

REPUBLIC OF KENYA



*Enhancing Accountability*

**REPORT**

**OF**

**THE AUDITOR-GENERAL**

**ON**

**AFRICA CENTER OF EXCELLENCE IN  
SUSTAINABLE USE OF INSECTS AS FOOD AND  
FEEDS PROJECT (IDA CREDIT NO.5798-KE)**

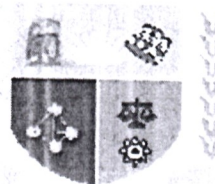
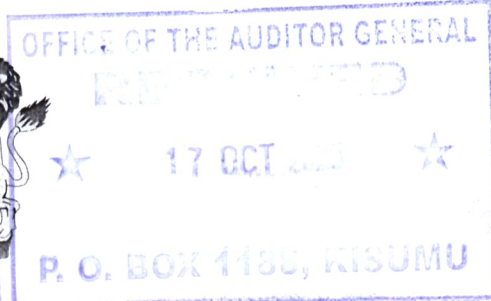
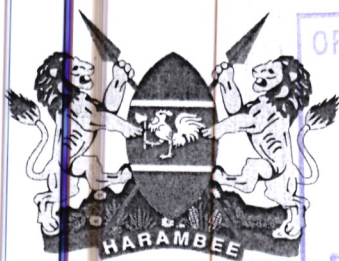
**FOR THE YEAR ENDED  
30 JUNE, 2023**

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

DATE: 07 DEC 2023  
Hon Omen Bayer CBS, MP  
Deputy majority leader  
Munira



*AFRICA CENTER OF EXCELLENCE IN SUSTAINABLE USE OF INSECTS AS FOOD & FEEDS,  
Reports and Financial Statements For the year ended 30 June 2023*



**AFRICA CENTER OF EXCELLENCE  
IN  
SUSTAINABLE USE OF INSECTS AS FOOD AND FEEDS**

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

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**PROJECT GRANT/CREDIT NUMBER: IDA CREDIT 5798-KE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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

*AFRICA CENTER OF EXCELLENCE IN SUSTAINABLE USE OF INSECTS AS FOOD & FEEDS.  
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### **1.0 Acronyms and Glossary of Terms**

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

## 2.0 OBJECT INFORMATION AND OVERALL PERFORMANCE

### 2.1 Name and Registered Office

**Name: ACE II Project:**

Africa Center of Excellence in Sustainable Use of Insects as Food and Feeds (INSEFOODS).

**Objectives:**

The specific project objectives are to: -

- i) Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed;
- ii) Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed;
- iii) Develop a biodiversity repository of insects for food and feed in the region; and
- iv) Develop insect technology incubation and skills transfer hub for teaching and research.

**Address:**

The Project offices are located at Jaramogi Oginga Odinga University of Science and Technology, main campus,

Bondo. Bondo-Usenge Road  
P.O Box 210-40601 Bondo, Kenya  
Telephone: (254) 057-2058000/ 2501804  
E-mail: [drinsefoods@jooust.ac.ke](mailto:drinsefoods@jooust.ac.ke)

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Website: [www.jooust.ac.ke](http://www.jooust.ac.ke)

Center Director  
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E-mail: [drinsefoods@jooust.ac.ke](mailto:drinsefoods@jooust.ac.ke)  
Website: [www.insefoods.jooust.ac.ke](http://www.insefoods.jooust.ac.ke)

### 2.2 Project Information

Project Start Date:	The Financing Agreement was signed on 4th July 2016 and the Subsidiary Grant (Performance Agreement) signed on 27 <sup>th</sup> October 2016. Date of Credit Effectiveness 1st February 2017
Project End Date:	The project end date is 31 <sup>st</sup> December 2023
Project Manager :	The Center Director: Prof. Darius Otiato Andika
Project Sponsor:	International Development Association (IDA)-World Bank

### 2.3 Project Overview

Line Ministry / State Department of the project	Ministry of Education / State Department for University Education
Project Number:	P151847
Strategic goals of the Project	<p><b>Key Strategic Objectives.</b></p> <ul style="list-style-type: none"> <li>i) Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed;</li> <li>ii) Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed;</li> <li>iii) Develop a biodiversity repository of insects for food and feed in the region; and</li> <li>iv) Develop insect technology incubation and skills transfer hub for teaching and research.</li> </ul>
Achievement of strategic goals	<p>The project aims to achieve the goals through the following means:</p> <p><b>Component 1.</b> Strengthening Education Capacity (Excellence) and Development impact</p> <p><b>Component 2.</b> Strengthen Research Capacity Excellence</p> <p><b>Component 3.</b> Attracting Regional Faculty and Students</p> <p><b>Component 4.</b> Plan for National, Regional and International Academic Partnership and Collaborations</p> <p><b>Component 5.</b> Plan for Management and Governance</p> <p><b>Component 6.</b> Sustainability</p>
Other important background information of the project	<p>INSEFOODS is one of the 24 competitively selected centers at Universities in Eastern and Southern Africa under the World Bank's Eastern and Southern Africa Higher Education Centers of Excellence Project II (ACE II).</p> <p>The overall objective of INSEFOODS is to achieve long-term food and nutritional security by using insects as a cost effective, reliable and sustainable source of protein and other nutrients for food and feeds.</p> <p>To achieve this objective, INSEFOODS' strategy is to develop and offer high quality regional and internationally accredited masters, doctoral and short courses programs in food security and sustainable agriculture with insects for food and feeds as the entry point.</p>

	<p>The educational programs will involve teaching, research, product development and commercialization, and student and staff exchanges in different disciplines related to insects as food and feeds across Africa.</p> <p>INSEFOODS is funded by the World Bank to the tune of US\$ 6 million over a five-year period 2017-2023. The Bank has disbursed cumulative of US\$ 3.9 million. The funds were credited into the JOOUST Bank Account at the Equity Bank, Bondo Branch, for the ACE II Project. The total amount received cumulatively in Kenya shillings was 394,896,623 (Three Hundred and Ninety Four million, Eight Hundred and Ninety Six Thousand Six Hundred and Twenty Three).</p>
<p>Current situation that the project was formed to intervene</p>	<p>INSEFOODS was designed to:</p> <ul style="list-style-type: none"> <li>a) Strengthen Education Capacity Excellence through the number of Ph.D. and Masters students trained, and the number of students who participate in short term trainings;</li> <li>b) Strengthen Education Capacity &amp; Development Impact through the number of student and staff internships with private sector, the number of sub-regional and internationally accredited education programs, the number of students employed by industry and by universities as faculty members, and the number of students who create/start their own businesses;</li> <li>c) Strengthen Research Capacity Excellence through the number of internationally peer reviewed research publications in disciplines supported by the INSEFOODS Program; the number of new research collaboration in the region; the number of students employed by research organizations; and the number of patents, invention disclosures, trademarks and copyrights emanating from the project's activities; and</li> <li>d) Strengthen Education and Research Capacity through increased financial sustainability and demonstration of value to students and partners through the amount of externally generated revenue by the INSEFOODS</li> </ul>
<p>Project duration</p>	<p>The project started on 1<sup>st</sup> February 2017 and is expected to run until 31<sup>st</sup> Dec 2023</p>

**2.4 Bankers**  
 Equity Bank;  
 Bondo Branch  
 P.O Box 598-40601  
**Bondo, Kenya**

**2.5 Auditors**  
 Auditor General  
 Office of the Auditor General,  
 Anniversary Towers, University way,  
 P.O Box 30084-00100  
**Nairobi, Kenya**

## 2.6 Roles and Responsibilities

Key person(s) working with the project.

Names	Title designation	Key qualification	Responsibilities
Prof. Emily A. Akuno	Vice Chancellor	PhD in Music	Accounting Officer
Prof. Aggrey D.M Thuo	Deputy Vice Chancellor, Planning Admin & Finance	PhD in Environmental Planning	Member Center Advisory Board
Prof. Dennis Ochuodho	Ag. Deputy Vice Chancellor, Academics, Students' Affairs and Research	PhD in Plant Ecology	Member Center Advisory Board
Dr. Caleb Olweny	Dean School of Agricultural and Food Sciences	PhD Horticulture	Member Center Advisory Board
Prof. Darius Andika	Center Director	PhD Horticulture	Center Administration
Prof. Monica Ayieko	Deputy Director and Principal Investigator	PhD Consumer Sciences and Food Security	Center Technical activities
CPA George Aduda	Chief Finance Officer	MBA Accounting, CPA (K)	In charge of internal Project Finances
Mr. Joram Ocio	Project Manager	MA Project Planning and Management	Coordinate Centre activities
CPA Francis Ngati	Internal Auditor	MBA Finance, BBA Accounting, CPA (K)	In charge of Internal Project Auditing
Dickson Seda	Procurement Officer	MBA Procurement, BSc Procurement, CIPS	In charge of internal project Procurement

## 2.7 Funding Summary

The project duration is 5 years (from 2017 to 2023) with an approved total budget of USD 6 Million equivalent of Kshs. approx. 600 Million as highlighted in the table below:

**Table A: Source of Funds**

Source of funds	Donor commitment		Amount received to date-(30.06.2023)		Undrawn amount to date	
	USD.	KShs.	USD.	KShs.	USD.	KShs.
<b>Grant</b>						
The World Bank	6,000,000	600,000,000	4,489,504	448,950,382	1,510,496	151,049,618
<b>Sub Total</b>	<b>6,000,000</b>	<b>600,000,000</b>	<b>4,489,504</b>	<b>448,950,382</b>	<b>1,510,496</b>	<b>151,049,618</b>
<b>Others Grants</b>						
DANIDA Fellowship	16,096	1,609,594	16,096	1,609,594	-	-
Gottfried Wilhelm	6,258	625,818	6,258	625,818	-	-
Kobenhaven University	235,000	23,500,000	84,569	8,456,880	203,231	15,043,120
African Population and Health Research Center	22,299	2,229,942	22,299	2,229,942	-	-
University of Gothenburg	29,000	2,900,000	6,159	615,904	22,841	2,284,096
National Research Fund-SA	41,767	4,176,708	41,767	4,176,708	-	-
University of Southampton	287,218	28,721,801	39,233	3,923,272	247,985	24,798,529
World Health Organization	60,317	6,031,665	60,317	6,031,665	-	-
National Research Funds	369,951	36,995,113	369,951	36,995,113	-	-
Kobenhavens University	203,231	20,323,120	91,993	9,199,296	111,238	11,123,824
African Population and Health Research Center	86,689	8,986,719	89,867	8,986,719	-	-
University of Gothenburg	22,841	2,284,096	12,782	1,278,191	10,059	1,005,905
University of Southampton	247,985	24,798,529	40,783	4,078,343	207,202	20,720,186
The Michael Fox Foundation	185,840	18,584,015	100,480	10,047,964	85,361	8,536,051
University of Southampton	208,183	20,818,263	60,663	6,066,311	147,520	14,751,952
University of Gothenburg	10,059	1,005,905	8,289	828,858	1,770	177,047
Chalmers Tekniska	14,823	1,482,278	4,235	423,508	10,588	1,058,770
Africa Research Excellence	5,544	554,364	5,544	554,364	-	-
Miscellaneous Receipts	52,667	5,266,715	52,667	5,266,715	-	-
<b>Sub Total</b>	<b>2,105,768</b>	<b>210,894,645</b>	<b>1,113,952</b>	<b>111,395,165</b>	<b>1,047,794</b>	<b>99,499,480</b>
<b>Total</b>	<b>8,105,768</b>	<b>810,894,645</b>	<b>5,603,455</b>	<b>560,345,547</b>	<b>2,558,290</b>	<b>250,549,098</b>

