

51



Enhancing Accountability

REPORT

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ON

**CENTRE OF EXCELLENCE IN SUSTAINABLE
AGRICULTURAL AND AGRIBUSINESS
MANAGEMENT CREDIT NO.5798-KE**

**FOR THE YEAR ENDED
30 JUNE, 2020**

EGERTON UNIVERSITY





**Project Name: Centre of Excellence in Sustainable Agriculture and
Agribusiness Management (CESAAM)**

Implementing Entity: EGERTON UNIVERSITY

PROJECT CREDIT NUMBER: 5798-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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



TABLE OF CONTENTS

1.	PROJECT INFORMATION AND OVERALL PERFORMANCE.....	iii
2.	STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	xxiii
3.	REPORT OF THE INDEPENDENT AUDITORS ON THE CESAAM PROJECT	xxv
4.	STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30 TH JUNE 2020.....	1
5.	STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 TH JUNE 2020	2
6.	STATEMENT OF CASHFLOW FOR THE PERIOD 30 TH JUNE 2020.....	3
7.	STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS 30 TH JUNE 2020	4
8.	NOTES TO THE FINANCIAL STATEMENTS.....	5
9.	OTHER IMPORTANT DISCLOSURES	18
10.	PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	19

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is **Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)**

Overall Objective: Sustainable Agriculture and Agribusiness Management through capacity development, research and technology transfer for enhanced food security.

Address: The project headquarters offices are; Egerton University, Nakuru County, Kenya.

The address of its registered office is:

Egerton University P.O. Box 536 - 20115 Egerton, Kenya.

Contacts: The following are the project contacts

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Website: cesaam.egerton.ac.ke | **Twitter:** @CESAAM_EGERTON | Facebook: CESAAM Egerton University

Mobile: +254725809214 | +254700822859 | +254722831634

1.2 Project Information

Project Start Date:	The project start date is 24-08-2016
Project End Date:	The project end date is 31.12.2022
Project Manager:	The project manager is Prof. George Owuor
Project Sponsor:	The project sponsor is International Development Association

1.3 Project Overview

Line Ministry/State Department of the Project	The project is under the supervision of the Education Ministry. (State Department for University Education)
Project number	IDA Credit 5798-KE
Strategic goals of the Project	The strategic goals of the project are as follows: i) Capacity development along the Agricultural Value Chain in the Eastern and Southern Africa region, especially for the fragile and post conflict states. ii) To undertake innovative research, including use of biotechnology and climate smart agriculture, for increased crop and livestock productivity. iii) Enhance the capacity of the University's Agro-Science Park to assist partner universities establishes a similar model for incubation of

	<p>technological innovations.</p> <p>iv) Develop evidence based agricultural policy briefs and disseminate best practices through Agricultural Knowledge Centres in Egerton (CESAAM) and partner universities</p>
Achievement of strategic goals	<p>Expected outputs include:</p> <ol style="list-style-type: none"> 1) Increased capacity to conduct quality training and research nationally and regionally. 2) Equipped research laboratories. 3) Increased innovation products. 4) Increased dissemination of agricultural best practices and evidence-based policy briefs. <p>The cumulative impacts of these outputs are increased productivity along the value chain and improved food security.</p>
Other important background information of the project	<p>CESAAM aims at leveraging fragile and post-conflict countries through offering opportunities to their faculty and students. The program does this through Post graduate training, Research, Retooling workshops, Exchange programs, Summer schools and admission of students from these countries.</p>
Current situation that The project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> 1) Address Food insecurity and persistent hunger and poverty affecting poverty affecting about 33% of African population. 2) Occurrence of frequent droughts, rampant crop and livestock diseases, 3) Poor Policies and market information access. 4) Inadequate technical capacity and limited technologies and innovations to address emerging challenges including diseases and pests. 5) Climate change effects and inability to sustainably ameliorate the climate impacts. 6) Low involvement in Agri-entrepreneurship, particularly among the Youth
Project duration	<p>The project was effective as from 24th August 2016 and is expected to run until 31 December 2022.</p>

1.4 Bankers

The following is the banker for the current year:

- (i) Kenya Commercial Bank (Egerton Branch)

1.5 Auditors

The project is audited by the Auditor General- Kenya.

1.6 Roles and Responsibilities

In line with the Project Organogram, the Project Management is in two Levels: The CESAAM Steering or Management Core Team and Thematic Leaders. The Core team are involved in day to day decision making, while thematic leaders are Professors drawn from different disciplines and which comes handy during project research thematic areas. Thus the main management team is the core team as below:

The CESAAM Project Management Team.

Names	Title designation	Key qualification	Responsibilities
Prof. George Owuor	Centre Leader	PhD in Agribusiness	Centre Leader CESAAM, Egerton University.
Prof. Samuel M. Mwonga	Deputy Centre Leader	PhD in Soil Science	Deputy Centre Leader- and in charge of Academics
Prof. Isaac O. Kibwage Ph.D, HSC	Ag, Vice Chancellor	Professor of Pharmaceutical Chemistry	Overall governance and leadership issues at University Level and represent the Council
Prof. Josephine P. Ouma	Member of the Steering	PhD in Agronomy	Member of the Steering Committee in Charge of Overseeing Procurement
Dr. Mary Omwamba	Member of the Steering	PhD in Food science	Member of the Steering Committee in charge of Logistics
Gabriel Ndung'u	Project Accountant	MBA (Finance), CPA-K	Preparation of financial statements
Prof. Joshua Ogendo	Member of the Steering	PhD in Crop Protection	In charge of Research and Innovation
Mr. Dickson Otieno	Member The Steering	Masters	In charge of M&E Project Monitoring and Evaluation Officer

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.*

Partners partnership involved	Where issues is Partner with MoU and Agreement signed. 1. Virginia Tech 2. Nanjing Agricultural University. China 3. Community Action for Rural Development (CARD) 4. The Hive Limited 5. Green Forest LTD 6. University of Edinburg 7. University of Namibia – Faculty of Agriculture and Natural Resources 8. Pwani University 9. Nelson Mandela African Institute of Science and Technology (NM-AIST CREATES) 10. University of Rwanda – college of Agriculture and Veterinary Medicine 11. Haramaya University – SABC ACE	All the Partner	Capacity building. Retooling faculty Research & innovation Exchange programmes Product development and commercialization Internship opportunities for students Benchmarking and development of new and/or existing programs Joint teaching and/or co-supervision Joint events that bolster research and capacity building Joint private sector engagement/mapping Development and mounting of short/skill-based courses Specialized research opportunities Collaborative research projects Joint proposal writing

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.*

1.7 Funding summary

The Project is from 2016 to 2022 with an approved budget of XDR 5,999,905 equivalent to KShs 619,490,191 Six hundred nineteen Million, four hundred ninety thousand, one hundred and ninety-one only as highlighted in the table below: Below is the funding summary:

(i) Loan						
International Development Association 2016/17	0	0	1080823	111595000		
International Development Association 2018/19	0	0	845458.0356	85477342.65		
International Development Association 2019/20			1139146.949	117616922.5		
TOTAL	5,999,905	619,490,191	3,065,428	314,689,265	2,934,477	304,800,926
(ii) Counterpart funds						
Egerton University	0	1,000,000	0	1,000,000	0	0
Total	5,999,905	620,490,191	3,065,428	315,689,265	2,934,477	304,800,926

1.8 Summary of Overall Project Performance during the Financial Year 2019/20

Key Achievements to-date by DLRs

- DLR 2.2 – CESAAM now has **240 graduate students- (MSc 168: PhD 72) -(52% female and 23% regional)**. 100 (88 MSc and 12 PhD) have been verified. Centre now awaiting March 2020 verification results
- ✓ **-Graduated -2, Defended successfully-21, 5 defended virtually during COVID 19.**
- ✓ **-For short courses, CESAAM has supported a total of 198 students & other stakeholders**
- DLR 2.3 – CESAAM has **fully achieved national accreditation**.
- ✓ 2 programs: MSc Agribusiness & Crop protection Internationally benchmarked & recognized by Virginia Tech-.USA
- ✓ -2 Programs: PhD in Rural Innovations & MSc in Agri-enterprise Development undergoing International Accreditation by AQAS
- ✓ -3 New programs: Food safety, sustainable agriculture & Post harvest Engineering being developed.
- DLR 2.4: **partnerships, this is fully achieved**. Currently using these for sustainability-4 industry, 6 regional and 5 international partners
- DLR 2.5: 62 **publications** in internationally refereed journals, this is fully achieved as per initial and re-structuring targets.
- DLR 2.6: **Exchange: A total of 35 supported** out of which 10 have been verified. Planned Exchanges: 20 to Zhejiang, 4-Nanjing, 2-Virginateck, 2-Florida USA

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.

