by refraining from false claims or derogatory remarks about competitors.

##### **b) Responsible Supply Chain and Supplier Relations**

Karatina University maintains ethical supply chain practices by:

Fair Contracting and ensuring that contracts are clear, fair, and adhered to without exploitation.

Timely Payments, respecting agreed payment schedules to maintain trust and sustainability for suppliers.

Capacity Building by partnering with suppliers to improve their capabilities, ensuring quality and ethical practices throughout the supply chain.

##### **c) Responsible Marketing and Advertisement**

Efforts to uphold ethical marketing by Karatina university include:

Transparency, Providing honest, clear, and accurate product information without misleading claims.

Cultural Sensitivity, Ensuring advertisements respect diverse cultures and avoid offensive or discriminatory content.

Compliance with Standards: Adhering to industry and regulatory advertising guidelines.

##### **d) Product Stewardship**

Karatina university ensures consumer rights and interests are safeguarded through; Quality Assurance: Delivering products and services that meet or exceed safety and performance standards.

Consumer Education by providing clear instructions and warnings to enable informed decision-making.

Feedback Mechanisms in offering accessible channels for customer complaints and using feedback to improve products and services.

Sustainability by way of minimizing environmental impacts through sustainable product design and lifecycle management.

These practices collectively enhance the organization's credibility, accountability, and sustainability in the marketplace.

## v) Corporate Social Responsibility / Community Engagements

Corporate Social responsibility (CSR) activities form a critical part of the strategies enshrined in the Karatina University's Medium-Term Strategic plan. The University prioritized its CSR activities as discussed below and implemented them within the approved budgets.

### a) School Mentorship Programme

As a way of providing continued mentorship to both primary and secondary school students, Karatina University has made it a duty to undertake academic mentorship programmes that will help improve academic standards in the region. The University planned to assist primary and secondary schools organize their libraries. The schools assisted include Kanjuri High School, Gatondo Girls Secondary School, Kanyama secondary, Giakaibei high school, Ngenia secondary, Wathituga Comprehensive School, Nyariginu complex secondary, Guara comprehensive school and Mlima comprehensive school.

In addition, Schools visiting the University have benefitted from expertise of Karatina University staff through inspirational talks by staff and students. During the period, the University mentored the following schools among others; Weithaga Boys High School, Gititu High School, Iruri Secondary School, Ngurweini Secondary School, Kanjuri High School and Karatina Girls High School. This symbolize the passion and zeal of Karatina University to contribute in development of the society.

Other Academic mentorship programmes involved:

- i) Karatina University's International Women's Day planning committee organized a mentorship program at Githunguri Girls High School on March 8, 2025.
- ii) The Department of Mathematics, Statistics & Actuarial Sciences conducted a Maths contest involving 700 high school students from 17 schools, providing mentorship and prizes.
- iii) These initiatives allowed lecturers to share skills and helped market Karatina University programs to teachers and students.



**Mentorship on Exam Preparation and Anxiety in Kanjuri H. School on 19th Sep-2024. To participate in Improvement of Academic Performance, Mentorship & Discipline in High Schools through Capacity Building Workshops & Seminars**

**b) Free Medical camp**

Karatina University, in collaboration with several partners held a free medical camp on Saturday 24<sup>th</sup> February 2024 at Karatina Stadium. The University is keen in promoting community partnerships and the medical camp is one of the avenues of reaching out to the community to enhance a strong relationship. The event offered medical support to the residents of Karatina and its environs. Notably, over one thousand people with various ailments and conditions were attended. The services included screening for cancer, diabetes, high blood pressure, dental, counselling services and general physician consultations among others. The partners included Aga Khan University Hospital, the Karen Hospital, Jamii Hospital, Puniqaa Pharmaceuticals, Cooperative Bank, Stanbic Bank, and Nyeri County Government. Others were Broadways Bakery, who in conjunction with Aratus Health Limited, strategically brought the free diabetes and blood pressure screening. Ground for Health provided free cervical cancer screening and on-site clinic for those affected. The event was championed by Karatina University School of Nursing.

There were other activities in relation to enhancing Health & Wellness in the Community held by the University including:

- a) Several mental health initiatives were facilitated in May 2025: a stress management workshop for women at PCEA Icaciri Parish on May 8, an emotional well-being seminar at Victors Chapel on May 11, and a retirement preparation & self-care seminar for school principals in Mirangine Sub-County on May 13.
- b) A seminar on Pastoral Counseling & Care and the Role of the Church in Drug Addiction Prevention was scheduled for May 25, 2025.
- c) These activities provided opportunities for lecturers to share expertise in mental health and for the marketing of Postgraduate programs among participants.



Free medical Camp at Imenti South Meru County on 22nd Feb-2025. To Enhance Community Health & Wellness

**c) Environmental Awareness**

Karatina University staff were given free tree seedlings from the University's nursery between May 2 and May 10, 2025, to plant in their home counties. This initiative aimed to help increase forest cover in different counties.



**Kutus Market Clean-up event by Red Cross and Karatina University Chapter on 1st March, 2025**



**Karatina University in collaboration with Red Cross, National Government Administrators and Community Forest Association celebrated the International Day of Forests on March 21st 2025 by planting 600 trees in Gathirathiru Primary School.**

**d) Enhance Good Governance & Administration through Training & Capacity Building**

The University held several capacity building workshops for the community as a way to enhance good governance. The workshops were:

- i) A capacity building workshop on Alternative Dispute Resolution was held on May 23, 2025, for 150 religious leaders from Nyeri and Kirinyaga Counties, in collaboration with the Judiciary Taskforce on Alternative Dispute Resolution and NCCK Central Region.
- ii) A webinar on Political Reporting for Journalists was organized on April 24, with Dr. Ann Nderitu, the Registrar of Political Parties, as the keynote speaker. Thirty-five journalists and Karatina University Political Science students participated.
- iii) These events provided opportunities for collaboration with the Judiciary and are expected to lead to the Judiciary supporting a certificate in mediation short course, which could generate funds and accredit mediators, including university staff.



**Capacity Building Workshop for National Government Administrators from Mathira East Sub-county on ADR Nov. 7th 2024**

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

Karatina University Charter provides for the objectives and functions of the Council under section 21 as follows: -

(1) Subject to this Charter, the Council shall be the governing body of the University through which the University as a body corporate shall act and:

- a) Shall administer the property and funds of the University in a manner and for the purposes which shall promote the best interest of the University; but the Council shall not charge or dispose of immovable property of the University except in accordance with procedures laid down by the Government of Kenya.
- b) Shall receive, on behalf of the University, donations, endowments, gifts, grants or other moneys and make disbursements there from to the University or other bodies or persons.
- c) Shall approve the appointment criteria and the terms and conditions of service of staff;
- d) Shall provide for the welfare of the staff and students of the University.
- e) May enter into association with other universities or other institutions of learning, whether within Kenya or otherwise, as the council may deem necessary and appropriate;
- f) Shall after consultation with the Senate, make regulations governing the conduct and discipline of the students of the University.

(2) All documents, other than those required by law to be under seal, made on behalf of the Council, and all decisions of the Council may be signified under the hand of the Chairman, the Vice Chancellor or any other members of the Council generally or specifically authorized by the Council in that behalf.

(3) The Council shall ensure that a proper management structure is in place and make sure that the structure functions to maintain corporate integrity, reputation and responsibility.

(4) The Council shall monitor and evaluate the implementation of strategies, policies, and management criteria and plans of the University.

(5) The Council shall constantly review the viability and financial sustainability of the University and shall do so once every year

(6) The Council shall ensure that the University complies with all the relevant laws, regulations, governance practices, accounting and auditing standards

### **Principal Activities**

The principal activities of the University as stated in its mandate, are stipulated in the Karatina University Charter 2013, under section 6 include:

- a) Provide and advance university education and training to appropriately qualified graduates, leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the Council and Senate shall from time to time determine and in so doing contribute to national development and humanity;
- b) Assemble and provide resources for university level education, training and research, scholarship, and for the establishment of facilities, institutes, divisions, departments, centers and such other units as the University Council may deem necessary;
- c) Determine who may teach, what may be taught, to whom it may be taught and how it may be taught in the University;
- d) Establish colleges, schools, institutes, center's, departments and such other institutions as may be deemed necessary by the University Council;
- e) Conduct both applied and basic research geared towards local, national, regional and global development;
- f) Establish and maintain an Information Resource Centre including the collection of literature, films, information data bases and other materials relating to natural resources, agriculture, engineering, entrepreneurship, management, law, medicine, social and applied science theories and practices;
- g) Enter into collaborations, linkages, and consultancy network in promoting excellence, meeting the dynamic needs and development of society;
- h) Provide balanced programmes and experiences including participation in natural and cultural conservation, commercial ventures and other activities to the benefit of the University, the community and stakeholders;
- i) Facilitate student mobility between programmes of study at different technical training institutions, polytechnics and universities;
- j) Foster the general welfare of all staff and students; and
- k) Carry out any other activity as may be permitted and approved by the University Council to further the vision, mission and philosophy of the University.

### **Results**


The results of the University for the Period ending 30<sup>th</sup> June, 2025 are set out on page 1

### **Council Members**

The University Council during the reporting period as shown on pages (vi and ix) in accordance with Karatina University Statutes 2021 and Universities Act 2012.

### **Auditors**

The Auditor General is responsible for the statutory audit of the University in accordance with Article 229 of the Constitution of Kenya and Public Audit Act (2015). The Auditor General is empowered to nominate other auditors to carry out the audit on his behalf. Office of the Auditor General staff were nominated by the Auditor General to carry out the audit of the University for the period ending 30<sup>th</sup> June, 2025.

  
**Prof. Linus Muthuri Gitonga, PhD**  
Council Secretary/ Vice Chancellor

## 12. Statement of Council Members' Responsibilities

Section 81(1) of the Public Finance Management Act, 2012 and sections 14 &15(1) of the State Corporations Act, require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial period and the operating results of the University for that period. The Act also requires the Council Members to ensure that the University keeps proper accounting records that disclose with reasonable accuracy, the financial position of the University. They are also responsible for safeguarding the University's assets.

Council is responsible for the preparation and presentation of financial statements, which give a true and fair view of the state of affairs of the University as at the end of the financial year ended on 30<sup>th</sup> June, 2025. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that they are effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the University's assets; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable.

The Council accepts the responsibility for the Annual Report and Financial Statements, which have been prepared using appropriate accounting policies and supported by prudent judgments and estimates, in conformity with International Public Sector Accounting Standard (IPSAS) and requirements of the PFM Act (2012) and State Corporations Act (2012). The Council is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the University as at 30<sup>th</sup> June, 2025 and the University's financial position. Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the internal financial control systems.