**Table B: Application of Funds**

Application of Funds	Amount received to date		Cumulative Amount Paid	Un-utilized Balance to Date	
	30.06.2023		30.06.2023	30.06.2023	
Grant	USD.	KShs.	KShs.	USD.	KShs.
<b>The World Bank</b>	4,489,504	448,950,382	440,525,313	84,251	8,425,069
<b>Sub Total</b>	<b>4,489,504</b>	<b>448,950,382</b>	<b>440,525,313</b>	<b>84,251</b>	<b>8,425,069</b>
<b>Others Grants</b>					
DANIDA Fellowship Centre	16,095.94	1,609,594	1,609,594	-	-
Gottfried Wilhelm	6,258.18	625,818	625,818	-	-
Kobenhaven University	176,561.76	17,656,176	14,780,461	28,757.15	2,875,715
African Population and Health Research	112,166.61	11,216,661	9,245,346	19,713.15	1,971,315
University of Gothenburg	27,229.53	2,722,953	1,880,318	8,426.35	842,635
National Research Fund-SA	41,767.08	4,176,708	3,352,950	8,237.58	823,758
University of Southampton	140,679.26	14,067,926	7,103,768	69,641.58	6,964,158
World Health Organization	60,316.65	6,031,665	1,152,600	48,790.65	4,879,065
National Research Funds	369,951.13	36,995,113	14,811,856	221,832.57	22,183,257
The Michael Fox Foundation	100,479.64	10,047,964	7,098,902	29,490.62	2,949,062
Chalmers TekniskaHogskola	4,235.08	423,508	198,526	2,249.82	224,982
Africa Research Excellence	5,543.64	554,364	279,036	3,505.10	275,328
Miscellaneous Receipts	52,667.15	5,266,715	-	52,667.15	5,266,715
<b>Sub Total</b>	<b>1,113,951.65</b>	<b>111,395,165</b>	<b>62,139,175</b>	<b>492,559.90</b>	<b>49,255,990</b>
<b>Total</b>	<b>5,603,455.65</b>	<b>560,345,547</b>	<b>502,664,488</b>	<b>576,810.90</b>	<b>57,681,059</b>



## **2.8 Summary of Overall Project Performance**

### **2.8.1 Budget performance**

During the year the budget performance against actual amount stood at 91%.

**2.8.2 Physical Progress-**

The progress made towards achieving the result of the project as per the PDO indicator is as per the Result Framework table below.

**Table C. Results Framework**

PDO Indicators	End Target	Achieved	% Achieved	Remarks	
1. Regional students enrolled in ACEs: (i) Masters (No. of Female) (ii) PhD (No. of female)	Masters (Total No.)	51	300%		
	Masters (Female No.)	24	343%		
	PhD (Total No.)	13	130%		
	PhD (Female No.)	4	133%		
	Short-term courses (Total No.)	0	94	-	Achieved and exceeded target.
	Short-term courses(Female)	0	40	-	Achieved and exceeded target.
	Masters (Total No.)	60	143	238%	
	Masters (Female No.)	24	58	242%	
	PhD (Total No.)	20	41	205%	
	PhD (Female No.)	8	22	275%	
2. Students (national and regional) enrolled in the Center: (i) Masters (No. of female) (ii) PhD (No. of female)					

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	Short-term courses (Total No.)	110	182	165%	
	Short-term courses(Female)	22	83	377%	
3. MOUs on partnerships for collaboration in applied research and training entered into by the ACEs		5	20	400%	
4. Accredited education programs offered by the Center	Total No.	12	9	75%	Other programs are being developed to meet the target
	National (No.)	10	9	90%	Other programs are being developed to meet the target
	Regional (No.)	0	0	0%	Redefined
	International (No.)	2	2	100%	Centre finally achieved International accreditation of two programs
5. Direct Project Beneficiaries (of which female)	Total No.	117	496	424%	
	Female	32	173	541%	
<b>Component 1</b>	Total No.	37	88	238%	Plans are underway for more exchanges

							for total withdrawal
1. Faculty and PhD students exchanges to promote research and teaching (No. of female)	Female	11	67	609%	Plans are underway for more exchanges		
2. Amount of externally generated revenue by the Center, USD		420,000	1,042,525	248%			
3. Internationally recognized research publications in disciplines supported by the Center Programs and with regional coauthors	Total No.	75	119	159%			
	No. co-authored with regional collaborators		35	-	Target exceeded		
4. No. of institutions hosting the Center participating in the PASET benchmarking exercise (No.)		1	5	500%			
<b>Component 2</b>							
1. Events that foster partnerships between the Center and private sector/industry (No.)		5	5	100%	The Project has attracted FAO engagement in commercialization of Black Soldier Fly		
					Participated in all IUCEA organized events		
<b>Component 3</b>							
1. Knowledge sharing events with the Center, partner institutions, academia and diaspora (No.)		10	10	XX	Participated in IUCEA organized events		

2. Reports by the Center on Beneficiary Satisfaction (No.)	4	3	75%
3. Timely verification of Center achievement of DLLs	10	10	100%
4. Biannual reporting on M&E of the Center	10	10	100%

### 2.8.3 Comment on value-for-money achievements

The Project is result based and the Center DLR status is per the table able D below.

**Table D: DLR status**

DLR	DLR Description	Target Amount	Amount Achieved	Percentage Achieved (%)	Remarks
DLR 1.1	Completion of Effectiveness Conditions	600,000	600,000	100%	Fully achieved
DLR 1.2	Project Implementation Plan	500,000	500,000	100%	Fully achieved
DLR 2.1	Timely Implementation	-	-	0%	
DLR 2.2	Enrollments	1,300,000	1,300,000	100%	Fully achieved
DLR 2.3	Accreditation	600,000	600,000	100%	International Accreditation achieved awaiting verification
DLR 2.4	Partnership and Collaboration	200,000	190,000	95%	Strategy in place
DLR 2.5	Journals and Conf Presentations	500,000	500,000	100%	Fully achieved

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DLR 2.6	Faculty/PhD Exchange	700,000	700,00	100%	Data in place awaiting final verification
DLR 2.7	Ext. Revenue Generation	900,000	900,000	100%	Fully achieved
DLR 2.8	Asset benchmarking	100,000	100,000	100%	Fully achieved
DLR 3.1	Timely Withdrawal	75,000	75,000	100%	Fully achieved
DLR 3.2	Functional Audit Committee	75,000	75,000	100%	Fully achieved
DLR 3.3	Functional Internal Audit	75,000	75,000	100%	Fully achieved
DLR 3.4	Transparency and Accountability	75,000	75,000	100%	Fully achieved
DLR 4.1	Timely Procurement Audit	150,000	150,000	100%	Fully achieved
DLR 4.2	Timely Procurement Progress	150,000	150,000	100%	Fully achieved
<b>TOTAL</b>		<b>6,000,000.00</b>	<b>5,990,000</b>	<b>100%</b>	

#### **2.8.4 Implementation Challenges**

The Center faced some challenges towards achieving its objectives and took the following actions to solve them.

	<b>Challenge faced</b>	<b>Action Taken</b>
1	Delay in disbursement of achieved funds	<ul style="list-style-type: none"><li>• Engagement with Ministry of Education to hasten the disbursement process</li></ul>
2	Obtaining International accreditation of two Post Graduate programs	<ul style="list-style-type: none"><li>• The World Bank has redefined this indicator to include joint programs with institutions ranked in top 750. The center has forged collaborations that will contribute towards achieving this indicator.</li></ul>

#### **2.9 Summary of Project Compliance**

There were no issues of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.



### **3.0. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES**

#### **Introduction**

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

The key development objectives of the project's agreement/ plan are to:

- i. Build human resource and infrastructural capacity for research, training and technology development and transfer on insects as food and feed;
- ii. Build sustainable local, regional and international partnerships and networks for research, development and training on insects as food and feed;
- iii. Develop a biodiversity repository of insects for food and feed in the region; and
- iv. Develop insect technology incubation and skills transfer hub for teaching and research.

#### **Progress on attainment of Strategic development objectives**

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

#### **Achieved Metric**

The project is result based and the performance of the project is per the implementation Matrix as indicated in the table below:

**Table D: Implementation Matrix**

Project	Objective	Outcome	Indicator	Performance
1.1 Develop new relevant multidisciplinary MSc and PhD food security curricula and regular reviews			Number of new relevant multidisciplinary MSc and PhD curricular developed and regularly reviewed	10 programs developed
1.2 Benchmark and obtain accreditation for MSc and PhD food security curriculum	Objective 1 Strengthen education capacity and excellence and development impact	Build human resource and infrastructural capacity for research, training and technology development and transfer in insect science.	Number of MSc and PhD programs accredited	Bench-marked with Chalmers University which led to International accreditation of 2 programs, 9 program Nationally accredited
1.3 Rehabilitate and upgrade teaching and learning facilities			Number of teaching and learning facilities upgraded	4 Lecture rooms were rehabilitated and furnished with modern learning materials. 1 post graduate library renovated and equipped
1.4 Rehabilitate and upgrade teaching and learning facilities			A grants management scheme established and functional	The Center supported the implementation of the ERP within the institution which has component of grants management system integrated

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1.5 Strengthen ICT infrastructure for teaching and learning	ICT infrastructure for teaching and learning strengthened	The Center is facilitating the institution to enhance the ICT infrastructure; the center is in the process of acquisition of teleconference/video facility.
1.6 Advertise and admit students into MSc and PhD programmes	Number of MSc and PhD students admitted	41 PhD Students enrolled 143 MSc Enrolled
1.7 Offer required taught courses to MSc and PhD students	Number of courses offered to MSc and PhD students	2 courses being offered; PhD Food Security and Sustainable Agriculture and MSc Food Security and Sustainable Agriculture student are going on with their research work and projects.
1.8 Initiate and implement regional student exchanges to broaden learning experience	Number of students involved in regional student exchanges	This is a continuous exercise and student goes for exchange in different partner Universities
1.9 Develop and offer relevant short courses for special groups	Number of short courses developed and offered to special groups Number of beneficiaries trained in the short courses	277 people trained across the region against a target of 110 people

<p>1.10 Develop content and convert for delivery by e-learning platform</p>		<p>Number of courses delivered by e-Learning platform                      A functional e-learning platform</p>	<p>2 post graduate program delivered online ( MSc Food Security and Sustainable Agriculture                      PhD Food Security and Sustainable Agriculture.                      1 Short course training delivered online (BSF rearing and value addition).</p>
<p>1.11 Expand the existing library resources including e-resources relevant to the ACE</p>		<p>Number of new library resources including e-resources relevant to the ACE provided</p>	<p>The Center facilitated renovation and equipping of post graduate library.</p>
<p>1.12 Broaden students' knowledge and skills through internship at advanced research institutions and industries</p>		<p>Number of students participated in internship at advanced institutions and industries</p>	<p>The Center has entered into MOU with 11 institutions where students goes for research and exchange program. A new MoU signed with University of Development Studies Ghana</p>
<p>1.13 Provide appropriate tools for people with disabilities to access learning and research</p>		<p>Number of appropriate tools provided for people with disabilities to access learning and research</p>	<p>Through safe guard team, the Center has supported making the rooms more accessible and still have plans to work with the institution to enhance the environment.</p>