- ❑ DLR 2.7: **on Externally generated revenue** – To-date **attracted a total of USD 805,821** out of which USD 223,488(28%) has been verified. Models used are: fee paying students and proposal writing
- ❑ **New projects:** Locust Mgt, Feed formulation, Food quality, Aflatoxin
- ❑ **Submitted:** NRF on Locust Control, Food security under USAID with Florida A&M USA
- ❑ DLR 2.8: **on PASET Benchmarking** – We have **not achieved** this result. Proper structures for data collection is now in place
- ❑ DLR 3.2 – 3.4: **FM**, successfully verified for years 1&2, audits done for year 3, hope to achieve for year 3 after Audit report for 2018/19
- ❑ DLR 4.1 – 4.2: **Procurement**, was verified for Y1 & USD 20,000 disbursed. Awaiting audit for 2018/19 after writing to PPRA. Delay occasioned by COVID 19

Kenya Africa Center of Excellence (ACE) II Project
Implementation status of the Africa Centre of Excellence in Sustainable Agriculture and Agribusiness Management
(CESAAM) as at September 2020

1. PROJECT DELIVERABLES

	Total Amount (USD)	Overall Target (Results)	Cumulative Results verified as at September 2020	Verified Amount as at September 2020	Remaining amount for all Years	Disbursement projections (December, 2020).	Comments/ remedial actions
DLR# 1.1 Completion of Effectiveness Conditions	600,000	1	1	600,000	0	0	Fully achieved
DLR# 1.2 Development of the Project Implementation Plan	500,000	1	1	500,000	0	0	Fully achieved
DLR 1	1,100,000			1,100,000			
DLR# 2.1 Timely annual implementation of the plans (% of execution of the budget)	500,000		0	0	500,000		As per the Aid Memoir following the TAM in Malawi, this DLR was dropped and apportioned to DLRs 2.2, 2.5 and 2.6
DLR #2.2: Newly enrolled students in the ACE of which at least 20% must be regional (African)		Masters: 60	Masters: 154	Round 1: 102,500 Round 2: 181,000 Round 3:		0	A total of 154 MSc students have been verified.

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.

students.				268,500 Total: 552,000			
		PhD: 30	PhD: 31	Round 1: 45,000 Round 2: 259,500 Round 3: 586,500 Total: 891,000	See below remaining amount for full achievement of the MSc, PhD and SC	0	A total of 31 PhDs verified to-date
		Short course: 100	SC: 40	Round 1: 0 Round 2: 4,769 Round 3: 59,800 Total: 64,569		0	In March 2020, CESAAM reported 136 students for short course that took place during the Regional Summer School that brought together graduate students from 4 other ACEs (CSABC, CREATES, INSEFOODS and MaRCCI)
DLR 2.2	1,200,000			1,507,569	0	0	
DLR#2.3: Accreditation of quality of education programs.	600,000	21	34	300,000	300,000	0	- CESAAM partner Florida A&M University send an international expert who works with CESAAM in preparation for international accreditation

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.

							<ul style="list-style-type: none"> - AQAS visit to Egerton delayed due to COVID-19 - Benchmarking with VT already done - Self-evaluation reports ready - National accreditation completely achieved
DLR#2.4: Partnerships for collaboration in applied research and training.	200,000	8	6	Round 1: 140,000 Round 2: 60,000 Total: 200,000	0	0	<ul style="list-style-type: none"> - This DLR is fully achieved. - However, the Centre recently submitted 12 new MoUs to MoE for approval.
DLR#2.5: Peer-reviewed journal papers or peer-reviewed conference papers prepared collaboratively with national, regional or international co-authors.	500,000	70	75	500,000	0	0	<ul style="list-style-type: none"> - This is completely achieved. - Centre still engaged in active research and several papers published
DLR#2.6: Faculty and PhD student exchanges to promote regional research and teaching collaborations	500,000	34	12	180,000	0	0	<ul style="list-style-type: none"> - An exchange program for 20 students to Zhejiang University was cancelled due to COVID-19. These Zhejiang ones are targeted for September 2020.

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.

DLR#2.7: External revenue generation	900,000	500,000	223,488	443,821	456,179	0	- We hope to completely achieve this DLR in the second round of verification -So far the centre has attracted additional USD 582,333 that are yet to be verified.
DLR#2.8: Institution participating in benchmarking exercise	100,000	1	0	0	100,000	0	- The AVU report of the last benchmarking exercise indicate that the centre did not achieve this result - Proper structures for data collection is in progress. - Proper training on Egerton University's MIS now planned
DLR 3	2,600,000			1,623,821	976,179	0	
DLR#3.1: Timely Withdrawal applications supported by interim unaudited financial reports for each ACE	75,000			0	75,000	45,000	DLR 3.1 is yet to be verified. DLRs 3.2 – 3.4 were verified for years 1 & 2. - The Audit committee of the council approves CESAAM AWP's and reviews documents
DLR#3.2: Functioning audit committee under each Eastern and Southern African Higher Education	75,000			30,000	45,000	15,000	- Egerton has a functioning internal audit. - All reports are posted

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.

Institutions.							on CESAAM website
DLR#3.3: Functioning internal audit unit for each Eastern and Southern African Higher Education Institution	75,000			30,000	45,000	15,000	
DLR#3.4: Transparency of financial management (audit reports, interim unaudited financial reports, budgets and Annual Work Programs are all web accessible)	75,000			30,000	45,000	15,000	
DLR 3	300,000			90,000	210,000	90,000	
DLR# 4.1 Timely procurement audit report for each ACE	150,000			20,000	130,000	45,000	After the 1 st audit of PPRA, the centre applied for USD 45,000 but received USD 20,000. - We have sent another request for an audit but due to COVID this has not been done.

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.

Summary

	Total Amount	Amount Verified	Percentage verified (%)	Remaining amount for all years	Challenge(s)/ comments
DLI 1	1,100,000	1,100,000	100%	0	Completely achieved
DLR 2.1	0	0	0%	0	DLR dropped and apportioned to 2.2, 2.5 & 2.6
DLR 2.2	1,300,000	1,300,000	100%	0	DLR completely achieved
DLRs 2.3 – 2.8	3,000,000	1,623,821	54%	1,376,179	COVID-19 related delays in international accreditation and exchange
DLRs 3.1 - 3.4	300,000	90,000	30%	210,000	Timely withdrawal is yet to be verified
DLR 4.1 - 4.2	300,000	20,000	7%	280,000	DLI 4 partially verified
TOTAL	6,000,000	4,133,821	69%	1,866,179	

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
 Reports and Financial Statements for The Financial Year Ended June 30, 2020.*

DLR#4.2: Timely and satisfactory procurement progress report for each ACE	150,000	0	150,000	45,000	
DLR 4	300,000	-	280,000	90,000	
Grand Total	6,000,000		3,126,590	2,873,410	1,670,000

2. Safeguards actions

Action	Status
Grievance Redress Mechanism	<ul style="list-style-type: none"> - An online GRM System set up. Available on CESAAM and University websites - It is anonymous but an optional provision for a name and email is provided in case someone requires feedback - students are sensitized on use
An inclusive CESAAM Steering Committee	<ul style="list-style-type: none"> - CESAAM has a steering committee that comprises students, faculty members, industry partners, academic partners and co-opted members when necessary.
Students - Supervisors Consultative Meetings	<ul style="list-style-type: none"> - SEVEN consultative meetings have been organized to discuss supervision
Co-supervision and advising of graduate students with partners	<ul style="list-style-type: none"> - To help meet the need for regional research interventions and for dynamism, CESAAM shared with students' profiles of faculty members from partner university and research institutions to select supervisors - CESAAM has planned a joint supervisors and students' regional forum to discuss matters relating to research in the region and student-supervisor relationship enhanced - CESAAM is in constant touch with the Graduate School and relevant academic units on students' progress and complaints.
Health Insurance for students	<ul style="list-style-type: none"> - a medical cover exists for students to consider. CESAAM also funds medication at University Sanatorium
Social & Environmental safeguards focal points	<ul style="list-style-type: none"> - CESAAM's Social safeguards is also the Director University Welfare Services and former Director Institute of Women, Gender and Development Studies at Egerton University. She is also an expert in sexual harassment. - The Environmental safeguards focal point is a certified environmentalist and former immediate former Dean Faculty of Environment and Resource Development at Egerton University
Special accommodation and fund for student mothers	<ul style="list-style-type: none"> - FOUR female students are now supported with special accommodation and additional subsistence to cater for toddlers
Community dissemination workshops	<ul style="list-style-type: none"> - Dissemination workshops where students are sent back to places of research to disseminate information to the community
Asbestos disposal	<ul style="list-style-type: none"> - CESAAM procured a NEMA-approved consultant who successfully executed disposal of asbestos
CESAAM Complex	<ul style="list-style-type: none"> - There was a community engagement program where there were no objections to the building - CESAAM also presented and ESIA report that was approved by the World Bank, NEMA, County Government and CESAAM

	Steering Committee
Research funding	- The Steering Committee approved an increase in research funding for students. PhD now earn USD 12,000 for research and MSc USD 3,000 for research.

COVID-19; Situation Analysis, Implications and Actions

(This being a global pandemic, there were both direct and indirect effects on the project stakeholders, including students and partners)

Period	Implications from Containment measures	Strategic interventions and actions	Remarks
March 2020	<ul style="list-style-type: none"> - Closure of University - Local students allowed to go to family and 29 international students who were at campus allowed to stay in secured accommodation and organized shopping arrangements and any issue under - Students on research involving field work stopped. - Student classes and presentations stopped and is likely to take longer than planned, thus may require extension - CESAAM international research conference cancelled, after 10 CESAAM partners bought refundable tickets and hotel reservations - 50 other stakeholder (farmers and private sector partners) also planned to attend the conference - Delayed internal audit 	<ul style="list-style-type: none"> - CESAAM sends periodic safety guidelines from MoH-Kenya and WHO - International students arranged for shopping by bus every Wednesday and secured accommodation with extra surveillance. University farm, Ngongongeri, asked to avail fresh produce for purchase. - CESAAM communicated to all CESAAM students links to their supervisors and faculty to continue consultation and guidance remotely through emails - Direct contact with social safeguards point person, CESAAM Center leader and all other University Management arms - CESAAM is working on ICT modules such as Zoom, Webex or Skype that can allow easy presentations and research defenses. -- List of students ready for presentations now available - CESAAM social safeguard focal point, once a week, holds open air meetings with International students, accommodation, security, catering staff, and medical personnel for updates on progress and new developments on COVID 19 	<ul style="list-style-type: none"> - These are unprecedented times and all stakeholders are asked to take extra precautions to keep safe. - CESAAM sent notes to all its stakeholders for their indulgence during this period. -Centre Leader now in contact with faculty members to consider arranging research presentations virtually. -CESAAM will consider extension of support for students affected by the pandemic.