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

### Approval of the financial statements

Karatina University annual financial statements were approved by the Council on 14<sup>th</sup> July, 2025 and signed on its behalf by:



**Prof. Joseph T. Mailutha**  
**Chairman of Council**



**Prof. Linus Gitonga, PhD**  
**Vice Chancellor**

# REPUBLIC OF KENYA

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NAIROBI

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

---

### **PREAMBLE**

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

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

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

The three parts of the report 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 Karatina University set out on pages 1 to 40, which comprise the statement of financial position as at 30 June, 2025 and

statement of financial performance, statement of cashflows, statement of changes in net assets, 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, Cap 412B. 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 Karatina University as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, Cap 412A.

## **Basis for Qualified Opinion**

### **1. Long Outstanding Receivables**

The statement of financial position reflects current receivables from exchange transactions balance of Kshs.618,476,084, net Kshs. 32,037,534 in respect of provisions for bad and doubtful debts and as disclosed in Note 22 to the financial statements, which includes Kshs.640,750,685 in respect of student debtors, out of which debtors amounting to Kshs.76,797,925 were aged two years and above. These amounts have been deemed doubtful by the University as they relate to students who were either deceased, deferred, discontinued, expelled, transferred, dropped out, with no registration numbers and students not in the system. Although the accounting officer had initiated efforts to recover the outstanding debts due by appointing a committee with a view of looking at the students' debtors and making recommendations on how to deal with the debts, these amounts are still outstanding.

Further, the receivable from exchange balance includes an amount of Kshs.2,254,446 in respect of fee collected by Moi University on behalf of the Institution but remained unremitted during the financial year under review.

In the circumstances, the validity, accuracy and completeness of the long outstanding receivables amount of Kshs.76,797,925 for student debtors could not be confirmed.

### **2. Doubtful Recoverability of Staff Prepayments and Debtors**

The statement of financial position reflects current receivables from exchange transactions balance of Kshs.618,476,084 and as disclosed in Note 22 to the financial statements, which includes staff prepayment and debtors balance of Kshs.665,089 and Kshs.3,202,586 in respect to one (1) and three (3) months basic salary in lieu of notice dues from staff who exited the University without requisite notice as per terms and conditions of service of the University and bonds from staff who were granted study leave respectively totalling to Kshs.3,867,675. Although the Management has initiated efforts

to recover the debts outstanding by writing demand letters to the specific debtors in pursuit of recovering the amounts due, the same is still outstanding.

In the circumstances, the validity, accuracy and completeness of the long outstanding receivables amount of Kshs.3,867,675 for staff prepayment and debtors plus staff bond could not be confirmed.

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

### **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. Except for the matters described in the basis for Qualified Opinion, I have determined that there were no key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statements. Review of the status during audit of the university in 2024/2025 revealed that matters on Long Outstanding Receivables and Doubtful Recoverability of Staff Prepayments and Debtors remained unresolved.

### **Other Information**

The Management is responsible for the Other Information set out on page ii to xliv which comprise of Key Entity Information and Management, The University Council Members, University Management Board, Chairman's Statement, Report of the Vice Chancellor, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council Members and Statement of Council Members Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express

### **Basis for Conclusion**

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on the 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. Lack of Staff Ethnic Diversity**

Audit review of the personnel records and establishment revealed that the University's total number of employees was four hundred and thirty-two (432), out of which two hundred and sixty-six (266) or (62%) comprised staff from one dominant ethnic community. Further, management in job group P and above comprised eighty-eight (88) out of one hundred and forty-eight (148) representing 59% from the same dominant ethnic community. This is contrary to the requirements of Section 7(2) of the National Cohesion and Integration Act, 2008 which states that, no public establishment shall have more than one third of its staff from the same ethnic community.

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

#### **2. Use of Asbestos**

Audit verification at the time of audit in the months of June and October, 2025 revealed that University still uses buildings which have asbestos roofs. It was observed that the University Management has not changed the roofing of these buildings despite the Government banning the use of asbestos in 2006 due to its carcinogenic effects. Though the Management has made efforts to initiate the removal of the asbestos, they were still in use at the time of the audit exercise. As a result, the health of the learners and staff is at a risk due to use of hazardous roofing materials.

In the circumstance, Management was in breach of the Law

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

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

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

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

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

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, Cap 412B.

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

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

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

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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


**Nairobi**


**01 December, 2025**

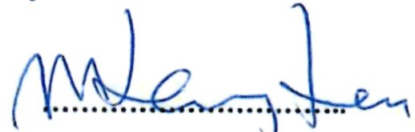
**14. Statement of Financial Performance for the Year Ended June 30, 2025**

Revenue	Notes	2024/2025	2023/2024
		Cumulative	Comparative
Revenue from Non Exchange Transaction		Kshs.	Kshs.
Government Grants/Transfer	7	475,116,886	592,879,574
Amortization of Granted Assets	8	8,379,272	10,031,605
Donations	9	646,400	998,950
		<b>484,142,558</b>	<b>603,910,129</b>
Revenue from Exchange Transaction			
Rendering of service	10	1,814,097,536	1,084,555,756
I.G.A and Other Incomes	11	124,568,469	76,769,866
		<b>1,938,666,005</b>	<b>1,161,325,621</b>
<b>Total Revenue</b>		<b>2,422,808,563</b>	<b>1,765,235,751</b>
Expenses			
Administration Expenses	12	197,527,219	172,279,506
Employee Costs	13	899,621,049	791,325,758
Academic Expenses/ Use of goods	14	180,573,779	133,177,469
Repairs and maintenance	15	19,389,627	9,266,318
Board Expenses	16	13,428,049	10,944,603
Finance costs- Bank Charges	17	762,024	613,064
Depreciation and amortization expense	18	82,030,311	75,610,184
<b>Total Expenses</b>		<b>1,393,332,058</b>	<b>1,193,216,903</b>
<b>Surplus /(Deficit)</b>		<b>1,029,476,505</b>	<b>572,018,848</b>

The notes set out on pages 12 to 38 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 8 were signed on behalf of council by:

  
.....  
**Prof. Linus Gitonga, PhD**  
**Vice Chancellor**

  
.....  
**Bethsy Kaino (CPA (K))**  
**Head of Finance**

  
.....  
**Prof. Joseph T. Mailutha**  
**Chairman of the Board**

Date 24/10/25

ICPAK M/No. 12574  
Date 24/10/25

Date 24/10/2025

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

	Notes	2024/2025	
		Cummulative Kshs.	Cummulative Kshs.
<b>Current Assets</b>			
Cash & Bank Balances	19	816,806,670	690,148,733
Prepayments	20	2,963,633	2,969,532
Receivable from exchange transaction	21	618,476,084	123,938,869
Receivable from non-exchange transaction	22	-	49,406,631
Inventories	23	13,103,652	13,768,289
<b>Total Current Assets</b>		<b>1,451,350,039</b>	<b>880,232,054</b>
<b>Non-Current Asset</b>			
Biological Assets	24	3,829,680	4,581,856
Property, Plant & Equipment	25	2,450,186,404	1,744,212,239
Intangible Assets- Computer software	26	11,986,445	7,769,463
Capital Work in Progress	27	389,025,157	438,735,725
<b>Total Non-Current Assets</b>		<b>2,855,027,687</b>	<b>2,195,299,283</b>
<b>Total Assets</b>		<b>4,306,377,726</b>	<b>3,075,531,337</b>
<b>Current Liabilities</b>			
Trade & Other Payables	28	140,701,450	141,674,842
Current Deferred Income	8b	8,379,272	10,031,605
Provisions	29	5,521,951	2,397,796
<b>Total Current Liabilities</b>		<b>154,602,672</b>	<b>154,104,244</b>
<b>Non-Current Liabilities</b>			
Deferred Income - Grant	8b	92,911,521	98,612,307
<b>Total Non-Current Liabilities</b>		<b>92,911,521</b>	<b>98,612,307</b>
<b>Total Liabilities</b>		<b>247,514,193</b>	<b>252,716,551</b>
<b>Net Assets</b>		<b>4,058,863,533</b>	<b>2,822,814,787</b>
<b>Represented By</b>			
Accumulated Capital Fund	30	1,669,726,365	1,669,726,365
Revenue Reserve	31	1,709,204,820	661,445,983
Revaluation Reserve	32	679,932,347	491,642,439
<b>Net Assets</b>		<b>4,058,863,532</b>	<b>2,822,814,787</b>
<b>Total Funds &amp; Liabilities</b>		<b>4,306,377,725</b>	<b>3,075,531,337</b>

The notes set out on pages 12 to 38 form an integral part of these Financial Statements.


The Financial Statements set out on pages 1 to 8 were signed on behalf of the council by:

  
Prof. Linus Gitonga, PhD  
Vice Chancellor

Date: 24/10/25

  
Bethsy Kaino (CPA (K))  
Head of Finance

ICPAK M/No. 12574  
Date: 24/10/25

  
Prof. Joseph T. Mailutha  
Chairman of the Board

Date: 24/10/2025

**16. Statement of Changes in Net Assets for the Year Ended June 30, 2025**

	<b>Capital Fund</b>	<b>Retained Earning</b>	<b>Revaluation Reserve</b>	<b>Total</b>
	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>	<b>Kshs.</b>
<b>Balance as at 30.06.23</b>	<b>1,664,726,365</b>	<b>109,149,591</b>	<b>498,685,740</b>	<b>2,272,561,696</b>
Surplus/Deficit for the period		572,018,848	-	572,018,848
Transfer of amortized revalued PPE		7,043,301	(7,043,301)	-
Gain in Biological Assets (Cows)		23,520		23,520
Part-time Claims Reconciliation		522,600		522,600
Prior year adj of student balances		(35,311,273)		(35,311,273)
Unrealized Tea farm bonuses		107,925		107,925
Decrease in Provisions for staff leave		7,891,471		7,891,471
Capital Grants	5,000,000			5,000,000
<b>Balance as at 30.06.24</b>	<b>1,669,726,365</b>	<b>661,445,983</b>	<b>491,642,439</b>	<b>2,822,814,786</b>
Surplus/Deficit for the period		1,029,476,505		1,029,476,505
Transfer of amortized revalued PPE		21,678,047	(21,678,047)	-
Gain in Biological Assets (Cows)		15,800		15,800
Valuation of Assets- PPE			209,967,955	209,967,955
Part-time Claims Reconciliation		475,800		475,800
Prior year adj of student balances		(3,887,315)		(3,887,315)
<b>Balance as at 30.06.25</b>	<b>1,669,726,365</b>	<b>1,709,204,820</b>	<b>679,932,347</b>	<b>4,058,863,532</b>

