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REPORT

OF

THE AUDITOR-GENERAL

ON

UNIVERSITY OF EMBU

FOR THE YEAR ENDED  
30 JUNE, 2025

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025



UNIVERSITY OF EMBU



ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30<sup>TH</sup> JUNE, 2025

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

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025



**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

<b>Table of Contents</b>	<b>Page</b>
TABLE OF CONTENT.....	ii
ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS.....	iii
FUNDAMENTAL STATEMENTS.....	iv
UNIVERSITY INFORMATION AND MANAGEMENT.....	v - vii
UNIVERSITY COUNCIL.....	viii - ix
UNIVERSITY MANAGEMENT BOARD.....	x - xi
COUNCIL CHAIRMAN'S STATEMENT.....	xii - xiii
REPORT OF THE VICE-CHANCELLOR.....	xiv - xvii
STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2024/2025.....	xviii - xx
CORPORATE GOVERNANCE .....	xxi - xxiii
MANAGEMENT DISCUSSION AND ANALYSIS.....	xxiv - xxvi
ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	xxvii - xix
CORPORATE SOCIAL RESPONSIBILITY.....	xxx
REPORT OF THE COUNCIL MEMBERS.....	xxxii
STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES.....	xxxiii
REPORT OF THE INDEPENDENT AUDITORS ON UNIVERSITY OF EMBU.....	xxxiii
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023.....	1
STATEMENT OF FINANCIAL POSITION AS AT 30 <sup>TH</sup> JUNE, 2023.....	2
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023.....	3
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023.....	4
CASH FLOWS NOTES FOR THE YEAR ENDED 30 JUNE 2023.....	5 - 6
STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE.....	7
NOTES TO THE FINANCIAL STATEMENTS.....	8 - 38
APPENDX I: PROGRESS ON FOLLOW UP OF AUDITOR GENERAL'S RECOMMENDATIONS.....	39 - 40
APPENDX II: PROJECTS IMPLEMENTED BY THE UNIVERSITY.....	41
APPENDX III: INTER-ENTITY TRANSFERS.....	42
APPENDX IV: TRANSFERS FROM OTHER GOVERNMENT ENTITIES.....	43
APPENDX V: INTER-ENTITY CONFIRMATION LETTER.....	44
APPENDX VI: REPORTING OF CLIMATE RELEVANT EXPENDITURES.....	45
APPENDX VII: REPORTING ON DISASTER MANAGEMENT EXPENDITURE.....	46

## ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

### A: Acronyms and abbreviations

(i) A-I-A	–	Appropriation in Aid
(ii) FY	–	Financial year
(iii) GoK	–	Government of Kenya
(iv) ICPAK	–	Institute of Certified Public Accountants of Kenya
(v) IPSAS	–	International Public Sector Accounting Standards
(vi) KCSE	–	Kenya Certificate of Secondary Education
(vii) KUCCPS	–	Kenya Universities and Colleges Central Placement Service
(viii) MoU	–	Memorandum of Understanding
(ix) NFM	–	New Funding Model
(x) PC	–	Performance Contract
(xi) PS	–	Principal Secretary
(xii) QMS	–	Quality Management System
(xiii) SAGAs	–	Semi-Autonomous Government Agencies
(xiv) SoFP	–	Statement of Finance Performance
(xv) UoEm	–	University of Embu
(xvi) VC	–	Vice-Chancellor

### B: Glossary of terms

- (i) Council – University of Embu Council.
- (ii) Fiduciary Management – Members of Management directly entrusted with the responsibility of financial resources of the University.

## FUNDAMENTAL STATEMENTS

### **Vision**

A dynamic epicentre of excellence in training and research for service to humanity.

### **Mission**

To generate, advance and disseminate knowledge through training, research, and innovation for the development of humanity.

### **Philosophy**

Enhancing human capacity for societal development.

### **Core Values**

Integrity  
Innovativeness  
Professionalism  
Teamwork  
Customer focus

## UNIVERSITY INFORMATION AND MANAGEMENT

### (a) Background information

#### (i) Establishment

The University of Embu (UoEm) was established as Embu University College, a constituent college of the University of Nairobi, vide Legal Notice No. 65 of 17<sup>th</sup> June, 2011. The College was elevated to its current University status on 7<sup>th</sup> October, 2016, when it was awarded its Charter by the President of the Republic of Kenya, His Excellency, Uhuru Kenyatta.

#### (ii) Commencement of operations

The University College did not start operations immediately after establishment, because at that time, budget for the financial year (FY) 2011/2012 had already been approved, and the College had not been allocated funds in that budget. Operations commenced, in the FY 2012/2013.

#### (iii) Student population

The first group of students was admitted in April, 2013 through Joint Admission Board. The pioneer group had about 120 students. Student population has grown over time, rising to over 14000 students in the 2024/2025 financial year. This remarkable growth in numbers is attributed mainly to: quality student services, introduction of new academic programmes and aggressive marketing of the University.

### (b) Mandate of University of Embu

The Mandate of University of Embu, as contained in the Legal Notice No. 65 of the year 2011, includes:

- i. To provide directly, or in collaboration with other institutions of higher learning, facilities for university education, the integration of teaching, research and skill to the life, work and welfare of citizens of Kenya,
- ii. To participate in discovery, transmission, and preservation and enhancement of knowledge and to stimulate the intellectual participation of students in the economic, social, cultural, scientific and technological development of Kenya,
- iii. To provide and advance university education and training to appropriately qualified candidates, leading to conferment of degrees and award of diplomas and certificates and such other qualifications as Council and the Senate shall from time to time determine and in so doing contribute to manpower needs,
- iv. To conduct examinations for such academic awards as may be provided in the statutes pertaining to the University,
- v. To examine and make proposals for new faculties, schools, institutes, departments, resource and research centres, study courses and subjects of study.

### (c) University Management Board

University of Embu is run on day to day basis by the Management Board, which is headed by the Vice-Chancellor. The Management Board comprises of the Vice-Chancellor, two Deputy Vice-Chancellors, three Registrars, Head of Finance, Head of Human Resources and the Legal Officer.

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**d) Fiduciary Management**

The management personnel who held office during the financial year ended 30<sup>th</sup> June, 2025 are:

<b>Designation</b>	<b>Name</b>
1) Vice-Chancellor	Prof. Daniel Mugendi Njiru
2) Deputy Vice-Chancellor (Planning, Adm. & Finance)	Prof. Eucharia Unoma Kenya
3) Ag. Deputy Vice-Chancellor (ARE)	Prof. Paul Nthakanio
4) Registrar (Vice-Chancellor's Office)	Dr. Margaret Otolo
5) Registrar (Academic Research & Extension)	Prof. Jackson Wachira
6) Ag. Registrar (Planning, Adm. & Finance)	Prof. Ciriaka Muriithi Gitonga
7) Chief Finance Officer	Mr. Lawrence Kamonjo
8) Human Resource Manager	Ms. Gladys Atambo
9) Head of Procurement	Ms. Lindajoan Kaaria
10) Chief Legal Officer	Ms. Anne W. Ndegwa

**Changes in Management Board during the year**

Prof. Kiplagat Kotut served as the Deputy Vice-Chancellor (Academic Research & Extension) from July 2024 to February 2025. Following his appointment as the Acting Vice-Chancellor of Moi University, Prof. Paul Nthakanio, who had previously served as Registrar (Planning, Administration & Finance), was immediately appointed Acting Deputy Vice-Chancellor (ARE). Prof. Ciriaka Muriithi Gitonga was subsequently appointed Acting Registrar (Planning, Administration & Finance), a position formerly held by Prof. Nthakanio.

**e) Fiduciary oversight arrangements**

**(i) Parliamentary Public Accounts Committee**

The Committee oversees the expenditure of public funds by ministries, state departments and corporations, commissions, and independent offices to ensure value for money and adherence to government financial regulations and procedures. It executes its mandate based on annual audit reports prepared by the Office of the Auditor General. As a public entity, the University of Embu is subject to the Committee's oversight, which involves examining and discussing its financial statements to ensure that the University's affairs are managed with sound financial principles and prudent practices.

**(ii) Audit, Risk and Compliance Committee of the University Council**

The University has an Audit, Risk, and Compliance Committee of the University Council. This Committee plays an oversight role in the University's operations by independently reviewing both financial and non-financial activities. It reports to the University Council on a quarterly basis. The Committee's mandate is executed through regular audits conducted by the Internal Auditor. Each quarter, the Internal Auditor presents a detailed report to the Committee, outlining audit findings, recommendations, and actions taken by the Management to address identified risks.

**(iii) Finance, Resource Mobilization and General Purposes Committee**

This Committee of the University Council provides financial analysis, advice and; oversight of the University's budget. The mandate of the Committee as provided in its Charter, includes:

- a) To review, evaluate and recommend to Council for approval, the operating and financial results and to ensure effective, accurate, timely and transparent disclosure of pertinent issues;
- b) To mobilize resources to ensure availability, systematic allocation and application of the resources for the development and sustainability of the University;
- c) To review, evaluate and recommend for approval by Council major resource allocation and capital investments by the University as may be found appropriate from time to time;

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

- d) To review on a quarterly basis, the attainment of targets and objectives set out in the Strategic Plan;
- e) To review and recommend for approval by the Council rules and procedures for control of expenditure and administration of financial matters; and
- f) To review, evaluate and recommend for approval by the Council procurement and disposal plans and expenditure.

**(iv) Ethics and Anti-Corruption Commission**

The Commission is mandated to spearhead the fight against corruption, and promote sound ethical standards and practices in Kenya. In execution of the mandate, the Commission oversees the University systems to ensure that they are effective in preventing corruption and unethical practices in the University.

**f) University Headquarters**

University of Embu  
Meru-Nairobi Highway  
P. O. Box 6-60100  
**Embu, Kenya**

**g) University of Embu contacts**

P.O. Box 6-60100 Embu, Kenya  
Email: [vc@embuni.ac.ke](mailto:vc@embuni.ac.ke)/[info@embuni.ac.ke](mailto:info@embuni.ac.ke)  
Website: [www.embuni.ac.ke](http://www.embuni.ac.ke)  
Tel: +25420244 4136/+254727933950/ +254788199505

**h) Bankers**

- |                                       |   |             |
|---------------------------------------|---|-------------|
| i. Absa Bank of Kenya Limited         | - | Embu Branch |
| ii. Cooperative Bank of Kenya Limited | - | Embu Branch |
| iii. Equity Bank Limited              | - | Embu Branch |
| iv. KCB Bank Kenya Limited            | - | Embu Branch |
| v. National Bank of Kenya Limited     | - | Embu Branch |
| vi. NCBA Bank                         | - | Embu Branch |

**i) Independent Auditors**

The University being a public entity is audited by the Auditor General. The office of the Auditor General is an independent office whose roles and responsibilities are defined under the Constitution of Kenya. The postal address and the physical location of the Office of the Auditor General is as follows:

The Auditor General  
Anniversary Towers, University Way  
P.O. Box 30084, GPO 00100  
**Nairobi, Kenya.**



**j) Principal Legal Adviser**

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

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**UNIVERSITY COUNCIL**

During the year under review, the University Council comprised of nine members including the Vice-Chancellor, who is also the Chief Executive Officer. Summaries of their profiles are given below:

<p><b>Council Chairperson</b> (Awaiting Appointment)</p>	
<div style="text-align: center;">  </div> <p><b>Mr. James Muchiri Ndung'u</b> – Representative of the Principal Secretary, Ministry of Ed. - State Department for Higher Education and Research</p>	<p>Date of Birth: 1973 Holds a Master degree in Education Planning, Kenyatta University and a Bachelor of Education degree from Moi University.</p> <p>He has a wealth of experience in Education Management. Mr. Ndung'u is currently serving as the Deputy Director in the Ministry of Education.</p>
<div style="text-align: center;">  </div> <p><b>Mr. Samuel Kiiru</b> – Cabinet Secretary Representative, National Treasury</p>	<p>Date of Birth: October 20, 1969 Holds a Master of Arts in Economics, Carleton University, Canada and a Bachelor of Arts in Economics from University of Nairobi. He is currently serving as the Director of Planning and Head of Budget Policy, The National Treasury</p>
<div style="text-align: center;">  </div> <p><b>Ms. Agnes Wanjuki Ndwiga, HSC, CDFA</b> <b>Chairperson - Finance, Resource Mobilization and General Purposes Committee</b></p>	<p>Date of Birth: 4<sup>th</sup> September, 1962 Holds a Master of Science Degree in Development Finance from Reading University, United Kingdom and a Bachelor of Commerce Degree in Business Administration from the University of Nairobi. She is currently pursuing a Doctorate Degree in Development Studies. She is a financial sector expert with over 20 years' experience. Ms. Ndwiga was awarded the head of state commendation (HSC) by the President of the Republic of Kenya in recognition of her outstanding contribution in financing of SMEs through her work in the Finance industry and public sector board roles. She is currently serving as a General Manager, Corporate and Public sector banking, Equity Group. She is a member of the Endowment Fund Board of Trustees, University of Embu. Ms. Ndwiga previously served in the Embu University College Council.</p>



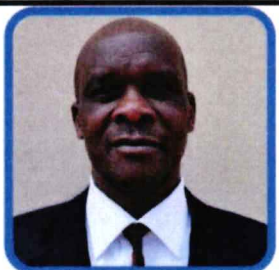


**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

 <p><b>Mr. Onyancha Bw'Omote</b>  <b>Chairman - Audit, Risk and Compliance Committee</b></p>	<p>Date of Birth: 31<sup>st</sup> December, 1952</p> <p>He holds a Masters of Laws from University of London, a Bachelor of Laws from University of Nairobi and a Diplom in law from Kenya School of Law. Mr. Onyancha is a advocate of the High Court of Kenya and has over 40 years' experience in arbitration, litigation and conveyancing. He is currently a managing partner at Onyancha Bw' Omote &amp; Company Advocates.</p>
 <p><b>Mr. Abdi Mohamed Abdi</b>  <b>Chairman - Human Resource Development and Academic Affairs Committee</b></p>	<p>Date of Birth: 2<sup>nd</sup> December, 1959</p> <p>He holds a Master degree in Educational Administration, Planning and Curriculum Development from Kenyatta University, a Bachelor of Education (Arts) degree from Egerton University and A Diploma in Education from Kisii Teachers College. Mr. Abdi has over 20 years' experience in Education Administration, Planning, Curriculum Development, Implementation, Monitoring and Review. He is also a trained certified professional mediator as established by Mediation Training Institute International, USA.</p>
 <p><b>Dr. Sally Ngeringwony Toroitich</b>  <b>Council Member</b></p>	<p>Date of Birth: 1970</p> <p>She holds a Ph.D in Business Management, Strategic Management and a Master of Business Administration Degree in Finance both from Moi University, Bachelor Degree in Business Administration from Kenya Methodist University and a Diploma in Business Management from Kenya Institute of Management. Dr. Toroitich is also a Certified Professional Mediator. She is a financial sector expert having published in the field of finance and taught in various Universities as a part-time lecturer since 2010. She has served in various public sector Boards and most recently as a Member, University of Nairobi Council.</p>
<p>Council Member (Awaiting appointment)</p>	
 <p><b>Prof. Daniel Mugendi</b> – Vice-Chancellor, and Secretary to the Council</p>	<p>Date of Birth: 8<sup>th</sup> June, 1961</p> <p>Holds a Doctorate degree in Agroforestry, University of Florida, Gainesville, FL, USA, Master of Science degree in Crop Science/Horticulture, University of Nairobi, and a Bachelor of Science degree in Forestry from Moi University. Prof. Mugendi has a wealth of experience in University Management. He is also a prolific researcher and has been recognized by being ranked position 12 best researcher in Kenya and Position 628 in Africa in the 2022 World Scientist and University Rankings, AD Scientific Index ranking which ranks individual researchers in Universities across the world. He is the Vice-Chancellor, University of Embu and the Secretary to the University Council.</p>



UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**UNIVERSITY MANAGEMENT BOARD**

The following are the members who served in the University Management Board during the year under review:

 <p><b>Prof. Daniel Mugendi</b></p>	<p><b>Vice-Chancellor</b></p> <p>Holds a PhD in Agroforestry from University of Florida, Gainesville, Florida, USA; In addition, he has a Master of Science Degree in Crop Science from the University of Nairobi; and Bachelor of Science (BSc) Degree in Forestry from Moi University.</p>
 <p><b>Prof. Eucharía U. Kenya</b></p>	<p><b>Deputy Vice-Chancellor (Planning Administration &amp; Finance)</b></p> <p>Holds a PhD in Applied Entomology from River's State University of Science &amp; Technology, Nigeria. In addition she has a Master Degree in Medical Parasitology and a Bachelor of Science in Zoology from University of Nigeria.</p>
 <p><b>Prof. Paul Njiruh Nthakanio</b></p>	<p><b>Ag. Deputy Vice-Chancellor (Academic Research &amp; Extension)</b></p> <p>Holds a PhD in Genetics and Plant Breeding from Zhejiang University, China. In addition, he holds a Master of Science Degree in Genetics and Plant breeding, and a Bachelor Degree in Agronomy from Zhejiang Agricultural University.</p>
 <p><b>Dr. Margaret Otolo</b></p>	<p><b>Registrar, Office of the Vice-chancellor</b></p> <p>Holds a Doctorate in Entrepreneurship, a Master of Business Administration Degree and Bachelor of Education (Arts) Degree from Kenyatta University.</p>
 <p><b>Prof. Jackson Wachira</b></p>	<p><b>Registrar, Academic Research &amp; Extension</b></p> <p>Holds a PhD in Chemistry, a Master of Science Degree in Chemistry and Bachelor of Education (Science) Degree, all from Kenyatta University.</p>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

 <p><b>Prof. Ciriaka Muriithi Gitonga</b></p>	<p><b>Ag. Registrar Planning, Administration and Finance</b></p> <p>Holding a Doctorate in Educational Psychology and several other degrees. Ciriaka is actively involved in national education reform as the Chair of the Education Deans Forum-Kenya and has contributed significantly to education policy and community engagement around child protection and youth employability.</p>
 <p><b>Mr. Lawrence Kamonjo</b></p>	<p><b>Chief Finance Officer</b></p> <p>Holds a Master Degree in Finance, and a Bachelors of Education (Arts); both from Kenyatta University. In addition, he is a Certified Public Accountant of Kenya.</p>

**Changes in Management Board during the year**

Prof. Kiplagat Kotut served as the Deputy Vice-Chancellor (Academic Research & Extension) from July 2024 to February 2025. Following his appointment as the Acting Vice-Chancellor of Moi University, Prof. Paul Nthakanio, who had previously served as Registrar (Planning, Administration & Finance), was immediately appointed Acting Deputy Vice-Chancellor (ARE). Prof. Ciriaka Muriithi Gitonga was subsequently appointed Acting Registrar (Planning, Administration & Finance), a position formerly held by Prof. Paul Nthakanio.

### COUNCIL CHAIRMAN'S REPORT

On behalf of the University Council, I am pleased to present the University's performance for the 2024/2025 financial year. This report provides an overview of the University's financial performance, key activities undertaken, achievements, challenge, sustainability, and strategic direction.

#### Oversight and sustainability

In the 2024/2025 financial year, the University Council effectively discharged its oversight mandate in accordance with the Universities Act, the University Charter, and other relevant legislations. In collaboration with Management, the Council oversaw planning, budgeting, performance monitoring, and risk management, contributing to improved efficiency, governance, and service delivery. Guided by the principles of transparency, accountability, and prudent resource use, the Council remained focused on growth and sustainability. The University continued to play a pivotal role in national development through quality education, and research. Its diverse, market-responsive academic programmes from certificate to doctoral level remained aligned with societal and labour market needs. Despite operational challenges, the University fulfilled its core mandate and met public expectations in knowledge generation, sharing and innovation. The overall University's performance is supported by sound financial management, staff expertise and dedication, regular stakeholder engagement and a strong culture of continuous improvement. Looking ahead, rising demand for accessible, high-quality higher education presents opportunities for the University to expand its catchment and deepen its impact through transformative teaching, research, and innovation.

#### Financial Performance

The University demonstrated prudent financial stewardship and maintained uninterrupted operations through the effective implementation of financial management policies and procedures, robust cost control measures, and strategic expenditure rationalization. During the financial year, the University realised total revenue of KES 1,957,748,392, incurred total expenditure of KES 1,470,942,224, and recorded a net surplus of KES 486,806,167. Notably, the University's assets grew from KES 4,088,208,978 to KES 4,625,022,175 representing a 13% increase. The financial year closed with a positive working capital position of KES 80,478,556 underscoring the University's continued financial stability and sustainability. The Council commends the proactive leadership of the Vice-Chancellor and the University Management for upholding financial discipline and institutional stability amid a challenging economic environment.

#### Funding by the Government of Kenya

In the 2024/2025 financial year, the University received a total of KES 1,100,476,378 from the Government of Kenya, compared to KES 757,756,637 reported in the previous year. This reflects an increase of KES 342,719,741. The amount includes KES 523 million allocated for student scholarships under the New Funding Model.

#### Key activities during the financial year

During the year, the University undertook several notable initiatives to support its operations and enhance institutional effectiveness and visibility. The following are some of the key undertakings:

- (i) Hosted the 2<sup>nd</sup> University of Embu Annual Mathematics Contest and Capacity Building Workshop for secondary school students in March 2025. The theme of the workshop was "*The Ultimate Mathematical Experience: Catalysing Passion for Mathematics.*"
- (ii) Launched a scholarship programme in partnership with the M-Pesa Foundation in September 2024 to support students enrolled in Technical and Vocational Education and Training (TVET) programmes at the University of Embu TVET Institute. The programmes aim to equip young people with market-driven skills to enhance employability and workforce readiness. The scholarship covers tuition fees, a monthly stipend for the duration of study, and provides basic tools of trade upon graduation.
- (iii) Held the 9<sup>th</sup> Graduation Ceremony in September 2024, presided over by the University Chancellor, during which 2,010 graduands were conferred with degrees and awarded diplomas and certificates.
- (iv) Held the Inaugural Annual Career Week, presided over by Dr. Beatrice Inyangala, Principal Secretary, State Department for Higher Education and Research. The event, themed "*Connecting the Dots: From Career Choices to Readiness for the 21st Century Workplace,*" brought together key stakeholders including entrepreneurs, career developers, and professionals from the education and business sectors.

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

### Achievements

The following are some of the remarkable achievements realized during the year:

- (v) The University was recognized as the 2024/2025 Overall Winner in Quality Service Provision – Large Enterprises Category at the EAC Regional Quality Awards in Kampala, Uganda, following a similar national award received at the Kenya Quality Awards organized by KEBS in November 2024.
- (vi) Despite the challenging economic environment, the University recorded a 37% growth in revenue and a 13% increase in total assets during the year under review.
- (vii) Graduated 2010 students in September, 2024 during the eight graduation ceremony compared to 1147 graduates in the previous year.
- (viii) Recorded a 12.2% increase in student population, rising from 12,750 to 14,308 students.
- (ix) Held the inaugural Charity Endowment Fund Golf Tournament in 9th May 2025, at the Karen Country Club in Nairobi.

### Key Challenges

The main challenges faced by the University during the year were as follows:

- i) Escalating operational costs driven by rising prices of essential goods and services
- ii) Increasing student enrolment amid limited infrastructure and financial resources
- iii) Intense competition from larger and more established institutions of higher learning
- iv) Under-enrolment in certain academic programmes, affecting resource optimization and program viability
- v) Brain drain, leading to staff shortages in critical departments
- vi) Inadequate partnerships with industry, which limited opportunities for research funding and student job placement.

Through a robust risk management framework and the proactive pursuit of emerging opportunities, the University has sustained business continuity despite the challenges encountered. Looking ahead, we remain committed to pursuing key strategic priorities and leveraging operational excellence to drive sustainable growth

### Future outlook

In alignment with the University's 2023–2028 Strategic Plan, the Council provided strategic guidance in the implementation of key initiatives as contained in the plan. Throughout the year, every project and initiative was appropriately aligned with the Strategic Plan, ensuring consistency with our vision. The introduction of the new university funding model positions us to achieve substantial outcomes including enhanced financial stability and long-term sustainability, while demonstrating our unwavering commitment to Kenya Vision 2030, the Bottom-Up Economic Transformation Agenda, and the full realization of our internal growth potential.

As the higher education sector continues to grapple with complex challenges such as reduced government funding, economic volatility, evolving market and regulatory demands, and rapid technological disruption, the University remains steadfast in its commitment to resilience and adaptability. In response to these dynamics, we continue to monitor and refine our strategic priorities, embrace innovation, enhance institutional efficiency, and advance sustainable growth to ensure continued relevance in an ever-evolving landscape. These efforts, coupled with the adoption of reforms in higher education and administrative practices, are expected to yield long-term impact and reinforce institutional sustainability.

### Appreciation

The University's continued success is a testament to the collective dedication of all its stakeholders. I extend sincere appreciation to the Government of Kenya for its unwavering support throughout the year. I also gratefully acknowledge the contributions of our development partners, donors, and other stakeholders whose collaboration continues to propel the University forward. I commend the current and former members of the University Council for their strategic leadership and oversight, and the University Management for their commitment to operational excellence. To our staff, I offer heartfelt thanks for your professionalism, innovation, and dedication. Your efforts remain central to advancing the University's vision and sustaining its progress.

  
Prof. Philip Museve Kutima  
Chairman, University of Embu Council

26<sup>th</sup> August, 2025

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**REPORT OF THE VICE-CHANCELLOR**

This report provides an in-depth overview of the University's performance over the year, highlighting both financial and non-financial achievements. It covers key areas such as business performance and financial analysis, performance contracting, student enrollment trends, staff and student welfare and the Endowment Fund.

**NON – FINANCIAL INFORMATION**

Despite economic pressures resulting from global market disruptions, the University demonstrated resilience throughout the 2024/2025 financial year. Through prudent financial management, robust risk mitigation strategies, and the unwavering dedication of our staff, we achieved commendable performance during the year. Guided by the vision **“A dynamic epicentre of excellence in training and research for service to humanity,”** the University remains committed to its mission.

Recognized for its excellence in teaching, research, and student support, the institution continues to build on its strong foundation to meet the evolving needs of society. Our sustained excellence in performance has been made possible by the strong support of our stakeholders, with whom we continue to engage to foster a conducive and collaborative operating environment. In response to the global surge in demand for higher education, the University is in the process of expanding its enrolment capacity. By leveraging innovations in digital and blended learning, we are effectively addressing evolving student needs while enhancing access, retention, and the timely completion of academic programmes.

**(a) Academic schools and programmes**

The University's academic programmes were offered through six established schools: the School of Pure and Applied Sciences, the School of Agriculture, the School of Education and Social Sciences, the School of Business and Economics, the School of Nursing, and the School of Law. In addition, certificate and diploma courses were delivered through the University's TVET Institute. During the year under review, a total of 135 academic programmes were offered across various disciplines, as outlined in the following table.

In a bid to broaden its academic portfolio and address emerging societal needs, the University is in the process of establishing eight new schools: the School of Pharmacy, the School of Public Health, the School of Medicine, the School of Engineering and Technology, the School of Built Environment, the School of Computing and Mathematics, the School of Journalism, and the School of Humanities and Social Sciences.

School	Number of Departments	Number of academic programmes with registered students					
		Certificate	Diploma	Post Graduate Diploma	Bachelor	Master	Ph.D.
Pure & Applied Sciences	4	1	2	-	13	13	8
Agriculture	3	-	2	-	7	10	8
Education & Social Sciences	2	-	5	1	7	9	3
Business & Econ.	2	2	2	-	7	4	2
Nursing	1	-	1	-	3	1	-
Law	1	-	-	-	1	-	-
UoEm TVETI	1	9	14	-	-	-	-
<b>SUB-TOTAL</b>	<b>14</b>	<b>12</b>	<b>26</b>	<b>1</b>	<b>38</b>	<b>37</b>	<b>21</b>
<b>TOTAL</b>	<b>14</b>	<b>135 Programmes</b>					

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

**(b) Student Enrolment**

The University has experienced remarkable growth in student enrolment, rising from just 123 students in the 2013/2014 academic year to over 14308 by the end of June 2025. This upward trend reflects our continued appeal as a university of choice across the country.

Even in the face of challenges within the higher education sector, we have maintained a strong commitment to delivering high-quality academic services and an exceptional student experience. This reputation has also been evident during inter-university transfers, where we have consistently attracted more students than those transferring out.

**(c) Student leadership**

The University of Embu places strong emphasis on student leadership, recognising its vital role in institutional governance. Our operations are guided by a student-centred approach, with key decisions made in consideration of student needs. In March 2025, the University held elections for the 7<sup>th</sup> Student Council, followed by the swearing-in of the newly elected leaders later that month. The Council is entrusted with representing students and overseeing all matters related to their welfare. It works in close collaboration with University Management to ensure student concerns are effectively addressed. Beyond leadership development, the University also supports students facing financial hardship through the Endowment Fund and the Financial Aid Kitty.

**(d) University of Embu Endowment Fund**

The University’s Endowment Fund, valued at KES 66,325,625 as of 30<sup>th</sup> June 2024, continues to grow through ongoing fundraising initiatives and strategic investments. Governed by a Board of Trustees appointed by the University Council, the Fund is managed with a strong focus on sustainability and prudent financial stewardship. Since its official launch in October 2018, the Fund has adopted a flexible design, accommodating permanent, quasi, and term endowments. This inclusivity enables donors to support causes that align with their personal values and interests. Contributions are sourced from a variety of channels, including donations, bequests, gifts, and returns on investment, ensuring a diverse and stable funding base. During the 2024/2025 financial year, the Board of Trustees disbursed KES 3 million in bursaries from the Fund to support education of 356 needy students at the University of Embu. The bursaries were awarded competitively, based on clear and transparent criteria to ensure fairness in the distribution.

**(e) Performance Contracting (PC)**

Excellent performance remains a core priority at the University of Embu. Individual performance targets are set through open and collaborative negotiations between staff and their immediate supervisors. We actively promote teamwork and a culture of high performance across all areas of operation. At the national level, the University has consistently recorded outstanding Performance Contracting (PC) results for over a decade. The table below presents the University’s PC scores over the past eight years, highlighting our sustained commitment to excellence.

Year	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022	2022/2023	2023/2024
Score	1.8762 (Excellent)	1.9965 (Excellent)	1.9198 (Excellent)	2.125 (Excellent)	1.9290 (Excellent)	1.7272 (Excellent)	1.7357 (Excellent)	2.3507 (Excellent)

**(f) Staff welfare**

At the University of Embu, our people are at the heart of our success. We are proud of a team that demonstrates professionalism, talent, and unwavering commitment to excellence. Rooted in a culture of innovation, ethics, and integrity, our staff consistently delivers exceptional value to both customers and other stakeholders.

We are equally committed to promoting staff wellbeing and morale through various initiatives. A key element is our comprehensive medical scheme, which covers the principal member and their immediate family (spouse and children) ensuring access to quality treatment and hospitalization. The University fosters a supportive and engaging work environment that reflects the diverse interests of staff. This includes active support for interest

groups such as the staff choir and sports teams. Furthermore, to continuously build capacity and improve performance, the University runs a performance-based training programme. Skills gaps are identified through systematic training needs assessments, ensuring targeted and impactful staff development. To enhance performance, employees are trained at different times based on identified needs and departmental priorities.

**(g) Future outlook**

The 2024/2025 financial year marked the first year of implementation of our five-year Strategic Plan (2023–2028). During its development, the Plan was aligned with guidelines issued by the National Treasury and Economic Planning. We remain confident that the economic environment will be conducive to supporting its successful implementation. The Plan is anchored on six key strategic priorities, namely:

- 1) Development & enhancement of Infrastructure and security, for effective service delivery.
- 2) Enhancement of human capital management through the integration of best practice in the recruitment, management and optimization of the workforce.
- 3) Promotion of effective Governance and leadership practices.
- 4) Expansion of capacity of University operations and services.
- 5) Establishment and expansion of linkages, partnerships and collaborations with other institutions.
- 6) Achievement of financial stability and enhancement of long-term sustainability.

As we reflect on the progress made, we remain fully aware of the challenges that lie ahead, most notably, declining government funding and inadequate infrastructure. Despite these hurdles, the University remains firmly committed to the full realization of its Strategic Plan through focused execution, effective management and monitoring. Strategic alignment and coordination of departmental activities, regular capacity building, and efficient resource mobilization will certainly accelerate the achievement of our key priorities.