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.

<p>April 2020</p>	<ul style="list-style-type: none"> - 20 students planned for exchange in Zhejiang University, China, are unable to travel, risking loss of opportunity and extending period of study -Delayed planned construction of the Complex after signing contract in March 2020. -Delay in planned procurement audit by PPRA 	<ul style="list-style-type: none"> -CESAAM sort to postpone the exchange to September with partners agreeing -Construction of CESAAM complex will commence immediately the pandemic subsides and restrictions lifted. The same applies to audit by PPRA 	<ul style="list-style-type: none"> - A number of activities will be behind schedule hence affecting stakeholders and the ACE.
<p>May 2020</p>	<ul style="list-style-type: none"> - International accreditation personnel from AQAS, Germany planned a visit to CESAAM and ticket purchased. This had to be cancelled, thus postponing the accreditation schedule. - Anticipated delay in procurement of laboratory equipment and consumables if COVID persists 	<ul style="list-style-type: none"> -CESAAM has submitted draft accreditation reports for AQAS personnel to review. -Virtual consultation meetings with AQAS arranged for Mid-May prior to submission for accreditation. -Procurement process of lab equipment delayed. 	<ul style="list-style-type: none"> - CESAAM will fast-track all processes that delayed as a result of this pandemic.
<p>June 2020</p>	<ul style="list-style-type: none"> CESAAM-Virginia Tech-GAP Report planed launch of Global Agricultural Productivity (GAP) report through a stakeholder's' conference in Nairobi -Regional forum on Ag. Productivity in Arusha at Nelson Mandela African Institute of Science and Technology (CREATES) 	<ul style="list-style-type: none"> -This activity now postponed to March 2021 when the next CESAAM International Conference will take place. 	<ul style="list-style-type: none"> - A number of activities set for this year are already either cancelled or planning process halted. - CESAAM will come up with a comprehensive post-COVID recovery plan and share with the World Bank and MoE for comments and review

3. Impact to date (on community, policy etc.)

IMPACT							
Deliberate support of female scientists	CESAAM now has a total of 240 students enrolled. Of this number 52% are female and 23% being regional students. CESAAM also provides affirmative fund for female scientists (students) with toddlers.						
Student enrollment to enhance quality research in the region	Total enrollment: 240 Female: 52% Regional: 23%						
CLASS 2019							
	MASTERS			PhD			SUMMARY
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MSc & PhD
NATIONAL	10	16 (62%)	26	05	04 (44%)	09	Male: 24 (41%)
REGIONAL	07	10 (59%)	17	02	04 (67%)	06	Female: 34(59%)
TOTAL	17	26(58%)	43	07	08 (53%)	15	SUB-TOTAL: 58
CLASS 2018							
	MASTERS			PhD			SUMMARY
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MSc & PhD
NATIONAL	19	18 (49%)	37	09	08 (47%)	17	Male: 33 (49%)
REGIONAL	03	07 (70%)	10	02	01 (33%)	03	Female: 34(51%)
TOTAL	22	25(53%)	47	11	09 (45%)	20	SUB-TOTAL: 67
CLASS 2017							
	MASTERS			PhD			SUMMARY
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MSc & PhD
NATIONAL	20	12 (38%)	32	13	12 (48%)	25	Male: 43 (57%)
REGIONAL	07	04 (36%)	11	03	04 (51%)	07	Female: 32(43%)
TOTAL	27	16(37%)	43	16	16 (50%)	32	SUB-TOTAL: 75
CLASS 2016							
	MASTERS			PhD			SUMMARY
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MSc & PhD
NATIONAL	04	07 (64%)	11	01	01 (50%)	02	Male: 05 (38%)
REGIONAL	0	0	0	0	0	0	Female: 08 (62%)
TOTAL	4	7	11	1	1	02	SUB-TOTAL 13
SELF-PAYING STUDENTS							
	MASTER			PhD			

	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	SUMMARY
NATIONAL	09	15(63%)	24	1	0	1	Male: 11 (41%)
REGIONAL	0	0	0	1	1 (50%)	2	Female: 16 (59%)
TOTAL	9	15	24	2	1	3	SUB-TOTAL: 27
							TOTAL: 240
1 st Regional Summer School for Graduate Students	CESAAM organized and hosted its 1 st Regional Summer School for Graduate Students. This, in our understanding, is the largest event that has brought together ACE II students in the agriculture field. Over 200 students participated from INSEFOODS, MaRCCI, CSABC, CREATES and CESAAM.						
High profile regional exhibitions	meant to market the centre in the region.						
Open/Field days	to train farmers on emerging agricultural technologies. CESAAM organized a joint Seeds of Gold Field Day with Nation Media for farmers and industry at Egerton University. Over 400 participants and exhibitors attended. This was in January 2020.						
Skill-based short courses	organized for the community, farmers and students. (Feed formulation, Research Analytics for students, Proposal writing for students, Policy Brief Preparation course).						
Youth-led extension	CESAAM students underwent direct outreach to farmers using the Seeds of Gold model of extension.						
Community Dissemination workshops	All students and faculty supported by CESAAM to carry out research are expected to carry out dissemination workshops of research findings in their areas of study. A dissemination workshop is planned post-COVID for 4 students who have graduated and collected data in Kenya.						
1st CESAAM Competitive Research Grant	CESAAM competitively awarded proposal research grants, which will be community oriented and that which must have policy implications, to faculty members. A key criterion for selection was whether the proposal had a strong component on collaboration with industry players.						
Regional sensitization visits	Joint Sensitization visit CESAAM, INSEFOODS, Internet of Things, Rwanda College of Agric and Veterinary Medicine (Kenya, Tanzania and Rwanda)						
Dissemination of best-practices and policies	2 Side Events Held at the RUFORUM international Conference in Nairobi, Kenya. The side events were on social safeguards (sexual harassment in HEIs) and on Role of Partnerships in Research and Academic Excellence						

4. Key challenges and risks

Issue/Risk	Status and proposed action
Procurement	<ul style="list-style-type: none"> - Slow procurement process - unwilling suppliers due to main university debts - CESAAM plans to have a suppliers' sensitization workshop to help them understand the different nature of the project. - relatively high procurement staff turn-over
Regional Accreditation of programs	<ul style="list-style-type: none"> - No known body carries out this.
Some delay in verification	DLI 4 and DLR 3.1 are yet to be verified. These have caused delay in disbursement
Risk of extension for students	Due to COVID-19 related delays and industrial action by lecturers, students are likely to provide reasons for extension. This will have financial implications on the centre
COVID-19 related risks and challenges	<ul style="list-style-type: none"> - Disruption in academic programs - Effect in completion rate for students - Cancellation of planned activities such as international accreditation, regional launch of Global Agricultural Productivity Report and delay in procurement - Delay in getting feedback from lecturers by students
Delayed construction of CESAAM complex	<ul style="list-style-type: none"> - Construction of CESAAM complex is delayed due to COVID-19 pandemic. The contractor had been identified and the tender awarded
Delay in audits	<ul style="list-style-type: none"> - CESAAM wrote to PPRA to audit the centre but got no response. The centre will make plans to make a follow-up call or visit for action.
Challenge of sandwich programs	<ul style="list-style-type: none"> - There is a challenge of recognition and transfer of credit for related programs. This inhibited CESAAM from carrying out a joint sandwich program with Zhejiang University.

5. Sustainability of the Centre

Action	Status (including timelines)
CESAAM is attracting Fee paying students	<ul style="list-style-type: none"> - 26 self-paying students now admitted at CESAAM - 56 new applicants including those from the region
Have CESAAM as a directorate	<ul style="list-style-type: none"> - A committee to over-see this sustainability plan is already set-up - Discussions are underway for this
Research proposals for funding	<ul style="list-style-type: none"> - Several groups supported to write proposals for funding. Externally generated funds attracted. - The centre has now attracted a sum of USD 813,086 to-date
Regional gate-way for agricultural interventions	<ul style="list-style-type: none"> - CESAAM is positioning itself, through partnership, as a regional gateway for agriculture-related interventions in the region. This is due to its regional appeal because its presence in the region.

1.9. Summary of Project Compliance:

The centre has complied with the Egerton financial rules and regulations, the Public Finance Management Act (PFM Act 2012) and the Financing agreement with the development partners.

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) 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 year (period) ended on June 30, 2020. This responsibility includes:

- (i) Maintaining adequate financial management arrangement 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 preparation 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.

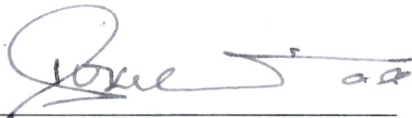
The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the Project's financial position as at that date. The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) 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 control.

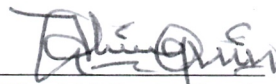
The Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Egerton University Council on 28th September 2020 and signed by the Vice Chancellor of Egerton University and the Centre leader for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) on 30th November, 2020.