**17. Statements of Cash Flows for the Year Ended June 30, 2025**

	2024/2025	2023/2024
	Kshs	Kshs
<b>Cash flows from operating activities</b>		
Receipts		
Government Grants/Transfer from other government entities	524,523,517	543,472,943
Donations	646,400	998,950
Tuition & related charges/Rendering of services	1,293,115,286	1,075,855,728
I.G.A and Other Incomes	123,837,309	82,407,647
<b>Total Receipts</b>	<b>1,942,122,512</b>	<b>1,702,735,268</b>
<b>Payments</b>		
Employee costs	894,795,098	797,515,433
Administration Expenses	173,798,015	168,611,381
Academic Expenses / Use of goods	181,774,979	131,152,069
Repairs and maintenance	19,389,627	9,266,318
Board Expenses	13,428,049	10,944,603
Finance Costs- Bank Charges	762,024	613,064
<b>Total Payments</b>	<b>1,283,947,793</b>	<b>1,118,102,868</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>658,174,719</b>	<b>584,632,400</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE	(576,582,715)	(46,215,213)
Purchase of Intangible Assets	(5,670,788)	(7,189,060)
Capital Work-in-Progress	49,710,568	(44,267,789)
Granted asset	1,026,153	2,079,881
<b>Net cash flows from/(used in) investing activities</b>	<b>(531,516,783)</b>	<b>(95,592,181)</b>
<b>Cash flows from financing activities</b>		
Capital Reserve	-	5,000,000
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>5,000,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>126,657,937</b>	<b>494,040,219</b>
<b>Cash and cash equivalents at period Start</b>	<b>690,148,733</b>	<b>196,108,514</b>
<b>Cash and cash equivalents at Period end</b>	<b>816,806,670</b>	<b>690,148,733</b>
<b>Analysis of Cash &amp; Cash Equivalents</b>		
<b>Cash &amp; Bank Balances</b>	<b>816,806,670</b>	<b>690,148,733</b>

**18. Statement of Comparison of Budget and Actual Amounts for the Year Ended June 30, 2025**

S/No	DESCRIPTION	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of Utilization	Explanation of material variances
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	%	
	<b>Budget carryovers from the previous year</b>							
1	Capital projects	319,605,397		319,605,397	319,605,397	-	100%	
2	Capital Items	56,937,630		56,937,630	56,937,630	-	100%	
		<b>376,543,027</b>	<b>-</b>	<b>376,543,027</b>				
	<b>REVENUE</b>							
1	Exchequer grants	414,430,970	60,685,916	475,116,886	475,116,886	-	100%	
2	Tuition Fees and related charges	1,734,992,934	(35,000,000)	1,699,992,934	1,814,097,536	(114,104,602)	107%	a
3	Catering Services	18,000,000		18,000,000	16,302,887	1,697,113	91%	b
4	Research and Consultancies Income	30,000,000	(10,000,000)	20,000,000	5,992,919	14,007,081	30%	c
5	Farm Income	3,500,000		3,500,000	2,570,671	929,329	73%	
6	Interest Income	45,000,000	45,000,000	90,000,000	96,216,645		107%	d
7	Other income	5,000,000		5,000,000	4,131,748	868,252	83%	
	<b>Total Income</b>	<b>2,627,466,931</b>	<b>60,685,916</b>	<b>2,688,152,847</b>	<b>2,414,429,291</b>	<b>(96,602,826)</b>	<b>90%</b>	
	<b>EXPENSES</b>							
	<b>Personnel Emoluments</b>						<b>121%</b>	
1	Personnel Emoluments	947,341,860	60,685,916	1,008,027,776	881,905,209	126,122,567	87%	
2	Casual Wages	14,000,000		14,000,000	14,591,686	(591,686)	104%	
3	Gratuity	4,331,940		4,331,940	3,124,154	1,207,786	72%	
	<b>TOTAL P.E</b>	<b>965,673,800</b>	<b>60,685,916</b>	<b>1,026,359,716</b>	<b>899,621,049</b>	<b>126,738,667</b>	<b>88%</b>	
	<b>Board Expenses</b>							
4	Council expenses	19,000,000		19,000,000	13,428,049	5,571,951	71%	e
		<b>19,000,000</b>	<b>-</b>	<b>19,000,000</b>	<b>13,428,049</b>	<b>5,571,951</b>	<b>71%</b>	
	<b>Operating/ Administrative Expenses</b>							
5	Stationery	7,774,250		7,774,250	6,398,942	1,375,308	82%	f
6	Vehicle Repairs & maintenance	6,000,000		6,000,000	6,337,917	(337,917)	106%	g
7	Generator fuel & Maintenance	3,000,000	500,000	3,500,000	3,255,739	244,261	93%	
8	Fuel – Vehicles	12,000,000.00		12,000,000	8,682,176	3,317,824	72%	h
9	Office expenses and entertainment	3,576,000		3,576,000	1,339,410	2,236,590	37%	
10	Postal expenses	100,000	50,000	150,000	93,363	56,637	62%	
11	Publishing & printing	4,750,000		4,750,000	4,282,170	467,830	90%	i
12	Computer expenses & Maintenance	1,810,000		1,810,000	1,750,536	59,464	97%	
13	ISO training & Implementation	1,300,000		1,300,000	1,184,267	115,733	91%	j
14	Shows & Exhibition expenses	3,000,000	(1,500,000)	1,500,000	1,085,522	414,478	72%	k

15	Performance Contracting		2,500,000	(1,000,000)	1,500,000	945,984	554,016	63%	
16	Legal expenses		500,000		500,000	40,100	459,900	8%	l
17	Strategic Plan Implementation & Monitoring & Review		1,500,000	(500,000)	1,000,000	56,800	943,200	6%	m
18	Subscription to Professional Bodies		1,800,000	1,000,000	2,800,000	2,440,018	359,983	87%	n
19	Professional Services		2,000,000	3,000,000	5,000,000	4,009,921	990,079	80%	
20	Newspaper & journals		500,000		500,000	242,291	257,709	48%	
21	Cleaning/sanitary materials		1,800,000		1,800,000	1,211,730	588,270	67%	
22	Telephone expenses		3,588,000		3,588,000	2,848,000	740,000	79%	
23	Insurance Expenses		10,140,226		10,140,226	7,972,189	2,168,037	79%	
24	Open Day & cultural celebration		800,000		800,000	500,723	299,278	63%	
25	Public celebrations & funerals		2,200,000	500,000	2,700,000	1,801,369	898,631	67%	
26	Staff Training expenses		8,000,000		8,000,000	7,684,475	315,525	96%	
27	Security services		10,000,000	(1,000,000)	9,000,000	7,877,167	1,122,833	88%	
28	Water & Sewerage Expenses		1,400,000	500,000	1,900,000	2,659,026	(759,026)	140%	
29	Electricity Expenses		12,000,000	4,000,000	16,000,000	16,763,734	(763,734)	105%	
30	Rent & Rates		2,800,000	400,000	3,200,000	3,107,616	92,384	97%	
31	Uniforms		463,050		463,050	436,423	26,627	94%	
32	Medical expenses		29,000,000	2,000,000	31,000,000	30,865,491	134,509	100%	
33	Advertising & publicity		2,700,000	(1,000,000)	1,700,000	643,282	1,056,718	38%	
34	Internet services		13,352,136		13,352,136	13,262,352	89,784	99%	
35	Farm expenses		4,000,000	(1,500,000)	2,500,000	869,467	1,630,533	35%	
36	Catering expenses		17,000,000	2,000,000	19,000,000	19,318,271	(318,271)	102%	
37	Audit fees		700,000		700,000	696,000	4,000	99%	
38	Travelling & Accommodation		6,412,500		6,412,500	6,071,174	341,326	95%	
39	External travelling		1,500,000		1,500,000	12,947	1,487,053	1%	
40	Resource Mobilization		2,500,000	(1,500,000)	1,000,000	336,300	663,700	34%	
41	Pension Scheme Administration		3,000,000	(1,600,000)	1,400,000	1,343,979	56,021	96%	
43	Crisis Centre Expenses		4,143,900	(2,500,000)	1,643,900	63,007		4%	
			<b>189,610,062</b>	<b>1,850,000</b>	<b>191,460,062</b>	<b>168,489,878</b>	<b>21,389,291</b>	<b>88%</b>	
	<b>Academic expenses</b>								
44	students activities		3,600,000	700,000	4,300,000	3,156,034	1,143,966	73%	o
45	Curriculum development/review		4,000,000		4,000,000	3,705,129	294,871	93%	p
46	External examiners		3,000,000	1,000,000	4,000,000	4,004,976	(4,976)	100%	
47	Graduation Expenses		6,000,000		6,000,000	5,075,786	924,214	85%	
48	Industrial Attachment/ Teaching Practice		26,168,000	(4,000,000)	22,168,000	15,951,657	6,216,343	72%	q
49	Games & Sports	a	1,700,000	500,000	2,200,000	2,184,490	15,510	99%	
50	Library Subscription		3,821,850		3,821,850	3,295,235	526,615	86%	