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<p>2.1 Scale up MSc and PhD research in key areas in insect science and food security</p>	<p>Objective 2                      Strengthen research capacity excellence</p>	<p>Number of additional MSc and PhD programs developed and offered                      Number of MSc and PhD students trained</p>	<p>Post graduate students are conducting research in the different key areas</p>
<p>2.2 Expand regional and international collaborations and joint research programmes</p>		<p>Number of MoUs signed with regional partners</p>	<p>The Center has entered in Collaboration with Institution and Universities. The Center is still enhancing these collaboration for the purpose of sustainability.</p>
<p>2.3 Equip and rehabilitate research laboratories for up scaling insect rearing, processing and analysis</p>		<p>Number of research laboratories rehabilitated                      Number of equipment procured</p>	<p>2 labs had been renovated and some equipment to be serviced and rehabilitation done based on the requirement of the public health recommendation. Food lab and are fully renovated and working and Temperature controlled cricket room was established</p>
<p>2.4 Enhance faculty research capacity through staff development, exchange programmes and visits</p>		<p>Number of staff involved in staff exchange programme</p>	<p>The Center has facilitated staff capacity building through supporting staff training as well as exchange program. The center is facilitating incoming and outgoing exchanges</p>
<p>2.5 Recruit qualified technical and support staff</p>		<p>Number of qualified technical and support staff recruited</p>	<p>The Center pays salaries of the center staff</p>

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<p>2.6 Conduct training workshops and seminars to broaden students' learning experience</p>		<p>Number of training workshops conducted Number of students trained in the training workshops</p>	<p>Continuous process as student continues with their studies</p>
<p>2.7 Develop and sign MoUs with partner institutions</p>		<p>Number of MoUs signed with partner institutions</p>	<p>12 MOUs Signed</p>
<p>2.8 Attract, retain and retool faculty in areas relevant to the ACE</p>		<p>Number of faculty recruited, retained and retooled</p>	<p>Retooling was conducted and the Center retooled the post graduate students supervisors to enhance their capacity.</p>
<p>2.9 Publish in peer reviewed journals</p>		<p>Number of publications in peer reviewed journals</p>	<p>148 peer reviewed papers published No research results commercialized so far No research results being used by firm/industry so far More students in the process of submitting their articles for publication</p>

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2.10 Support scientific conference presentations		Number of papers supported for conference presentations	This is a continuous process
2.11 Develop insect technology incubation and skills transfer hub			The Center has established insect repository. National Museum of Kenya have finalized the work. Training for the faculty was conducted on site
3.1 Set up collaborative postgraduate programmes with other Institutions		Number of collaborative postgraduate programmes with other institutions developed	The Center is working with other institution in establishing of the collaborative program as a way of attaining International accreditation.
3.2 Set up structures for student and staff support	Objective 3 Attract regional aculty and students	Number of structures for student and staff support developed	Was finalized with policies in place on how students are supported. Policies on stipends, scholarship and research funds
3.3 Establish staff/student regional mentor-ship programme and regional working groups		A staff/student regional mentor-ship programme established Number of regional working groups established	Undertaken through collaboration with other institution and exchange program where the Center has supervisors from other institutions

<p>3.4 Develop partnerships with industry, research organization for staff and equipment sharing</p>			<p>The institution has engaged research institution where students goes for research and analysis of their specimen. These include KALRO, ICIPE. The Center is currently receiving support from World Bank to enhance the partnership with private sectors.                  The Center has an MOU with SIGMA feeds and FAO has just started collaboration with the Institution to commercialized BSF</p>
<p>4.1 Inception meeting and workshops to form strategic working groups for collaborative teaching and research</p>	<p>Objective 4                  Plan for national, regional and international academic partners and collaborations</p>	<p>Build sustainable local, regional and international partnerships and networks for research, development and training.</p>	<p>Inception meeting &amp; workshop held                  Number of working groups for collaborative teaching &amp; research formed                  Partners meeting conducted and agreed on project implementation strategies</p>
<p>4.2 Institutionalize faculty exchange programmes</p>			<p>Number of faculty exchange programmes institutionalized</p>
<p>4.3 Establish and publish a high impact peer reviewed journal in insects as food and feeds</p>			<p>A high impact peer reviewed journal in insects as food and feeds established                  Faculty and student are continuously publishing in high impact peer review journals in insect as foods and feeds.</p>

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4.4 Set up collaborative postgraduate, postdoctoral studies and fellowship programmes	Number of collaborative postgraduate, postdoctoral studies and fellowship programmes established	Discussions ongoing
4.5 Schedule a launching and inception workshop with partners	A launching and inception workshop held	Partners meeting conducted and agreed on project implementation strategies
4.6 Participation in two (2) joint regional ACEII Meetings	Number of ACE staff participated in two regional ACE II Meetings	Participated in all joint meetings organized by IUCEA
5.1 Develop a biodiversity repository of insects for food and feed in the region	A regional biodiversity repository of insects for food and feeds developed	Repository established and equipped. Training on management and collection of more specimens was conducted
6.1 Carry out an implementation survey and impact assessments through participatory community outreach activities	A report of a survey and impact assessment through participatory community outreach activities available	
		Enhance knowledge on the available insect in the region and their contribution
		Community member embrace farming and consumption of insects
		Objective 5 Develop a biodiversity repository of insects for food and feed in the region
		Objective 6 Develop insect technology incubation and skills transfer hub

6.2 Write proposal and acquire funds to develop insect technology incubation and skills transfer hub		An insect technology incubation and skills transfer hub established	The insect farms established and community outreach through short courses conducted
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#### **4. Environmental and Sustainability Reporting**

INSEFOODS exists to transform lives. The overall objective of INSEFOODS is to achieve long-term food and nutritional security by using insects as a cost effective, reliable and sustainable source of protein and other nutrients for food and feeds.

To achieve this objective, INSEFOODS' strategy is to develop and offer high quality regional and internationally accredited masters, doctoral and short courses programs in food security and sustainable agriculture with insects for food and feeds as the entry point. Below is a brief highlight of our activities that drive towards sustainability.

##### **1 Sustainability strategy and profile**

The center has developed a sustainability strategy that relates to social, environmental, economic, and ethical issues that define its relationships with society and continued existence in executing its mandate as defined from inception.

The sustainability strategy has considered several key factors including.

- i) Sustainability Assessment to identify current activities and potential gaps
- ii) Benchmarking against peers to identify areas of strength, weakness, opportunity, and risk
- iii) Stakeholder Engagement to hold a meaningful dialogue and receive feedback through workshops and interviews
- iv) Impact measurement to assess performance in social, environmental, and economic areas
- v) Reporting and Engagement to communicate and explain progress to stakeholders

The involvement of strategic stakeholders from the industry has been given priority to facilitate the marketing of developed research outputs and access to the consumers.

Therefore, the sustainability strategy focuses on;

- i) Innovation for growth to provide an additional revenue stream through meeting environmental or social needs.
- ii) Leadership in the market to future proof and build competitive advantage.
- iii) Risk and resilience for minimizing vulnerabilities and anticipating upcoming issues, such as new regulations.
- iv) Reputation and brand for stronger relationships with customers and an enhanced license to operate through better relationships with regulators, non-profits and other stakeholders.

The Center Developed the following sustainability plan as the project is heading toward the end of Phase one;

##### ***1.1 Up scaling of products and commercialization***

- The Center has developed business plan to enhance scaling of products development and commercialization. The Center has already registered JUSTER FOOD as the brand for the product and obtained KEBs certification.
- The Center successfully installed a temperature controlled room to facilitate mass production of cricket for commercialization purposes.

- JOOUSTES has partnered with the center to facilitate the commercialization of the products and currently working with FAO to facilitate commercialization of Black Soldier Fly within Siaya County.

The Center in collaboration with JOOUSTES are working on the commercialization of the products and the following were undertaken within the financial year;

- **Registration of Trademarks**

The Center facilitated registration of the traded mark “JUSTER FOODS” within the quarter.

- **Stacking of repository**

The Center in collaboration with the National Museum of Kenya facilitated collection of insect to equip the repository within the month of October 2022.

- **Installation of temperature controlled room**

The Center facilitated installation of Cricket rearing cold room. This will facilitate mass rearing of cricket to facilitate commercialization of the cricket enriched biscuits.

- **Trademark amendment**

The Center facilitated amendment to the trademark JOUSTER-FOODS and payment of the annual subscription fee to KIPI.

- **Processing of packages**

The Center facilitated processing of Jooster-Biscuits packaging to the acceptable global codes and to ensure proper labeling of packaging materials.

- **KEBS nutritional Value Analysis**

The Center facilitated nutritional value analysis of cricket biscuits which is a requirement in commercializing the products.

- **Remodeling of food Lab**

The Center facilitated remodeling of the Food Lab in line with the recommendation from the Public Health department in preparation for mass production.

### **1.2 Proposal writing**

- The Center participated in the World Bank Phase II Funding Concept Note development to align proposed reforms in the Higher Education Sector. The meeting was held at Egerton University from 6<sup>th</sup> to 13<sup>th</sup> March, 2023.
- The Center supports proposal writing to raise more resources and this is a continuous process.

### **1.3. Fee payment**

- The Center continues to advertise its programs to attract fee-paying students and supported students to obtain admission letter in order to apply for IUCEA scholarship to study at JOOUST.

### **1.4. Academia industry collaboration**

- The Center is in the process of seeking sustainable collaboration with industries.

- The Center participated in the 12<sup>th</sup> Academia-Public-Private-Partnership Forum (APPPF) held at Julius Nyerere International Convention Center, Dar El Salaam, Tanzania from 15<sup>th</sup> to 17<sup>th</sup> March 2023. The theme of the forum was “*Nurturing Sustainable Skills Development for Graduate Employ-ability through Academia-Industry Partnership*”

**1.5. Community engagement**

- The Center is rolling out the skills and technology transfer to the community members through short course training and outreaches for community adoption.

**1.6. Online short Course training**

- The Center facilitated short course training on Black Soldier Fly (BSF) rearing and value addition where a total of 40 farmers were trained within Busia County from 29<sup>th</sup> August to 2<sup>nd</sup> September 2022 and from 19<sup>th</sup> to 23<sup>rd</sup> September 2022 in Homa Bay County.

**1.7. Establishment of Center of Excellence office block**

- The Center is in the process of establishing the ACE II office block where it will operate from.

**1.8. Institutionalization of the Center in the University Status**

- The Center is institutionalized within the University Statutes to facilitate its sustainability.

**2. Environmental performance**

The Center has an approved Environmental and Social Monitoring Plan that clearly outlines the management of environmental related issues. The summary of the plan is indicated below for the year under review

**Instruction:** Provide updates and rate conformity to ESMP requirements.

- Refer to your approved ESMP.
- KEY (Rating conformity)**

Status	Color code	Interpretation
Conforming (C)	C	Compliance with requirements; no corrective action required.
Partially conforming (PC)	PC	Partial compliance with specific requirement; corrective action needed to ensure full compliance.
Non-conforming (NC)	NC	Non-compliance with specific requirement; corrective or remedial action is essential.
Not Applicable (NA)	NA	Not in the ESMP.
Observations	None	These are negative findings that do not represent any specific breach of legislation but have the potential to lead to adverse impacts in the absence of deliberate interventions/corrective actions.