Prof. Isaac O. Kibwage Ph.D, HSC
Ag. Vice Chancellor



CESAAM Centre Leader
Name: Prof. George Owuor



Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON CENTRE OF EXCELLENCE IN SUSTAINABLE AGRICULTURAL AND AGRIBUSINESS MANAGEMENT CREDIT NO.5798-KE FOR THE YEAR ENDED 30 JUNE, 2020 - EGERTON UNIVERSITY

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Centre of Excellence in Sustainable Agricultural and Agribusiness Management Project set out on pages 1 to 19, which comprise of the statement of financial assets as at 30 June, 2020, 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, 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 the Centre of Excellence in Sustainable Agricultural and Agribusiness Management as at 30 June, 2020, 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 Loan Agreement Credit No.5798-KE dated 4 July, 2016 between International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012. .

In addition, the special accounts statement presents fairly the special accounts transaction and the closing balance has been reconciled with the books of account

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Centre of Excellence in Sustainable Agricultural and Agribusiness 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

Pending Bills

Note 9.1 to the financial statements reflects pending bills balances of Kshs.16,735,684 as at 30 June, 2020. Management has attributed the delays in settling the bills to the effects of Covid-19 due to the temporal closure of offices at the onset of the pandemic. However, the project is at risk of incurring significant interest costs and penalties with the continued delays.

Failure to settle bills during the year in which they relate to distorts the financial statements and adversely affects the budgetary provisions for the subsequent year.

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, I confirm that, nothing 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

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 overall governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standard requires that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and 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) - Credit No.5798-KE, 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 Centre of Excellence in Sustainable Agricultural and Agribusiness Management, so far as appears from the examination of those records;
- iii. The financial statements are in agreement with the accounting records and returns;
- iv. All International Development Association funds have been provided and used in accordance with the conditions of the Loan Agreement, with due attention to economy, efficiency and only for the purposes for which the fund was provided; and
- v. Goods and services financed have been procured in accordance with the Loan Agreement and in compliance with the Fund's rules and procedures.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the 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 money is applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

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

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

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

Because of its inherent limitations, internal control 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 going concern 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 control 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.



Nancy Gathungu
AUDITOR-GENERAL


Nairobi

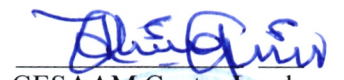
24 December, 2020


4. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020

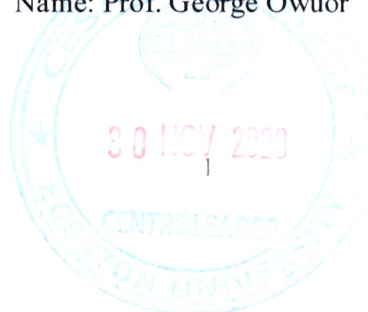
	Note	2019/20		2018/19		Cumulative to date
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	Receipts and payments controlled by the entity	Receipts and Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Transfer from Government entities	8.3	0	0	684,800	0	2,684,800
Loan from external development partners	8.4	117,616,922	0	85,477,343	0	314,689,265
Other Attracted funds	8.5	1,333,800	56,712,841	1,072,333	21,094,052	103,288,304
TOTAL RECEIPTS		118,950,722	56,712,841	87,234,475	21,094,052	420,662,369
PAYMENTS						
Transfers To Other Government Entities	8.6	0	0	0	0	1,000,000
Other Grants And Transfers And Payments	8.7	1,429,077	34,109,820	1,145,990	23,251,116	64,873,903
Excellence In Education And Research	8.8	89,430,755	0	70,076,192	0	181,461,193
Exchanges To Promote Regional Research & Teaching	8.9	19,174,797	0	11,218,210	0	37,925,651
External Generation Of Revenue	8.10	1,333,300	0	1,832,960	0	3,391,160
Enhancing Institutional Readiness & Operations	8.11	11,147,623	0	13,357,584	0	35,612,460
Timely And Transparency Financial Management	8.12	9,878,360	0	6,054,657	0	21,629,089
TOTAL PAYMENTS		132,393,912	34,109,820	103,685,593	23,251,116	345,896,757
SURPLUS/DEFICIT		(13,443,190)	22,603,021	(16,451,117)	(2,157,064)	74,765,613

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


Prof. Isaac O. Kibwage Ph.D, HSC
Ag. Vice Chancellor


CESAAM Centre Leader
Name: Prof. George Owuor


Project Accountant:
Name: C.P.A Gabriel Ndungu.



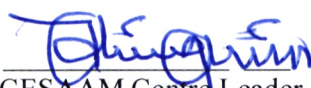
5. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2020

	Note	2019/20	2018/19
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.15	62,396,480	61,085,968
Accounts receivables – Imprests and Advances	8.16	12,369,133	4,519,813
Total Cash and Cash Equivalents	8.14	74,765,613	65,605,781
TOTAL FINANCIAL ASSETS		74,765,613	65,605,781
REPRESENTED BY			
Fund balance b/fwd	8.17	65,605,781	84,213,962
Surplus/Deficit for the year		9,159,831	(18,608,181)
NET FINANCIAL POSITION		74,765,613	65,605,781

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 30th November, 2020 and signed by:



Prof. Isaac O. Kibwage Ph.D, HSC
Ag. Vice Chancellor



CESAAM Centre Leader
Name: Prof. George Owuor



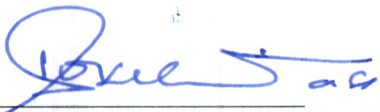
Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166




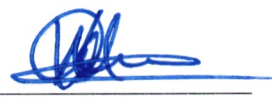
6. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

		2019/20	2018/19
	Note	KShs	KShs
Receipts for operating activities			
Transfer from Government entities	8.30	-	684,800
Proceeds from domestic and foreign grants	8.40	-	-
Other Attracted funds	8.50	58,046,641	22,166,385
Payments for operating activities			
Transfers to Egerton University	8.6	-	-
Other Grants And Transfers And Payments	8.7	35,538,897	24,397,106
Excellence In Education And Research	8.8	89,430,755	70,076,192
Exchanges To Promote Regional Research & teaching	8.9	19,174,797	11,218,210
External Generation Of Revenue	8.10	1,333,300	1,832,960
Enhancing Institutional Readiness & Operations	8.11	11,147,623	13,357,584
Timely And Transparency Financial Management	8.12	9,878,360	6,054,657
Net cash flow from operating activities		(108,457,091)	(104,085,524)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		0	0
Net cash flows from Investing Activities		0	0
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	8.4	117,616,922	85,477,343
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		9,159,831	(18,608,181)
Cash and cash equivalent at beginning of the year		65,605,781	84,213,962
Cash and cash equivalent at END of the year		74,765,613	65,605,781

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 30th November, 2020 and signed by:


Prof. Isaac O. Kibwage Ph.D, HSC
Ag. Vice Chancellor


CESAAM Centre Leader
Name: Prof. George Owuor


Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166



7. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS 30TH JUNE 2020

Receipts/Payments Item	Original Budget 2019/20	Final Budget 2019/20	Actual on Comparable Basis 2019/20	Budget Utilization Difference 2019/20	Percentage of Utilization 2019/20
Receipts	Kshs	Kshs	Kshs	Kshs	
Proceeds from domestic and foreign grants	171,337,353	171,337,353	117,616,922	53,720,430	31%
Other Attracted funds	30,516,054	30,516,054	58,046,641	(27,530,588)	-90%
Total Receipts	201,853,406	201,853,406	175,663,564	26,189,843	13%
PAYMENTS					
World Bank Funding	Kshs	Kshs	Kshs	Kshs	
Excellence In Education And Research	88,723,300	88,723,300	89,430,755	(707,455)	101%
Exchanges To Promote Regional Research & Teaching	31,301,138	31,301,138	19,174,797	12,126,341	61%
External Generation Of Revenue	1,548,750	1,548,750	1,333,300	215,450	86%
Enhancing Institutional Readiness & Operations	40,207,900	40,207,900	11,147,623	29,060,277	28%
Timely And Transparency Financial Management	9,556,265	9,556,265	9,878,360	(322,095)	103%
SUB-TOTAL PAYMENTS	171,337,353	171,337,353	130,964,835	40,372,517	76%
OTHER ATTRACTED FUNDS					
	Kshs	Kshs	Kshs	Kshs	
Other Grants and Transfers	30,516,054	30,516,054	35,538,897	(5,022,843)	-16%
GRAND TOTAL PAYMENT	201,853,406	201,853,406	166,503,732	35,349,674	18%

Note: The significant budget utilization/performance differences in the last column are explained in **Annex 1** to these financial statements.


The Eligible Expenditure Programs (EEPs) for the financial year 2019/20 was KShs 1,642,484,740 which consists of the teaching Staff remuneration as explained in **Note 9.2**.



Prof. Isaac O. Kibwage Ph.D, HSC
Ag. Vice Chancellor



CESAAM Centre Leader
Name: Prof. George Owuor



Project Accountant:
Name: C.P.A Gabriel Ndungu.
ICPAK Member Number: 9166



8. NOTES TO THE FINANCIAL STATEMENTS

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

8.1. Basis of Preparation.

8.1.1. Statement of compliance and basis of preparation

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

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

The accounting policies adopted have been consistently applied to all the years presented.

8.1.2. Reporting entity

The financial statements are for the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation Public Finance Management Act 2012 (PFM Act 2012).

These financial statements are part of the consolidated financial statements of Egerton University for the reporting period.

8.1.3. 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.2. Significant Accounting Policies

a) Recognition of receipts

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

• **Transfers from the Exchequer**

Transfer from Exchequer is be 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.

• **External Assistance**

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

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.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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 development 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 is shown in the funding summary

● **Other receipts**

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

b) Recognition of payments

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

● **Compensation of employees**

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

● **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.