51	Senate & Deans committees		500,000		500,000	341,080	158,920	68%	r
52	University Committees		3,300,000	2,000,000	5,300,000	5,071,169	228,831	96%	
53	Teaching materials		5,000,000	500,000	5,500,000	2,285,415	3,214,585	42%	s
54	Field trip		13,923,200		13,923,200	9,436,384	4,486,817	68%	t
55	Research expenses	b	25,000,000	(8,450,000)	16,550,000	12,183,943	4,366,057	74%	u
56	Botanical garden	b	100,000		100,000		100,000	0%	
57	Part-time teaching expenses		55,000,000	(2,000,000)	53,000,000	64,201,377	(11,201,377)	121%	
58	Examination materials		11,170,000		11,170,000	9,232,008	1,937,992	83%	
59	Seminars & Conferences		5,000,000		5,000,000	4,994,142	5,858	100%	
60	Annual International Conference		500,000		500,000	6,600	493,400	1%	
61	Placement Board charges		6,000,000	(500,000)	5,500,000	5,428,500	71,500	99%	
62	Accreditation for Programmes		3,200,000		3,200,000	2,743,620	456,380	86%	
63	CUE Student Accreditation fee		4,000,000	10,000,000	14,000,000	13,382,000	618,000	96%	
64	NCK indexing		-	3,000,000	3,000,000	2,922,300	77,700	97%	
65	Nursing Skills lab		15,601,500		15,601,500	7,763,193	7,838,307	50%	
66	Tea Institute expense		850,000		850,000	392,000	458,000	46%	
67	University linkages- Entrepreneurial concept		2,000,000	(500,000)	1,500,000	1,269,621	230,379	85%	
68	Counselling services		300,000		300,000	153,125	146,875	51%	
69	Community Engagement		500,000	500,000	1,000,000	720,700	279,300	72%	
70	Green Concept Expenses		2,000,000	(500,000)	1,500,000	348,764	1,151,236	23%	
71	ODEL expenses		5,000,000	(1,900,000)	3,100,000	1,650,264	1,449,736	53%	
72	Liberation movement expenses		250,000	(200,000)	50,000	12,700	37,300	25%	
73	Integration of a Biometric System		4,000,000		4,000,000	-		0%	v
			<b>211,484,550</b>	<b>150,000</b>	<b>211,634,550</b>	<b>181,912,213</b>	<b>25,722,337</b>	<b>86%</b>	
	<b>Repairs and Maintenance</b>								
74	General Refurbishment		10,655,000	1,000,000	11,655,000	11,271,498	383,502	97%	
75	Maintenance of building		3,550,000	1,000,000	4,550,000	1,225,845	3,324,155	27%	
76	Maintenance of plant & Equipment		4,500,000		4,500,000	3,168,527	1,331,473	70%	
77	Maintenance of play grounds		2,000,000	4,800,000	6,800,000	3,400,731	3,399,269	50%	
78	Maintenance of Catering equipment		2,000,000		2,000,000	99,642	1,900,358	5%	
79	Maintenance of Hostel equipment		500,000		500,000	201,368	298,632	40%	
80	Water supply equipment		1,000,000	(800,000)	200,000	22,016	177,984	11%	
			<b>24,205,000</b>	<b>6,000,000</b>	<b>30,205,000</b>	<b>19,389,627</b>	<b>10,815,373</b>	<b>64%</b>	w
	<b>Total</b>		<b>1,409,973,412</b>	<b>68,685,916</b>	<b>1,478,659,328</b>	<b>1,280,752,816</b>	<b>192,325,619</b>		
	<b>Purchases</b>								
82	Purchase of computer		15,211,500		15,211,500	10,465,487	4,746,013	69%	
83	Purchase of library books		4,000,000	2,000,000	6,000,000	4,467,176	1,532,824	74%	
84	Purchase of Motor Vehicle		22,000,000	(1,000,000)	21,000,000	20,924,000	76,000	100%	

85	Purchase of plant & equipment	c	4,950,000		4,950,000	3,673,989	1,276,011	74%	
86	Purchase of Furniture	c	16,000,000		16,000,000	6,227,000	9,773,000	39%	
87	Purchase of Medical equipment	c	800,000		800,000	78,000	722,000	10%	
88	Purchase of Sports Equipment	a	1,000,000		1,000,000	749,566	250,434	75%	
89	Purchase of lab equipment	c	17,000,000		17,000,000	12,230,119	4,769,881	72%	
90	ICT infrastructure -Networking		22,948,760		22,948,760	8,309,616	14,639,144	36%	
91	Furnishing of the New Library		28,937,630		28,937,630	24,101,387	4,836,243	83%	
92	Bank Charges		-	1,000,000	1,000,000	762,024	237,976	76%	
			<b>132,847,890</b>	<b>2,000,000</b>	<b>134,847,890</b>	<b>91,988,364</b>	<b>42,621,550</b>	<b>70%</b>	
	<b>Total Expenditure</b>		<b>1,542,821,302</b>	<b>70,685,916</b>	<b>1,613,507,218</b>	<b>1,374,829,180</b>	<b>232,859,170</b>	<b>85%</b>	
93	Capital Expenditure		<b>1,084,645,629</b>	(10,000,000)	1,074,645,629	441,310,631	633,334,998	41%	
	<b>Surplus</b>		-	-	-	<b>598,289,480</b>		<b>(0)</b>	<b>x</b>

The statement of comparison of actual vs actuals is to be read in conjunction with notes to and forming part of financial statements set out on pages 9 to 11.

## Notes to the Statement of comparison of budget and actual amounts

### a) Changes between the original and final budget

There is a change between original and final budget which was occasioned by supplementary II where there was a change in recurrent from Kshs 414M to 475M as a result of implementation of the new CBA.

### b) Tuition and related charges

During the period, the University realized 107% of the projected revenue from tuition and related charges, driven by the increased student enrolment for the 2024/2025 Academic Year.

### c) Research and Consultancies Income

The University has budget of Kshs.30M has income from research and consultancies activities during the 2024/25FY. Members of staff wrote several proposals for research and consultancies which are yet to attract funding from various sponsors leading to an achievement of 30% during the period.

### d) Interest Income

Interest income achieved is 107% of the annual budget. This due to Favorable interest rates on call deposits

### e) Stationery

The stationery expense has a 82% utilization during the reporting period. During the fourth quarter there were little usage of stationery when students are on long holidays. Additionally part of the stationery are in form of stocks to be utilized in the first quarter of FY 2025/26

### f) Vehicle Repairs and maintenance

The expenditure on vehicle repairs and maintenance for FY 2024/2025 exceeded the approved budget by 106%. This over-expenditure was mainly attributed by the increased number of students enrolled during the reporting period which led to a corresponding rise in demand for transport services, particularly for academic trips, fieldwork, and other student-related activities. This higher utilization of motor vehicles inevitably resulted in more frequent wear and tear, thereby increasing the frequency of maintenance and repair requirements.in the market for spare parts and unanticipated breakdowns.

### g) Legal Fee

During the reporting period, the University spent 8% of the total budget on legal expenses. This low expenditure is attributed to the fact that there were no new suits filed against the University, and there was no activity on the existing active cases, thereby minimizing legal costs during the year.

### h) Strategic Plan Implementation, Monitoring and Review

The expenses incurred during FY 2024/2025 were 6% since the activities for the launch and implementation of the strategic plan did not take place.

**i) Newspapers and Journals**

The expenses were 48% of the FY 24/25 since the University reduced the expenses on supply of newspapers to E- Newspapers

**j) Water and Sewerage Expenses**

Water bill expenses during the year rose to 140% of the approved budget, resulting in an over-expenditure. The University's primary source of water is the borehole supply. However, during the reporting period, the borehole pump broke down, disrupting the normal supply. Consequently, the University had to rely on Mawasco water to meet its daily requirements. In addition, water tariffs were reviewed upwards during the year, further increasing costs and contributing to the over-expenditure.

**k) Electricity Expenses**

The expenses incurred amounted to 105% of the approved budget, mainly due to the inclusion of electricity costs for the New Library. In addition, the planned installation of solar panels, which was expected to reduce electricity expenses, was not undertaken within the reporting period, thereby limiting the anticipated savings.

**l) Advertising and publicity**

Expenditure on advertising and publicity amounted to 48% of the approved budget. This under-expenditure is attributed to the fact that all planned activities were implemented through the E-Government advertising platform, which is more cost-effective. As a result, the University was able to meet its publicity requirements at a significantly lower cost than initially projected.

**m) Farm Expenses**

The farm expenses were 35% This under expenditure was primarily due to the disposal of biological assets (cows), which reduced the overall cost of maintaining the cows. With fewer animals to feed, treat, and manage, the expenditure on inputs such as animal feed, veterinary services, and general farm maintenance was significantly lower than projected.

**n) Catering Expenses**

The total expenses incurred during the year was 102% This was mainly driven by price inflation on key food items and gas fuel, which pushed operating costs above initial projections. In addition, the increase in student population during the reporting period placed higher demand on catering services

**o) External Travel Expenses**

During the reporting period the University utilized 1% of the annual budget allocation on external travel This low expenditure reflects the University's strict compliance with the government directive that restricted the funding of external travels as part of broader austerity and cost-containment measures.

**p) Crisis Centre**

During the reporting period 4% was utilized against the annual budget allocation since activities budgeted for were not undertaken.

**r) Part-time Teaching Expenses**

Part-time expenses incurred were 121% This was primarily driven by the increased student enrolment during the reporting period, which significantly raised the demand for teaching hours across various academic programmes. In order to maintain the quality of teaching and learning, the University was compelled to engage additional part-time lecturers to support the existing academic staff. This was necessary to effectively handle larger class sizes, deliver specialized courses, and ensure timely coverage of the curriculum. Although the expenditure exceeded the budgeted allocation, it was an unavoidable cost aimed at safeguarding academic standards and ensuring that students continued to receive quality teaching despite the unanticipated increase in student numbers.

**r) Other Academic expenses**

The academic expenditure achieved 86% of the allocated budget during the reporting period. The under-expenditure was largely attributed to disruptions in the academic calendar caused by student unrest and a lecturers' strike, which delayed the implementation of several planned academic activities. As a result, certain expenditures were either postponed or not undertaken within the financial year. Nevertheless, the University ensured that essential academic programmes were supported to maintain continuity of teaching and learning once normalcy resumed. The University anticipates improved budget absorption in the next financial year, provided stability in the academic calendar is maintained and planned academic activities are implemented as scheduled.

**Budget Reconciliation**

Description of Particulars	Amount in Kshs
<b>Actual Surplus Amounts as per the statement of Budget</b>	<b>598,289,480</b>
Difference in Tuition and related charges because of accruals and prepayments	521,709,933
Difference in Govt grants because of accruals	(49,406,631)
Difference in IGA and other incomes because of accruals and prepayments	683,976
	<b>472,987,278</b>
Difference in Employment Expenses because of provisions on gratuity	4,825,951
Difference in Administration Expenses because of accruals, prepayments and provisions	(5,960,238)
Difference in Academic Expenses because of accruals, prepayments and provisions	269,834
	<b>(864,453)</b>
Purchase of PPE and intangible assets because of accruals	<b>2,220,188</b>
Cash and cash equivalent at the beginning of the year	<b>690,148,733</b>
<b>Closing cash and cash Equivalent as per the statement of cash flows</b>	<b>816,806,670</b>

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

### **1. General Information**

Karatina University is established by and derives its authority and accountability from Universities Act of 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. It operates within the mandate of the Ministry of Education which provides the general policy and strategic direction on Kenya's higher education.