S/N	Activity (as applicable)	Parameter/Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
0	General Conditions	Notification and worker Safety	<ul style="list-style-type: none"> <li>▪ Presence of Official communication letter/disclosure/notifications in media/accessible site/areas</li> <li>▪ Availability of all approvals/permits</li> <li>▪ Availability of Workers PPE.</li> <li>▪ Availability of signage-with key rules and regulations.</li> </ul>			

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S/N	Activity (as applicable)	Parameter/ Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
A	General Rehabilitation and /or construction Activities.	Air Quality	<ul style="list-style-type: none"> <li>▪ Presence of debris chutes.</li> <li>▪ Availability of dust management plan (manage all issues of dust generation)</li> <li>▪ Availability of incinerators (no open-air burning).</li> <li>▪ Evidence of regularly serviced vehicles.</li> </ul>		The site has hoarding that encompasses the whole to mitigate against dust circulation to nearby facilities and Environmental, Health and safety plan to guide in facets of that nature	
		Noise	<ul style="list-style-type: none"> <li>▪ Presence of construction schedules.</li> <li>▪ Availability of noise management plan.</li> </ul>		Activities limited to working hours between, 8am and 5pm with machinery properly greased and oiled to reduce friction and possible noise emission.	
		Water Quality	<ul style="list-style-type: none"> <li>▪ Presence of hay bales and/or silt fences.</li> <li>▪ Availability of a Water resource protection plan.</li> </ul>		Use of existing wastewater treatment plant to manage its liquid waste	
		Waste Management	<ul style="list-style-type: none"> <li>▪ Presence of records of waste disposal.</li> <li>▪ Availability of a Waste Management Plan.</li> </ul>		The contractor uses a solid management system in the disposal of waste	

S/N	Activity (as applicable)	Parameter/ Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
<b>B</b>	Individual wastewater treatment system.	Water Quality	<ul style="list-style-type: none"> <li>▪ Presence of Approvals from Authorities.</li> <li>▪ Presence of discharge effluent permits.</li> <li>▪ Availability of a wastewater monitoring plan.</li> </ul>		The Institution has a water treatment plant in place	
<b>C</b>	Historic building (s)	Cultura Heritage	<ul style="list-style-type: none"> <li>▪ Presence of approvals/permits from local Authorities.</li> <li>▪ Availability of chance finds procedures/ management measures.</li> </ul>			
<b>D</b>	Acquisition of Land.	Land Acquisition Plan/Framework	<ul style="list-style-type: none"> <li>▪ Presence of Resettlement Action Plans.</li> <li>▪ Presence of Offers/voluntary land contribution letters.</li> <li>▪ Availability of certificate of Titles.</li> </ul>			
<b>E</b>	Toxic Materials	Asbestos Management.	<ul style="list-style-type: none"> <li>▪ Presence of sealed asbestos containers.</li> <li>▪ Availability of the Asbestos Management Plan.</li> </ul>		We don't have asbestos in our facility	

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S/N	Activity (as applicable)	Parameter/ Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
		Toxic/hazardous waste management.	<ul style="list-style-type: none"> <li>▪ Presence of labeled safe containers of hazardous waste.</li> <li>▪ Availability of license/licensed waste handlers.</li> </ul>		Labeling done on tins concerning the nature of waste to be placed inside them. -No licensed handlers/collectors.	
E	Affects forests and/or protected areas.	Protection.	<ul style="list-style-type: none"> <li>▪ Presence of an inventory of forests/wetlands in the area.</li> <li>▪ Availability of regulations for management of natural habitats, wetlands, and forests.</li> </ul>			
G	Disposal of medical.	Infrastructure for medical waste management.	<ul style="list-style-type: none"> <li>▪ Presence of incinerators</li> <li>▪ Availability special facilities for segregated waste.</li> <li>▪ Availability of appropriate storage facilities for medical waste.</li> </ul>		Health Unit has tins for temporary storage and once they are full, they are transported to the Usigu Sub-county hospital for incineration	

S/N	Activity (as applicable)	Parameter/ Monitoring.	Indicators/Items.	Rating	Status or Implementation Update.	Corrective Action Required.
<b>H</b>	Traffic and Pedestrian Safety.	Direct or indirect hazards to public traffic and pedestrians by construction activities.	<ul style="list-style-type: none"> <li>▪ Presence of the traffic and transport management plan.</li> <li>▪ Presence of signage and warning signs.</li> </ul>		Transport management plan	

### **3. Employee welfare**

The Center is institutionalize within JOOUST status. It therefore cater for staff and family welfares based on the University policy frameworks. Some of the policies in places includes; Staff performance review, recruitment policy, overtime policy, payroll management policy, compensation and benefit policy, ethics and integrity policy, communication policy, codes of ethics policy and HIV &Aid workplace policy.

### **4. Market place practices-**

The organization should outline its efforts to:

#### **a) Responsible Supply chain and supplier relations-**

The Center is institutionalize within the Universities and therefore works in compliance with the Institution policies which are in line with PPRA.

#### **b) Responsible ethical practices**

The Center is institutionalize within the Universities and therefore works in compliance with the University policies in relation to ethical practices..

#### **c) Regulatory impact assessment**

The institution works in compliance with the Environmental and Social Safeguards.

### **5. Community Engagements**

JOOUST ACE II INSEFOODS priority is to contribute to food security and improve household nutritional quality in the targeted focus areas at both national and regional level. Priority is given to small scale farmers who suffer greatly the consequences of food insecurity. The project has therefore developed strategic mechanisms to achieve its goals of improving food security.

Two short courses on black soldier fly rearing and value addition and Cricket rearing and value addition have been developed. Two training were conducted within the financial year to reach the community members as follows;

The Center facilitated short course training on cricket rearing and value addition where a total of 40 farmers were trained within Busia County from 29<sup>th</sup> August to 2<sup>nd</sup> September 2022 and from 19<sup>th</sup> to 23<sup>rd</sup> September 2022 in Homa Bay County.

The University has established a staff and students exchange program that promote reskilling and sharing of ideas as well as equipment sharing. The exchange program has also provided platform for collaborative research proposal development for suitability.

### **3.1 Faculty and Student Exchange**

The University has established a staff and students exchange program that promote reskilling and sharing of ideas as well as equipment sharing. The exchange program has also provided platform for collaborative research proposal development for suitability.

### **5.2 MOUs with Partner Institutions**

The University have initiated the process of developing an MOU after the expression of intent of collaboration from Tertiary Education Trust Fund (TET Fund) of Nigeria that established a Center of Excellence in Agricultural Value Chain Development at Joseph SarwuanTarka University, Makurdi (JOSTUM), and Benue State, Nigeria.

### **5.3 International Accreditation of programs**

The Center has engaged with different institutions in the process of complying with the International Accreditation of program. The Center Director attended a meeting organized by IUCEA to facilitate the International Accreditation process held in Nairobi from 30<sup>th</sup> May to 1<sup>st</sup> June 2023. A team composed of the of the Director INSEFOODS, Principal Investigator and Prof. Stephen Agong visited Chalmers University from 27<sup>th</sup> June to 3<sup>rd</sup> July 2023 to finalize on the international recognition of MSc and Ph.D. in Sustainable Agriculture and food security to facilitate achievement of DLR 2.3. Also the team further visited Weinstephan-Triesdorf University of Applied Sciences, Germany to strengthen the existing collaboration through the joint program in MSc international farm management which currently is hosting eighteen (18) MSc students' from JOOUST.

### **5.4 Stocking of Insect repository**

The Center in collaboration with the National Museum of Kenya facilitated collection of insect to equip the repository within the month of October 2022.

### **5.6 INSEFOODS Key Partners stakeholder review meeting**

The Center facilitated Forty two (16) faculty/students for exchange with other institutions. A total of 4 students undertook exchanges in different partner research institutions.

The exchanges majorly focused on laboratory analyses and equipment's sharing. Similarly the Center has identified supervisors from most of those partners' institutions who are part of the supervisory team for the students in the Center.

Among the outputs from the exchange, activities are:-

- Taught part of the graduate seminar units
- Presentation on possible areas of joint research and student supervision
- Identified joint externally funded research opportunities and proposals

- Participated in learning, teaching, and research activities including community engagement
- Drafting research article and collaborative publication with JOOUST researchers

#### **5.7 Exhibition**

The Center participated at the Kenya Innovation Week expo organized by KENIA which was held in Nairobi from 5<sup>th</sup> to 8<sup>th</sup> December 2022.

#### **5.8 Conferences**

The Center participated in the RUFURM meeting themed “*Strengthening Africa’s Agri-food System in the post COVID-19 Era-Opportunities and Challenges*” in Harare, Zimbabwe from 12<sup>th</sup>-16<sup>th</sup> December 2022. The Center participated in the NACOSTI conference held in Nairobi from 23<sup>rd</sup> to 26<sup>th</sup> May 2023. The team was led by Ag. DVC PAF Prof. Denis Ochuodho, Prof. Ogara, and Charles Adino. The conference theme was “*Harnessing Science, Technology, and Innovation (STI) for Food Security & Public Good in Transformational Digitized Economy*”.

#### **5.9 Technical Advisory Meetings**

The Center participated in the 14<sup>th</sup> TAM meeting held from 14-16<sup>th</sup> November 2022 in Arusha Tanzania. The Meeting reviewed the ACE II program and identified strategies for improvement of the project performance.

The Center participated at the TAM meeting held in Kampala, Uganda from 22<sup>nd</sup> to 24<sup>th</sup> May 2023. During the meeting, the Centers were updated on the verification status as well as the closing procedures. This was followed with a virtual meeting which was held from 30<sup>th</sup> June 2023 to 2<sup>nd</sup> July 2023.

#### **5.10 National Steering Committee meeting**

The ACE II National Steering Meeting was held at JOOUST on 10<sup>th</sup> February 2023 to monitor project progress.

## 1.0 STATEMENT OF PROJECT MANAGAMENT RESPONSIBILITES

The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** are responsible for the preparation and presentation of the project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial period ended on June 30, 2023.

This responsibility includes (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparations and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies and (vi) making accounting estimates that are reasonable in the circumstances.

The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** accepts responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

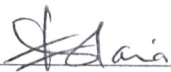
The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** are of the opinion that the Project Financial statements give a true fair view of the state of Project's transactions during the financial period ended June 30, 2023, and of the Project's financial position as at that date. The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial controls.

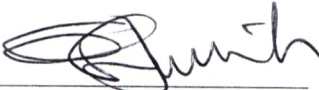
The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

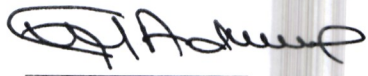
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**Approval of the Project financial statements.**

The Project financial statements were approved by The University Management and the Project Centre Coordinator for **Africa Centre of Excellence in Sustainable Use of Insects as Food and Feeds ACE II-INSEFOODS** on.....2023 and signed by them.

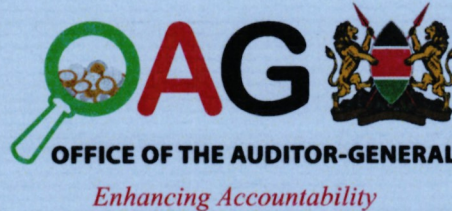
  
Prof. Emily A. Akuno  
Vice Chancellor

  
Prof. Darius O. Andika  
Project Coordinator

  
CPA George Aduda  
Chief Finance Officer  
ICPAK No. 6788

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## **REPORT OF THE AUDITOR-GENERAL ON AFRICA CENTER OF EXCELLENCE IN SUSTAINABLE USE OF INSECTS AS FOOD AND FEEDS PROJECT (IDA CREDIT NO.5798-KE) FOR THE YEAR ENDED 30 JUNE, 2023 – JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**

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### **PREAMBLE**

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

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

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

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

## REPORT ON THE FINANCIAL STATEMENTS

### **Opinion**

I have audited the accompanying financial statements of Africa Center of Excellence in Sustainable use of Insects as Food and Feeds Project set out on pages 43 to 58, which comprise of the statement of financial assets as at 30 June, 2023, and the statement of receipts and payments, statement of cash flows and the statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Africa Center of Excellence in Sustainable use of Insects as Food and Feeds Project (IDA Credit No.5798-KE) as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement IDA Credit No.5798-KE dated 4 July, 2016 between International Development Association and the Subsidiary Grant Agreement between Jaramogi Oginga Odinga University of Science and Technology and the Government of the Republic of Kenya dated 27 October, 2016, and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

### **Other Matter**

#### **Works Achieved Not Verified**

Annex 11 to the financial statements on disbursement linked results reflects results achieved yet to be verified amounting to USD 278,200, equivalent to Kshs.27,820,000. However, according to annual work plan for the financial year 2022/2023, there was provision for construction of a centre of excellence at Jaramogi Oginga Odinga University of Science and Technology (JOOUST) at an estimated cost of Kshs.1,931,655 and supply of 62-seater bus at an estimated cost of Kshs.20,000,000. Both projects were yet to be

delivered as at time of audit in October, 2023, two months to the closure of the Project expected in December, 2023.