● **Interest on borrowing**

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

● **Repayment of borrowing (principal amount)**

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

● **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 CESAAM Project and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

c) **In-kind donations**

In-kind contributions are donations that are made to the CESAAM 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.

d) **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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

Restriction on cash

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

e) Accounts receivable

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 imprests payments are recognized as payments when fully accounted for by the imprest or Authority to Incur Expenditure holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

f) Pending bills

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

g) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual 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. The Development Projects are budgeted for under the Ministries, Departments and Agencies MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognized as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

h) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties' column in the statement of receipts and payments.

During the year no funds were received in form of direct payments from third parties.

i) 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

j) Comparative figures

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

k) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2020.

l) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: (i). restating the comparative amounts for prior period(s) presented in which the error occurred; or (ii). If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.3. RECEIPTS FROM GOVERNMENT OF KENYA

These represent counterpart funding and other receipts from government as follows:

	2019/20	2018/19	Cumulative to-date
	KShs	KShs	KShs
Other transfers from government entities			
Egerton University	0	0	2,000,000.00
Refund by Egerton university	0	684,800.00	684,800.00
	0.00	684,800.00	2,684,800.00

8.4. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2020 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

	Date received	Amount in SSD	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
		SSD	KShs	KShs	2019/20	2018/19
The World Bank	12/6/2016	1,080,823	111,595,000	0	0	0
The World Bank	5/12/2018	2,510	259,167	0	0	259,167
The World Bank	5/2/2019	12,948	1,315,641	0	0	1,315,641
The World Bank	24/02/2019	830,000	83,902,535	0	0	83,902,535
The World Bank	7/24/2019	510,104	52,030,625	0	52,030,625	0
The World Bank	12/11/2019	643,003	65,586,298	0	65,586,298	0
Total		3,079,388	314,689,265	0	117,616,922	85,477,343

8.5. OTHER ATTRACTED FUNDS

	2019/20			2018/19	2017/18	2016/17
	Receipts controlled	Receipts controlled by third parties	Total Receipts	Total Receipts	Total Receipts	Total Receipts
	KShs	KShs	KShs	KShs	KShs	KShs
School Fees and related fees	1,333,800	0	1,333,800	1,072,333	325,828	0
Other Research Projects	0	56,712,841	56,712,841	21,094,052	22,749,450	0
Total	1,333,800	56,712,841	58,046,641	22,166,385	23,075,278	0

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.6. TRANSFERS TO OTHER GOVERNMENT ENTITIES.

During the 12 months to 30 June 2020, there were no transfers of funds to reporting government entities as shown below:

	FY 2019/20			FY 2018/19			PROJECT LIFE
	Payments made by the Entity in	Payments made by third parties	Total Payments	Payments made by the Entity in	Payments made by third parties	Total Payments	
	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	
Transfers to Egerton	0	-	0	0	-	0	1,000,000
TOTAL	0	0	0	0	0	0	1,000,000

No further funds were transferred during the financial year 2019/20. The previous transfers made in 2017 were confirmed that the beneficiary institutions received the funds and have recorded these as inter-entity receipts

8.7. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	FY 2019/20			FY 2018/19			PROJECT LIFE
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	
	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	<u>KShs</u>	
Operational Expenses Egerton University	136,277	0	136,277	807,590	0	807,590	943,867
Student Fees and Related Expenses	1,292,800	0	1,292,800	338,400	0	338,400	1,637,500
Other Joint Project Expenses	-	34,109,820	34,109,820	0	23,251,116	23,251,116	62,292,536
Total	1,429,077	34,109,820	35,538,897	1,145,990	23,251,116	24,397,106	64,873,903

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.8. EXCELLENCE IN EDUCATION AND RESEARCH

	2019/20 (KShs)	2018/19 (KShs)
Recruitment process, interviews & Short listing of students exercise	281,150	0
Support atleast 25 Ph.D. students	43,539,034	38,318,743
Support atleast 30 Msc. Students	40,013,366	25,294,931
Review & Development of Phd & Msc Curriculum	1,394,400	1,266,700
Develop new programmes	357,300	518,791
undertake Self-assessment	0	805,775
Development of short courses for Private sectors upgrading - Agric va	487,600	3,010,751
Conduct short term courses on sustainable agric & agri business/value	3,357,905	860,500
Total	89,430,755	70,076,192

8.9. EXCHANGES TO PROMOTE REGIONAL RESEARCH & TEACHING

	2019/20 (KShs)	2018/19 (KShs)
Staff exchange fellowship	883,710	1,323,810
Ph.D. students exchange fellowship	1,608,032	1,131,260
Staff supported in collaborated research projects	5,031,496	1,835,319
Support publications on research output on peer review	146,518	286,000
Facilitate presentation of research output in international	933,400	2,237,240
Conduct 2 theses dissemination workshops for 40 groups	227,500	0
Support 3 Staff and 20 students to present their research	183,575	0
Retooling workshop to build capacity of teaching staff	2,312,200	2,221,723
Support Agri Enterprise	596,356	864,538
Internship Support for students	2,852,100	1,023,500
Engage in consultative MoUs based meetings to commission	700,260	294,820
Total	19,174,797	11,218,210

8.10. EXTERNAL GENERATION OF REVENUE

	2019/20 (KShs)	2018/19 (KShs)
Support research team to develop research proposals	1,333,300	1,832,960
Total	1,333,300	1,832,960

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.11. ENHANCING INSTUTIONAL READINESS & OPERATIONS

	2019/20 (KShs)	2018/19 (KShs)
Procure equipments for Cesaam research center and ICT upgrading	673,860	2,668,450
Cesaam office block design	250,000	568,710
Procure motor vehicle	5,368,100	91,000
Procure dairy and food science assorted equipment as per procurement plan	0	2,263,385
Procurement of laboratory consumables	846,506	0
Procure soil testing TOC analyzer	0	1,663,680
Procure assorted equipment - animal nutrition lab	0	2,962,575
Support Agro science park	1,454,017	529,560
Conduct Tracer study of any gradaute from CESAAM.Target is class.	0	580,650
Marketing Cesaam Project and its programs (adverts, banners etc)	1,554,420	1,406,525
Cesaam steering committee, thematic research and training sub committees	1,000,720	623,049
Total	11,147,623	13,357,584

8.12. TIMELY AND TRANSPARENCY FINANCIAL MANAGEMENT

	2019/20 (KShs)	2018/19 (KShs)
Cesaam staff package (Salaries and wages)	2,387,000	1,192,000
Admistrative and office running	2,045,245	613,246
Renovation of post graduate and tatton demonstration unit	1,908,243	0
local & regional Travel	3,537,872	4,249,411
Total	9,878,360	6,054,657

8.13. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	2019/20 (KShs)	2018/19 (KShs)
Joint Research	34,109,820	23,251,116
Egerton operation expenses	136,277	807,590
Fees and related costs	1,292,800	338,400
Total	35,538,897	24,397,106

8.14. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20 KShs	2018/19 KShs
Bank accounts (Note 8.15)	62,396,480	61,085,968
Outstanding Imprests	12,369,133	4,519,813
Total	74,765,613	65,605,781

8.15 BANK ACCOUNT DETAILS

	2019/20 KShs	2018/19 KShs
CESAAM Project Account - KCB Bank no 1184060347	62,396,480	61,085,968
Total bank account balances	62,396,480	61,085,968

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.16 OUTSTANDING IMPRESTS AND ADVANCES

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance	Balance
	KShs	Date	KShs	2019/20	2018/19
	KShs	Date	KShs	KShs	KShs
OUTSTANDING IMPRESTS				12,369,133	4,519,813
Jane Gisemba Nyaanga	72,400	8/24/2019	72,400	0	72,400
Kipkoech Philemon Martim	100,178	8/31/2019	100,178	0	100,178
Langat Benard	234,800	8/30/2018	234,800	0	234,800
Mary Omwamba Nyambeki	2,748,200	8/30/2019	2,748,200	0	2,748,200
Ms Nancy Wambui Wangui	100,800	9/15/2019	100,800	0	100,800
Obura Evance Odhiambo	98,935	9/24/2019	98,935	0	98,935
Prof Joshua O. Ogendo	959,700	9/13/2019	959,700	0	959,700
Prof K. Erick Cheruiyot	5,000	7/9/2019	5,000	0	5,000
Wamalwa Patrick Wafula	199,800	6/13/2019	199,800	0	199,800
Hillary Kiplangat Bett	180,000	9/1/2020	0	180,000	0
Prof Joshua O. Ogendo	874,410	9/17/2020	0	874,410	0
Stephen Karori Mbutia	273,300	9/17/2020	0	273,300	0
Johnson Milengo Misango	351,000	9/17/2020	0	351,000	0
Cheptoo Irene Chelimo	266,100	9/17/2020	0	266,100	0
Dr Patrick Simiyu Muliro	655,000	9/17/2020	0	655,000	0
Oscar Ingasia Ayuya	254,444	9/17/2020	0	254,444	0
Ms Jane Kageha Mbimwa	309,800	9/17/2020	0	309,800	0
Mr Benjamin K. Masalange	398,400	9/17/2020	0	398,400	0
Nduko John Masani	1,024,000	8/15/2020	0	1,024,000	0
Arnold Mathew Opiyo	208,000	8/20/2020	0	208,000	0
Prof Joseph Wafula Matofari	360,600	8/20/2020	0	360,600	0
Ondiek James Ombiro	272,600	8/20/2020	0	272,600	0
Nkoiboni Raphael Siloma	105,000	8/20/2020	0	105,000	0
Kagio Stephen Maina	336,800	8/20/2020	0	336,800	0
Prof Margaret W. Ngigi	633,700	8/20/2020	0	633,700	0
Obura Evance Odhiambo	283,000	8/20/2020	0	283,000	0
Prof Joshua O. Ogendo	718,478	7/12/2020	0	718,478	0
Mr Moses Kipkeny Serem	100,000	7/12/2020	0	100,000	0
Musumba Frankline Otema	248,700	7/12/2020	0	248,700	0
Ms Stella Kwamboka	244,000	7/12/2020	0	244,000	0
Kariuki Isaac Maina	1,061,720	7/12/2020	0	1,061,720	0
Mr Abel Miyogo Oganga	156,800	6/30/2019	0	156,800	0
Mrs Rahab Wanjiru Mburu	197,800	6/30/2019	0	197,800	0
Ms Beatrice Chepngetich Sigei	346,600	6/30/2019	0	346,600	0
Mokami Rose Mwita	587,200	6/30/2019	0	587,200	0
Joseph Gitau Ngugi	48,300	6/30/2019	0	48,300	0
Nduko John Masani	619,704	6/30/2019	0	619,704	0
Dr Amos Meshack Obonyo	1,248,677	6/30/2019	0	1,248,677	0
Prof K. Erick Cheruiyot	5,000	6/30/2019	0	5,000	0
Total	16,888,946		4,519,813	12,369,133	4,519,813