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

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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

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

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

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

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

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p><b>NB/ This standard is not applicable to the University's operations.</b></p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><b>NB/ This standard is not applicable to the University's operations.</b></p>
IPSAS 45: Property Plant and Equipment	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be</p>

	<p>recognized as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b>NB/ This standard will be applicable to the University's operations from 1<sup>st</sup> July 2025.</b></p>
IPSAS 46: Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>NB/ This standard will be applicable to the University's operations from 1<sup>st</sup> July 2025.</b></p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>NB/ This standard will be applicable to the University's operations from 1<sup>st</sup> July 2026.</b></p>

IPSAS 48:	<b><i>Applicable 1<sup>st</sup> January 2026</i></b>
Transfer Expenses	<p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>NB/This standard will not be applicable to the University's operations.</b></p>
IPSAS 49:	<b><i>Applicable 1<sup>st</sup> January 2026</i></b>
Retirement Benefit Plans	<p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><b>NB/This standard will not be applicable to the University's operations</b></p>
IPSAS 50:	<b><i>Applicable 1<sup>st</sup> January 2027</i></b>
Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><b>NB/This standard will not be applicable to the University's operations</b></p>

### iii) Early adoption of standards

The University did not early – adopt any new or amended standards in the year 2024/2025

## Notes to the Financial Statements (Continued)

### 4. Summary of Significant Accounting Policies

#### a) Revenue recognition

##### i) Revenue from non-exchange transactions IPSAS 23

###### Government grants

Government grants are recognized as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis (IPSAS 23)

###### Donations

Donations have been recognized as income over the period they have been received to match with the related cost or assets intended to compensate for.

###### Deferred income

Deferred income recognized in the books is as a result of amortization of granted assets and the asset recognition criteria are met. Grants received for the purchase of fixed assets or donated assets are recognized as deferred income and transferred to the surplus or deficit over the expected useful lives of the respective assets.

##### ii) Revenue from exchange transactions – IPSAS 9

###### Rendering of services

The University has recognized incomes to include student tuition fees and related charges for the period in which it is earned.

###### Sale of goods

Revenue is recognized when there is transfer of significant risks and rewards of ownership to the buyer. Usually, this happens when delivery is made or the buyer takes control. The revenue is recognized when it can be reliably measured and that probable economic benefit will flow to the entity

###### Interest income

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

### **Rental income**

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

### **b) Budget information – IPSAS 24**

The original budget for FY 2024/2025 was approved by the University Council on 15<sup>th</sup> October 2024. Subsequent revisions or additional appropriations was made to the approved budget in accordance with approvals from Council. The additional appropriations are added to the original budget by the University upon receiving approval of National Treasury in order to conclude the final budget. The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the University. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts. The institution will provide an explanation of differences between actual and budgeted amounts under or above 10%.

### **c) Taxes**

Karatina University is a public Institution of higher learning, established under the Universities Act No 42 of 2012. By the nature of its establishment and operations, Karatina university is a public entity that is not subject to income tax. The university does not engage in any unrelated trade or business. Therefore, no income taxes have been reported in the university financial statements. Accordingly, no provisions for income taxes is required.

### **d) Property, Plant and Equipment - IPSAS 17**

All Property, plant and equipment are stated at cost and subsequently shown at market value based on valuations by external independent valuer less subsequent depreciation and impairment losses. Increases in the carrying amounts arising on revaluation are credited to a revaluation reserve. Decreases that offset previous increases of the same asset are charged against the revaluation reserve, all other decreases are charged to the statement of comprehensive income. University land is freehold property and not subjected to amortization. Depreciation on other property is charged so as to write off the value of the assets during their estimated useful life, using straight line method. Assets are subjected to a full year's depreciation except those acquired within the last three months of the year.

## Notes to the Financial Statements (Continued)

### Summary of Significant Accounting Policies (Continued)

The annual rates are:

Buildings	2.5%
Furniture, Plant and Equipment	12.5%
Library Books	12.5%
Motor Vehicles	25%
Computers and peripheral devices	30%

In the event of disposal of revalued assets, any revaluation surplus will be transferred directly to retained earnings.

#### e) Intangible assets – IPSAS 31

Computer Software has been recognized at cost as intangible assets. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful life of the intangible assets is assessed finite for a period of three years. The assets are subjected to a full year's depreciation except those acquired within the last three months of the year at a rate of 30%.

#### f) Biological Assets

The entity recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to the entity, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur. Biological assets for the University comprise of tea bushes and cows refer to note 24 for details.

**Notes to the Financial Statements (Continued)****Summary of Significant Accounting Policies (Continued)****g) Research and development costs**

The University expenses research costs as incurred.

**h) Inventories –IPSAS 12**

Inventory is measured at cost upon initial recognition. Inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

**i) Provisions – IPSAS 19**

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the managements best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to the present value where the effect is material. Where the University expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement Refer to note 29.

**j) Contingent liabilities**

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

<b>Contingent liabilities</b>	<b>2024/2025</b>	<b>2023/2024 Prior year</b>
<b>Description</b>	<b>Kshs</b>	<b>Kshs</b>
Court case against the University	3,672,196	3,372,196
Moi University - GoK Loan	216,389,088	216,389,088
<b>Total</b>	<b>220,061,284</b>	<b>220,861,284</b>

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

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

The University has disclosed a loan of Kshs 216M that was used to acquire granted assets from Moi University once the subsidiary loan agreement is duly signed. Lastly, the details for the courts have been indicated on page 37.

#### **k) Contingent assets**

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

#### **l) Changes in accounting policies and estimates (IPSAS 3)**

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

#### **m) Retirement benefits obligations (IPSAS 25)**

Karatina University is operating under Karatina University Pension Scheme. The Scheme is funded by defined contribution scheme based on the basic salary from both employees and employer at a rate of 7.5% and 15 % respectively. The University also contributes to the statutory National Social Security Fund (N.S.S.F.). This is a defined contribution scheme registered under N.S.S.F. Act. The University's obligations under this scheme are limited to specific contributions legislated from time to time and currently limited to a maximum of Kshs 4,320.00 per employee per month, while the employer contributes Kshs 4,320.00 per month. The University's obligation to staff retirement benefit schemes are charged to income statement in the year to which they relate.

#### **n) Related Party Disclosures – IPSAS 20**

The University regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the University, or vice versa. The National Government, Members of Council and Members of Management are regarded as related

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

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

parties in preparation of these financial statements. Related party transactions during the year as tabulated below:

Related party transactions		Kshs
Members of Council	Note 16 - Board expenses	13,316,567
Members of Management	Note 13 - incorporated in the employment expenses	36,670,260
National Government	Note 7 - Recurrent grants	475,116,886
	Note 30 – Capital grants	-
<b>TOTAL</b>		<b>525,103,713</b>

**k) Cash and cash equivalents**

Cash and cash equivalent are defined as Cash balances, Bank balances and short-term investments (Fixed deposits). Bank balances includes amounts held at various banks at the end of the financial year. For the purposes of cash flow statement, cash and cash equivalent consist of cash and bank balances.

**o) Comparative figures**

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

**q) Subsequent events**

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

## Notes to the Financial Statements (Continued)

### Summary of Significant Accounting Policies (Continued)

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

In the process of applying the University's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Estimates and assumptions

The key areas of judgment and assumptions in applying the University's accounting policies are dealt with below:

##### *a) Impairment losses*

At each year end, the University reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash generating unit to which the asset belongs.

##### *b) Property and equipment*

Critical estimates are made by the University council in determining depreciation rates for property and equipment.

#### Useful lives and residual values

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

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

#### Provision for bad and doubtful debts

The University provided for bad and doubtful debts at a rate of 5% of the debtors from exchange transactions. Where there is no certainty of a receivable, the amounts will be expensed after clear analysis of the account receivable and recorded as expenses. Additional disclosure of these estimates of provisions is included in Note 21. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Notes to the Financial Statements (Continued)

6. Transfers from Other Government entities

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

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance. KShs	Amount deferred under deferred income. KShs	Amount recognized in capital fund.	Total transfers (Current FY)	Insert Comparative FY
			KShs	KShs	KShs
State Department for University Education	475,116,886	-	-	475,116,886	592,879,574
<b>Total</b>	<b>475,116,886</b>	<b>-</b>	<b>-</b>	<b>475,116,886</b>	<b>592,879,574</b>

## Notes to the Financial Statements (Continued)

	2024/2025	2023/2024
<b>Note 7: Government Grants</b>	<b>Cummulative</b>	<b>Cummulative</b>
	<b>Kshs.</b>	<b>Kshs.</b>
July	34,535,914	49,406,631
August	34,535,914	49,406,631
September	34,535,914	49,406,631
October	34,535,914	49,406,631
November	34,535,914	49,406,631
December	34,535,914	49,406,631
January	34,535,914	49,406,631
February	34,535,914	49,406,631
March	34,535,914	49,406,631
April	34,535,914	49,406,632
May	34,535,914	49,406,632
June	34,535,914	49,406,631
June- CBA Arrears	60,685,918	-
	<b>475,116,886</b>	<b>592,879,574</b>
<b>Note 8(a): Deferred Income- Granted Assets</b>		
	<b>Kshs</b>	<b>Kshs</b>
Defered Income B/Forward	108,643,912	116,595,637
Additional Granted Assets	1,026,153	2,079,881
Amortization of Granted Assets	(8,379,272)	(10,031,605)
<b>Defered Income C/Forward</b>	<b>101,290,793</b>	<b>108,643,912</b>
<b>Note 8(b): Deferred liability-Granted Assets</b>	<b>Kshs</b>	<b>Kshs</b>
Current Deferred income	8,379,272	10,031,605
Long-term deferred income	92,911,521	98,612,307
	<b>101,290,793</b>	<b>108,643,912</b>
The deferred income of Kshs 101,290,793 has been divided into two; Current deferred income of Kshs 8,379,272 which relates to the current year's amortization on granted assets and long term deferred income of Kshs 92,911,521 is in respect to capitalization of granted assets		
<b>Note 9: Donations</b>	<b>Kshs</b>	<b>Kshs</b>
Needy & Vulnerable Student Fund	646,400	998,950
	<b>646,400</b>	<b>998,950</b>
<b>Note 10: Rendering of services</b>	<b>Kshs</b>	<b>Kshs</b>
Tuition fee KUCCPS	66,706,500	13,007,174
Tuition fee PSSP	34,169,492	14,231,029
Tuition fee NFM	1,579,998,328	808,326,038