We continue to nurture a culture of innovation, accountability, and continuous improvement, which has significantly enhanced service delivery and strengthened stakeholder engagement. With sustained leadership and collective effort, the University is confident in its ability to translate strategic priorities into tangible outcomes, ensuring it remains a distinguished centre of excellence in training, research, and extension services.

**FINANCIAL INFORMATION**

The University’s financial performance for the 2024–2025 financial year was commendable, reflecting our sustained commitment to prudent financial management and strategic investment in people, programmes, technology, and infrastructure. The University achieved an operating surplus and reported positive working capital for the year. We remained committed to strengthening internal financial controls and systems to enhance operational efficiency, uphold accountability, and improve the overall customer experience.

**Business Performance**

The University realised gross revenue of KES 1,957,748,392 the year, which is an improvement from 1,431,031,139 reported in the FY 2023/2024. Breakdown of the recorded revenue during the year is given below.

Details	Amount in KES (2024/2025)	Amount in KES (2023/2024)	Change (KES)	% Change
Recurrent grants (GoK)	576,719,795	536,343,657	40,376,138	7.5
Students scholarships from the Universities Fund	523,756,583	221,412,980	302,343,603	136.6
Amortization of development grants	24,577,848	25,516,965	(939,117)	(3.7)
Internally generated revenues	832,694,165	647,757,538	184,936,627	28.6
<b>Gross revenue</b>	<b>1,957,748,392</b>	<b>1,431,031,139</b>	<b>526,717,2518</b>	<b>36.8</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Expenditure for the year increased by KES 278,591,334 rising from KES 1,192,350,891 in the FY 2023/2024 to KES 1,470,942,225 representing a growth of 23.4%. Overall, the University achieved a net surplus of KES 486,806,167, a substantial improvement from the net surplus of KES 238,680,248 recorded in the FY 2023/2024.

**Growth in assets**

During the year, the value of total assets increased by 13%, rising from KES 4.088 billion to KES 4.625 billion. Current assets saw a 28% increase, growing from KES 253.6 million to KES 325.3 million. Non-current assets also increased by 12.13%, rising from KES 3.834 billion to KES 4.299 billion.

The performance exhibited in the above analysis was achieved despite a challenging economic environment and several operational difficulties. Key challenges faced by the University during the period included: insufficient financial resources to meet both recurrent and development needs; under-enrollment in certain programmes, largely attributed to low KCSE performance; and rising operational costs resulting from increasing consumer prices influenced by prevailing market forces.

**Appreciation**

The progress achieved over the past year reflects the collective commitment of the entire University community and our stakeholders. I extend sincere appreciation to the University Council for its steadfast guidance and support, which have been pivotal to our success. To all staff members, thank you for your dedication, innovation, and professionalism. Your efforts have been essential in advancing our mission. I also acknowledge our students and valued clients, whose continued trust remains central to our progress. To all stakeholders, I offer heartfelt thanks for your ongoing confidence and unwavering support.



**Prof. Daniel Mugendi, Ph.D, EBS**  
Vice-Chancellor

Date: 26<sup>th</sup> August, 2025

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**STATEMENT OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR THE FINANCIAL YEAR 2024/2025**

The University of Embu is currently implementing its comprehensive five-year Strategic Plan for the period 2023/2024 to 2027/2028. The Plan addresses eight strategic issues that are pivotal to the University's long-term growth, competitiveness, and sustainability. Each strategic issue is aligned with clear goals, Key Result Areas (KRAs), and clearly defined strategic objectives. Each objective is designed to drive institutional growth, strengthen performance, and advance the University's vision and mission.

The Strategic Issues, goals and the KRAs detailed in the plan are indicated in the table below:

Strategic Issue	Goal	Key Result Area
1. Research and training	Impactful research and training	KRA1: Quality research and training
2. Commercializable innovations	Viable and commercializable innovations	KRA2: Improved revenue
3. Community linkages	Improved community social, economic and cultural well being	KRA3: Community service and outreach
4. Infrastructure	Expanded research, training, technological and physical infrastructure	KRA4: Infrastructure development
5. Staff productivity	Optimized staff productivity	KRA5: Human capital development
6. Enrollment and completion of students	Growth of student numbers and completion rate	KRA6: Increase in enrollment and improved completion rate
7. Financial sustainability	Enhanced University brand and financial sustainability	KRA7: Marketing and financial sustainability
8. Business continuity	Uninterrupted business operations	KRA8: Stable business operations

The University developed its Annual Work Plan based on the aforementioned strategic issues. Performance against the Work Plan was assessed on a quarterly basis. During the 2024/2025 financial year, the University attained an overall performance of 68.7%, as shown in the table below:

Strategic Issue	Objective	Key Performance Indicators	Activities	Achievements
Strategic Issue No. 1: Research and Training	Implementing market driven and research-informed programmes	Number of research grants	Writing and submitting grant application	13
		Number of Research publications	Conducting research, writing and submitting research papers	91
		Number of trained Researchers	Holding training meetings and workshops	12
		Number of offices allocated	Allocated office space for entrepreneurship center	1
		Number of offices furnished	Furnished office for the Innovative	1

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

<b>Strategic Issue</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
Strategic Issue No. 2: Commercializable Innovations	Fostering a culture of innovation and commercialization of products and services	% level of establishment Innovation hub	Establishing Innovation Hub	40%
		No. of awareness campaigns	Awareness campaign to staff and students	2
		No. of staff trained	Training staff on approved start-up and IP policies	100
Strategic Issue No. 3: Community Linkages	Sharing knowledge and research outputs with the community	Number of MoUs	Signing and Operationalizing community outreach MOUs	4
		Number of solutions	Identifying solutions from community experiential learning	4
		Number of workshops	Holding dissemination workshops for the community	1
Strategic Issue No. 4: Infrastructure	Developing Research, Teaching and Innovation Infrastructure	% of work done	Completion of stores and tuck shops in Tuition block	100%
Strategic Issue No. 5: Staff Productivity	Enhancing human capacity for service delivery	Approved training needs analysis tool	Development of training needs analysis tool on emerging issues	1
		No. of trainings carried out	Training staff on key emerging issues	5
		No. of the reviewed training programmes	Review of training programme on emerging issues	4
Strategic Issue No. 6: Enrollment and completion of students	Increasing students' enrollment	Number of groups	Forming Students mentorship groups	24
		Number of tools	Development of student progression tracking tool	1
		Number of reports	Preparation of tracking tool progression reports	6
Strategic Issue No. 7: Financial Sustainability	Growing the University brand	Number of surveys	Conducting customer satisfaction surveys	1
		Number of shops	Starting a functional shop for university products	1
		Number of labs	Establishment of tissue culture laboratory facility	1
Strategic Issue No. 8: Business Continuity	Ensuring uninterrupted running of university core business	Number of assessments	Conducting risk assessment review	1
		Number of checks	Conducting performance and compliance checks of the risk management framework	1

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

The University has consistently achieved notable success in both Performance Contract (PC) activities and the implementation of the Strategic Plan (SP). The execution of the Strategic Plan is embedded in the University's daily operations, with activities distributed across all administrative levels. To facilitate seamless implementation, the annual PC targets are aligned with the Strategic Plan. The strong intersection between the SP and PC is outlined below:

- a) Part II of the Performance Contract (PC) outlines the Vision, Mission, and Strategic Objectives of the University, all of which are derived from the Strategic Plan (SP).
- b) The targets specified in the PC are aligned with the SP and aim to support its objectives. For instance, Section A of the PC focuses on Financial Stewardship and Discipline, which contributes to the SP goal of enhancing the University brand and achieving financial sustainability.
- c) Infrastructural projects included in the PC target number 17 of Project completion rate is designed to fulfil the SP objective of Expanded research, training, technological and physical infrastructure.
- d) The objective of establishing and expanding linkages, partnerships, and collaborations with other institutions is addressed through targets in the Core Mandate section of the PC, which includes industry linkages, community empowerment, and the attraction of research grants.
- e) The goal of Optimized staff productivity is addressed in Section E and F of the PC, which covers various issues related to staff and students, including Productivity Improvement competence development.
- f) PC target numbers 8 and 16 under the Core Mandate, namely "Undergraduate Student Completion Rate Improved" and "Tracer Studies Conducted," respectively, are anchored on the Strategic Plan goal of growth in student numbers and improvement in the completion rate.
- g) Similarly PC target number 12 on "Research Outputs Disseminated" is aligned with the Strategic Plan goal of - Impactful Research and Training.

**Conclusion**

The implementation of the Strategic Plan (SP) is seamlessly integrated into the University's daily operations, leveraging available facilities and resources. This integration embeds the Plan into routine activities, making its execution more manageable. The Strategic Plan is actualized through the annual Performance Contracts (PCs), reflecting a strong alignment between the two instruments. The University's overall annual performance is evaluated based on targets derived from the negotiated Performance Contracts, the Strategic Plan, institutional policies, the service delivery charter, and relevant Government directives.

## CORPORATE GOVERNANCE

### Introduction

The University Council plays a central role in governance and accountability, ensuring prudent management that supports the institution's long-term success and sustainability. It operates within a robust framework of policies, core values, and internal controls, while adhering to applicable laws, regulations, and internationally recognized standards.

Through its diligent oversight, the Council enhances operational efficiency, resource management, and staff productivity, all of which contribute to improved service delivery and positive experiences for students, employees, and the wider community.

As part of its deeply rooted institutional culture, the University of Embu upholds the highest standards of ethical conduct. It remains committed to consistently acting in the best interests of all stakeholders and addressing their evolving needs and expectations. By maintaining a consistent focus on best governance practices, the University reinforces its commitment to excellence, accountability, and sustainable growth.

### Corporate Governance Statement

At the University of Embu, ethically driven operations and responsible leadership form the foundation of stakeholder trust and financial sustainability. Across all levels, reliable systems are in place to ensure the consistent application of high corporate governance standards. The University recognizes that strong governance is critical not only for outstanding institutional performance but also for securing long-term success. To this end, the University Council plays a pivotal role in overseeing operations with transparency and integrity.

In managing the University's affairs, the Council remains committed to compliance with legal frameworks, governance best practices, and evolving societal expectations. It also actively strengthens stakeholder relationships and embraces technological and social developments to enhance institutional responsiveness and relevance.

### University Council

During the 2024/2025 financial year, the University Council comprised seven members: four independent non-executive members; two non-independent members representing the Ministry of Education and the National Treasury and Economic Planning; and one executive member who is the Vice-Chancellor. The Council included two female and five male members, drawn from diverse ethnic backgrounds.

### Appointment

The Council that served during the year under review was appointed by the Cabinet Secretary responsible for the Ministry of Education. The names of the Council members were published in the *Kenya Gazette*, Vol. No. 596, under *The Universities Act (No. 42 of 2012): University of Embu Appointments*, dated 26th January 2024. However, one Council member was appointed later, on 11<sup>th</sup> April 2025, as published in the *Kenya Gazette*, Vol. No. 4657.

### Roles and functions

The University Council provides strategic leadership and oversight to Management, with the aim of ensuring the long-term viability and sustainability of the University's operations. In fulfilling this role, the Council safeguards the interests of all University stakeholders. To guide its operations, the Council operates under Council Charter, which defines, among other things, its mandate, roles and responsibilities, composition and structure, and operating procedures. The Charter serves as a key governance instrument, ensuring that the Council discharges its duties effectively, transparently, and in compliance with applicable laws and regulations. In addition, each Council committee operates under a distinct Committee Charter, which clearly sets out the committee's terms of reference, authority, and operating procedures. These charters reinforce accountability and support the effective execution of delegated responsibilities within the governance framework.

### **Induction and capacity building for Council members**

Each year, Council members participate in capacity development training to enhance their expertise in corporate governance, leadership, and other relevant areas. This regular training is essential for equipping members with the necessary knowledge and skills to fulfill their responsibilities effectively. During the financial year under review, a capacity-building workshop for the Council was conducted from July 26<sup>th</sup> to 30<sup>th</sup> 2023.

### **Succession planning of the University Council**

As part of its succession and continuity strategy, the University has put in place effective and well-established mechanisms to build the capacity of Council members and ensure uninterrupted operations in the event of a member's exit. Council members are rotated annually across different committees and are often assigned to multiple committees to enhance their understanding of various University functions. In addition, training programmes covering a wide range of governance-related areas are provided to equip members to serve effectively in diverse roles within the Council.

### **Council and member performance**

Each year, the University Council undergoes a performance evaluation using a standardized assessment tool developed by the State Corporations Advisory Committee (SCAC). Under the supervision of SCAC officials, Council members participate in evaluating the Chairperson, the Vice-Chancellor, and individual members. Upon completion, the performance reports are submitted to SCAC and the Principal Secretary, State Department for Higher Education and Research.

### **Conflict of interest**

Council members are required to fully disclose any actual or potential conflicts of interest, whether direct or indirect. To promote transparency and uphold ethical governance, "Conflict of Interest" is included as a standing item on the agenda of every Council meeting. At each meeting, members are required to declare any conflicts and sign the conflict of interest register to confirm the presence or absence of such declarations.

### **Remuneration of council**

Council members are entitled to sitting allowances for each meeting attended, as well as for participation in other official engagements. They also receive subsistence and accommodation allowances, and mileage reimbursement, where applicable, in accordance with the rates prescribed for public officers. In addition, the Chairperson of the Council is entitled to a monthly honorarium and a telephone allowance, based on the approved government rates.

### **Removal from office**

Under the Mwongozo Code of Governance, a council member may be removed from office for reasons such as misconduct, breach of integrity, absenteeism, or incompetence. The removal process must adhere to due process, including written notice of the allegations, an opportunity to respond, and a fair hearing. In addition to Mwongozo, the procedure is guided by the State Corporations Act (Cap 446), the Leadership and Integrity Act, 2012, the Public Officer Ethics Act, 2003, and the Fair Administrative Action Act, 2015, all of which uphold principles of transparency, accountability, and fairness. The removal is effected by the appointing authority based on documented justification, in compliance with the applicable legal and regulatory frameworks.

### **Ethical standards**

The University is firmly committed to upholding integrity, accountability, and legal compliance across all levels of its operations. It strictly adheres to applicable laws, regulations, and policies, and works in close collaboration with relevant government agencies to ensure full compliance. The University actively supports national anti-corruption efforts through the implementation of strong corporate governance practices.

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Members of the Council, management, and all staff are expected to uphold the highest standards of ethical conduct. To foster and sustain this culture, the University conducts regular training sessions for Council members, management, and staff, complemented by periodic corruption risk assessments. These initiatives enhance ethical awareness, support sound decision-making, and assist in identifying and mitigating potential integrity risks.

The University has instituted proactive measures to prevent corruption and to respond decisively to any reported incidents. A comprehensive Whistleblower Policy is in place to protect individuals who report misconduct in good faith, and a Communication Policy outlines principles for transparent and effective engagement with customers, partners, stakeholders, and the public. A robust governance framework ensures that all reported cases of unethical behavior are objectively analyzed, thoroughly investigated, and addressed with appropriate corrective actions based on the findings.

### Meetings of the University Council

The Council's annual work plan is prepared and circulated to members in advance to guide its activities throughout the year. Regular meetings are held quarterly, while special meetings are convened on a need basis. During the 2024/2025 financial year, the Council held four meetings. Members received timely notice and relevant documentation on agenda items to enable effective preparation and participation. The table below provides details of members' attendance at both full Council and committee meetings.

S/No.	Committee	Members	Number of meetings attended	Number of meetings held
1)	Full Council	1. Chairperson (awaiting Appointment) 2. Ms. Agnes Wanjuki Ndwiga 3. Mr. Samuel Kiiru 4. Mr. James Muchiri 5. Mr. Onyancha Bw'Omote 6. Mr. Abdi Mohamed Abdi 7. Dr. Sally Toroitich 8. Council Member (Awaiting appointment) 9. Prof. Daniel Mugendi – Secretary	- 4 4 4 4 4 4 1 - 4	4
2)	Finance, Resource Mobilization & General Purposes Committee	1. Ms. Agnes Wanjuki Ndwiga – Chairperson 2. Mr. Samuel Kiiru 3. Mr. James Muchiri 4. Prof. Daniel Mugendi – Secretary	4 4 4 3	4
3)	Audit, Risk and Compliance Committee	1. Mr. Onyancha Bw'Omote – Chairperson 2. Mr. Samuel Kiiru 3. Mr. James Muchiri 4. Council Member (awaiting appointment) 5. Dr. Isaac Kibet – Secretary	4 4 4 - 4	4
4)	Human Resource Development and Academic Affairs Committee	1. Mr. Abdi Mohamed Abdi – Chairperson 2. Mr. Samuel Kiiru 3. Mr. James Muchiri 4. Ms. Agnes Wanjuki Ndwiga 5. Prof. Daniel Mugendi – Secretary	4 4 4 4 3	4



Prof. Daniel Mugendi Njiru, (Ph.D)  
Vice-Chancellor

Date: 26<sup>th</sup> August, 2025

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**MANAGEMENT DISCUSSION AND ANALYSIS**

This section analyzes the performance for the year under review, detailing changes in government funding, internally generated income, expenses and asset growth.