In the circumstance, the table in Annex 11 does not reflect the true position of results achieved as at 30 June, 2023, as project deliverables and results were not achieved as indicated.

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

### Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, 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. Irregular Payment of Daily Subsistence Allowance

The statement of receipts and payments reflects an amount of Kshs.79,976,693, under purchase of goods and services, which as disclosed in Note 11.5 to the financial statements, includes training expenses amounting to Kshs.7,305,345, which further includes an amount of Kshs.801,955 paid to an officer who travelled to Arusha Tanzania for Eastern and Southern Africa Management Institute (ESAMI) training.

Review of records provided for audit revealed the following;

- i. The officer was on an acting capacity in grade 15 for a period of five (5) months, from April, 2022 to 31 August, 2022, while the training took place between 20 March, 2023 to 31 March, 2023. She was therefore not in acting capacity during the training period.
- ii. The daily subsistence rate for the officer's grade was US \$ 332. However, the officer was paid at the rate of US\$ 422.
- iii. The officer spent 12 days in Arusha. However, she was paid for 14 days at the rate of US\$ 422 per day, at the exchange rate of Kshs.128.97 all totalling to Kshs.761,955 instead of the actual 12 days and a rate of US\$ 332 at Kshs.128.97 amounting to Kshs.513,816.50. The officer was therefore overpaid by an amount of Kshs.248,138.50.

Management has not provided an explanation for the overpayment of Kshs.248,138.50.

The Management was therefore in breach of the law.

#### 2. Irregularities in Procurement of Air Tickets

The statement of receipts and payments reflects an amount of Kshs.79,976,693 under purchase of goods and services which, as disclosed in Note 11.5 to the financial statements includes an amount of Kshs.10,724,990 incurred on foreign travel. The

Management used Request for Quotations as the method of procurement. The following irregularities were observed.

- i. There was no evidence of appointment of the tender opening committee or the quotation evaluation committee as required by Section 78 and Section 80 of the Public Procurement and Disposal Act, 2015.
- ii. Minutes of both committees were not provided for audit review.

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

### **3. Undisclosed Assets**

The statement of receipts and payments reflects an amount of Kshs.15,603,099 under acquisition of non-financial assets during the year which, as disclosed in Note 11.6 to the financial statements includes Kshs.127,500 and Kshs.15,475,599 incurred on procurement of computers and equipment respectively.

Review of records provided and Project's asset register indicated that assets valued at Kshs.79,626,217 acquired since inception of the project in 2018 were not disclosed in the financial statements through annexures as required by Public Sector Accounting Standards Board's Guidelines. In addition, the assets register included assets valued at Kshs.24,347,520, which were indicated to have been procured through the funding from other donors and are not in any way used for the purpose of the Project. Further, the assets register did not include the column for serial numbers, making it difficult to identify the assets such as laptops, desktops and other equipment.

In the circumstances, the completeness and ownership of the disclosed assets could not be confirmed.

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 control, risk management and overall governance were

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

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association (IDA), I report based on my audit, that:

- i. 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;
- ii. in my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

#### **Responsibilities of Management and those Charged with Governance**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 Project's ability to continue as to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Project or to cease operations.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

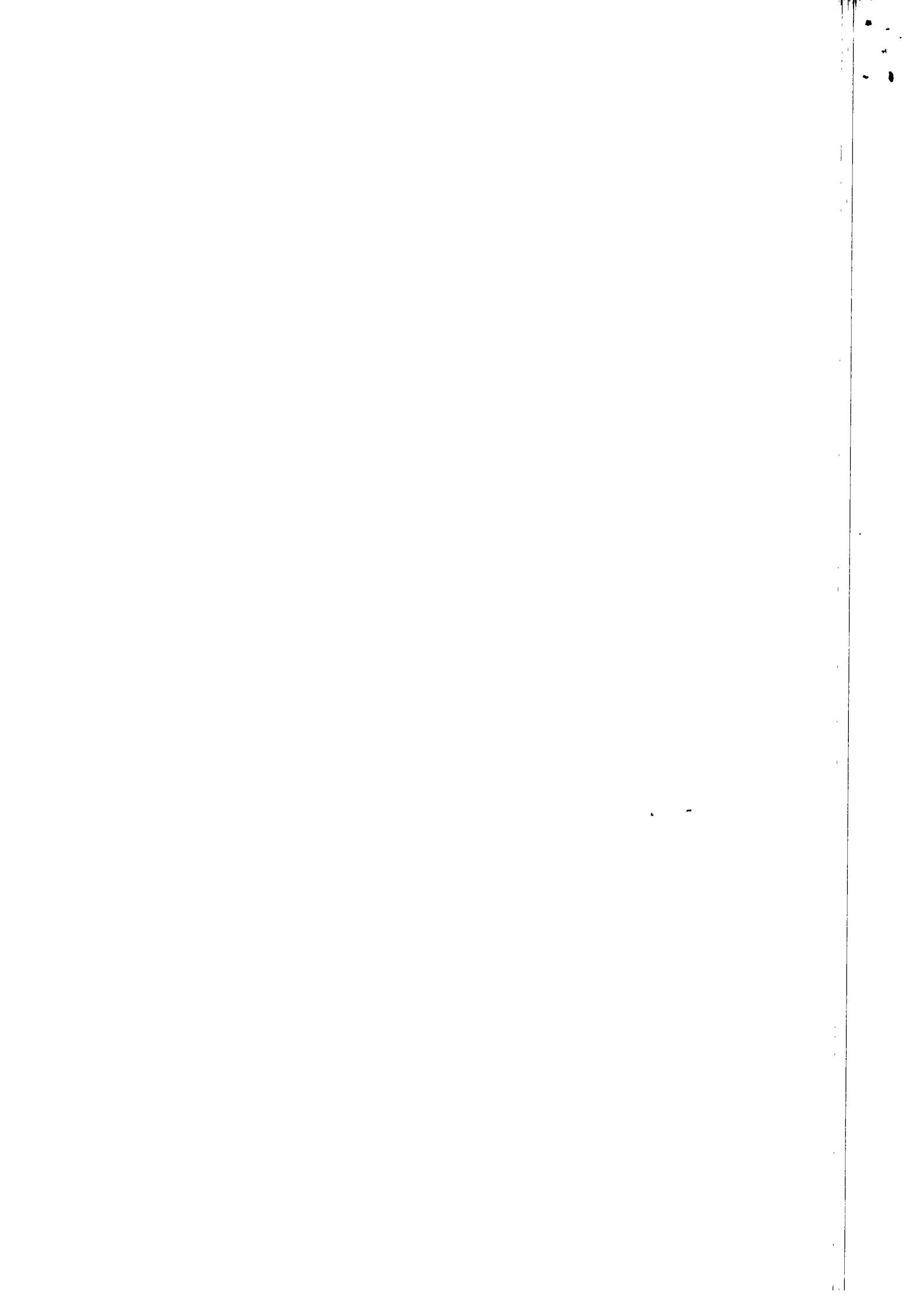
I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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

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

**Nairobi**

**03 November, 2023**





## 6.0 STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2023

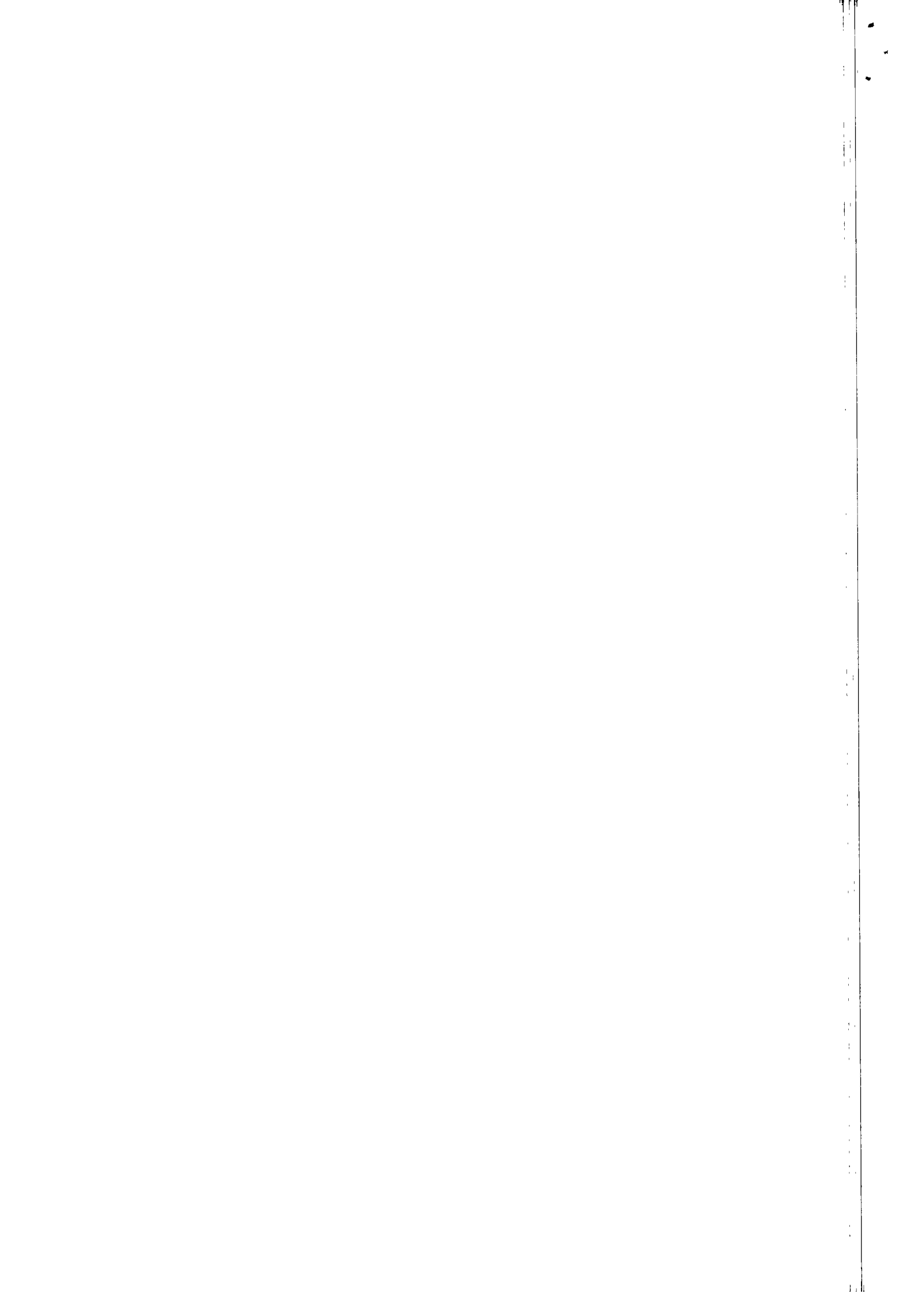
	Note	2022-2023			2021-2022			Cumulative to-date (From inception) Kshs.
		Receipts and payments controlled by the entity Kshs.	Payments made by third parties Kshs.	Total Kshs.	Receipts and payment controlled by the entity Kshs.	Payments made by third parties Kshs.	Total Kshs.	
<b>RECEIPTS</b>								
Transfer from Government entities	11.1	54,053,759	-	54,053,759	87,051,520	-	87,051,520	448,950,382
Proceeds from domestic and foreign grants	11.2	16,575,805	-	16,575,805	30,167,750	-	30,167,750	106,128,450
Miscellaneous receipts	11.3	387,340	-	387,340	435,761	-	435,761	5,136,115
<b>TOTAL RECEIPTS</b>		<b>71,016,904</b>	-	<b>71,016,904</b>	<b>117,655,031</b>	-	<b>117,655,031</b>	<b>560,214,947</b>
<b>PAYMENTS</b>								
Compensation of employees	11.4	6,957,219	-	6,957,219	11,478,425	-	11,478,425	62,958,142
Purchase of goods and services	11.5	79,976,693	-	79,976,693	110,825,981	-	110,825,981	359,900,224
Acquisition of non-financial assets	11.6	15,603,099	-	15,603,099	14,103,604	-	14,103,604	79,675,530
<b>TOTAL PAYMENTS</b>		<b>102,537,011</b>	-	<b>102,537,011</b>	<b>136,408,010</b>	-	<b>136,408,010</b>	<b>502,533,888</b>
<b>(DEFICIT)/SURPLUS</b>		<b>(31,520,107)</b>	-	<b>(31,520,107)</b>	<b>(18,752,980)</b>	-	<b>(18,752,980)</b>	<b>57,681,059</b>

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.