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8.17. FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Fund balance b/fwd	65,605,781	61,085,968
Surplus/Deficit for the year	9,159,831	4,519,813
FUND BALANCE BROUGHT DOWN	74,765,613	65,605,781

9. OTHER IMPORTANT DISCLOSURES

9.1 PENDING ACCOUNTS PAYABLE (See Annex 2)

	2019/20	2018/19
	KShs	KShs
Supply of services	538,670	7,870,960
Supply of goods	16,197,014	8,515,864
Total	16,735,684	16,386,224

9.2 ELIGIBLE EXPENDITURE PROGRAMS


PAYROLL FOR THE TEACHING STAFF 2019/20


No	Designation Category	Gross Pay per Annum 2019/20	Gross Pay per Annum 2018/19
		Kshs	Kshs
1	Professor	105,106,908	120,021,930
2	Adjunct Professor	7,076,113	15,963,402
3	Associate Professor	235,183,947	276,586,090
4	Senior Lecturer	312,425,598	297,502,511
5	Lecturer	742,953,890	717,511,258
6	Assistant Lecturer	210,601,247	215,411,886
7	Tutorial Fellow	29,137,038	28,871,475
	Grand Total	1,642,484,740	1,671,868,552


10. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on The external Audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
Other Matters	Omitted Imprest Comparatives	The comparatives were included in the Financial statement	CESAAM Centre Leader	Resolved	continuous
Other Matters	Reporting Currency	The rounding off to the nearest Kenya shillings done	CESAAM Centre Leader	Resolved	continuous


 Prof. Isaac O. Kibwage Ph.D, HSC
 Ag. Vice Chancellor


 CESAAM Centre Leader
 Name: Prof. George Owuor


 Project Accountant:
 Name: C.P.A Gabriel Ndungu.
 ICPAK Member Number: 9166



ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget 2019/20	Final Budget 2019/20	Actual on Comparable Basis 2019/20	Budget Utilization Difference 2019/20	Percentage of Utilization 2019/20
Receipts	Kshs	Kshs	Kshs	Kshs	
Proceeds from domestic and foreign grants	171,337,353	171,337,353	117,616,922	53,720,430	31%
Other Attracted funds	30,516,054	30,516,054	58,046,641	(27,530,588)	-90%
Total Receipts	201,853,406	201,853,406	175,663,564	26,189,843	13%
PAYMENTS					
World Bank Funding	Kshs	Kshs	Kshs	Kshs	
Excellence In Education And Research	88,723,300	88,723,300	89,430,755	(707,455)	101%
Exchanges To Promote Regional Research & Teaching	31,301,138	31,301,138	19,174,797	12,126,341	61%
External Generation Of Revenue	1,548,750	1,548,750	1,333,300	215,450	86%
Enhancing Institutional Readiness & Operations	40,207,900	40,207,900	11,147,623	29,060,277	28%
Timely And Transparency Financial Management	9,556,265	9,556,265	9,878,360	(322,095)	103%
SUB-TOTAL PAYMENTS	171,337,353	171,337,353	130,964,835	40,372,517	76%
OTHER ATTRACTED FUNDS					
	Kshs	Kshs	Kshs	Kshs	
Other Grants and Transfers	30,516,054	30,516,054	35,538,897	(5,022,843)	-16%
GRAND TOTAL PAYMENT	201,853,406	201,853,406	166,503,732	35,349,674	18%

Explanation to the variances.

The utilization of 101% of the budget for the Excellence in education and research is explained under;

- (i) Over expenditure due to two stages of selection that was occasioned by verification of certificates from foreign applicants.
- (ii) Only one programme was fully developed, the other delayed due to COVID 19 pandemic as was planned.

The utilization of 61% of the budget for the Exchanges Enhancing Institutional Readiness & Operations is explained under;

- (i) Center was delayed due to Partners from Virginiatech not able to join in April 2020 due to COVID pandemic. It's now being done virtually

The variance of 24% of the budget for the Exchanges Enhancing Institutional Readiness & Operations is explained under;

- (i) CESAAM complex though approved delayed its commencement now committed.
- (ii) Procurement was delayed due to COVID related lockdowns, particularly lockdown of Nairobi county, the main source of most items
- (iii) The 3% overutilization was related to covid 19 containment measures undertaken to ensure the student were safe from the infection.

The utilization of 116% utilization of the budget for the other attracted grants explained under;

- (i) The Center attracted more projects during the financial year 2019/20, thus more expenses.

Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.

ANNEX 2 - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2019/20	Outstanding Balance 2018/19	Comments
Supply Of Services	Kshs		Kshs	Kshs	Kshs	
Attic Tours And Travel	71,470	Jun-20	0	71,470	0	payable
Attic Tours And Travel	467,200	Jun-20	0	467,200	0	payable
African Touch Safaris	43,710	Jun-20	43,710	0	43,710	paid
African Touch Safaris	702,300	Jun-20	702,300	0	702,300	paid
African Touch Safaris	629,650	Jun-20	629,650	0	629,650	paid
African Touch Safaris	5,310,000	Jun-20	5,310,000	0	5,310,000	paid
African Touch Safaris	1,117,000	Jun-20	1,117,000	0	1,117,000	paid
Hartebeest	68,300	Jun-20	68,300	0	68,300	paid
Sub Total	8,409,630		7,870,960	538,670	7,870,960	
Supply Of Goods						
Blueswift Contractors & General Supplie	215,000	May-20	0	215,000	0	payable
Blueswift Contractors & General Supplie	628,000	May-20	0	628,000	0	payable
Blueswift Contractors & General Supplie	1,080,000	May-20	0	1,080,000	0	payable
Exveria Business Limited	88,000	May-20	0	88,000	0	payable
Exveria Business Limited	178,500	May-20	0	178,500	0	payable
Precise Lab Ltd	120,000	May-20	0	120,000	0	payable
Remfewd	70,300	May-20	0	70,300	0	payable
Everest Industrial & General Supplies	92,000	May-20	0	92,000	0	payable
Telvian Agency	8,900	May-20	0	8,900	0	payable
Multigen Supplies	89,700	May-20	0	89,700	0	payable
Telvian Agency	48,750	May-20	0	48,750	0	payable
Multigen Supplies	30,050	May-20	0	30,050	0	payable
Precise Lab Ltd	26,350	May-20	0	26,350	0	payable
Precise Lab Ltd	26,350	May-20	0	26,350	0	payable
Precise Lab Ltd	35,030	May-20	0	35,030	0	payable
Estec Ltd	2,860,084	May-20	0	2,860,084	2,860,084	payable
Faculty of Engineering Egerton Universit	600,000	May-20	0	600,000	0	payable
Lergend Enterprise	10,000,000	May-20	0	10,000,000	0	payable
Fairdeal Furniture Ltd	857,445	Jun-20	857,445	0	857,445	paid
Farmers World Ltd	15,560	Jun-20	15,560	0	15,560	paid
Maars Technologies Ltd	468,000	Jun-20	468,000	0	468,000	paid
Makamu Electricals	118,640	Jun-20	118,640	0	118,640	paid
Marine Waste Collection Dealers Ltd	2,086,000	Jun-20	2,086,000	0	2,086,000	paid
Mears Agricultural Center Ltd	3,800	Jun-20	3,800	0	3,800	paid
Nairobi Medical Store	846,505	Jun-20	846,505	0	846,505	paid
Nirvana Technologies Enterprises	836,430	Jun-20	836,430	0	836,430	paid
Tambour Tech	118,900	Jun-20	118,900	0	118,900	paid
Wellah Electrical Supplies And H/W	303,900	Jun-20	303,900	0	303,900	paid
Sub Total	21,852,194		5,655,180	16,197,014	8,515,264	
Grand Total	30,261,824		13,526,140	16,735,684	16,386,224	

ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

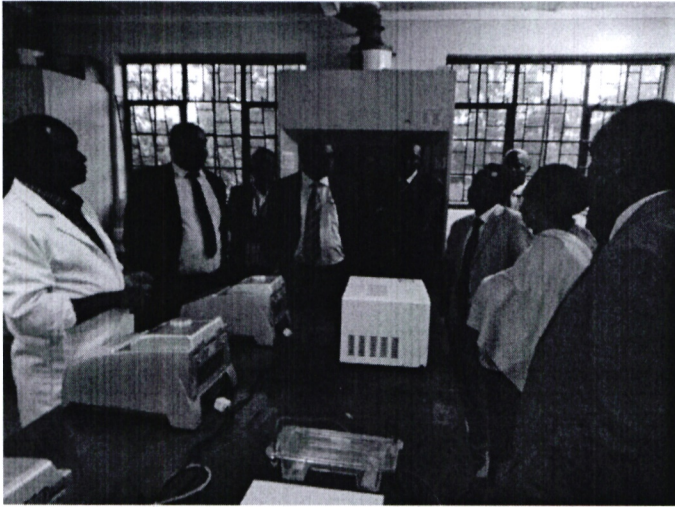
Asset class	Opening Cost (KShs) 2018/19 (a)	*Purchases/Ad ditions in the Year (KShs) 2019/20 (b)	**Disposals in the Year (KShs) 2019/20 (c)	Closing Cost (KShs) 2019/20 (d)= (a)+ (b)- (c)
Transport equipment	7,700,000	5,310,000	0	13,010,000
Office equipment, furniture and fittings	7,974,798	4,896,605	0	12,871,403
TOTAL				25,881,403

**ANNEX 4 – PICTORIAL REPRESENTATION OF KEY PAST ACTIVITIES
PICTORIALS**

CESAAM Team at an International Benchmarking Visit to Virginia Tech-USA



Prof. Owuor-CESAAM leader leads a team of Experts at Egerton to Benchmarking Exercise of two Programmes at Virginia Tech. MSc in Crop-Protection and Agribusiness Mgt. Inset, meeting with Dean and Associate Dean Virginia Tech USA College of Agriculture and Life Science. The two programmes are now fully recognised by VT.