**i) Funding from the Government of Kenya (GoK)**

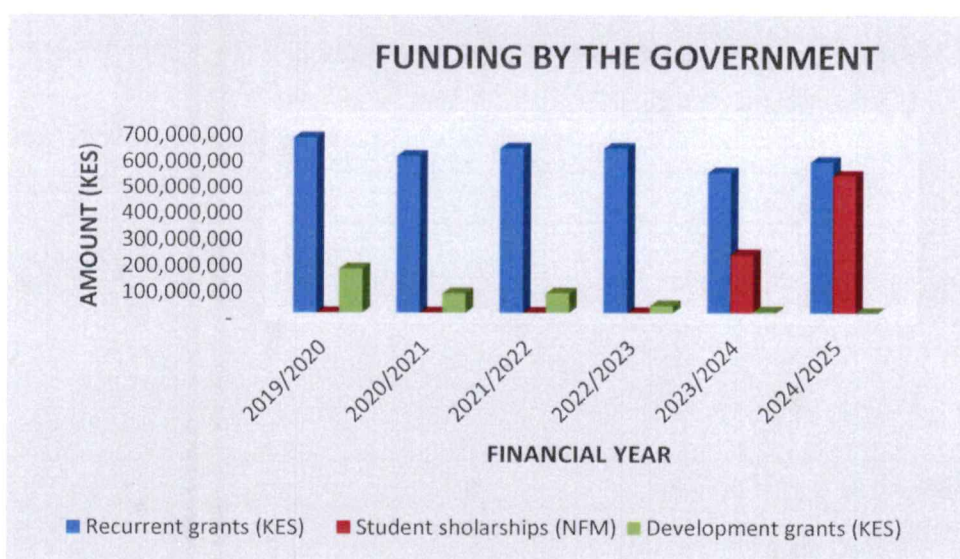
The Government of Kenya remained the main financier of the University through the disbursement of recurrent and development grants. To supplement the grants from the GoK, the University also generated revenue internally from sources such as fees, hire of facilities, Farm, and Catering section. During FY 2024/2025, the University received a total of KES 1,100,476,378 from the Government of Kenya, as shown in the table below:

Category	Amount in KES (2024/2025)	%
Recurrent grants (GoK)	576,719,795	52.41
Student Scholarships (NFM)	523,756,583	47.59
Total funding	1,100,476,378	100

**ii) Presentation based on type of funding**

The grants received from the GoK over the last six years are graphically presented below.

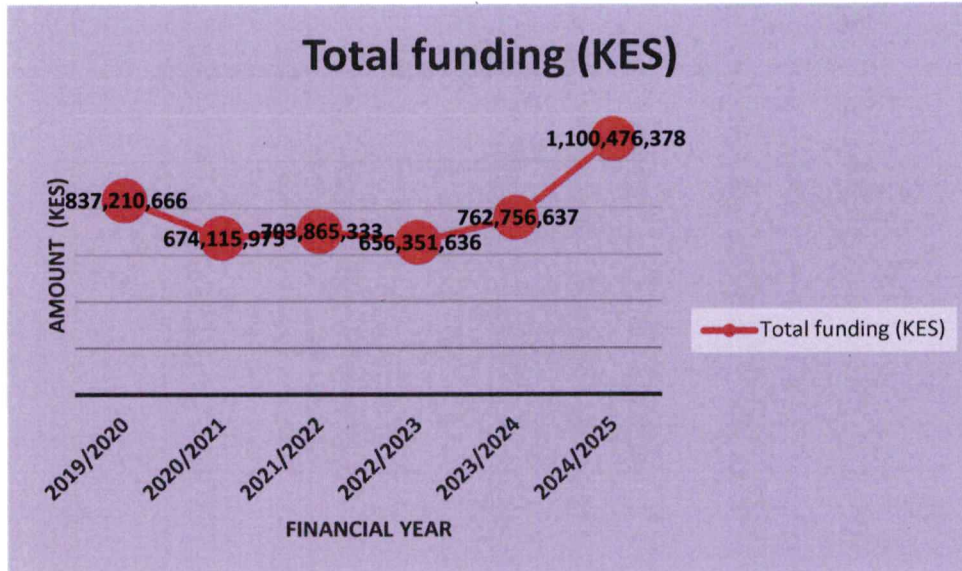
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Recurrent grants (KES)	668,820,733	599,320,308	628,865,333	628,750,182	536,343,657	576,719,795
Student scholarships (NFM)	-	-	-	-	221,412,980	523,756,583
Development grants (KES)	168,389,933	74,795,667	75,000,000	27,601,454	5,000,000	-
<b>Total funding (KES)</b>	<b>837,210,666</b>	<b>674,115,975</b>	<b>703,865,333</b>	<b>656,351,636</b>	<b>762,756,637</b>	<b>1,100,476,378</b>



**iii) Presentation based on total Funding**

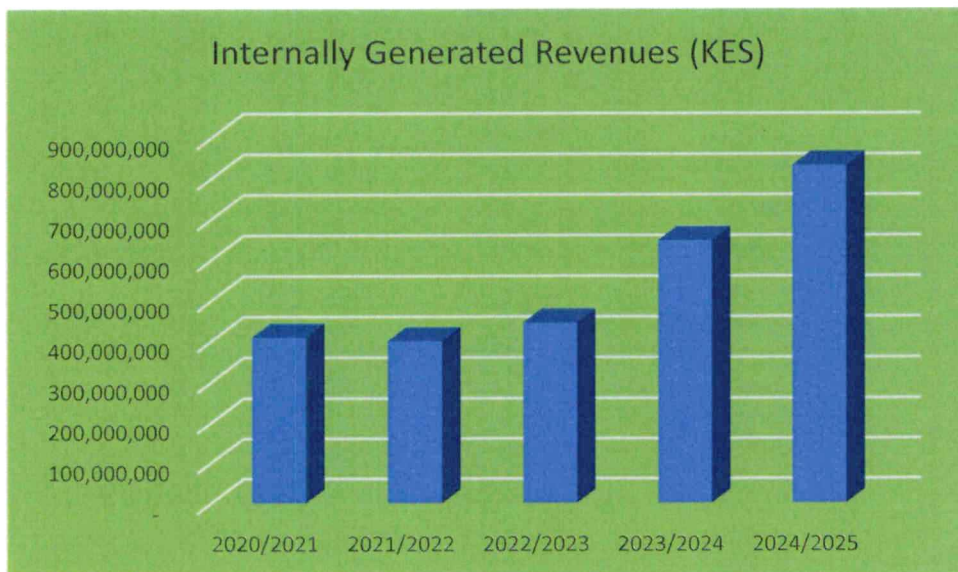
The table below displays the total funds received from the GoK over the last six years.

Year	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Total funding (KES)	837,210,666	674,115,975	703,865,333	656,351,636	762,756,637	1,100,476,378



**iv) Internally Generated Revenues (A-I-A)**

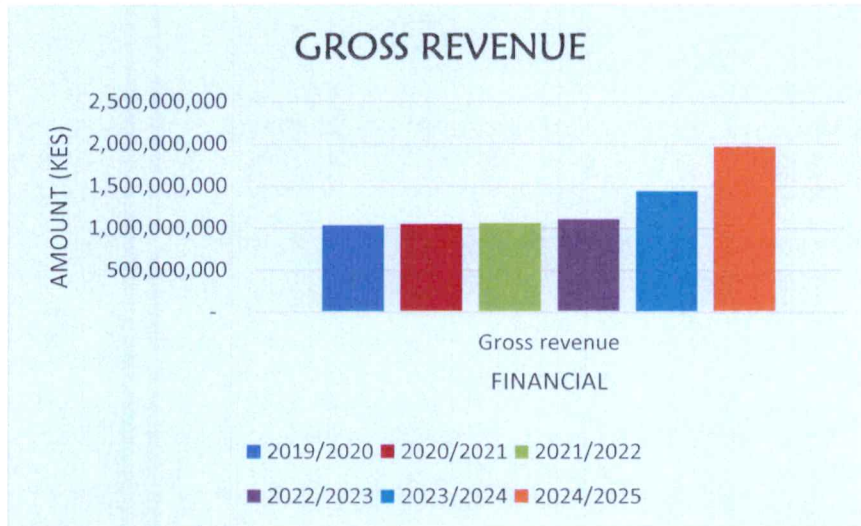
Internally generated revenue increased to KES 832 million during the year, from KES 647 million realized in the year 2023/2024. The revenue was generated from various sources, such as tuition fees, rental properties, the farm, graduation fees, hire of facilities, and catering services.



**v) Gross revenue**

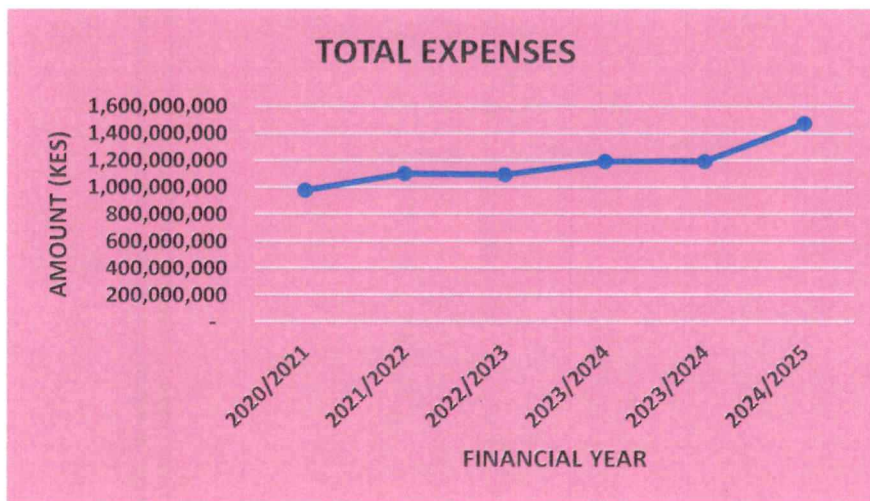
Total revenue for the year is the sum of the recurrent grants received from the Government of Kenya, amortization of capital grants, and the revenue generated internally from various sources. It increased by 37%, from KES 1.4 billion to KES 1.9 billion. The increase is attributed to higher revenue from internal sources, mainly due to the rollout of the New Funding Model and an increase in student enrollment

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**



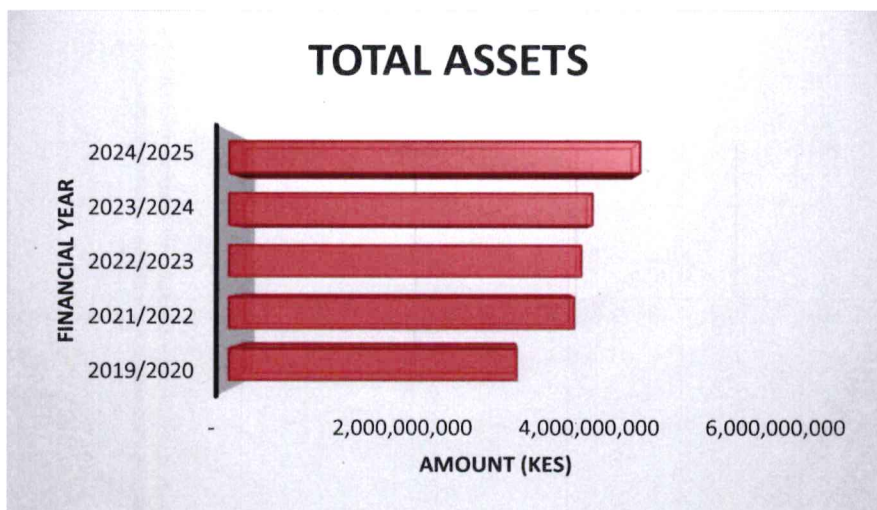
**vi) Expenditure for the year**

Expenditure for the year increased by 23.4%, from KES 1.192 billion to KES 1.471 billion.



**vii) Total assets**

During the year, value of the total assets increased by 13.1% from KES 4.1 billion to KES 4.6 billion. The growth is attributed to the capital investment made by the University during the year.



**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

**ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

**I) SUSTAINABILITY STRATEGY AND PROFILE**

At the University of Embu, sustainability is more than a policy; it is a core guiding principle embedded across all levels of our operations. Over the years, we have adopted forward looking strategies that integrate environmental stewardship, social responsibility, sound governance, and economic resilience into our institutional framework. This holistic approach enables us to remain responsive to current challenges while proactively preparing for future demands.

Our commitment to sustainability is demonstrated through ethical and inclusive business practices, with a strong focus on long-term impact. We recognize that the value we create must extend beyond the institution to benefit our staff, students, local communities, and broader society. Whether advancing green initiatives, promoting staff and student welfare, or empowering communities, we strive to exceed stakeholder expectations and contribute to a more equitable and prosperous future. The University continues to invest in systems that anticipate and address emerging risks to ensure business continuity and institutional resilience. Our sustainability agenda emphasizes key priorities such as effective risk management, operational excellence, fiscal prudence, data security, legal compliance, customer experience, and stakeholder engagement. By aligning our growth with stakeholder aspirations and national development goals, we remain committed to responsible leadership, environmental conservation, and preparing future generations to thrive in a rapidly changing world.

As part of this commitment to social responsibility, the University actively promotes equity and inclusion by creating opportunities for marginalized and minority groups, ensuring their meaningful participation in academic, administrative, and community initiatives. In line with its Service Charter, the University is dedicated to delivering timely, transparent, and accountable services to all stakeholders. To further support local economic empowerment, the University allocates at least 40% of its procurement to local suppliers under the Buy Kenya, Build Kenya initiative. Additionally, one-third of all procurement opportunities are reserved for special interest groups, including youth, women, and persons with disabilities, in full compliance with public procurement regulations. These efforts reflect the University's unwavering commitment to inclusive growth and sustainable development.

In a nutshell, the University's sustainability profile demonstrates a strong commitment to innovation, accountability, and continuous improvement, aligned with the United Nations Sustainable Development Goals. By integrating sustainability into academic programs, strategic planning, and stakeholder engagement, the University continues to position itself as a leader in delivering meaningful and lasting impact at both local and National levels.

**II) ENVIRONMENTAL SUSTAINABILITY**

University of Embu developed and consistently implemented an environmental policy that aligns with best practices, demonstrating full compliance and a strong commitment to sustainability. Environmental considerations are fully embedded into its operational, strategic, and procurement processes. The University has transitioned to automated, semi-paperless systems, significantly reducing paper usage, and has adopted energy-efficient technologies such as solar power, motion-sensor lighting, and energy-saving appliances. Waste management practices are well-developed and compliant, guided by the principles of reduce, reuse, recycle, and safe disposal. Segregated, color-coded waste bins are strategically placed across the University to facilitate effective waste separation and collection, while professional waste management and recycling firms are engaged to ensure proper and lawful disposal. The University collaborates with the Embu County Government to conduct environmental clean-up exercises and ensure the proper management of medical waste in compliance with environmental and public health standards. Biodegradable packaging replaced the single-use plastic bags at all sales outlets. The adoption of reusable dispenser bottles in offices and boardrooms significantly reduced use of plastic bottles.

The University's efforts to conserve biodiversity are evident in its well-maintained natural green spaces, extensive and consistent tree-planting programmes of indigenous and drought-resistant plant species. The protection of on-campus wetlands helps safeguard the water table and aquatic biodiversity. Regular environmental awareness campaigns and staff training sessions are conducted to foster a culture of sustainability and ensure continued compliance. Challenges such as behavioral inconsistencies and high costs of compliance have been effectively addressed. Sensitization efforts led by the Environmental Committee, active participation of the student-led Environment Club, and regular audits have significantly resulted in continuous environmental improvement.