  
Prof. Emily A. Akuno  
Vice Chancellor

  
Prof. Darius O. Andika  
Project Coordinator

  
CPA George Aduda  
Chief Finance Officer  
ICPAK No. 6788





10. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE 2023

	Note	2022-2023 Kshs	2021-2022 Kshs
<b>FINANCIAL ASSETS</b>			
<b>Cash and cash Equivalents</b>			
Bank Balances	11.7	57,681,059	89,201,165
<b>Total Cash and Cash Equivalents</b>		<b>57,681,059</b>	<b>89,201,165</b>
<b>TOTAL FINANCIAL ASSETS</b>		<b>57,681,059</b>	<b>89,201,165</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd.	11.8	89,201,166	107,954,145
Prior year adjustments			
(Deficit)/ Surplus for the year		(31,520,107)	(18,752,980)
<b>NET FINANCIAL POSITION</b>		<b>57,681,059</b>	<b>89,201,166</b>

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

  
 Prof. Emily A. Akuno  
 Vice Chancellor

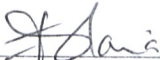
  
 Prof. Darius O. Andika  
 Project Coordinator

  
 CPA George Aduda  
 Chief Finance Officer  
 ICPAK No. 6788


8.0. STATEMENT OF CASHFLOW FOR THE PERIOD 30 JUNE 2023.

		2021-2022	2021-2022
	Note	KShs	KShs
<b>Receipt for operation activities</b>			
Transfer from Government entities	11.1	54,053,759	87,051,520
Proceeds from domestic and foreign grants	11.2	16,575,805	30,167,750
Miscellaneous receipts	11.3	387,340	435,761
<b>Total Receipts</b>		<b>71,016,904</b>	<b>117,655,031</b>
<b>Payments for operating activities</b>			
Compensation of employees	11.4	6,957,219	11,478,425
Purchase of goods and services	11.5	79,976,693	110,825,981
<b>Total Payments</b>		<b>86,933,912</b>	<b>122,304,406</b>
Net cash flow from operating activities		<b>(15,917,008)</b>	<b>(4,649,377)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of Assets	11.6	15,603,099	14,103,604
Net Cash flows from Investing Activities		<b>15,603,099</b>	<b>14,103,604</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>(31,520,107)</b>	<b>(18,752,979)</b>
Prior year adjustments			
Cash and cash equivalent at BEGINNING of the year		89,201,166	107,954,145
Cash and cash equivalent at END of the year	11.7	<b>57,681,059</b>	<b>89,201,166</b>

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

  
 Prof. Emily A. Akuno  
 Vice Chancellor

  
 Prof. Darius O. Andika  
 Project Coordinator


  
 CPA George Aduda  
 Chief Finance Officer  
 ICPAK No. 6788


9.0. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS FOR YEAR ENDED 30<sup>TH</sup> JUNE 2023

Receipts/Payment Items	Balance b/fwd		Adjustments	Final Budget		Actual	Budget Utilization		% of Utilization
	a	b		c=a+b	d		e=c-d	f=d/c%	
	Kshs.	KShs.	KShs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
<b>Incomes</b>									
Transfer from Government	89,201,165	9,398,834	9,398,834	98,599,999	54,053,759	44,546,240			55%
Other Foreign Grants	1,398,835	10,905,135	10,905,135	12,303,970	16,575,805	(4,271,835)			135%
Miscellaneous receipts	1,000,000	460,116	460,116	1,460,116	387,340	1,072,776			27%
<b>Total Receipts</b>	<b>91,600,000</b>	<b>20,764,085</b>	<b>20,764,085</b>	<b>112,364,085</b>	<b>71,016,904</b>	<b>41,347,181</b>			<b>63%</b>
<b>Payments</b>									
Compensation of employees	9,991,408	1,000,000	1,000,000	10,991,408	6,957,219	4,034,189			63%
Purchase of goods and services	65,108,592	17,805,135	17,805,135	82,913,727	79,976,693	2,937,034			96%
Acquisition of non-financial	16,500,000	1,958,950	1,958,950	18,458,950	15,603,099	2,855,851			85%
<b>Total Payments</b>	<b>91,600,000</b>	<b>20,764,085</b>	<b>20,764,085</b>	<b>112,364,085</b>	<b>102,537,011</b>	<b>9,827,074</b>			<b>91%</b>

Note: The significant budget utilization/performance difference in the last column are explained in Annex 2 to the financial statement.

  
 Prof. Emily A. Akuno  
 Vice Chancellor

  
 Prof. Darius O. Andika  
 Project Coordinator

  
 CPA George Aduda  
 Chief Finance Officer  
 ICPAK No. .... 87.88

## **10.0. SIGNIFICANT ACCOUNTING POLICIES.**

The principal accounting policies adopted in the preparation of these financial statements are set out as under:

### **10.1. Basis of Preparation**

These financial statements have been prepared in accordance with the Cash Basis of Accounting method under the International Public Sector Accounting Standards (IPSAS)

### **10.2. Statement of compliance and basis of preparation**

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

The accounting policies adopted will be consistently applied to all the years presented.

### **10.3. Reporting entity**

The financial statements are for the Africa Center of Excellence in Sustainable use of Insects as Food and Feeds under the State Department for University Education under the Ministry of Higher Education, National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

### **10.4. Reporting currency**

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

### **10.5. Recognition of receipts**

The Project recognizes all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

#### **i. Transfers from the Exchequer**

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

#### **ii. External Assistance**

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

#### **iii. Other Receipts**

Other receipts from the various miscellaneous sources are recognized and recorded in accordance with the provisions of the PFM Act and enabling legislations. These include other incomes and relate to receipts such as proceeds from application for admission fees, tuition fees paid by students under the project, grants as a result of proposal writing e.tc that are

admissible under the project. These are recognized in the financial statements the time associated cash is received.

**iv. Donations and grants**

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

**v. Proceeds from borrowing.**

Borrowing includes external loans acquired by the Project or any other debt the Project may take and will be treated on cash basis and recognized as a receipt during the year they were received.

**vi. Undrawn external assistance**

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under implementation where conditions have been satisfied or their ongoing satisfaction is highly likely, and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance will be shown in the funding summary when available.

**11.6 Recognition of payments**

The Project recognizes all payments when the event occurs, and the related cash has actually been paid out by the Project.

**i. Compensation of employees**

Salaries and Wages, Allowances Statutory Contribution for employees are recognized in the period when the compensation is paid.

**ii. Use of goods and services**

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

**iii. Interest on borrowing**

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

**iv. Acquisition of fixed assets**

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

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation where needed.

**v. In-kind donations**

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

**vi. Cash and cash equivalents**

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

For the purposes of these financial statements, cash and cash equivalents also include Bank account balances, short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year where applicable.

**vii. Restriction on cash**

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulated in the financial agreement. Amounts maintained in deposit bank accounts are restricted for use as stipulated in the financing agreement.

**viii. Imprest and Advance**

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

**ix. Contingent Liabilities**

As at 30 June 2023, there were no events or transactions, real or probable, that was in the knowledge of the project that could result into a future contingent liability.

**x. Contingent Assets**

As at 30 June 2023, there were no events or transactions, real or probable that was in the knowledge of the project that could result into a future contingent Asset.

**xi. Budget**

The budget is developed on a comparable accounting basis (cash basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year.

**xii. Third party payments**

Included in the receipts and payments, are payments made on its behalf by third parties (Jaramogi Oginga Odinga University (JOOUST)). These payments are reimbursed on a quarterly basis.

**xiii. Exchange rate differences**

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, **Kenya Shillings**. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

**xiv. Comparative figures**

Where necessary comparative figures for the previous financial year/period will be amended or reconfigured to conform to the required changes in financial statement presentation.

**xv. Subsequent events**

There has not been any subsequent event during the financial year/period that led to significantly impact on the financial statements for the year ended June 30, 2023.

**xvi. Errors**

There were no material prior period errors that necessitated restatement of the opening balances or prior period reports.

**11.0. NOTES TO THE FINANCIAL STATEMENTS.**

**11.1. Transfer from Government Entities**

These represent finances transferred from the Government of Kenya

Counterpart funding through MOEST	Date Received	2022-2023		2021-2022		Cumulative to-date (From Inception) Kshs.
		Kshs.		Kshs.		
State Department University		-	-	-	-	111,595,000
State Department University		-	-	-	-	48,333,215
State Department University		-	-	-	-	19,631,968
State Department University		-	-	-	-	38,629,994
State Department University		-	-	-	-	89,654,925
State Department University	24.03.2022	-	-	75,000,000	-	75,000,000
State Department University	21.04.2022	-	-	12,051,520	-	12,051,520
State Department University	27.04.2023	54,053,759	-	-	-	54,053,759
<b>Total</b>		<b>54,053,759</b>	<b>54,053,759</b>	<b>87,051,520</b>	<b>87,051,520</b>	<b>448,950,382</b>

Notes to the Financial Statements (Continued)

11.2 Proceeds from Domestic and Foreign Grants

During the 12 months to 30 June 2023, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	2022-2023		2021-2022		Total cumulative amount in KShs
				USD	Kshs	Kshs	Kshs	
Grants Received from Multilateral Donors (International Organization)								
DANIDA Fellowship Center	29.01.2018	-	-					1,609,594
Gottfried Wilhelm	29.11.2018	-	-					543,338
Gottfried Wilhelm	11.02.2019	-	-					82,480
Jooust	03.12.2019	-	-					33,556,000
Kobenhaven University	15.07.2020	-	-					3,176,880
African Center Technology Studies	28.06.2021	-	-					2,229,942
Goteborg University	28.06.2021	-	-					615,904
NRF-SA	28.06.2021	-	-					4,176,708
University of Southampton	30.06.2021	-	-					3,923,272
WHO	30.06.2021	-	-					3,307,815
WHO Organization	30.06.2021	-	-					2,723,850
Jooust Research (University Research)	30.06.2021	-	-					3,439,113