Accommodation		17,114,500	15,301,000
Graduation fee		9,468,500	6,870,500
KUCCPS Placement Fee		3,386,000	10,602,500
Registration Fees		3,999,000	4,750,000
Internet and Activity		25,462,000	48,400,600
Field Attachment/Trips/ practical's		10,975,250	41,517,750
Quality Assurance Fee		136,000	3,646,000
Examination/supplementary/Retake		17,345,700	37,182,500
Library fee		19,043,731	36,506,000
KUSA/KUPSA Fee		2,010,100	4,083,200
Amenity Fee		6,030,000	11,035,500
Student Identity Card		124,500	5,329,500
Medical Fee		10,300,000	18,556,000
NCK indexing fees		2,922,300	180,550
Transport fee		993,000	2,169,000
Supervisory fee		3,135,000	2,045,000
Surcharges and fines		529,635	595,915
Student Application Fees		248,000	220,000
		<b>1,814,097,536</b>	<b>1,084,555,756</b>
<b>Note 11: I.G.A and Other Incomes</b>			
Kitchen Food Sales		16,302,887	14,069,285
Tea Farm		1,820,638	2,285,305
Farm & Milk Sales		750,033	919,287
Laundry		61,955	51,635
Conference Facilities		3,228,245	4,155,591
Sale of Tender document		1,800	-
Hire of Facilities		1,731,224	1,365,460
Fines		824,875	815,548
Rent Income		318,650	-
Interest from Calls		96,216,645	40,466,841
Insurance & Deposit refund		24,244	-
Research funds		2,626,673	11,998,155
Consultancy & Survey works		138,000	642,760
Gain/Disposal of assets		522,600	-
		<b>124,568,469</b>	<b>76,769,866</b>
<b>EXPENDITURE</b>		<b>2024/2025</b>	<b>2023/2024</b>
<b>Note 12: Administration expenses/Use of Goods</b>		<b>Kshs</b>	<b>Kshs</b>
Stationery		6,398,942	3,404,951
Motor vehicle repairs		6,337,917	4,941,654
Generator fuel		3,255,739	3,396,691
Motor vehicle Fuel		8,682,176	9,572,107

Office expenses		1,339,410	913,720
Postage		93,363	116,191
Printing and Publishing		4,282,170	1,594,840
Computer & accessories expenses and maintenance		1,750,536	1,608,629
ISO		1,184,267	990,234
Shows and Exhibitions		1,085,522	1,917,187
Performance contracting		945,984	2,483,403
Tax expense		33,360	-
Legal expenses		40,100	89,818
Strategic Plan		56,800	1,263,296
Annual subscription and membership fee		2,440,018	802,010
Professional Services		4,009,921	72,375
Newspapers and Journals		242,291	459,605
Cleaning materials		1,211,730	1,452,543
Telephone		2,848,000	1,511,500
Insurance		7,972,189	8,768,950
Open & Cultural Celebrations		500,723	336,895
Public celebrations and funerals		1,801,369	898,475
Training expenses		7,684,475	2,852,114
Security		7,877,167	7,883,200
Water & Sewer		2,659,026	1,389,104
Electricity		16,763,734	16,087,663
Rent & Rates		3,107,616	10,630,347
Staff Uniforms		436,423	589,862
Medical Expenses		30,865,491	31,467,621
Advertising		643,282	833,361
Internet Charges		13,262,352	12,186,420
ICT infrastructure		2,638,828	8,974,832
Farm Expenses		869,467	1,836,250
Catering Expenses		19,318,271	20,141,550
Audit Fees Expense		696,000	711,200
Loss of Tea bushes		380,796	21,060
Loss on Disposal of assets-(cows)		267,700	26,040
Disposal of assets(Bid deposit)		-	87,000
Traveling & Accommodation		6,071,174	5,684,541
External Travel & Accommodation		12,947	57,258
Provisions for bad and doubtful debts		25,984,357	889,947
Resource Mobilization		336,300	1,275,056
Pension administration		1,343,979	2,058,973
COVID -19 Preventive measure		-	1,033
Crisis Centre Expenses		63,007	
		<b>197,527,219</b>	<b>172,279,506</b>
<b>Note 13: Employee Costs</b>		<b>Kshs</b>	<b>Kshs</b>
Salaries and wages		490,651,864	693,190,407

Housing benefits and allowances		288,648,040	
Passage and Baggage		283,767	23,410
Employer contribution to pension schemes		100,940,383	82,294,142
Gratuity		3,124,154	2,827,978
Other staff Related Staff expenses		15,972,841	12,989,820
		<b>899,621,049</b>	<b>791,325,758</b>
<b>Note 14: Academic Expenses/Use of Goods</b>		<b>Kshs</b>	<b>Kshs</b>
Students activities		3,156,034	2,595,101
Curriculum development/review		3,705,129	3,637,550
External Examiners		4,004,976	4,220,506
Graduation		2,987,786	5,803,184
Industrial Attachments/ Teaching Practice		15,951,657	13,487,770
Games & Sports		2,934,056	2,241,145
Subscription to E-library		3,295,235	1,202,420
Senate & Deans expenses		341,080	229,960
University Committees		5,071,169	3,454,443
Teaching materials		2,285,415	2,758,811
Field trips		9,436,384	7,201,965
Research Program		12,183,943	5,773,013
Part-time teaching expenses		64,201,377	53,579,290
Examination material		9,232,008	5,890,264
Seminars & Conferences		4,994,142	3,231,904
Annual International Conference		6,600	-
Placement Board charges		5,428,500	5,134,500
Accreditation for Programmes		2,743,620	20,000
CUE accreditation fees		13,382,000	3,472,000
NCK indexing		2,922,300	372,900
Nursing Skills Lab expenses		7,763,193	4,044,633
Tea Institute Expenses		392,000	356,000
Entrepreneurial Concept		1,269,621	1,931,785
Counseling services		153,125	228,760
Community Outreach		720,700	158,614
Liberations movement		12,700	238,656
Green Concept Expenses		348,764	426,476
ODEL expenses		1,650,264	1,485,819
		<b>180,573,779</b>	<b>133,177,469</b>
<b>Note 15: Repairs &amp; maintenance costs</b>		<b>Kshs</b>	<b>Kshs</b>
General Refurbishment		11,271,498	6,400,507
Maintenance of buildings		1,225,845	1,468,925
Maintenance of Catering / Hostel equipment		301,010	482,251
Maintenance of plant & Equipment		3,168,527	839,619
Maintenance of playground		3,400,731	75,016
Water Supply Expenses		22,016	-

		<b>19,389,627</b>	<b>9,266,318</b>
<b>Note 16: Board Expenses</b>		<b>Kshs</b>	<b>Kshs</b>
Sitting Allowance		5,693,183	4,641,105
Travelling & Subsistence		2,893,232	2,337,620
Accommodation		4,150,114	3,142,896
Other expenses		691,520	822,983
		<b>13,428,049</b>	<b>10,944,603</b>
<b>Note 17: Finance Expenses</b>		<b>Kshs</b>	<b>Kshs</b>
Bank Charges		762,024	613,064
		<b>762,024</b>	<b>613,064</b>
<b>Note 18: Depreciation and amortization expense</b>		<b>Kshs</b>	<b>Kshs</b>
Depreciation Buildings		35,767,586	36,444,584
Depreciation Computer & Accessories		5,433,675	4,673,590
Depreciation Library books		6,962,963	8,458,759
Depreciation Motor Vehicle		11,773,306	6,906,075
Depreciation Equipment & Furniture		18,485,781	16,942,592
Amortization of intangible assets-Computer Software		3,607,001	2,184,584
		<b>82,030,311</b>	<b>75,610,184</b>

	2024/2025	2023/2024
	<b>Cumulative</b>	<b>Cumulative</b>
	<b>Kshs.</b>	<b>Kshs.</b>
<b>Note 19: Cash &amp; Bank Balances</b>		
Co-operative Bank Of Kenya- Cash at bank	378,100,486	490,809,369
Kenya Commercial Bank - 1138274968	738,175	1,750,737
KCB - Cash at hand	-	-
Petty cash	-	-
Kenya Commercial Bank-1106185382	195,563,677	101,546
Equity Bank- Cash at Bank	239,304,332	194,754,201
Fixed Deposit (Bank Guarantee- Fuel)	3,100,000	2,732,880
<b>Total Cash &amp; Bank Balances</b>	<b>816,806,670</b>	<b>690,148,733</b>
<b>Note 20: Prepayments</b>	<b>Kshs.</b>	<b>Kshs.</b>
Prepayment : Insurance	2,963,633	2,969,532
Total Prepayments	<b>2,963,633</b>	<b>2,969,532</b>
<b>Note 21: Receivables from exchange transactions</b>	<b>Kshs.</b>	<b>Kshs.</b>
KTDA Bonus Payment For year 2024/25	1,147,085	1,316,966
Student Balances	640,750,685	121,063,543
Moi University	2,254,226	2,254,226
Imprest Debtors	2,388,805	956,871
Staff prepayments and debtors	665,089	947,853
Staff Bond	3,202,586	3,452,586
Pesa flow payments	41,742	-
Rent receivable	63,400	

		650,513,618	129,992,046
Provisions for bad and doubtful debts		32,037,534	6,053,177
		618,476,084	123,938,869
<b>Note 21 (b) Receivables from exchange transactions</b>		<b>Kshs.</b>	<b>Kshs.</b>
Student Balances		640,750,685	121,063,543
Provisions for bad and doubtful debts		(32,037,534)	(6,053,177)
<b>Net Student Balances</b>		<b>608,713,151</b>	<b>115,010,366</b>
<i>The student balances of Ksh. 640,750,685 includes Ksh. 250,795,259 Receivable from HELB and Ksh. 240331,914</i>			
<b>Note 22: Receivables from non-exchange transactions</b>			
MoE- Capitation June		-	49,406,631
		-	49,406,631
<b>Note 23: Inventories</b>		<b>Kshs.</b>	<b>Kshs.</b>
<b>Central stores</b>		3,490,110	3,008,917
Medical		3,503,106	2,530,425
Laboratory reagents		4,752,658	6,030,464
Catering		505,528	1,311,268
Games & Sports		852,250	887,215
		13,103,652	13,768,289
<b>Note 24: Biological Assets</b>		<b>Kshs.</b>	<b>Kshs.</b>
Tea Bushes		3,385,980	3,766,776
Cows		443,700	815,080
		3,829,680	4,581,856
		2024/2025	2023/2024