Looking ahead, the University is scaling up its climate-smart initiatives, including development of green buildings that incorporate automated lighting systems, natural ventilation designs, and rooftop solar installations. These forward-

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

looking interventions not only reinforce the University's compliance but also position it among leading institutions excelling in environmental sustainability and climate resilience. The University continuously strives to ensure that its operations are conducted in an environmentally sustainable manner. All new capital projects are commenced only after obtaining the necessary approvals from the National Environment Management Authority (NEMA), ensuring full compliance with environmental impact assessment requirements and relevant statutory regulations.

**III) EMPLOYEE WELFARE**

We recognize that our employees are our most valuable asset, central to the organization's sustainability, growth, and long-term success. Their dedication to innovation, ethical conduct, and integrity continues to generate exceptional value for our customers and stakeholders. In recognition of this, the organization remains committed to consistently investing in its workforce through comprehensive training, structured welfare programs, and career development initiatives that enhance employee morale and performance. Regular training needs assessments are conducted to inform the development of both in-house and external programs, with a focus on technical proficiency, leadership capabilities, and soft skills development. New employees benefit from structured induction programs designed to support seamless onboarding, while targeted mentorship and succession planning frameworks are in place to promote talent growth and facilitate upward career mobility within the organization. The University values the health and well-being of its employees as a key driver of productivity and optimal performance. A comprehensive in-house medical scheme is provided for staff, their spouses, and children. In addition, the University organizes regular, free, and voluntary wellness clinics to promote preventive care, early diagnosis, and management of health conditions.

**a) Recruitment**

The University's recruitment processes are guided by established Human Resource Policies and Procedures, ensuring a transparent, competitive, and merit-based approach to talent acquisition. The University makes deliberate efforts to attract a wide pool of applicants in order to promote diversity, inclusion, and compliance with the 1/3 gender rule and ethnic balance. The recruitment policy also provides equal opportunity for persons with disabilities (PWDs) and the youth, in line with national employment frameworks.

**b) Capacity building**

The University conducts regular training needs assessments to inform the design and implementation of both in-house and external training programs. These programs are tailored to enhance technical proficiency, leadership capabilities, and soft skills development. During the year, staff participated in professional and leadership development programs aimed at adapting to an evolving work environment and improving customer service delivery. An annual Training Work Plan developed by the University's Training Committee is in, based on skills gaps identified through the performance management system. In addition, the University supports continuous professional development by covering membership subscriptions to relevant professional bodies and sponsoring participation in accredited development programs. New employees undergo structured induction programs for seamless integration into the institution, while mentorship and succession planning frameworks support career progression and talent retention.

**c) Employee retention**

To promote fairness, motivation, and career advancement, the University has implemented a robust Scheme of Service and a clear promotion policy that provides transparent pathways for staff growth. Outcomes of the annual performance appraisal process are used to recognize outstanding performance and address underperformance consistently and equitably. These measures contribute to high levels of employee satisfaction and retention. Additionally, the University is committed to maintaining a safe, healthy, and inclusive working environment. It has an Occupational Safety and Health (OSH) Policy aligned with the Occupational Safety and Health Act, 2007, to safeguard the welfare of all staff, including those with special needs. Regular safety audits, staff training on safety procedures, and compliance monitoring are conducted to minimize risks and prevent workplace injuries. The University also ensures prompt documentation and resolution of all work-related incidents, with a focus on continuous improvement. Human Resource and OSH policies are reviewed periodically to align with evolving legal requirements, institutional priorities, and regulatory guidelines.

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

**IV) MARKET PLACE PRACTICES**

The University is firmly committed to ethical, transparent, and fair marketplace practices, underpinned by sound governance, clear policies, and inclusive stakeholder engagement. It views competition as a driver of innovation and service improvement. In response to rising competition the University promotes its academic programs through responsible marketing that upholds ethical standards and respects competitors. Fair competition is maintained through open, transparent tendering processes, with all procurement opportunities publicly advertised and evaluated based on objective, pre-determined criteria.

The University upholds strict political neutrality in all its operations. Decisions are made objectively and are not influenced by political considerations. All stakeholders are served impartially, regardless of their political affiliation. Staff are expected to maintain professionalism and avoid using the University's name or resources for political purposes. Similarly, suppliers and contractors are required to operate independently of political influence. To reinforce integrity, the University has a robust anti-corruption framework, including anonymous reporting mechanisms, a comprehensive code of conduct, and a zero-tolerance approach to unethical behavior. Service delivery is further enhanced through initiatives such as published service charters, automated self-service platforms, secure cashless payments, and interactive programs that inform citizens about available services and feedback channels.

**a) Responsible Supply Chain and Supplier Relations**

All University procurements are conducted in strict compliance with applicable laws and regulations, ensuring fairness, transparency, and accountability. Competitive bidding is promoted through open tender advertisements and transparent quotation processing. Tenders are opened in the presence of bidders, and evaluations are strictly based on the criteria provided in the bid documents. Contract awards are published on the University's website to keep stakeholders informed. To ensure value for money, all goods and works are thoroughly inspected to verify conformity with user specifications. Suppliers and contractors are paid within 30 days of acceptance, supported by tight budgetary controls that ensure funds are available before any financial commitment is made. This prudent financial management has enabled the University to operate without pending bills. The University fosters professional and transparent supplier relationships by honoring contracts and consistently meeting payment obligations. This approach not only supports supplier trust but also promotes continuity and accountability throughout the supply chain.

**b) Responsible marketing and advertisement or Responsible engagement with the citizens.**

The University of Embu is committed to responsible marketing and ethical engagement with the stakeholders, guided by principles of transparency, accuracy, and inclusivity. All promotional and communication efforts are carefully crafted to avoid false, misleading, or exaggerated claims, ensuring that stakeholders receive truthful and verifiable information. Marketing contents respects consumer rights and avoid any form of discriminatory or socially insensitive messaging. The University utilizes a range of channels including its official website, social media platforms and print media to provide timely and accurate information to interested parties. Regular engagement forums and sensitizations are conducted to ensure that public feedback informs service delivery and institutional responsiveness.

**c) Product Stewardship**

The University of Embu is committed to product stewardship through quality, safe, and transparent service delivery. All offerings comply with legal and regulatory standards and are supported by effective quality assurance systems. To promote informed decision-making, the University provides clear information via its website, service charters, help desks, and sensitization forums. Stakeholders can report concerns through established feedback and redress mechanisms. Health, safety, and consumer welfare are prioritized, with regular awareness campaigns to educate users on their rights and responsibilities. Data privacy is safeguarded through strict compliance with the Data Protection Act, reinforced by regular audits.

**V) CORPORATE SOCIAL RESPONSIBILITY / COMMUNITY ENGAGEMENTS**

As a responsible corporate citizen, the University of Embu is deeply committed to upholding good corporate governance while making a lasting positive impact on the community. Guided by a culture of compassion, service quality, environmental stewardship, and strong stakeholder engagement, the University prioritizes the well-being of the less fortunate through well-structured corporate social responsibility (CSR) initiatives.

CSR is fully embedded in the University's operations, with a strategic focus on key areas such as food security, poverty eradication, education, climate change mitigation, and community health. These initiatives are designed to uplift social and economic conditions in surrounding communities while aligning with national development goals. By continuously minimizing the negative impact of its activities on the environment, society, employees, and partners, the University demonstrates its dedication to sustainable development and inclusive growth. The following section highlights some of the CSR activities carried out during the year under review:

**a) Senior Schools Students' Career Day**

The University hosted the Senior Schools Students' Career Day on Saturday, in June, 2025 Sports Grounds. The theme of the Career Day was *"Find Your Spark: Smart Career Choices for a Dynamic World."* Various professionals addressed the students on 21<sup>st</sup> Century career paths.

**b) Farmers Training on Sustainable Management Practices**

In May, 2025, the University organised a training for farmers on sustainable management practices. Over one hundred twenty (120) farmers drawn from Manyatta and Mbeere North Constituencies attended the training.

**c) Educational And Career Advisory For Primary And Secondary School Students**

The University hosted numerous secondary and primary schools for career guidance sessions, motivational talks, talent search activities, and guided visits to various University facilities. During these engagements, students received tailored presentations on topical areas of interest and were introduced to a wide range of academic programs and career opportunities aligned with their aspirations.

**d) World Wetlands Day Commemorations**

The University actively participated in World Wetlands Day held in February 2025 at Gakundu Springs in Kianjokoma, Embu County. As part of its environmental conservation efforts, the University contributed to the planting of approximately 1,000 tree seedlings to support the restoration and protection of wetland ecosystems.

**e) World Day of Remembrance for Victims of Road Traffic Accidents (WDoR)**

In November 2024, the University organized a free medical camp in commemoration of the WDoR. Held at Nithi Bridge in Tharaka Nithi County, the camp provided a range of services including physiotherapy for road traffic accident survivors and counseling for bereaved families, reaffirming the University's commitment to community health, trauma support, and psychosocial well-being.

**f) Embu GK Prison Visit**

In December 2024, the University Management, staff, and students undertook a community outreach visit to the Embu GK Prisons, covering both the male and female facilities. The initiative aimed to share the spirit of Christmas by presenting gifts to the inmates, fostering a sense of compassion, hope, and social inclusion during the festive season.

## REPORT OF THE COUNCIL MEMBERS

University of Embu Council submits its report together with the financial statements for the period ended 30<sup>th</sup> June, 2025 which show the state of affairs of the University.

### Principal Activities

The principal activity of the University of Embu is to generate, advance and disseminate knowledge through training, research and innovation and offer extension services to communities within Embu County, other parts of Kenya, and across the world.

### Results

The results of the University of Embu for the period ended 30<sup>th</sup> June, 2025 are set out on pages 1 to 46

### University of Embu Council Members

The members of the Council who served during the year are listed on pages (viii) to (ix).

### Auditors

The Auditor General is responsible for the statutory audit of the University, in accordance with the Article 229 of the Constitution of Kenya and Public Audit Act, 2015.

By Order of the Council



Prof. Daniel Mugendi Njiru (Ph.D)  
SECRETARY, UNIVERSITY COUNCIL

Date: 26<sup>th</sup> August, 2025

### STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 47 of the Universities Act No. 42, of 2012, require the University of Embu Council to prepare financial statements in respect of University of Embu, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for that year/period. The University Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

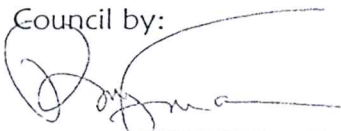
The University Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on 30<sup>th</sup> June, 2025. This responsibility includes: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

The Council accepts responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act No. 42, of 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended 30<sup>th</sup> June, 2025, and of the University's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements, as well as the adequacy of the systems of internal financial control.

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

#### Approval of the financial statements

The University's financial statements were approved on 26<sup>th</sup> August, 2025, and signed on behalf of the Council by:



.....  
Prof. Philip Museve Kutima  
Chairman, University of Embu Council  
Council Chairman



.....  
Prof. Daniel Mugendi Njiru  
Vice-Chancellor

# REPUBLIC OF KENYA



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NAIROBI

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

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### PREAMBLE

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

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

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

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

### REPORT ON THE FINANCIAL STATEMENTS

#### Opinion

I have audited the accompanying financial statements of University of Embu set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets,

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of University of Embu as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities (Amendment) Act, 2016 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, 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**

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

In the audit report of the previous year, an issue on noncompliance with the fiscal responsibility principal of wage bill was raised under Lawfulness and Effectiveness in Use of Public Resources. Another issue on absence of a substantive Chair to the University Council was raised under Effectiveness of Internal Controls, Risk Management and Governance. However, the issues remained unresolved as at 30 June, 2025 and were reiterated in the report for the year under review.

### **Other Information**

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

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

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

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

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

### **Basis for Conclusion**

#### **Non-Compliance with Law on Fiscal Responsibility Principal of Wage Bill**

As previously reported, the statement of financial performance, as disclosed in Note 17 to the financial statements, reflects employee costs amount of Kshs.957,617,410. The amount represents 49% of the University's total revenue of Kshs.1,957,748,392.00 during the year under review. This was contrary to Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that expenditure on the compensation of employees shall not exceed 35% of the revenue.

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

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

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

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effects of the matter described in the Basis for

Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

## **Basis for Conclusion**

### **University Council Operating Without a Substantive Chair**

As previously reported, the statement of financial performance and as disclosed in Note 18 to the financial statements, reflects remuneration of University Council amount of Kshs.8,936,254. However, review of records revealed that the Council Members who served during the year under review were appointed on 26 January, 2024 through Gazette Notice No. 596. Review of the documents provided for audit further indicated that the University Council operated without a Chairperson formally appointed by the Cabinet Secretary. This is contrary to Section 36 of the Universities (Amendment) Act, 2016 which states that the Council of a Public University or Constituent College of such a University shall consist of nine persons appointed by the Cabinet Secretary including the Chairman.

Absence of a substantive chair to the University Council implies weakness in the University's governance making it difficult for the Council to effectively oversee the University's affairs.

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

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

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

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

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

comply with the authorities which govern them and that public resources are applied in an effective way.

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

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

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

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

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

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

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

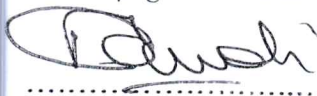
**Nairobi**

**24 October, 2025**

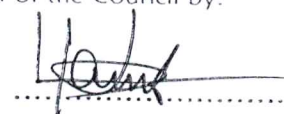
UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE, 2025			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2025			
	Note	2024/2025	2023/2024
Revenue from non-exchange transactions		(KES)	(KES)
Transfer from other Government entities	6	576,719,795	536,343,657
Students scholarships from the Universities Fund	6	523,756,583	221,412,980
Amortization of grants	42	24,577,848	25,516,965
		1,125,054,226	783,273,602
Revenue from exchange transactions			
Rendering of services	7	755,304,511	589,342,727
Rental revenue	8	7,011,411	7,449,164
Farm income	9	16,310,655	15,627,595
Finance Income	10	32,075,521	16,974,793
Research income	11	4,157,351	2,868,961
Hire of Facilities	12	3,227,679	2,316,553
Graduation fee	13	13,038,500	10,142,800
Library services	14	666,568	1,154,755
Income Generating	15	747,159	1,733,151
Other income	16	154,810	147,039
		832,694,165	647,757,538
Total revenue		1,957,748,392	1,431,031,139
Expenses			
Employee costs	17	957,617,410	786,073,193
Remuneration of University Council	18	8,936,254	8,533,630
Depreciation and amortization expense	27 & 29	90,563,326	66,234,617
Repairs and maintenance	19	45,585,223	22,102,648
Research expenses	20	19,707,758	11,627,385
General expenses	21	348,532,255	297,779,418
Total expenses		1,470,942,225	1,192,350,891
Surplus/(Deficit) from operations		486,806,167	238,680,248
Other gains/(losses)	22	674,950	3,080,530
Surplus/(Deficit) for the period		487,481,117	241,760,778

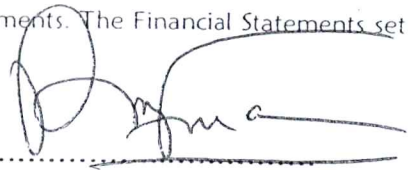
The notes set out on pages 8 to 46 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 46 were signed on behalf of the Council by:



Prof. Daniel Mugendi Njiru  
Secretary



Mr. Lawrence Kamonjo  
Head of Finance  
ICPAK NUMBER: 7080



Prof. Philip Museve Kutima  
Council Chairman

Date: 26<sup>th</sup> August, 2025

Date: 26<sup>th</sup> August, 2025

Date: 26<sup>th</sup> August, 2025

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

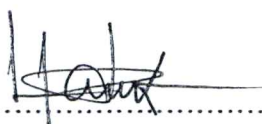
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2025			
	Note	2024/2025	2023/2024
		(KES)	(KES)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	23	209,849,794	121,867,890
Receivables from exchange transactions	24	95,115,731	69,170,723
Receivables from non-exchange transactions	25	7,719,399	52,830,151
Inventories	26	10,097,663	6,954,526
Biological assets	28(i)	2,600,000	2,839,050
<b>Total Current Assets</b>		<b>325,382,587</b>	<b>253,662,340</b>
<b>Non-current assets</b>			
Property, plant and equipment	27	4,280,395,954	3,814,353,760
Biological assets	28(ii)	8,329,500	7,415,500
Intangible Assets	29	10,914,134	12,777,378
<b>Total Non - current assets</b>		<b>4,299,639,588</b>	<b>3,834,546,638</b>
<b>Total assets</b>		<b>4,625,022,175</b>	<b>4,088,208,978</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	31	178,083,671	122,161,075
Refundable deposits and prepayments from customers	32	57,592,169	69,960,314
Provision for audit fee	33	605,156	522,000
Bursary fund	34	8,623,035	10,698,542
<b>Total current liabilities</b>		<b>244,904,031</b>	<b>203,341,931</b>
<b>Non Current liabilities</b>			
Caution Money	35	31,892,131	27,838,131
Retention money	36	32,464,121	8,210,795
CBA Refund	37	-	81,560,000
Deferred income	41	1,324,052,588	1,348,630,436
<b>Total Non current liabilities</b>		<b>1,388,408,840</b>	<b>1,466,239,362</b>
<b>Total liabilities</b>		<b>1,633,312,871</b>	<b>1,669,581,293</b>
<b>Net Assets</b>		<b>2,991,709,303</b>	<b>2,418,627,684</b>
Revaluation reserves	43	1,866,688,262	1,866,688,262
Revenue reserve	44	1,125,021,041	551,939,422
<b>Total Reserves</b>		<b>2,991,709,303</b>	<b>2,418,627,684</b>
<b>Total net assets and liabilities</b>		<b>4,625,022,175</b>	<b>4,088,208,978</b>

Financial Statements set out on pages 1 to 46 were signed on behalf of the Council by:



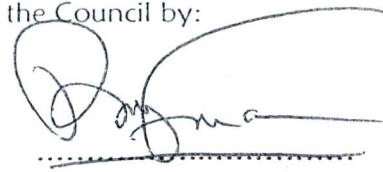
Prof. Daniel Mugendi Njiru  
SECRETARY

Date: 26<sup>th</sup> August, 2025



Mr. Lawrence Kamonjo  
HEAD OF FINANCE  
ICPAK NUMBER: 7080

Date: 26<sup>th</sup> August, 2025



Prof. Philip Museve Kutima  
COUNCIL CHAIRMAN

Date: 26<sup>th</sup> August, 2025

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

STATEMENT OF CHANGE IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE, 2025			
	Revaluation reserve	Revenue reserves	Total
	(Ksh)	(Ksh)	(Ksh)
Balance as at 1st July 2023	1,866,688,262	310,178,644	2,176,866,906
Deficit/Surplus for the period	-	241,760,778	241,760,778
Increase/(Decrease) in revaluation	-		-
<b>Balance as at 30th June, 2024</b>	<b>1,866,688,262</b>	<b>551,939,422</b>	<b>2,418,627,684</b>
			-
Balance as at 1st July 2024	1,866,688,262	551,939,422	2,418,627,684
Increase/(Decrease) in revaluation	-		-
Prior adjustment (CBA Refund)	-	81,560,000	81,560,000
Prior adjustment (Seized Bond)		4,040,503	4,040,503
Deficit/Surplus for the period	-	487,481,117	487,481,117
<b>Balance as at 30th June, 2025</b>	<b>1,866,688,262</b>	<b>1,125,021,041</b>	<b>2,991,709,303</b>

**Note**

**1) CBA Refund - KES 81,560,000**

This amount previously appeared in our books as a refund due to the Ministry of Education. The above adjustment was made following the advisory of the PS of the State Department for Higher Ed. and Research. The VC had written to the PS seeking confirmation and assistance in removing the amount from our books of accounts through a write-off. In response, the PS clarified that the debt did not exist in the Ministry's books of accounts. We were, therefore, advised to address the anomaly internally. The matter has since resolved through an adjustment in the revenue reserves.

**2) Seized Performance Bond - KES 4,040,503**

The University had engaged M/S Supreme Developers Limited for the construction of Auditorium and Lecture Classroom. However, the contractor underperformed in the execution of the contract. A performance bond of KES 4,040,503 that had been provided by the contractor was seized by the University as compensation for the unsatisfactory performance. The amount was initially recorded as a liability, pending resolution of the dispute that followed the seizure and termination of the contract between them and the University. With the matter now resolved and the project subsequently completed, the amount has been transferred to Revenue Reserves.

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2025			
		2024/2025 (KES)	2023/2024 (KES)
<b>Cash flows from operating activities</b>			
<b>Receipts</b>	<b>Note</b>		
Transfer from other Government entities	6 & (i)	1,145,171,683	713,061,332
Rendering of services	7 & (ii)	731,582,664	611,895,031
Rental income	8 & (iii)	7,018,411	7,586,103
Farm income	9 & (iv)	15,459,595	15,482,345
Finance income	10	32,075,521	16,974,793
Research income	11 & (v)	30,561,962	4,144,827
Hire of Facilities	12 & (vi)	3,227,679	2,372,553
Graduation fee	13 & (vii)	6,226,965	7,077,814
Library services	14	666,568	1,154,755
Income Generating Units	15	747,159	1,733,151
Other income	16 & (viii)	2,129,560	1,746,239
		<b>1,974,867,767</b>	<b>1,383,228,943</b>
<b>Payments</b>			
Employee costs	17 & (ix)	920,440,050	894,199,243
University Council expenses	18	8,936,254	8,533,630
Repairs & maintenance	19	45,585,223	22,102,648
Research expenses	20 & (x)	19,292,311	7,627,111
General expenses	21 & (xi)	345,353,499	297,063,788
Trade creditors paid		24,645,030	37,106,330
		<b>1,364,252,367</b>	<b>1,266,632,750</b>
<b>Net cash flows from operating activities</b>		<b>610,615,401</b>	<b>116,596,193</b>
<b>Cash flows from investing activities</b>			
Property, plant, equipt and intangible assets	27 & (xii)	522,633,497	144,502,702
<b>Net cash flows used in investing activities</b>		<b>522,633,497</b>	<b>144,502,702</b>
<b>Cash flows from financing activities</b>			
Government development grants		-	5,000,000
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>5,000,000</b>
<b>Net increase/(decrease) in cash &amp; cash equivalent</b> s		<b>87,981,904</b>	<b>(22,906,508)</b>
<b>Cash and cash equivalent</b> s at 1st July, 2024		<b>121,867,890</b>	<b>144,774,399</b>
<b>Cash and cash equivalent</b> as at 30th June, 2025		<b>209,849,794</b>	<b>121,867,890</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

CASHFLOW NOTES	2024/2025	2023/2024
	(KES)	(KES)
<b>(i) Government grants</b>	<b>1,100,476,378</b>	<b>757,756,637</b>
Less: Receivable c/f	-	(44,695,305)
Add: Receivable b/f	44,695,305	-
	<b>1,145,171,683</b>	<b>713,061,332</b>
<b>(ii) Rendering services</b>	<b>755,304,511</b>	<b>589,342,727</b>
Add: Fees receivable b/f	68,618,568	16,785,888
Increase in caution money	4,054,000	3,786,157
Increase/(Decrease) in student subscription	(643,974)	(1,056,323)
Deferred fees c/f	56,463,381	68,838,526
Unclaimed fees c/f	4,740,703	4,363,877
Increase/(Decrease) in bursary fund	(2,075,507)	(164,078)
Endowment Fund received	15,035,901	9,290,735
Less: Deferred fees b/f	(68,838,526)	(7,232,446)
Unclaimed fees b/f	(4,363,877)	(3,144,497)
Fees receivable c/f	(92,020,471)	(68,618,568)
Increase in receivable from the eCitizen	(1,692,045)	(296,967)
Financial Aid disbursed	(3,000,000)	-
	<b>731,582,664</b>	<b>611,895,031</b>
<b>(iii) Rental income</b>	<b>7,011,411</b>	<b>7,449,164</b>
Increase/(decrease) in rental deposit	7,000	136,939
	<b>7,018,411</b>	<b>7,586,103</b>
<b>(iv) Farm income</b>	<b>16,310,655</b>	<b>15,627,595</b>
Add: Farm income receivable b/f	255,188	109,938
Less: Farm income receivable c/f	(1,106,248)	(255,188)
	<b>15,459,595</b>	<b>15,482,345</b>
<b>(v) Research income</b>	<b>4,157,351</b>	<b>2,868,961</b>
Add: Deferred research grants c/f	43,652,229	17,247,618
Less: Deferred research grants b/f	(17,247,618)	(15,971,752)
	<b>30,561,962</b>	<b>4,144,827</b>
<b>(vi) Income on hire of facilities</b>	<b>3,227,679</b>	<b>2,316,553</b>
Add: Income receivable c/f	-	56,000
	<b>3,227,679</b>	<b>2,372,553</b>
<b>(vii) Graduation fee</b>	<b>13,038,500</b>	<b>10,142,800</b>
Less: Recoveries from fees	(6,811,535)	(3,064,986)
	<b>6,226,965</b>	<b>7,077,814</b>
<b>(viii) Other income</b>	<b>154,810</b>	<b>147,039</b>
Add: Increase/(decrease) alumni fund	1,974,750	1,599,200
	<b>2,129,560</b>	<b>1,746,239</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

CASHFLOW NOTES (continued)

	2024/2025 (KES)	2023/2024 (KES)
<b>(ix) Employee costs</b>	<b>957,617,410</b>	<b>786,073,191</b>
Add: Provision for salary arrears b/f	5,288,831	143,096,371
Increase in voluntary pay cut	967,304	(148,816)
Less: Provision for salary arrears c/f	(41,312,395)	(5,288,831)
Part-time teaching payable	-	(24,343,220)
Non-cash deductions	(2,121,100)	(5,189,458)
	<b>920,440,050</b>	<b>894,199,243</b>
<b>(x) Research expenses</b>	<b>19,707,758</b>	<b>11,627,385</b>
Less: Imprest surrenders	(415,447)	(4,000,274)
	<b>19,292,311</b>	<b>7,627,111</b>
<b>(xi) General expenses</b>	<b>348,532,255</b>	<b>297,779,418</b>
Less: Provision for audit fee	(605,156)	(522,000)
Imprests surrenders	618,701	(1,295,309)
Bad debts written-off	(49,164)	(180,106)
Add: Increase in inventory	(3,143,137)	1,281,785
	<b>345,353,499</b>	<b>297,063,788</b>
<b>(xii) Property, Plant and equipment</b>	<b>554,573,594</b>	<b>118,666,367</b>
Decrease /(Increase) in retention	(24,253,326)	24,593,221
Recoveries	(7,855,452)	(5,438,486)
Increase in intangible assets	168,682	6,681,600
	<b>522,633,497</b>	<b>144,502,702</b>

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2025						
	Original budget 2024-2025	Adjustments 2024-2025	Final budget 2024-2025	Actual on comparable basis 2024-2025	Performance difference 2024-2025	% of utilisation
<b>REVENUE</b>						
Government recurrent grants	523,224,849	53,494,948	576,719,797	576,719,795	(2)	100.00
ii) Student scholarships - Universities Fund.	503,055,575	20,701,008	523,756,583	523,756,583	-	100.00
Researcher's grants	4,158,000	(800)	4,157,200	4,157,351	151	100.00
Endowment Fund	10,000,000	5,035,901	15,035,901	15,035,901	-	100.00
Accommodation fee	8,300,000	(158,000)	8,142,000	8,142,000	-	100.00
Tuition fee	813,376,433	(90,954,426)	722,422,007	722,592,133	170,126	100.02
Catering	20,500,000	4,070,000	24,570,000	24,570,378	378	100.00
Farm	16,000,000	310,700	16,310,700	16,310,655	(45)	100.00
Rental	7,200,000	(188,000)	7,012,000	7,011,411	(589)	99.99
Finance Income	5,408,000	26,668,000	32,076,000	32,075,521	(479)	100.00
Hire of Facilities	2,886,000	341,000	3,227,000	3,227,679	679	100.02
Graduation fee	11,871,000	1,168,000	13,039,000	13,038,500	(500)	100.00
Library services	667,000	(500)	666,500	666,568	68	100.01
Income Generating	750,000	(3,000)	747,000	747,159	159	100.02
Other income	160,000	(5,000)	155,000	154,810	(190)	99.88
<b>Other income</b>	<b>1,927,556,857</b>	<b>20,479,831</b>	<b>1,948,036,688</b>	<b>1,948,206,444</b>	<b>169,756</b>	<b>100.01</b>
<b>Expenses</b>						
Employee costs	893,639,106	52,298,643	945,937,749	945,937,066	(684)	100.00
Remuneration to the Council	10,193,000	(1,257,000)	8,936,000	8,936,254	254	100.00
Repairs and maintenance	45,462,000	123,000	45,585,000	45,585,223	223	100.00
Research expenses	19,750,000	(42,000)	19,708,000	19,707,758	(242)	100.00
Farm enterprise	10,500,000	(91,000)	10,409,000	10,409,554	554	100.01
Transfer to UESA Funds	6,000,000	-	6,000,000	6,000,000	-	100.00
Transfer to bursary Fund	1,500,000	-	1,500,000	1,500,000	-	100.00
Transfer to Alumni Association	1,974,750	-	1,974,750	1,974,750	-	100.00
General expenses	335,592,270	2,617,335	338,209,605	338,073,537	(136,068)	99.96
Endowment fund	14,175,000	860,901	15,035,901	15,035,901	(0)	100.00
Property, Plant & Equipment	178,750,731	3,108,952	181,859,683	181,860,062	379	100.00
Library Books	5,020,000	(9,000)	5,011,000	5,011,082	82	100.00
Minor works	70,000,000	6,990,000	76,990,000	76,991,337	1,337	100.00
Development projects	335,000,000	(44,120,000)	290,880,000	290,879,795	(205)	100.00
<b>Total expenditure</b>	<b>1,927,556,857</b>	<b>20,479,831</b>	<b>1,948,036,688</b>	<b>1,947,902,318</b>	<b>-134,370</b>	<b>99.99</b>
<b>Surplus for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>304,126</b>	<b>304,126</b>	
<b>Note:</b>						
Changes between the original and final budget were mainly due to reallocations of funds across votes, as well as adjustments to accommodate improved budgetary performance.						
<b>Budget Reconciliation</b>						
<b>Description of Particulars</b>	<b>Amount in KES</b>					
Actual Surplus Amounts as per the statement of Budget	304,126					
Add: Endowment Fund contributions	66,325,625					
Add: Retention monies	32,464,121					
Add: Deferred donor research grants	43,652,229					
Add: Caution Money	31,892,131					
Add: Other third party deposits	35,211,561					
<b>Closing Cash and Cash Equivalent as per the Statement of Cash flows</b>	<b>209,849,794</b>					

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

University of Embu was established by and derives its authority and accountability from the Embu University College Legal Order of 17<sup>th</sup> June, 2011, under the University of Nairobi Act (Cap 210), legal notice No. 65 of 17<sup>th</sup> June 2011. The University is wholly owned by the Government of Kenya, and domiciled in Kenya. The University's principal activity is to generate, advance and disseminate knowledge through training, research, and innovation for the development of humanity.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value.