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Kobenhavens University	06/08/2021	-	-	-	-	8,714,736	8,714,736
African Population and Health Research Center	27/10/2021	-	-	-	-	8,312,169	8,312,169
University of Gothenburg	27/10/2021	-	-	-	-	1,278,191	1,278,191
University of Southampton	01/12/2021	-	-	-	-	3,980,266	3,980,266
The Michael Fox Foundation	23/02/2022	-	-	-	-	3,134,227	3,134,227
University of Southampton	23/03/2022	-	-	-	-	3,495,794	3,495,794
University of Gothenburg	12/04/2022	-	-	-	-	828,858	828,858
Chalmers TekniskaHogskola	25/04/2022	-	-	-	-	423,508	423,508
Stonex Financial Limited	07/25/22	1,327.79	132,779	132,779	132,779	-	132,779
The Michael Joseph Fox Foundation	07/27/22	32,822.79	3,282,279	3,282,279	3,282,279	-	3,282,279
University of Southampton	08/05/22	980.77	98,077	98,077	98,077	-	98,077
Kobenhaven University	04/11/2022	4,845.60	484,560	484,560	484,560	-	484,560
University of Southampton	12/08/22	25,705.17	2,570,517	2,570,517	2,570,517	-	2,570,517
The Michael J.Fox Foundation	15-03-2023	36,314.58	3,631,458	3,631,458	3,631,458	-	3,631,458
African Population Health Research	05.04.2023	6,745.50	674,550	674,550	674,550	-	674,550
Kobenhaven University	14.04.2023	52,800.00	5,280,000	5,280,000	5,280,000	-	5,280,000
Africa Research Excellence	09-06-2023	4,215.86	421,586	421,586	421,586	-	421,586
<b>Total</b>		<b>165,758.05</b>	<b>16,575,805</b>	<b>16,575,805</b>	<b>16,575,805</b>	<b>30,167,749</b>	<b>106,128,450</b>

Notes to the Financial Statements (Continued)

11.3 Miscellaneous Receipts

	2022-2023			2021-2022	Cumulative to- date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Total Receipts	
	Kshs	Kshs	Kshs	Kshs	
Sale of goods and services	136,840	-	136,840	28,800	211,590
Receipts from Administrative Fees and Charges		-		-	2,154,603
Other Receipts Not Classified Elsewhere	-	-	-	54,361	989,477
Other Tuition Fees Charges	235,000	-	235,000	339,600	1,220,705
Application fees	15,500	-	15,500	13,000	559,740
<b>Total</b>	<b>387,340</b>	<b>-</b>	<b>387,340</b>	<b>435,761</b>	<b>5,136,115</b>

#### 11.4 Compensation of Employees Cost

	2022-2023			2021-2022	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Basic salaries of permanent employees	6,283,018	-	6,283,018.46	11,060,959	59,768,226
Basic wages of temporary employees	641,378	-	641,378	403,466	3,038,295
Compulsory national social security schemes	32,823	-	32,823	14,000	151,623
<b>Total</b>	<b>6,957,219</b>	<b>-</b>	<b>6,957,219</b>	<b>11,478,425</b>	<b>62,958,143</b>

#### 11.5 Purchase of Goods and Services

	2022-2023			2021-2022	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
Utilities, supplies and	809,170	-	809,170	2,094,699	3,890,838
Domestic travel and	10,000,791	-	10,000,791	28,628,210	72,744,067
Foreign travel and	10,724,990	-	10,724,990	4,225,357	35,773,278
Printing, advertising and	-	-	-	-	2,363,804
Training expenses	7,305,345	-	7,305,345	12,173,652	31,126,195
Exhibition Expenses	617,240	-	617,240	763,448	3,344,388
Finance Cost	62,725	-	62,725	69,223	281,610
Specialized materials and services	3,660,945	-	3,660,945	4,496,628	18,856,267
Field Trips	-	-	-	619,850	2,841,860
Other operating expenses	349,914	-	349,914	773,999	5,235,910
Research Expenses	31,578,531	-	31,578,531	29,269,897	64,854,166
Student Stipend	4,597,181	-	4,597,181	10,902,405	40,717,086
Routine maintenance	1,728,991	-	1,728,991	-	8,781,844
Tuition fees	3,844,000	-	3,844,000	9,911,000	49,148,600
Students Research Funds	-	-	-	4,537,013	8,840,854
Internet Expenses	1,500,000	-	1,500,000	1,500,000	7,098,840
Subscription Expenses	2,776,328	-	2,776,328	771,924	3,548,252
Graduation Expenses	68,000	-	68,000	25,000	93,000
Students Publications	232,942	-	232,942	63,677	296,619
Bench Fee Expenses	119,600	-	119,600	-	119,600
<b>Total</b>	<b>79,976,693</b>	<b>-</b>	<b>79,976,693</b>	<b>110,825,982</b>	<b>359,957,077</b>

*Notes to the Financial Statements (Continued)*

**11.6 Acquisition of Non-Financial Assets**

	2022-2023			2021-2022	Cumulative to-date
	Payments made by the Entity in	Payments made by third	Total Payments	Total Payments	
	KShs	KShs	KShs	KS	
Purchase of Motor Vehicles	-	-	-	-	4,995,000
Purchase of Computers	127,500	-	127,500.00	12,168,000	17,597,405
Purchase of Equipment	15,475,599	-	15,475,599	-	42,431,611
Purchase of Furniture	-	-	-	-	5,060,670
Inventories	-	-	-	-	3,398,339
Purchase of Textbooks	-	-	-	-	1,256,901
Purchase of Software	-	-	-	1,935,604	4,935,604
<b>Total</b>	<b>15,603,099</b>	<b>-</b>	<b>15,603,099</b>	<b>14,103,604</b>	<b>79,675,530</b>

**11.7 Cash and Cash Equivalents**

Project Bank Accounts	2022-2023	2021-2022
Local Currency Account	Kshs	Kshs
Equity Bank Account No. 0750271748376	57,681,059	89,201,166
<b>Total bank account balances</b>	<b>57,681,059</b>	<b>89,201,166</b>

**11.8 Funds Balance brought forward**

	2022-2023	2021-2022
	Kshs	Kshs
Bank accounts	57,681,059	89,201,166
<b>Total</b>	<b>57,681,059</b>	<b>89,201,166</b>

## 12.0. OTHER IMPORTANT DISCLOSURES.

### 12.1. Pending Bills

The project did not have any pending bills as at 30 June 2023

### 12.2 External Assistance

	2022-2023	2021-2022
Description	Kshs	Kshs
Kobenhaven University		8,714,736
African Population and Health Research		8,312,169
University of Gothenburg		1,278,191
University of Southampton		3,980,266
The Michael Fox Foundation		3,134,227
University of Southampton		3,495,794
University of Gothenburg		828,858
Chalmers TekniskaHogskola		423,508
Stonex Financial Limited	132,779	-
The Michael Joseph Fox Foundation	3,282,279	-
University of Southampton	98,077	-
Kobenhaven University	484,560	-
University of Southampton	2,570,517	-
The Michael J.Fox Foundation	3,631,458	-
African Population Health Research	674,550	-
Kobenhaven University	5,280,000	-
Africa Research Excellence	421,586	-
<b>Total</b>	<b>16,575,805</b>	<b>30,167,750</b>

### 12.3. Government Counterpart funding.

According to financing agreement, the Counterpart contribution of up to 5% of the credit amount. The amount is used by the National Steering Committee (NSC) for oversight purposes of the project. This amount is reported on the Ministry financial statements as it involves all the three ACE's in the country.

### 12.4. Eligible Expenditure Programme (EEP).


In 2022-2023 financial year, the University spent Kshs.1, 225,209,951 on employee costs.

13.0. PROGRESS ON FOLLOW UP OF PRIOR YEAR'S AUDITOR'S RECOMMENDATION.

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status:  (Resolved / Not Resolved)	Timeframe:  (Put a date when you expect the issue to be resolved)
1	Unsupported payments	The supporting ledger has been provided	Resolved	N/A
2	Ineligible expenditure	The Project provided the Annual Work plan and the DLRs supporting the expenditures that were not ineligible	Resolved	N/A
3	Non-compliance with PFM Regulations, 2015- Budgetary Control and Performance	The Project has complied with the regulations on budget preparation and performance	Resolved	N/A
4	Delay in Project Implementation	The Project is on course on its implementation status and will achieve the targets within the set timelines	Resolved	N/A



Prof. Emily A. Akuno  
 Vice Chancellor



Prof. Darius O. Andika  
 Project Coordinator

14.0 ANNEXTURE: YEARLY DETAILS OF OPERATION FIGURES:

Annex 1: Variance explanations- Comparative Budget and Actual amount for year ended 30<sup>th</sup> June 2023

Receipts/Payment Items	Balance b/fwd	Adjustments	Final Budget	Actual	Budget Utilization	% of Utilization	Explanation
	a	b	e=a+b	d	e=c-d	f=d/c%	
	Kshs.	KShs.	Kshs.	Kshs.	Kshs.	Kshs.	
<b>Incomes</b>							
Transfer from Government	89,201,165	9,398,834	98,599,999	54,053,759	44,546,240	55%	Note 1
Other Foreign Grants	1,398,835	10,905,135	12,303,970	16,575,805	(4,271,835)	135%	Note 2
Miscellaneous receipts	1,000,000	460,116	1,460,116	387,340	1,072,776	27%	
<b>Total Receipts</b>	<b>91,600,000</b>	<b>20,764,085</b>	<b>112,364,085</b>	<b>71,016,904</b>	<b>41,347,181</b>	<b>63%</b>	
<b>Payments</b>							
Compensation of employees	9,991,408	1,000,000	10,991,408	6,957,219	4,034,189	63%	Note 3
Purchase of goods and services	65,108,592	17,805,135	82,913,727	79,976,693	2,937,034	96%	
Acquisition of non-financial	16,500,000	1,958,950	18,458,950	15,603,099	2,855,851	85%	
<b>Total Payments</b>	<b>91,600,000</b>	<b>20,764,085</b>	<b>112,364,085</b>	<b>102,537,011</b>	<b>9,827,074</b>	<b>91%</b>	

**Explanation**

1. The final budget figure on transfers from Government entities of Kshs. 98,599,999 is made up of Kshs. 89,201,165 brought forward, which the center had received in the previous financial year and Kshs 9,398,834 that had been projected to be received during the financial year. However, the Center received Kshs. 54,053,759.20 in the fourth quarter of the financial year, hence the utilization rate of 145%. The total funds could not be absorbed given the short period in the last quarter and thus have been budgeted for in the financial year 2023/2024. The actual budget is composed of the balance brought forward Ksh. 89,201,165 plus the amount the center received during the period ksh. 54,053,759.20. The absorption percentage has also been computed to include both the funds received this year and the amount brought forward from FY 2021/2022.
2. The Center received more foreign grants as a result of more MOUs that had been signed in the previous year but whose funds were remitted in the current financial year. Other funded grants receive the funds in tranches and amounts reflected is the tranches received in the year.
3. Payroll reimbursement for quarter 2 of Ksh. 2,509,749 never went through the Bank despite being processed hence the low absorption of 64%

Annex 2 Transfer from Government Entities

Date	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	Cumulative to-
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
State Department University				-		111,595,000	111,595,000
State Department University			-	8,853,990	39,220,058	259,167	48,333,215
State Department University			-	18,316,327	1,315,641	-	19,631,968
State Department University				38,629,994	-	-	38,629,994
State Department University			89,654,925	-	-	-	89,654,925
State Department University		75,000,000					75,000,000
State Department University		12,051,520					12,051,520
State Department University	54,053,759.20						54,053,759
<b>Total</b>	<b>54,053,759.20</b>	<b>87,051,520</b>	<b>89,654,925</b>	<b>65,800,311</b>	<b>40,535,699</b>	<b>111,854,167</b>	<b>448,950,382</b>

Annex 3 Proceeds from Domestic and Foreign Grants

Name of Donor	Date received	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	Cumulative
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
DANIDA Fellowship Centre	29.11.2018	-	-	-	-	-	1,609,594	1,609,594
Gottfried Wilhelm	29.11.2018	-	-	-	-	543,338	-	543,338
Gottfried Wilhelm	11.02.2019	-	-	-	-	82,480	-	82,480
Jooost	03.12.2019	-	-	-	33,556,000	-	-	33,556,000
Kobenhaven University	15.07.2020	-	-	3,176,880	-	-	-	3,176,880
Jooost	19.03.2021	-	-	3,439,113	-	-	-	3,439,113
Jooost	28.06.2021	-	-	14,253,641	-	-	-	14,253,641
Jooost Research	30.06.2021	-	-	2,723,850	-	-	-	2,723,850
Kobenhavens University	06/08/2021	-	8,714,736	-	-	-	-	8,714,736
African Population and Health	27/10/2021	-	8,312,169	-	-	-	-	8,312,169
University of Gothenburg	27/10/2021	-	1,278,191	-	-	-	-	1,278,191
University of Southampton	01/12/2021	-	3,980,266	-	-	-	-	3,980,266