Prof. Richard Mulwa sharing with National Steering Committee members, Biotechnology equipment purchased by CESAAM. Inset, Centre Leader Prof. Owuor.





PS/CAS Higher Education in Kenya Prof. Collate Suda, Samples products from CESAAM students. The products are part of students' innovations at the Agro-Science Innovation and Incubation Center. Looking are VC-Prof. Rose Mwonya, and Centre Leader-Prof. George Owuor



Center Leader, Prof. George Owuor with 2 CESAAM female students accompanied by their toddlers. The female students are part of many who have benefitted from CESAAM's special accommodation for female students, aimed at supporting female students to proceed with their studies uninterrupted, despite having toddlers. The Centre organises 3 bedroomed hostels, and provides a nanny, and facilities such as fridge and cookers.



The World Bank ACE II Coordinator Ms Ruth Charo, addresses NSC members at Egerton during the NSC hosted by CESAAM at Egerton University Njoro.

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.*



Members of the National Steering committee, led by PS Prof. Collette Suda, pose for a photo with CESAAM students and Vice Chancellors of Egerton, Moi and Jaramogi Oginga Odinga which host other centres of excellence. Also, on the front seat, is a female CESAAM student with her baby who was supported by CESAAM via special accommodation. The students are progressing on well uninterrupted.



CESAAM students in the field for practical. Experiential learning is a key feature of CESAAM



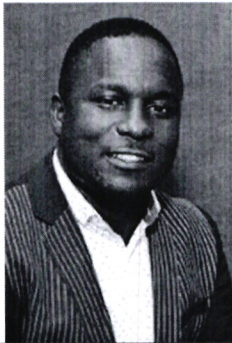


CESAAM student with a farmer during Farm clinic. Farm clinic occurs when students work and solve farmers' problems at farm level. They live with farmers for extended period of the crop.






Farm clinics is an important ingredient of Egerton and CESAAM training programmes and community engagement. Seeds of gold programme is a partnership between the Egerton and Nation Media for outreach.



STUDENTS TESTIMONIALS

CESAAM Graduates

Congratulations to you all	
	<p>Name: Syprian Syeunda Program: Graduated with a Masters in Food Science. <i>Completed in record time and appeared in Vice Chancellor's roll of honor.</i></p> <p>Personal Testimonial: "Being a CESAAM fellow was one of the most rewarding and exciting seasons as a food scientist. It was a humbling experience and I was greatly honoured to interact with diverse cultures, participate in multifaceted conferences, eye-opener exhibitions and edifying agricultural events. Not only did they arouse further my unrelenting hunger for academic success, but also energized, and gave me an impetus to challenge and develop myself as a strategic leader, an innovative food scientist, collaborator, mentor and above all the value of giving back to the community."</p>
	<p>Name: Isaiah Aleri Program: Graduated with an MSc Plant Breeding and Genetics <i>Completed in record time and appeared in Vice Chancellor's roll of honor.</i></p> <p>Personal testimonial: "I am indebted to CESAAM for their persistent support and guidance during my study period. Being a CESAAM fellow at Egerton University laid a divine platform, mentorship and urge to develop into an upcoming breeder with the opportunity to interact with diverse audiences during academic conferences and workshops. The academic success achieved is a stepping-stone to grooming myself into a scientist aligned to contributing to knowledge and sharing technical information that enhances the agricultural success within communities."</p>
	<p>Name: Albert Francis Program: MSc Livestock Production Systems</p> <p>Personal testimonial: "Being a student at Egerton University I acquired the knowledge which will help in dissemination of relevant agricultural knowledge and skills to smallholder farmers in East African Countries and Africa at large hence enhancing product diversity and post-harvest towards ensuring income, food and nutrition security. I thank Africa Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) at Egerton University (Kenya), for sponsoring my MSc studies which strengths</p>

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
Reports and Financial Statements for The Financial Year Ended June 30, 2020.*

	<p>my capacity in fighting food insecurity and poverty challenges to Africa's development. I recommend further sponsoring of students because with the economic statuses of the African communities without such sponsorship is not possible for many to develop their academic carrier."</p>
	<p>Name: Isabelle Beatrice Mukandungutse Program: MSc Animal Nutrition <i>Isabelle, a Rwandan National, excelled in her academic work against all odds. She is the first female student under CESAAM Sponsorship to complete and graduate in record time.</i> Personal testimonial: "I am proud to say that CESAAM has provided wonderful support in shaping my career as an Animal Scientist, Researcher and role model for women scientists."</p>
	<p>Name: Chesang Sumukwo Program: MSc Animal Breeding and Genetics Personal testimonial: "CESAAM fellowship has been pivotal in its career support and development, cementing my status as an animal geneticist. I am very grateful for having an opportunity to be part of this awesome family. This has provided me with an opportunity to interact with many talented and inspiring researchers not only from Egerton University but also regionally. I can confidently attest the commitment of CESAAM in nurturing talents to address Africans food insecurity, sustainability and poverty. May almighty God bless CESAAM and Egerton University."</p>
	<p>Name: Maurice Ikaal Program: MSc Livestock Production Systems Personal Testimonial: "As a first cohort of CESAAM fellows, I have built and learnt a wealth of experience while at Egerton University. Through this, I have interacted with diverse cultures via studies, conferences and exhibitions that have shaped my post-graduate journey for academic attainment as a Livestock Systems Specialist."</p>

	<p>Name: Boniface Sakwa Program: MSc Animal Nutrition Personal testimonial: “The most interesting moment of my academic life has been under CESAAM program in Egerton University. As an animal nutritionist, I gained a lot of experience through conferences, short course programs, and exhibitions facilitated by CESAAM. This offered me opportunity to interact and share a lot of knowledge with my fellow students, researchers, and professors from different countries within Africa. My capacity in research and publication has been boosted by CESAAM and this will enhance my career in livestock production. I am motivated and challenged to become an innovative animal nutritionist and an essential person in the community in curbing food insecurity through improving livestock productivity. I am very thankful to God, CESAAM administration and Egerton University for all the support given to me during my master’s degree program in Animal Nutrition.”</p>
	<p>Name: Reagan Lewis Program: MSc Livestock Production Systems <i>Reagan did his best to share the knowledge and skills he had through a mentorship and leadership program he started. Congratulations Reagan</i> Personal testimonial: “I thank CESAAM for the opportunity I got to study LPS at Egerton University, a premium university in agriculture and related disciplines. Coming from South Sudan, this noble chance presented me with a golden chance to make a difference back in my country where I will continue with active research to improve the lives of our people. I will forever remain indebted to the World Bank and the Kenyan Government for offering support to establish this centre of excellence.”</p>

Other students’ general experience at CESAAM

Support for female scientists

By Khumoetsile Octavia Sebotsa (MSc Agricultural Extension)



I am Khumoetsile Octavia Sebotsa from Botswana undertaking Master of Science in Agricultural Extension intake 2018. I am proud to be a female student at CESAAM. CESAAM has given me opportunity to exploit my full potential. 2018 intake saw a fair percentage enrolment of women in CESAAM. The quality of training is very high and very practical. I am also the graduate students Congress and feel proud as a leader. My call is for all CESAAM sponsors and partners to continue supporting and bridging the ever-increasing gap between men and women in agriculture. At CESAAM quality is at the top in Agricultural research and all are equal.

My experience as an exchange student

By Flora Eyoha Severino Lado

I am a PhD student of the Department of Mining and Minerals Engineering at Virginia Polytechnic Institute and State University, USA. and on exchange fellowship at CESAAM Egerton University. I have been here for the last one-year and I am proud to report that I enjoy a rich network of Professors and students from different specializations especially during the CESAAM workshops and meetings which brings together different departments and institutions. My research focus is enhancing petroleum oil recovery and treating water produced with the petroleum oil. The research aimed at increasing oil production to boost South Sudan economy and use the treated water in agriculture for irrigation or/and livestock watering. CESAAM has a very impressive and has facilitated my exchange program.