The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and Universities Act No. 42, of 2012. and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. ADOPTION OF NEW AND REVISED STANDARDS

(i) New and amended standards and interpretations in issue effective in the year ended 30 June 2024. There were no new and amended standards issued in the financial year.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30<sup>th</sup> June 2024

Standard	Effective date and impact:
IPSAS 43: Leases	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><b>Impact of the standard</b></p> <p>The standard does not have any impact on the reporting since the University does not have any existing lease contract</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p>

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

Standard	Effective date and impact:
	<p><b>Impact of the standard</b>  The Standard will remain relevant in the future, as the University may periodically have assets earmarked for sale due to evolving technology and changing business dynamics. It will be applied to determine the carrying amount of such assets. Furthermore, in the event that the University discontinues any of its operations, the Standard will be essential in ensuring the appropriate disclosures are made. At present, the University does not have any assets that fall within the scope of the definition provided.</p>
IPSAS 45- Property Plant and Equipment	<p><b>Applicable 1<sup>st</sup> January 2025</b>  The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><b>Impact</b>  The Standard is currently not relevant as the University does not have any heritage assets held or maintained primarily for their historical, cultural, artistic, scientific, technological, or environmental significance.</p>
IPSAS 46 Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b>  The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><b>Impact</b>  The standard is very relevant as it provides comprehensive guidance on how to select and apply measurement bases for assets and liabilities in financial reporting.</p>
IPSAS 47- Revenue	<p><b>Applicable 1<sup>st</sup> January 2026</b>  This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><b>Impact</b>  The standard will be relevant because it will provides a structured framework for recognizing and reporting revenue from various sources, accurately, consistently, and transparently.</p>
IPSAS 48- Transfer Expenses	<p><b>Applicable 1<sup>st</sup> January 2026</b>  The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><b>Impact</b>  The standard will not have any impact since the University is not expected to incur transfer expenses.</p>
IPSAS 49- Retirement Benefit Plans	<p><b>Applicable 1<sup>st</sup> January 2026</b>  The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Standard	Effective date and impact:
	<p><b>Impact</b> The Standard is not expected to have any relevance to the University, as it is not a retirement benefit plan and does not operate its own pension scheme. The University participates in contributory retirement scheme, whereby monthly contributions are transferred to an independent, externally managed pension fund.</p>
<p>IPSAS 50: Exploration For &amp; Evaluation of Mineral Resources</p>	<p><b>Applicable 1<sup>st</sup> January 2027</b> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ol> <p><b>Impact of the standard</b> The standard will not be relevant as the university does not engage in geological research, exploration for &amp; evaluation of mineral resources</p>

**iii) Early adoption of standards**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Transfers from other government entities**

**Recurrent grants**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the University and can be measured reliably. Recurrent grants are recognized in the statement of Financial Performance.

**Development grants**

Development/capital grants are recognized in the Statement of Financial Position and realised in the Statement of Financial Performance over the useful life of the assets that has been acquired using such funds.

University of Embu recognizes development grants received as a deferred income in the Statement of Financial Position. Upon completion and commissioning of the project funded through the grants, the grants relating to the project are amortized using the applicable depreciation rate, by reducing the carrying amount of the liability and recognizing an equal amount as an income, in the Statement of Financial Performance.

ii) Revenue from exchange transactions

**Rendering of services**

The University of Embu recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

**Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the University.

**Interest income**

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

**Rental income**

Rental income arising from operating leases on rental property is recognized on occupancy of the property and included in revenue.

**b) Budget information**

The original budget for FY 2024/2025 was approved by the National Assembly on 15<sup>th</sup> June, 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University, upon receiving the respective approvals in order to conclude the final budget. However, appropriation of the University was reduced by the GoK by KES 42,398,546, during the year under review.

The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

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

A statement to reconcile the actual amounts on a comparable basis included in the Statement of Comparison of Budget and Actual Amounts and the actuals as per the Statement of Financial Performance (SoFP) is given below.

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

	As per the Statement of Financial Performance (SoFP)	As per the Statement of Comparison of Budget and Actual Amounts ( SoCoBA)	Difference	Reconciliations	
Revenue	1,957,748,392	1,948,206,444	9,541,947	Total revenue as per SoFP - KES	1,957,748,392
				Less: Amortization of capital grants	(24,577,800)
				<b>Add: Items in the SoCoBA not in the SoFP</b>	
				Contribution to Endowment Fund	15,035,901
				<b>Total in the Statement of Budget</b>	<b>1,948,206,444</b>
Expenditure	1,470,942,225	1,947,902,318	476,960,093	<b>Total Expenditure as per the SoFP</b>	1,470,942,225
				<b>Less: Items not in the Statement of Budget</b>	
				Depreciation	(90,563,326)
				Provision of Salary arrears	(36,023,564)
				Students debt w/off	(49,164)
				<b>Add: Items in the Statement of Budget not in the SoFP</b>	
				Transfer to Endowment Fund	15,035,901
				Transfer to UESA Funds	6,000,000
				Transfer to bursary Fund	1,500,000
				Transfer to Alumni Association	1,974,750
				Expenditure on Property, Plant and Equipment	181,860,062
				Expenditure on Capital Projects	367,871,132
				Part-time arrears paid	24,343,220
				Library books	5,011,082
<b>Total as per the Statement of Budget</b>	<b>1,947,902,318</b>				

**c) Investment property**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

**d) Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. The depreciation is calculated on the reducing balance to write down the cost of each asset to its residual value over its estimated useful life using the following rates:

<i>Land</i>	<i>0%</i>
<i>Buildings</i>	<i>2.5%</i>
<i>Motor Vehicles</i>	<i>25%</i>
<i>Furniture &amp; Fittings</i>	<i>12.5%</i>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

<i>Computer &amp; Printers</i>	<i>30%</i>
<i>Plant &amp; Equipment</i>	<i>12.5%</i>
<i>Library books</i>	<i>20%</i>
<i>Bearer plants</i>	<i>10%</i>

**e) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite.

**f) Research and development costs**

University of Embu expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the University can demonstrate:

- i. The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii. Its intention to complete and its ability to use or sell the asset
- iii. How the asset will generate future economic benefits or service potential
- iv. The availability of resources to complete the asset
- v. The ability to measure reliably the expenditure during development

Following initial recognition of an asset, it is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

**g) Financial instruments**

**Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 Financial Instruments: are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The University determines the classification of its financial assets at initial recognition.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

**Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the University has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

### **Impairment of financial assets**

University of Embu assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- a) The debtors or entity of debtors are experiencing significant financial difficulty
- b) Default or delinquency in interest or principal payments
- c) The probability that debtors will enter bankruptcy or other financial reorganization
- d) Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The University determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

#### **h) Inventories**

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

- i. Raw materials: purchase cost using the weighted average cost method
- ii. Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

#### **i) Biological assets**

The University has various biological assets including cows, goats, pigs, bearer plants and horticultural plants.

**(i) Measurement of biological assets**

The assets are measured on initial recognition, and at each reporting date, at their fair value i.e. the price that would be earned if the assets were sold. The assets are valued by professional valuers at the end of each reporting period, using fair value method, which reflects economic and financial reality and therefore increases the value relevance of the accounting information.

The main assumption in the measurement of biological assets is that fair value can be reliably measured.

**(i) Restrictions on biological assets**

None of biological assets had any restriction during the year under review.

**(ii) Financial risk on biological assets**

Biological assets are affected by the following risks:

- a) Adverse changes in prices of products
- b) Adverse changes in prices of inputs
- c) Disease infections
- d) Hash weather conditions

**(iii) Management strategies on agricultural activities**

The University uses the following strategies to decrease cost and increase yields:

- a) Climate-resilient farming
- b) Buying inputs in large volumes to fetch fair prices.
- c) Crop rotation

**j) Provisions**

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

**k) Contingent liabilities**

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

**l) Contingent assets**

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

**m) Nature and purpose of reserves**

University of Embu maintains the following the following reserves in terms of specific requirements.

**(i) Revenue reserves**

The revenue reserve is created out of the surpluses generated by the University from its operating activities, and retained for the purpose of expanding business or to meet contingencies in the future.

**(ii) Revaluation reserves**

The revaluation reserve arose from revaluation of property plant, and equipment. When revalued property and equipment are sold, the portion of the revaluation reserve that relates to that asset, and is effectively realized, is transferred directly to the Accumulated Surplus.

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

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

**o) Employee retirement benefits**

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

**p) Foreign currency transactions**

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

**q) Borrowing costs**

University of Embu has never taken any loan from a financial institution.

**r) Related parties**

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

**s) Service concession arrangements**

University of Embu didn't have any concession arrangements with another entity or individual.

**t) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash petty cash floats given to authorized public officers/offices which had not been surrendered or accounted for at the end of the financial year.

**u) Comparative figures**

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

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

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

**Estimates and assumptions**

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

**(i) Useful lives and residual values**

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

- i. The condition of the asset based on the assessment of experts employed by the University.
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii. The nature of the processes in which the asset is deployed.
- iv. Availability of funding to replace the asset.
- v. Changes in the market in relation to the asset.

**(ii) Provisions**

Provisions were raised and the Management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Notes 27 and 32

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. University of Embu made the following three provisions, which have been include in the financial statements for the year:

**a) Provision for depreciation**

This caters for reduction in the value of an asset with the passage of time, due to wear and tear. University of Embu uses reducing balance method to depreciate its assets. The applicable rates of depreciation are given in note 4(c) of this financial statements.

**b) Provision for audit fee**

Provision for audit fee is based on the invoice for the last financial year. The actual charge for audit services will be determined after the actual audit by the Auditor General.

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**c) Provision for bursaries.**

This is a transfer to the bursaries kitty based on the amount provided in the budget. Actual expenditure is determined after the actual disbursement of bursaries.

**(iii) Subsequent events**

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

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE, 2025		
	2024/2025	2023/2024
<b>Note 6: Transfers from Ministries, Departments &amp; Agencies</b>	<b>(KES)</b>	<b>(KES)</b>
Recurrent grants from the Minisrty of Education	576,719,795	536,343,657
Students scholarships from the Universities Fund	523,756,583	221,412,980
Development grants from the Minisrty of Education	-	5,000,000
<b>Total</b>	<b>1,100,476,378</b>	<b>762,756,637</b>
<b>Note 7: Rendering of services</b>		
Tuition fees	722,592,133	558,438,915
Accomodation Fees	8,142,000	8,656,000
	<b>730,734,133</b>	<b>567,094,915</b>
Catering	24,570,378	22,247,812
<b>Total</b>	<b>755,304,511</b>	<b>589,342,727</b>
<b>Note 8: Rental revenue</b>	7,011,411	7,449,164
This revenue is generated from premises rented out primarily to University employees.		
<b>Note 9: Farm revenue</b>	16,310,655	15,627,595
This revenue is generated from sales made by the University Farm.		
<b>Note 10: Finance income</b>	32,075,521	16,974,793
This represents interest earned from short-term call deposits made periodically.		
<b>Note 11: Research income - Administrative fee</b>	4,157,351	2,868,961
The amount constitutes administration fees received from various donors under research grants, to defray the administrative costs incurred in managing the respective grants.		
<b>Note 12: Hire of Facilities</b>	3,227,679	2,316,553
This revenue was generated from the hiring of University facilities, including fields and halls.		
<b>Note 13: Graduation fee</b>	13,038,500	10,142,800
The fee is levied on the graduating class to defray the expenses associated with the graduation ceremony.		
<b>Note 14: Library Income</b>	666,568	1,154,755
The income is derived from charges levied on library users for paid services such as photocopying, overdue penalties, and document binding.		
<b>Note 15: Income generating Units</b>	747,159	1,733,151
This represents income generated from ventures that were established to supplement government funding.		

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

	2024/2025	2023/2024
<b>Note 16: Other income</b>	<b>(KES)</b>	<b>(KES)</b>
Disposal of obsolete items	69,200	-
Miscellaneous income	85,610	58,024
Conference income	-	89,015
<b>Total</b>	<b>154,810</b>	<b>147,039</b>
<b>Note 17: Employee costs</b>		
House allowance	189,408,064	156,391,645
House to office (Commuting All.)	55,981,731	47,811,003
Interns allowance	5,019,681	4,532,955
Leave Travelling	3,243,028	2,938,055
National Ind' Training Authority	352,950	320,550
NSSF-Employer	17,422,160	8,563,709
Part time teaching	60,415,616	68,342,557
Housing Levy - Employer	11,935,186	8,542,741
Pension - Employer	71,837,395	66,896,510
Responsibility allowance	47,648,447	40,819,928
Salaries and wages	494,353,152	380,913,540
<b>Total</b>	<b>957,617,410</b>	<b>786,073,193</b>
<b>Note 18: Remuneration of Council</b>		
Chancellor honoraria	1,200,000	-
Chairman's honoraria	-	522,000
Council capacity building	1,515,313	1,985,168
Council insurance	538,948	384,944
Council's emoluments	5,681,993	5,641,518
<b>Total</b>	<b>8,936,254</b>	<b>8,533,630</b>
<b>Note 19: Repairs and maintenance</b>		
Maintenance of buildings	29,275,788	11,082,341
Maintenance of equipment	8,515,823	5,545,145
Maintenance of grounds	6,702,975	5,475,162
Maintenance of Internal road	1,090,637	-
<b>Total</b>	<b>45,585,223</b>	<b>22,102,648</b>
<b>Note 20: Research expenses</b>		
Research grant expenses	19,707,758	11,627,385
<b>Total</b>	<b>19,707,758</b>	<b>11,627,385</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

	2024/2025	2023/2024
<b>Note 21: General expenses</b>	<b>(KES)</b>	<b>(KES)</b>
Advertisement and publicity	1,289,263	1,052,417
Agricultural Teaching & Research	1,953,912	1,702,020
Anti-HIV expenses and Health Ed.	453,677	87,500
Audit fees	688,000	522,000
Bad debts write-off	49,164	180,106
Bank charges	398,085	350,443
Board of Post Graduate studies	2,026,972	1,691,013
BOT Expenses	732,768	510,814
Celebration & ceremonies	5,691,928	5,465,510
Cleaning & sanitary	13,138,002	9,822,006
Cleaning materials	1,919,840	1,947,618
Conferences & seminars	721,487	535,024
Consultancy Services	98,600	288,184
Culfest	2,115,708	1,692,077
Customer Relations	314,387	78,330
Electricity	13,750,166	12,712,674
Exam Moderation and Supervision	3,525,075	2,860,165
Exam Stationery & related materials	7,721,260	5,455,759
Ex-gratia	120,000	177,348
Exhibitions	1,322,785	465,880
Farm Enterprise	10,409,554	10,563,759
Field course	1,063,209	739,572
Food stuff & kitchen supplies	38,629,720	35,302,631
Games & sports	6,415,140	4,415,690
Gas & Charcoal	1,255,995	1,333,459
Graduation expenses	2,340,438	1,443,000
Honors and Awards	13,100	12,725
ICT expenses	3,625,850	3,838,728
Income generating units	1,265,147	3,140,535
Insurance expenses	8,504,706	8,132,630
International travel expenses	3,628,088	6,360,207
Internet expenses	10,525,270	10,716,389
ISO expenses	1,231,294	861,599
Kitchenware/cutlery	421,571	668,175
Legal expenses	8,498,554	2,172,128
Library expenses	2,536,759	2,909,493
Local travel & subsistence	27,313,077	18,885,899
Management board	2,522,639	1,381,729
Marketing services	362,830	159,750
Medical expenses	36,640,531	31,551,873
Membership subscription	848,623	1,150,616
Non-pharmaceuticals	1,991,306	1,114,865
Other office expenses	10,167,017	3,253,820
Performance management	5,261,348	4,921,113
Pharmaceuticals	11,121,873	9,386,227
Postage	119,965	196,459
Printing, photocopying & publishing	1,157,206	2,181,863

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

	2024/2025	2023/2024
	(KES)	(KES)
Programme & facilities accreditation	3,500,000	3,200,000
Protective gear	382,189	139,992
CSR & Public relations	971,921	1,075,370
Quality assurance	2,923,000	41,883
Placement & services	4,840,828	7,551,000
School of Law Expenses	1,197,900	987,528
Schools and programme devt costs	1,701,571	469,704
Security	7,281,816	7,439,745
Staff training, Development & Scholarship	2,915,855	1,142,729
Staff uniform	708,347	238,500
Staff Welfare	2,529,820	2,027,450
Stationery expenses	7,906,649	7,128,763
Student welfare & mentorship	5,091,799	4,088,388
Teaching materials	6,223,405	4,374,070
Teaching Practice & Practicum	12,399,150	10,772,567
Telephone	695,316	574,850
Transport operating	15,416,848	14,716,837
TVETI Expenses	6,341,606	5,469,339
University Senate	4,960,887	4,332,885
Water & conservancy	4,641,459	7,615,996
<b>Total general expenses</b>	<b>348,532,255</b>	<b>297,779,418</b>
<b>Note 22: Other gain/(loss)</b>	<b>674,950</b>	<b>3,080,530</b>
This reflects the net change in the carrying amount of biological assets during the financial year, determined as the difference between their opening and closing values.		