**Annex 5 Compensation of Employees Cost**

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	Cumulative to date
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Basic salaries of permanent employees	6,283,018.46	11,060,959	11,815,962	11,494,374	10,855,483	8,258,429	59,768,226
Basic wages of temporary employees	641,378	403,466	436,575	772,038	521,149	263,689	3,038,295
Compulsory national social security schemes	32,823	14,000	42,000	32,400	14,400	16,000	151,623
<b>Total</b>	<b>6,957,219</b>	<b>11,478,425</b>	<b>12,294,537</b>	<b>12,298,812</b>	<b>11,391,032</b>	<b>8,538,118</b>	<b>62,958,143</b>

**Annex 6 Purchase of Goods and Services**

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	Cumulative to-date
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	809,170	2,094,699	483,465	391,452	112,052	-	3,890,838
Domestic travel and subsistence	10,000,791	28,628,210	11,352,384	6,441,941	8,304,907	8,015,834	72,744,067
Foreign travel and subsistence	10,724,990	4,225,357	5,860,549	2,848,517	5,925,084	6,188,781	35,773,278
Printing, advertising and information supplies &	-	-	1,009,844	1,093,634	87,848	172,478	2,363,804
Training expenses	7,305,345	12,173,652	2,730,462	3,465,354	4,550,720	900,662	31,126,195
Exhibition Expenses	617,240	763,448	190,142	253,400	1,520,158	-	3,344,388
Finance Cost	62,725	69,223	49,243	37,728	42,934	19,757	281,610
Specialized materials and services	3,660,945	4,496,628	4,467,239	2,091,837	2,349,060	1,790,558	18,856,267
Field Trips	-	619,850	416,200	836,400	969,410	-	2,841,860
Other operating expenses	349,914	773,999	588,708	1,857,681	1,127,858	537,750	5,235,910

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Research Expenses	31,578,531	29,269,897	3,462,438	-	543,300	-	64,854,166
Student Stipend	4,597,181	10,902,405	11,152,500	10,059,000	4,006,000	-	40,717,086
Routine maintenance – other assets	1,728,991	-	1,772,427	2,013,216	2,369,470	897,740	8,781,844
Tuition fees	3,844,000	9,911,000	14,837,000	10,751,600	9,805,000	-	49,148,600
Students Research Funds Expenses	-	4,537,013	4,259,141	44,700	-	-	8,840,854
Internet Expenses	1,500,000	1,500,000	1,200,000	2,898,840	-	-	7,098,840
Subscription Expenses	2,776,328	771,924	-	-	-	-	3,548,252
Graduation Expenses	68,000	25,000	-	-	-	-	93,000
Students Publications	232,942	63,677	-	-	-	-	296,619
Bench Fee Expenses	119,600	-	-	-	-	-	119,600
<b>Total</b>	<b>79,976,693</b>	<b>110,825,982</b>	<b>63,831,742</b>	<b>45,085,300</b>	<b>41,713,801</b>	<b>18,523,560</b>	<b>359,957,077</b>

**Annex 7 Acquisition of Non-Financial Assets**

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	Cumulative to-date
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of Motor Vehicles	-	-	-	-	-	4,995,000	4,995,000
Purchase of Computers & other accessories	127,500	12,168,000	98,000	860,000	3,818,905	525,000	17,597,405
Purchase of Equipmen't's	15,475,599	-	17,467,564	1,090,000	6,055,248	2,343,200	42,431,611
Purchase of Furniture	-	-	330,000	2,993,200	1,350,970	386,500	5,060,670
Inventories	-	-	330,500	1,207,030	1,860,809	-	3,398,339
Purchase of Textbooks	-	-	-	1,256,901	-	-	1,256,901
Purchase of Software	-	1,935,604	3,000,000	-	-	-	4,935,604
<b>Total</b>	<b>15,603,099</b>	<b>14,103,604</b>	<b>21,226,064</b>	<b>7,407,131</b>	<b>13,085,932</b>	<b>8,249,700</b>	<b>79,675,530</b>

**Annex 8 Bank Account**

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Local Currency Account</b>						
Equity Bank Account No. 0750271748576	57,681,059	89,201,166	107,954,145	91,010,457	56,115,596	80,315,084
<b>Total bank account balances</b>	<b>57,681,059</b>	<b>89,201,166</b>	<b>107,954,145</b>	<b>91,010,457</b>	<b>56,115,596</b>	<b>80,315,084</b>

**Annex 9 Funds Balance brought forward**

	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Bank accounts	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	57,681,059	89,201,166	107,954,145	91,010,457	56,115,596	80,315,084
<b>Total</b>	<b>57,681,059</b>	<b>89,201,166</b>	<b>107,954,145</b>	<b>91,010,457</b>	<b>56,115,596</b>	<b>80,315,084</b>

**Annex 10 Details of Other Donor Funds**

Name of Donor	Date	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	Cumulative
		Kshs	Kshs.	Kshs.	Kshs	Kshs	Kshs	Kshs.
DANIDA Fellowship Centre	29.11.2018	-	-	-	-	-	1,609,594	1,609,594
Gottfried Wilhelm	29.11.2018	-	-	-	543,338	-	-	543,338
Gottfried Wilhelm	11.02.2019	-	-	-	82,480	-	-	82,480
Jooost	03.12.2019	-	-	-	33,556,000	-	-	33,556,000
Kobenhaven University	15.07.2020	-	-	3,176,880	-	-	-	3,176,880
Jooost	19.03.2021	-	-	3,439,113	-	-	-	3,439,113
Jooost	28.06.2021	-	-	14,253,641	-	-	-	14,253,641
Jooost Research	30.06.2021	-	-	2,723,850	-	-	-	2,723,850
Kobenhavens University	08/06/2021	-	8,714,736	-	-	-	-	8,714,736
African Population and Health	27/10/2021	-	8,312,169	-	-	-	-	8,312,169
University of Gothenburg	27/10/2021	-	1,278,191	-	-	-	-	1,278,191
University of Southampton	12/01/2021	-	3,980,266	-	-	-	-	3,980,266

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The Michael Fox Foundation	23/2/2022	-	3,134,227	-	-	-	-	3,134,227
University of Southampton	23/03/2022	-	3,495,794	-	-	-	-	3,495,794
University of Gothenburg	04/12/2022	-	828,858	-	-	-	-	828,858
Chalmers TekniskaHogskola	25/04/2022	-	423,508	-	-	-	-	423,508
Stonex Financial Limited	07/25/22	132,779	-	-	-	-	-	132,779
The Michael Joseph Fox	07/27/22	3,282,279	-	-	-	-	-	3,282,279
University of Southampton	08/05/22	98,077	-	-	-	-	-	98,077
Kobenhaven University	04/11/22	484,560	-	-	-	-	-	484,560
University of Southampton	12/08/22	2,570,517	-	-	-	-	-	2,570,517
The Michael J.Fox Foundation	15-03-23	3,631,458	-	-	-	-	-	3,631,458
African Population Health	05.04.23	674,550	-	-	-	-	-	674,550
Kobenhaven University	14.04.23	5,280,000	-	-	-	-	-	5,280,000
Africa Research Excellence	09-06-23	421,586	-	-	-	-	-	421,586
<b>Total</b>		<b>16,575,805</b>	<b>30,167,749</b>	<b>23,593,484</b>	<b>33,556,000</b>	<b>625,818</b>	<b>1,609,594</b>	<b>106,128,450</b>

Annex 11. Africa Center of Excellence Disbursement Linked Results

DLR	DLR Description	Total Amount	Amount Withdrawn	Withdrawal Verified Awaiting Disbursement	Achieved yet to be verified	TOTAL	Balance	Percentage Achieved (%)
DLR 1.1	Completion of Effectiveness	600,000	600,000	-	-	600,000	-	100%
DLR 1.2	Project Implementation Plan	500,000	500,000	-	-	500,000	-	100%
DLR 2.2	Enrollments	1,300,000	1,265,800	-	34,200.00	1,300,000	-	100%
DLR 2.3	Accreditation	600,000	300,000	-	-	300,000	300,000.00	50%
DLR 2.4	Partnership and Collaboration	200,000	190,000	-	10,000.00	200,000	-	100%
DLR 2.5	Journals and Conf	500,000	500,000	-	-	500,000	-	100%
DLR 2.6	Faculty/PhD Exchange	700,000	466,000	-	234,000.00	700,000	-	100%
DLR 2.7	Ext. Revenue Generation	900,000	32,000	867,806.14	-	899,806	193.86	100%
DLR 2.8	Paset benchmarking	100,000	100,000	-	-	100,000	-	100%
DLR 3.1	Timely Withdrawal	75,000	30,000	45,000.00	-	75,000	-	100%
DLR 3.2	Functional Audit Committee	75,000	45,000	30,000.00	-	75,000	-	100%
DLR 3.3	Functional Internal Audit	75,000	45,000	30,000.00	-	75,000	-	100%
DLR 3.4	Transparency and	75,000	45,000	30,000.00	-	75,000	-	100%
DLR 4.1	Timely Procurement Audit	150,000	90,000	60,000.00	-	150,000	-	100%
DLR 4.2	Timely Procurement Progress	150,000	90,000	60,000.00	-	150,000	-	100%
	<b>TOTAL</b>	<b>6,000,000</b>	<b>4,298,800</b>	<b>1,122,806</b>	<b>278,200</b>	<b>5,699,806</b>	<b>300,194</b>	<b>95%</b>

Explanations

The center achieved a total of USD 278,200 for DLR 2.2, 2.4 and 2.6 which are yet to be verified by Technopolis with USD 1,122,806 having been verified with withdrawal letter applied awaiting for disbursement from the World Bank.

### Annex 12.Africa Center Of Excellence Expenditures

	<b>2022-2023</b>
<b>Expenditure Lines</b>	<b>Kshs</b>
Basic salaries of permanent employees	6,283,018
Basic wages of temporary employees	664,824
Compulsory national social security schemes	32,823
Utilities, supplies and services	809,170
Domestic travel and subsistence	10,000,791
Foreign travel and subsistence	10,724,990
Training expenses	7,305,345
Exhibition Expenses	617,240
Finance Cost	62,725
Specialized materials and services	3,660,945
Other operating expenses	349,914
Student Stipend	4,597,181
Routine maintenance – other assets	1,728,991
Tuition fees	3,844,000
Internet Expenses	1,500,000
Subscription Expenses	2,776,325
Graduation Expenses	68,000
Students Publications	232,942
Bench Fee Expenses	119,600
Purchase of Computers & other accessories	127,500
Purchase of Equipment's	15,475,599
<b>Total</b>	<b>70,958,477</b>

### Annex 13.Other Grants Expenditures

	<b>2021-2022</b>
<b>Expenditure Lines</b>	<b>Kshs</b>
Utilities, supplies and services	72,000
Domestic travel and subsistence	4,219,783
Foreign travel and subsistence	120,700
Administrative Cost	3,436,973
Specialized materials and services	920,400
Tuition fees	184,677
Employee Cost	2,447,413
Field activities	14,063,470
Professional services	180,000
Routine Maintenance	156,259
Trainings/ Workshops	5,776,857
<b>Total</b>	<b>31,578,531</b>

**APPENDICES**

- i. Bank Reconciliations statement as at 30<sup>th</sup> June 2023
- ii. Special Deposit Account(s) reconciliation statement(s)
- iii. Trial Balance



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