My research experience as a female scientist

By Nancy Njogu (PhD Agronomy)

I am a Kenyan PhD student addressing crop losses in maize and other cereals such as sorghum in Kenya. I am proud to be part of CESAAM's mission of addressing hunger in Africa. I am currently in my research addressing pesticides and limited expertise in efficient pesticide application. Biopesticides are safer than inorganic pesticides but a lot of research on biopesticides to manage FAW has only been done in other countries and only limited research has been done in Africa. Host plant resistance through use of resistant varieties is the best solution to contain FAW in combination with other methods of pest control due to its low cost. This study will therefore evaluate 49 selected advanced sorghum breeding lines with the aim of identifying

high yielding, and FAW resistant lines which could be released as varieties to be used by farmers and improve sorghum productivity in ASALs.



Sandwich programs is the way to go – my experience in University of Pretoria

My name is Jean Claude NDAYISABA from Burundi. I am a second year student pursuing master's degree program in Agricultural and Applied economics at under CESAAM at Egerton University in Kenya. I am fully sponsored by CESAAM (Centre of Excellence in Sustainable Agriculture and Agribusiness Management). I had my first beautiful experience at my arrival on airport. I was welcomed by two gentlemen sent by CESAAM who took me to Egerton in all tranquillity. Therefore, I started feeling well due to the kindness of the two men. Once arrived at Egerton, CESAAM repeatedly organized



orientation sessions which made me becoming familiar with Egerton and its surroundings. I deeply appreciate Egerton University's staff which always tries its best so that new foreign students get easily familiar with Egerton environment. Right now, I made friends both Kenyans and other international students. I am now feeling like at home. Let me highlight that CESAAM usually organizes seminars, workshops which enhance my acknowledge. CESAAM in collaboration with the department Agricultural Economics and Agribusiness management where am enrolled promoted me. My Experience of a Sandwich Program in University of Pretoria between CESAAM and University of Pretoria was very satisfying. At UP, I specialized in Agricultural Policy Analysis. Now, I have enough skills and knowledge in agricultural policy as well as in quantitative methods to assess the impact of any agricultural and environmental policy. During my stay in UP, I mostly participated in seminars where presentations were made by experts in policy analysis. I had an opportunity of participating in excursions learning how South African managed to develop its agriculture. Finally, I do say that I made friends from almost all African countries.

To sum up, allow me to say that even my dream of becoming bilingual (French and English) has been concretized via CESAAM.

My country lacks qualified human resources in one or another domain; I, as a Policy Economist do reaffirm my commitment to contribute in designing agricultural and environmental policies for my country and the world in general.

I do give my thanks to CESAAM for the contribution it is making to my country and to the entire world through sponsoring my studies.

Excellent support for student mothers



I am Swaumu Hassan Mohamed, a Tanzanian lady pursuing a Master's degree in Agribusiness Management at Egerton University. Apart from being among the thirty (30) female scientists sponsored by Inter-University Council for East Africa (IUCEA), I am also a beneficiary of the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM). This can be evidenced from the moment I landed in Kenya. I informed CESAAM that I had a nine months- old daughter and I would like to come with her. CESAAM agreed and arranged special accommodation whereby both, I and my daughter's nanny could comfortably live. Not only

that but also CESAAM supported our stay at Tree Top by paying more than half of the accommodation rent (Kes 5000) for the whole period we resided. In addition to that, CESAAM has facilitated us with special facilities such as a microwave that helped me to save time during food preparation and a fridge for easy storage of perishable foods like milk for my daughter. Moreover, CESAAM has ensured the timely flow of my stipends without any delays and lastly, the Centre has provided me with an internship stipend that helped during the internship period at the University of Dar es Salaam. Therefore, special thanks go directly to the Centre Leader and his team, their support is immensely appreciated.



My Joy of Being a CESAAM PhD Fellow

By Jackson Nkesiga (PhD Food Science)

I am grateful for this great opportunity of sharing my experience with CESAAM at Egerton University, Kenya.

My name is Jackson Nkesiga from Rwanda, pursuing Ph.D in Food Science at Department of Dairy and Food Science and Technology, started my studies in August, 2018 at Egerton University. My studies are sponsored by the Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) at Egerton University. My joy and dreams came true since the time I received an email from CESAAM informing me that I have received a Ph.D Scholarship at Egerton University and I thank CESAAM for financially supporting my studies, keeping communication and updates concerning us. Some scholarships do not provide air ticket and stipends but let me take this time to thank also CESAAM Leaders that offer timely and consistently the stipends which are highly helping students. Apart from that, CESAAM have been good for me since the time I came, because they organize seminars that are helpful in my academic studies. I cannot finish without thanking CESAAM for its initiated program of looking internship opportunities for us and these will also contribute hugely in improving our practical knowledge and skills. Since I joined Egerton University, I have realized that it is actually a high quality teaching and deserving university where practical and sound knowledge are gained. I have no hesitation to say that my dreams will be fulfilled through studying at Egerton University, then the community will have outstanding performers that will help them to achieve high quality health and sustainable development.

My Acknowledgment for CESAAM Support

By Idah Akoth Omondi (MSc Agricultural Extension)



A true change comes from individual, it makes what is considered as a mirage to happen. What people think of you are misery and illusion that if given room, shall poison you and make you useless. Associate with the high achievers and visionary people because they will nurture, empower and help you develop your capacity to realize the hidden potential in you that no one had ever thought could become real. Through interaction with people, situations and experience I have realized that one can alter the trajectory of his/her lives and free themselves to pursue a future of self-determination in all facets of life. Appreciations to CESAAM for offering me such a rare chance to pursue my masters in Egerton, I believe knowledge attained will be crucial for transforming and developing my community which for a long time have not believed in the value for educating a girl child.

*Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM)
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**@CESAAM_EGERTON
Tweet Buzz**

 CESAAM Egerton
@CESAAM_EGERTON

@CESAAM_EGERTON
PhD Food Science Fellow
@JacksonNKESIGA
now at Nanjing Agricultural University
for a 5-month Students' Exchange
Program. #CESAAMNJAUPartnership



You Retweeted

 AgriProFocus Kenya
@APF_Kenya

We held talks with (a) African Country representative @Rugalemba on the upcoming National Youth in Agribusiness Forum which we agreed will be held in November. In attendance were our partners @CESAAM_EGERTON @NakuruCountyGov @ImmaculateMaina More details will be shared soon.



 CESAAM Egerton
@CESAAM_EGERTON

@CESAAM_EGERTON student
@BRENDAHK5 shares her
experience as a female student
@egertonunikenya @Ace2Africa
sponsored by CESAAM
#CESAAMFellows2019



 NakuruFarmersCallCentre
@NakuruAgriCall

Sensitizing the Youth on the
importance of @NakuruAgriCall here
at Vijabiz open day in Njoro Park.
Karibuni @ImmaculateMaina
@CESAAM_EGERTON
@egertonunikenya



You Retweeted

 Thomas Thompson
@VTCALSGlobal

#GFI2019 has completed its work
in Africa. Half of us are heading
home and others will stay in Africa
for a while. It was two productive
weeks with great colleagues
from @VTCals @CESAAM_EGERTON
and University of Rwanda. Lots more
work ahead!

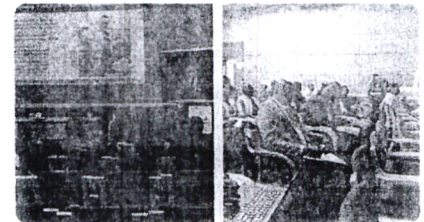


Retweeted by @VTCALSGlobal on Twitter for iPhone

You Retweeted

 Wellington Ekaya
@EkayaEkaya

@ILRI this afternoon we are excited
to host colleagues from @CESAAM
_EGERTON to discuss matter
collaboration. ILRI DDG Iain Wright
welcomed the @CESAAM_EGERTON
team & gave an overview about ILRI.
@CESAAM_EGERTON Centre Leader
gave the overview and areas of
mutual interest.



 CESAAM Egerton
@CESAAM_EGERTON

@CESAAM_EGERTON PhD in
Agribusiness Management Fellow
@ngozi_emeni now at Nanjing
Agriculture University for a 5-month
Students' Exchange Program.
#CESAAMNJAUPartnership





5. CESAAM website (cesaam.egerton.ac.ke)

APPENDICES

- i. Statement of designated/ special account
- ii. Statement of reconciliation of special account
- iii. Bank Reconciliations.

Appendix 1. Statement of designated/ special account

SPECIAL ACCOUNT STATEMENT	
For period ending	30th JUNE, 2020
Account No.	1000331704
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	ESAHECE ACE II CR NO. 5798
Credit Agreement	
Currency	USD
Part A - Account Activity	
Beginning balance of 1st July, 2019 as per C.B.K. Ledger Account	154,690.33
Add:	
Total Amount deposited by World Bank	1,672,441.30
Total interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Less:	
Total amount withdrawn	1,775,541.80
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2020	51,589.83
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
	DATE: 07-08-2020
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: 
	DATE: 18-08-2020

NOTE The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2020 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Appendix 2. Statement of Reconciliation of Special Account.

25

**EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTRES OF EXCELLENCE - ACE II
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
 FOR THE YEAR ENDED 30 JUNE 2020**

Credit No.: IDA CREDIT NO. 57980-KE

Bank Account No.: 1000331704 held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		7,858,693.63
	Less:		
2	Total amount documented		3,305,571.42
3	Outstanding amount to be documented		4,553,122.21
	Represented by:		
4	Ending Special account Balance as as 30 June 2020		51,589.83
5	Amounts claimed but not credited as at 30 June 2020		-
6	Amounts withdrawn and not claimed		4,501,532.38
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2020		4,553,122.21

Discrepancy between total appearing on line 3 and 9

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs

Signature
 AUTHORISED REPRESENTATIVE
 RESOURCE MOBILISATION DEPARTMENT
 THE NATIONAL TREASURY

DATE: 18-08-2020