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

Note (25a)	FIXED ASSET SCHEDULE						
	LAND	BUILDINGS	COMPUTER & ACCESSORIES	LIBRARY BOOKS	MOTOR VEHICLES	EQUIP & FURNITURE	TOTAL
COST	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
BAL AS AT 30.06.23	359,000,000	1,511,330,987	97,312,877	81,498,926	107,567,946	181,026,539	2,337,737,275
ADDITIONS			5,064,640	2,010,802	15,960,000	21,099,890	44,135,332
GRANTED ASSETS				2,079,881			2,079,881
BAL AS AT 30.06.24	359,000,000	1,511,330,987	102,377,517	85,589,608	123,527,946	202,126,429	2,383,952,488
ADDITIONS		491,331,404	13,417,567	4,467,176	20,924,000	45,416,415	575,556,562
GRANTED ASSETS				1,026,153			1,026,153
REVALUATION	11,000,000	113,824,860	6,848,022	3,981,194	41,071,925	31,088,759	207,814,760
BAL AS AT 30.06.25	370,000,000	2,116,487,251	122,643,106	95,064,131	185,523,871	278,631,603	3,168,349,963
DEPRECIATION							-
ACCUM DEP RE 30.06.23	0	36,444,584	4,246,861	8,132,179	5,519,875	15,469,759	69,813,258
ACCUMULATED DEPRECIATION 30.06.23	0	211,914,261	90,203,622	54,033,523	94,473,240	115,690,002	566,314,649
AMORTISATION FOR THE PERIOD		3,788,913	31,272	4,552,448	459,375	1,199,597	10,031,605
DEPRECIATION FOR THE PERIOD		29,002,203	4,642,318	3,906,186	6,446,700	12,353,287	56,350,693
AMORTIZATION OF REVALUED AMOUNTS		3,653,468		125		3,389,708	7,043,301
ACCUM DEP RE 30.06.24	0	36,444,584	4,673,590	8,458,759	6,906,075	16,942,592	73,425,600
ACCUMULATED DEPRECIATION 30.06.24	0	248,358,845	94,877,212	62,492,282	101,379,315	132,632,594	639,740,249
AMORTISATION FOR THE PERIOD		3,788,913	2,606	3,343,524	344,531	899,698	8,379,272
DEPRECIATION FOR THE PERIOD		21,751,652	4,485,430	3,289,128	6,604,025	12,235,756	48,365,991
AMORTIZATION OF REVALUED AMOUNTS		10,227,020	945,639	330,311	4,824,750	5,350,327	21,678,047
ACCUM DEP RE 30.06.25	0	35,767,585	5,433,675	6,962,963	11,773,306	18,485,781	78,423,310
ACCUMULATED DEPRECIATION 30.06.25	0	284,126,430	100,310,887	69,455,245	113,152,621	151,118,375	718,163,559
Net Book Value 30.06.25	370,000,000	1,832,360,821	22,332,220	25,608,886	72,371,250	127,513,228	2,450,186,404
Net Book Value 30.06.24	359,000,000	1,262,972,142	7,500,306	23,097,326	22,148,631	69,493,835	1,744,212,239

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

Note (25b) SUMMARY OF GRANTED ASSETS AS AT 30.06.2025							
	LAND	BUILDINGS	COMPUTER & ACCESSORIES	LIBRARY BOOKS	MOTOR VEHICLE	EQUIP & FURNITURE	TOTAL
BALANCE AS AT 30.06.2024	10,796,000	151,556,510	104,240	42,024,660	18,255,205	13,847,831	236,584,445
ADDITIONS				1,026,153			1,026,153
BALANCE AS AT 30.06.2025	10,796,000	151,556,510	104,240	43,050,813	18,255,205	13,847,831	237,610,598
<b>DEPRECIATION</b>							
ACC AMORTIZATION 30.06.2024		71,795,092	101,634	30,593,912	17,910,674	7,539,223	127,940,535
AMORTIZATION FOR THE PERIOD		3,788,913	2,606	3,343,524	344,531	899,698	8,379,272
ACC AMORTIZATION 30.06.2025		75,584,005	104,240	33,937,436	18,255,205	8,438,921	136,319,807
NBV AS AT 30.06.2025	10,796,000	75,972,505		9,113,376		5,408,910	101,290,791
NBV AS AT 30.06.2024	10,796,000	79,761,418	2,606	11,430,747	344,531	6,308,608	108,643,910

**1. Valuation**

The assets were revalued by Murage Estate Agents Limited professional valuers on this date 11th February 2025 These revalued amounts were adopted by the council on 14<sup>th</sup> July 2025 as was presented in the Annual Financial statements for the period ended 30<sup>th</sup> June 2025. The fixed asset register with the revalued amounts was submitted to the National Assets and Liability Management Department of the National Treasury on 15<sup>th</sup> July 2025.

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

<b>Note 26 :Intangible Assets- Computer Soft ware</b>		<b>Computer Soft ware</b>
<b>COST</b>		<b>Kshs.</b>
<b>BAL AS AT 30.06.2023</b>		<b>27,143,156</b>
ADDITIONS		7,189,060
<b>BAL AS AT 30.06.2024</b>		<b>34,332,216</b>
ADDITIONS		5,670,788
REVALUATION		2,153,195
<b>BAL AS AT 30.06.2025</b>		<b>42,156,199</b>
<b>ACCUMULATED AMORTIZATION 30.06.23</b>		<b>24,378,168</b>
AMORIZATION FOR THE PERIOD		2,184,584
<b>ACCUMULATED AMORTIZATION 30.06.24</b>		<b>26,562,752</b>
AMORIZATION FOR THE PERIOD		3,607,001
<b>ACCUMULATED AMORTIZATION 30.06.25</b>		<b>30,169,753</b>
<b>Net Book Value 30.06.2025</b>		<b>11,986,445</b>
<b>Net Book Value 30.06.2024</b>		<b>7,769,463</b>
<b>Net Book Value 30.06.2023</b>		<b>2,764,988</b>

<b>Note 27: Capital Work-In-Progress</b>	<b>Kshs.</b>	<b>Kshs.</b>
Tuition & Laboratory Block	237,588,752	
Construction of SHS	114,326,829	
Library Phase I	-	438,735,725
Construction of Students Centre	37,109,576	
	<b>389,025,157</b>	<b>438,735,725</b>
<b>Note 28: Trade &amp; Other Payables</b>	<b>Kshs.</b>	<b>Kshs.</b>
Trade Creditors	1,748,103	4,286,314
Part time Lecturers	5,326,560	6,051,960
Creditors- PESAFLOW	-	471,436
Creditors- staff medical	-	107,645
Interest on deposit Refundable	292,403	292,403
Rent Deposit Refundable	62,625	
Bid Deposit Refundable	40,645	-
Contractors' Retention Fees	29,961,508	22,013,056
Student prepayments	79,637,901	89,100,339
Unutilized HELB	13,132,705	8,075,689
Accumulated Caution For previous years	10,277,000	10,735,000
Current caution fee	222,000	541,000
	<b>140,701,450</b>	<b>141,674,842</b>
<b>Note 29: Provision</b>	<b>Kshs.</b>	<b>Kshs.</b>
Provision for Audit Fees	696,000	696,000
Provisions for Gratuity	4,825,951	1,701,796
	<b>5,521,951</b>	<b>2,397,796</b>
<b>Note 30: Accumulated Capital Fund</b>	<b>Kshs.</b>	<b>Kshs.</b>
Balance B/F	1,669,726,365	1,664,726,365
Capital Grants for the year	-	5,000,000
<b>Balance as at 30.6.25</b>	<b>1,669,726,365</b>	<b>1,669,726,365</b>
	<b>2024/2025</b>	<b>2023/2024</b>
<b>Note 31: Revenue reserve</b>	<b>Kshs.</b>	<b>Kshs.</b>
Surplus/Deficit B/F	661,445,983	109,149,591
Surplus/Deficit for the period	1,029,476,505	572,018,848
Transfer of amortized revalued PPE	21,678,047	7,043,301
Valuation of Biological Assets	15,800	23,520
Unrealized Tea farm bonuses	-	107,925
Prior year adj. of student balances	(3,887,315)	(35,311,273)
Part-time Claims Reconciliation	475,800	522,600
Adjustments in Provisions for staff leave	-	7,891,471
	<b>1,709,204,820</b>	<b>661,445,983</b>

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

<b>Note 32: Revaluation reserve</b>			
Balance B/F		491,642,439	498,685,740
Revaluation During the year		209,967,955	
Transfer of amortized revalued PPE		(21,678,047)	(7,043,301)
<b>Balance as at 30/06/25</b>		<b>679,932,347</b>	<b>491,642,439</b>

<b>Note 33: Cash generated from Operations</b>			
	Notes	2024/2025	2023/2024
		<b>Cummulative</b>	<b>Cummulative</b>
<b>Cash flow from Operating activities</b>		<b>Kshs.</b>	<b>Kshs.</b>
Surplus		1,029,476,505	572,018,848
<b>Adjustment For</b>			
Depreciation & Amortization	18	82,030,311	75,610,184
Loss of Biological Asset	12	767,976	47,100
Amortization of Granted Assets	8	(8,379,272)	(10,031,605)
Part-time Claims Reconciliation		475,800	522,600
Decrease in Provision for Leave		-	7,891,471
Prior year adj. of student balances		(3,887,315)	(35,311,273)
Unrealized Tea farm bonuses		-	107,925
<b>Operating Activities</b>		<b>1,100,484,005</b>	<b>610,855,250</b>
<b>Change in:-</b>			
Inventories	23	664,637	689,971
Receivable from exchange transaction	21	(494,537,215)	(12,508,766)
Receivable from non-exchange transaction	22	49,406,631	(39,305,177)
Prepayments	20	5,899	2,851,169
Trade & Other Payables	28	(973,392)	46,717,643
Provisions	29	3,124,434	(24,667,690)
<b>Cash From Operating Activities</b>		<b>(442,309,286)</b>	<b>(26,222,850)</b>
<b>Net Cash from Operating Activities</b>		<b>658,174,719</b>	<b>584,632,400</b>

**Notes to the Financial Statements (Continued)****34. Financial Risk Management**

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

**(i) Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the University. The University's credit risk is primarily attributable to its receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University's management based on prior experience and their assessment of the current economic environment. The credit risk on liquid funds with financial institutions is low, because the counter parties are banks with high credit-ratings.

**Financial Risk Management**

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

<b>Receivables</b>	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
<b>At 30th June 2025</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
KTDA Bonus Payment	1,147,085	1,147,085		-
Student Balances	640,750,685	640,750,685		-
Moi University	0	0	2,254,226	-
<b>Total</b>	<b>641,897,770</b>	<b>641,897,770</b>	<b>2,254,226</b>	<b>-</b>
<b>Receivables</b>	<b>Total amount</b>	<b>Fully performing</b>	<b>Past due</b>	<b>Impaired</b>
<b>At 30th June 2024</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
KTDA Bonus Payment	0	0		-
Student Balances	121,063,543	96,850,835	24,212,709	-
Moi University	2,254,226	2,254,226		-
<b>Total</b>	<b>123,317,769</b>	<b>99,105,061</b>	<b>24,212,709</b>	<b>-</b>

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the University has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The University has significant concentration of credit risk on amounts due from student balances. The council sets the University credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**Notes to the Financial Statements (Continued)****(ii) Liquidity risk management**

The University's financial liabilities are categorized as general creditors, part time payments, contractors' fees and retention amounts. The amounts disclosed in the financial position are the contractual undiscounted carrying amounts due within 12 months and the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
<b>Payables</b>				
<b>At 30th June 2025</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Trade Creditors	832,096	0	916,006	1,748,103
Part time lecturers	0	2,238,600	3,087,960	5,326,560
Contractors' Retention	5,938,398	17,540,935	6,482,176	29,961,508
<b>Total</b>	<b>6,770,495</b>	<b>19,770,535</b>	<b>10,486,142</b>	<b>37,036,171</b>
<b>Payables</b>	Less than 1 month	Between 1-3 months	Over 5 months	Total
<b>At 30th June 2024</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Trade Creditors	2,601,211	206,163	1,478,940	4,282,314
Part time lecturers	1,314,495	47,378	4,694,183	6,056,055
Contractors' Retention			22,013,056	22,013,056
<b>Total</b>	<b>3,915,706</b>	<b>253,541</b>	<b>28,186,178</b>	<b>32,355,425</b>

**(iii) Market risk**

Council has put in place an internal audit function to assist in assessing the risks faced by the University on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risks in respect to interest rates and foreign exchange rates will affect the University's income or value held by the financial instruments. The overall responsibility for managing market risk rests with the Audit and Risk Management Committee. There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

**iv) Foreign Exchange risk**

The University is exposed to foreign exchange risk because it has revenues earned and expenses incurred denominated in foreign currency, primarily the US dollar. It also arises from exchange rate differences between when the currency is received from sponsors and when it is recognized in the books of accounts. The University bank accounts are denominated in Kenya Shillings and transaction will be reflected depending on the transaction day spot rate.

**v) Interest rate risk**

The University is exposed to interest rate risk arising from bank deposits. This exposes the institution to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on deposits. To manage the interest rate risk, the University management usually negotiates for favorable interest rates with the bank.

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

The University conducts its interest rate exposure by conducting a sensitivity analysis. Using the end year figure on fixed deposit in respect to bank guarantee for fuel of Kshs. 3,100,000, in case the current floating interest rates increase/ decrease by 5%, interest income reported in the statement of comprehensive income will increase or decrease by Kshs 155,000. The net effect will either increase the surplus to Kshs. 155,000 or decrease to Kshs. 155,000.

**35 Related Party Disclosures**

Description	Current FY 2024/2025	2023/2024 Comparative FY
	Kshs	Kshs
<b>Transactions with related parties</b>		
a) Sales to related parties		
Rent income from govt. Agencies	-	-
Water sales to govt. Agencies	-	-
Others (specify) e.g. interest and bank charges	-	-
<b>Total</b>	-	-
B) purchases from related parties		
Purchase of electricity from KPLC	16,763,734	16,087,663
Purchase of water from govt service providers (MAWASCO/Water Resource Authority/WARMA)	2,686,126	1,389,104
Rent expenses paid to govt agencies	3,107,616	10,630,347
Training and conference fees paid to govt. Agencies	1,268,560	598,615
Others (NITA,NEMA,CUE,KUCCPS,OAG,)	24,911,681	9,594,950
<b>Total</b>	<b>46,048,111</b>	<b>27,670,332</b>
b) Grants /transfers from the government		
Grants from national govt	475,116,886	592,879,574
Grants from county government	-	-
Donations in kind	-	-
<b>Total</b>	<b>475,116,886</b>	<b>592,879,574</b>
c) Expenses incurred on behalf of related party		
	N/A	
d) Key management compensation		
Directors' emoluments	12,821,927	10,944,603
Compensation to key management	36,670,260	35,369,574
<b>Total</b>	<b>49,492,187</b>	<b>46,314,177</b>

## Notes to the Financial Statements (Continued)

### 36. Contingent Assets and Contingent Liabilities

#### Contingent Liabilities

Contingent liabilities	2024/2025	2023/2024 Prior year
Description	Kshs	Kshs
Court case against the University	3,672,196	3,372,196
Moi University - GoK Loan	216,389,088	216,389,088
<b>Total</b>	<b>220,061,284</b>	<b>220,861,284</b>

The following is a summary of the ensuing contingent liability which is estimated at Kshs. 3,672,196.00. The same is tabulated from 4 pending suits. The contingency is assessed using a scenario where the most adverse orders are made against the University.

	Suit details	Principal claim at stake to be met if suit succeeds against the University	Estimated Party and party costs if claim succeeds	Interest if awarded. NB; court rate 12%	Contingency provision based on a worst case scenario
1	Nyeri Court of Appeal no. 42 of 2014 - Oindi Zaipeline Vs. Karatina University Pending party and party bill of cost	-	479,073.00	-	479,073.00
2.	Eldoret Employment and Labour Relations Cause no. 15 of 2020 - George Bala vs Karatina University and others	350,000.00	135,000.00	0.00	485,000.00
3.	Nyeri Court of Appeal E032 of 2021 Christopher Oyuech -vs Karatina University	1,742,523.00	465,600.00	0.00	2,208,123.00
4.	Nyeri HighCourt Judicial Review (HCJR) E005 of 2025-06-19 Barbra Anyango Ochieng vs Karatina University	500,000.00			
<b>TOTAL CONTIGENT LIABILITY</b>					<b>3,672,196.00</b>

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

**37. Capital Commitments**

Capital Commitments	2024/2025	2023/2024
	Current FY	Comparative FY
	Kshs	Kshs
Capital projects	605,919,011	319,605,397
Capital Items	22,582,802	56,937,630
<b>Total</b>	<b>628,501,813</b>	<b>376,543,027</b>

**38. Events after the Reporting Period**

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

**39. Currency**

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

## 20. APPENDICES

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

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. The University has nominated focal persons to resolve the various issues as shown below with the associated time frame within which it is expected that the issues will be resolved.

Ref No.	Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1.	Long Outstanding receivables of Kshs. 121,063,543. Student balances relating to previous years	Debt policy was developed and approved in 2023/24 FY. Request for the writing off the Long outstanding debts has been made to the CS, Treasury, through MoE. The University is awaiting response Management has continued to communicate to students on timelines for fee payment as per the approved fee payment policy.	Vice Chancellor	Partly resolved	
2.	Doubtful staff prepayments & debtors of Kshs. 947,853. In respect to basic salary in lieu of notice due from staff who exited the university without requisite notices	Recoveries have been made in various forms, Those that had claims such as pending part-time have been off set against the amounts due from them. Of the Kshs. 947,853 highlighted in the report that of the auditor, Kshs. 282,764 had been recovered, leaving a balance of Kshs. 665,089.	Vice Chancellor	Ongoing	



**Prof. Linus Gitonga, PhD**  
**Vice Chancellor**

**Appendix 11: Projects Implemented by The University**

Project Title	Donor Period/ Duration Donor Commitment			Separate Donor reporting required as per donor agreement	Consolidated in these financial statements
	Donor	Period/ Duration	Donor Commitment		
Library Phase I	GoK	3 years	Yes	No	Yes
Tuition & Laboratory block	AIA	2 Years	Yes	No	Yes
School of Health Sciences	AIA	2 Years	Yes	No	Yes
Student Centre	AIA	1Year	Yes	No	Yes

STATUS OF PROJECTS COMPLETION						
Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual for the year	Sources
Library Phase I	491,331,404	491,331,404	100%	62,000,000	52,285,474	AIA
Tuition & Laboratory block	500,000,000	237,588,752	48%	500,000,000	237,588,752	AIA
School of Health Sciences	500,000,000	114,326,829	23%	422,645,629	114,326,829	AIA
Student Centre	107,000,000	37,109,576	35%	70,000,000	37,109,576	AIA

**Appendix III: Transfers from Ministry of Education**

<b>Name of the KARATINA UNIVERSITY</b>	<b>Amount recognized to Statement of Comprehensive Income</b>	<b>Amount deferred under deferred income</b>	<b>Amount recognized in capital fund.</b>	<b>Total grant income during the year 2023/2024</b>	<b>2022-2023</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
Ministry of Education	475,116,888	-	-	475,116,888	475,116,888
<b>Total</b>	<b>475,116,888</b>	<b>-</b>	<b>-</b>	<b>475,116,888</b>	<b>475,116,888</b>

**Appendix IV Inter-Entity Confirmation**

KARATINA UNIVERSITY				
Break down of Transfers from the State Department of University Education and Research				
	FY 2024/2025			
<b>a.</b>	<b>Recurrent Grants</b>			
		<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>FY</b>
	July	13.08.2024	34,535,914	2024/2025
	August	12.09.2024	34,535,914	2024/2025
	September	08.10.2024	34,535,914	2024/2025
	October	08.11.2024	34,535,914	2024/2025
	November	07.12.2024	34,535,914	2024/2025
	December	07.01.2025	34,535,914	2024/2025
	January	07.01.2025	34,535,914	2024/2025
	February	10/02/2025	34,535,914	2024/2025
	March	13/03/2025	34,535,914	2024/2025
	April	10/04/2025	34,535,914	2024/2025
	May	02/05/2025	34,535,914	2024/2025
	June	12/06/2025	34,535,914	2024/2025
	June CBA	28/06/2025	60,685,918	2024/2025
		<b>Total</b>	<b>475,116,886</b>	
<b>b.</b>	<b>Development Grants</b>			
		<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>FY</b>
				2024/2025
			0	
		<b>Total</b>	<b>0</b>	

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

CPA Bethsy Kaino  
Ag. Finance Officer  
Karatina University

Sign 



Mr. Maina Chira  
Senior Chief Finance Officer  
State Department of University Education and Research



**Appendix V: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities			Kshs		Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
Green Concept	Green Initiatives	Environmental sustainability	Solar lighting for security; Green cycling; Green competition; Waste segregation;				348,764.00	GoK	Karatina University community (staff & students)
Solar Lights	Installation of security solar light	Conserve energy	servicing the borehole pump					GoK	Outsourced service provider- Supplier