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

	2024/2025	2023/2024
<b>Note 23: Cash and cash equivalents</b>	<b>(KES)</b>	<b>(KES)</b>
Current accounts	209,849,794	121,816,547
Staff Cafeteria Buy goods	-	160
Cleaning Solutions buy goods	-	45
Animal Feeds Buy Goods number 245296	-	20
Farm Buy Goods	-	51,117
<b>Total</b>	<b>209,849,794</b>	<b>121,867,890</b>
<b>Detailed analysis of cash and cash equivalents</b>		
<b>a) Current accounts</b>		
<b>Financial institution</b>		
<b>Call deposits</b>		
Absa Caution Fees A/C 2027527410	26,474,900	19,739,432
Co-op Fees - A/C 01129408325000	331,178	75,643
Equity Bank Farm A/c 0190280250779	34,445	32,074
Equity Bank Research 0190280207539	21,107,109	942,889
Equity Bank Retention 0190280207509	32,464,121	7,536,502
Equity Endowment A/C 0190279052803	76,389,085	64,301,126
Equity Fees - A/C 0190260737294	10,028	9,126,911
KCB - EURO A/c	2,243,223	1,173,124
KCB Dollar - A/C 1146975716	16,828,043	16,444,784
KCB Fees - A/C 1140846019	762,010	147,700
KCB Salary - A/C 1141890933	10,860,857	1,399,597
NBK Fees - A/C 01001081259300	886,358	752,036
NCBA Bank	21,458,436	144,730
<b>Sub- total</b>	<b>209,849,794</b>	<b>121,816,547</b>
<b>b) Others</b>		
Staff Cafeteria Buy Goods number 245292	-	160
Cleaning Solutions Buy Goods number 245299	-	45
Animal Feeds Buy Goods number 245296	-	20.00
Farm Buy Goods	-	51,117
<b>Sub- total</b>	<b>-</b>	<b>51,342</b>
<b>GRAND TOTAL</b>	<b>-</b>	<b>121,867,890</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

	2024/2025	2023/2024
<b>Note 24: Receivables from exchange transactions</b>	<b>(KES)</b>	<b>(KES)</b>
Farm income receivable	1,106,248	255,181
Fees receivable	92,020,471	68,618,568
Receivable from e-Citizen	1,989,012	296,967
	<b>95,115,731</b>	<b>69,170,723</b>
<b>Note 25: Receivables from non-exchange</b>		
Staff debtors (temporary imprests)	744,151	125,450
Staff debtors (Research imprest)	6,975,248	8,009,396
Recurrent grant receivable	-	44,695,305
<b>Total receivables from non-exchange transactions</b>	<b>7,719,399</b>	<b>52,830,151</b>
<b>Note 26: Inventories</b>		
Consumable stores	5,435,925	4,586,819
Medical supplies	3,157,405	1,872,745
Spare parts and meters	635,112	424,577
Water for distributions	103,872	59,495
Catering - Foodstuff	765,349	10,890
<b>Total</b>	<b>10,097,663</b>	<b>6,954,526</b>
<b>Detailed disclosure on inventories</b>	<b>2024/2025</b>	
	<b>(KES)</b>	
Opening balance	6,954,526	
Additional Inventory in the year	109,244,607	
Inventory expensed in the year	(106,101,470)	
Write-downs in the year	-	
<b>Closing balance</b>	<b>10,097,663</b>	

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

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

<b>Note 27 (a): Property, plant and equipment</b>										
	Land	Building	Motor Vehicle	Furniture & Fittings	Computer & hardware	Library books	Plant and Equipment	Bearer plants	Capital In Progress	TOTAL
Cost		(KES)	(KES)	(KES)	(KES)	(KES)	(KES)	(KES)	(KES)	(KES)
At at 1st July, 2023	1,800,000,000	1,130,735,845	110,549,856	107,880,189	94,282,384	72,573,056	160,327,447	3,057,370	748,433,781	4,227,839,928
Additions	-	-	-	2,485,325	7,608,398	3,199,971	27,883,054	-735,000	78,224,619	118,666,367
Revaluation	-	-	-	-	-	-	-	-	-	-
Transfers	-	72,705,844	-	-	-	-	-	-	(72,705,844)	-
At 30th June 2024	1,800,000,000	1,203,441,689	110,549,856	110,365,514	101,890,782	75,773,027	188,210,501	2,322,370	753,952,556	4,346,506,295
Transfers	-	18,537,865	-	-	-	-	-	-	(18,537,865)	-
Additions	-	-	15,198,539	12,842,472	36,260,970	5,011,082	117,389,399	-	367,871,132	554,573,594
Revaluation	-	-	-	-	-	-	-	-	-	-
As at June ,2025	1,800,000,000	1,221,979,554	125,748,395	123,207,986	138,151,752	80,784,109	305,599,900	2,322,370	1,103,285,823	4,901,079,889
Depreciation rate	0%	2.50%	25.00%	12.50%	30.00%	20.00%	12.50%	10.00%	-	-
At July 2024	-	107,821,014	91,026,201	53,875,052	82,884,215	54,801,974	77,800,224	757,127	-	468,965,806
Depreciation charge	-	27,390,517	4,880,914	7,061,308	5,701,970	4,194,211	13,801,285	156,524	-	63,186,729
At 30th June , 2024	-	135,211,531	95,907,115	60,936,359	88,586,185	58,996,184	91,601,509	913,651	-	532,152,535
Depreciation charge	-	27,169,201	7,460,320	7,783,953	14,869,670	4,357,585	26,749,799	140,872	-	88,531,400
At 30th June , 2025	-	162,380,732	103,367,435	68,720,313	103,455,855	63,353,769	118,351,308	1,054,523	-	620,683,935
Net book values										
At 30th June , 2025	1,800,000,000	1,059,598,822	22,380,960	54,487,673	34,695,897	17,430,340	187,248,592	1,267,847	1,103,285,823	4,280,395,954
As at 30th June, 2024	1,800,000,000	1,068,230,158	14,642,741	49,429,155	13,304,597	16,776,843	96,608,992	1,408,719	753,952,556	3,814,353,760
<b>Note:</b> The amount of KES 1,103,285,823 under Capital Work in Progress represents the total cost of ongoing capital projects, as detailed below:										
Tuition Block	-	KES 999,917,855								
Minor works	-	KES 121,905,833								
Total	-	KES 1,103,285,823								

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

Notes to the Financial Statements (continued)

**Valuation**

Land and buildings were revalued by Laser Property Services in 2022, in line with the National Assets and Liabilities Management Policy and Guidelines (issued on 30th June 2020). The resulting amounts were adopted by the Council in a meeting held in September 2022.

**27 (b) Property, Plant and Equipment at Cost**

If the land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

Description	Cost KES	Accumulated Depreciation KES	NBV KES
Land	1,800,000,000	Nil	1,800,000,000
Buildings	1,221,979,554	162,380,732	1,059,598,822
Motor Vehicles, Including Motorcycles	125,748,395	103,367,435	22,380,960
Furniture, And Fittings	123,207,986	68,720,313	54,487,673
Computers And Related Equipment	138,151,752	103,455,855	34,695,897
Library Books	80,784,109	63,353,769	17,430,340
Property, Plant and Equipment	305,599,900	118,351,308	187,248,592
Bearer plants	2,322,370	1,054,523	1,267,847
Capital in progress	1,103,285,823	Nil	1,103,285,823
<b>Total</b>	<b>4,901,079,889</b>	<b>620,683,935</b>	<b>4,280,395,954</b>

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

Description	Cost or valuation	Normal annual depreciation charge
Motor Vehicles, Including Motorcycles	78,804,386	19,701,097
Office Equipment, Furniture and Fittings	41,020,415	5,127,552
Computers and Related Equipment	64,282,384	19,284,715
Property, Plant and Equipment	35,798,149	4,474,769
	<b>219,905,334</b>	<b>48,588,132</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

		2024/2025	2023/2024
<b>Note 28 (i): Biological assets (current)</b>	<b>Quantities</b>	<b>(KES)</b>	<b>(KES)</b>
Arrowroots	1,250	125,000	125,000
Chicken (Broilers)	100	6,000	369,050
Ensiled Maize	100 tons	1,500,000	1,500,000
Green maize	0.375 acres	15,000	15,000
Kales	1,200	24,000.00	-
Silage maize	15 acres	900,000	800,000
Sweet potatoes	0.5 acres	30,000.00	30,000
<b>Sub-total</b>	<b>-</b>	<b>2,600,000</b>	<b>2,839,050</b>
<b>Note 28 (ii): Biological assets (Non-current)</b>			
Assorted fodders	0.5 acres	25,000	25,000
Brachiria grass	0.50	100,000	100,000
Cows	47	6,887,000	6,457,000
Lemon Grass	.05 acres	50,000	50,000
Improved Kienyeji Chicken	56	58,500	-
Turkeys	4	16,000	8,000
Goats	9	170,000	136,000
Ram/Ewe	3	55,000	15,000
Pigs		-	120,000
Bananas	930	279,000	279,000
Napier grass	8 acres	480,000	120,000
Lucern	3/4 acres	75,000	20,000
Rabbits	7	14,000	25,500
Boma Rhodes	2 acres	120,000	60,000
		<b>8,329,500</b>	<b>7,415,500</b>
<b>(iii) Bearer plants</b>			
Avocados	78	780,000	
Mangoes	141	705,000	
Macadamia	34	68,000	
Coffee stumps		769,370	
<b>Sub-total</b>		<b>2,322,370</b>	
<b>Notes:</b>			
Bearer plants are living plants used in the production of agricultural produce and are expected to yield output for more than one financial year. Bearer plants are recognized as property, plant, & equipment and are depreciated at a rate of 10% per annum.			

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

<b>Note 29: Intangible Assets - ERP System</b>				
	2024/2025	ERP work in progress	Total	2023/2024
Description	(KES)	(KES)	(KES)	(KES)
<b>Cost</b>				
At beginning of the year	13,715,500	-	13,715,500	13,715,500
Additions	-	6,681,600	6,681,600	6,681,600
<b>At end of the year</b>	<b>13,715,500</b>	<b>6,681,600</b>	<b>20,397,100</b>	<b>20,397,100</b>
Additions	-	168,682	168,682	-
<b>At end of the year</b>	<b>13,715,500</b>	<b>6,850,282</b>	<b>20,565,782</b>	<b>20,397,100</b>
<b>Amortization and impairment</b>	<b>33%</b>			
At beginning of the year	7,619,722	-	7,619,722	4,571,833
Amortization	2,031,926	-	2,031,926	3,047,889
<b>As at 30th June, 2025</b>	<b>9,651,648</b>	<b>-</b>	<b>9,651,648</b>	<b>7,619,722</b>
			-	-
As at 30th June, 2024	6,095,778	6,681,600	12,777,378	9,143,667
<b>As at 30th June, 2025</b>	<b>4,063,852</b>	<b>6,850,282</b>	<b>10,914,134</b>	<b>12,777,378</b>

	2024/2025	2023/2024
<b>Note 30: Investments</b>	(KES)	(KES)
As at the end of the financial year under review, the University did not hold any investments in treasury bills, treasury bonds, bank deposits, or equity instruments		
<b>Note 31: Trade and other payables</b>		
Trade payables - part time teaching	-	24,343,220
Trade payables - withholding/VAT	-	301,810
Provision for salary arrears	41,312,395	5,288,831
Alumni Association	9,382,740	7,407,990
Deferred research grant	43,652,229	17,247,618
Endowment Fund	66,325,625	51,289,724
Seized Performance bond	-	4,040,503
Student Union subscription - UESA	4,543,336	5,187,310
Students' clubs	-	19,060
Unclaimed deposits	4,740,703	4,363,877
Vice-Chancellors' Kitty	6,861,707	2,373,500
Vice-Chancellor's Fund	1,264,936	297,632
<b>Sub-total</b>	<b>178,083,671</b>	<b>122,161,075</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

Ageing analysis: (Trade and other payables)	2024/2025 (KES)	% of the Total	2023/2024 (KES)	% of the Total
<b>Under one year</b>				
Trade payables - Part time teaching	-	-	24,343,220	19.93
Trade payables - Withholding/VAT	-	0.00	301,810	0.25
Provison for salary arrears	41,312,395	23.20	5,288,831	4.33
Alumni Association	9,382,740	5.27	7,407,990	6.06
Deferred research grant	43,652,229	24.51	17,247,618	14.12
Endowment Fund	66,325,625	37.24	51,289,724	41.99
Seized Performannce bond	-	0.00	4,040,503	3.31
Student Union subscription - UESA	4,543,336	2.55	5,187,310	4.25
Students' clubs	-	0.00	19,060	0.02
Unclaimed fee	4,740,703	2.66	4,363,877	3.57
VC'S Kitty	6,861,707	3.85	2,373,500	1.94
Vice-Chancellor's Fund	1,264,936	0.71	297,632	0.24
	<b>178,083,671</b>	<b>100</b>	<b>122,161,075</b>	<b>100</b>

	2024/2025 (KES)	2023/2024 (KES)		
<b>Note 32: Refundable deposits and prepayments from customers</b>				
Rental deposits	1,128,788	1,121,788		
Deferred fees	56,463,381	68,838,526		
	<b>57,592,169</b>	<b>69,960,314</b>		
<b>Ageing analysis: (Refundable deposits and prepayments)</b>	<b>2024/2025 (KES)</b>	<b>% of the Total</b>	<b>2023/2024 (KES)</b>	<b>% of the Total</b>
<b>Under one year</b>				
Rental deposits	1,128,788	1.96	1,121,788	1.60
Deferred fees	-	-	-	-
1-2 years	56,463,381	98.04	68,838,526	98.40
2-3 years	-	-	-	-
Over 3 years	-	-	-	-
<b>Total</b>	<b>57,592,169</b>	<b>100</b>	<b>69,960,314</b>	<b>100</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

	2024/2025	2023/2024
<b>Note 33: Provision for audit fee</b>	(KES)	(KES)
Balance b/f	522,000	1,044,000
Add: Provision for the year	688,000	1,044,000
Less: Payments during the year	(604,844)	(1,566,000)
Balance c/f	605,156	522,000
<b>Note 34: Bursary fund</b>	8,623,035	10,698,542
This is a fund established by the University to provide bursaries to needy students.		
<b>Note 35: Caution Money</b>	31,892,131	27,838,131
These are refundable funds paid by all new students on admission, to cushion the University against any loss and/or damage to property caused by the students. The amount is refunded upon the student's clearance from the University.		
<b>Note 36: Retention money</b>	32,464,121	8,210,795
This comprises money deducted from contractor payments to cover any defects in the construction work undertaken.		
<b>Note 37: CBA Refund</b>	-	81,560,000
The amount previously appeared in our books as a refund due to the Ministry of Education. An adjustment was made, moving the amount back to the Revenue Reserve. The VC had written to the PS seeking confirmation and assistance in removing the amount from our books of accounts through a write-off. In response, the PS clarified that the debt did not exist in the Ministry's books of accounts. We were, therefore, advised to address the anomaly internally. The matter has since been resolved through an adjustment in the Revenue Reserves.		
<b>Note 38: Borrowings</b>		
The University did not undertake any borrowing during the financial year.		

<b>Note 39: Employee benefit obligations</b>					
	Defined benefit plan (KES)	Post-employment medical benefits (KES)	Other Provisions (KES)	2024/2025 (KES)	2023/2024 (KES)
Current obligation (salary arrears)	Nil	Nil	Nil	41,312,395	5,288,831
Non-current benefit obligation	Nil	Nil	Nil	Nil	Nil
<b>Total employees obligations</b>	Nil	Nil	Nil	41,312,395	5,288,831

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

	2024/2025	2023/2024
<b>Note 40: Cash generated from operations</b>	<b>(KES)</b>	<b>(KES)</b>
Surplus for the year before tax	487,481,117	241,760,778
<b>Adjusted for:</b>		
Provision for salary arrears	36,023,564	-
Gain on valuation of biological assets	(674,950)	(3,080,530)
Depreciation & amortization	90,563,326	66,234,617
Provision for audit fee	688,000	522,000
Amortized grant	(24,577,848)	(25,516,965)
	<b>102,022,092</b>	<b>38,159,122</b>
Adjusted surplus	<b>589,503,208</b>	<b>279,919,901</b>
<b>Working Capital adjustments:</b>		
Decrease/(increase) in receivables	19,165,744	(88,244,403)
(Increase)/Decrease in inventory	(3,143,137)	1,281,785
Decrease/(increase) in biological assets	239,050	(1,702,730)
Increase/(decrease) in payables	19,899,032	(135,715,301)
(Decrease)/Increase in refundable deposits	(12,368,145)	61,743,019
Audit fee paid	(604,844)	(522,000)
Increase/(decrease) in bursary fund	(2,075,507)	(164,078)
	<b>21,112,193</b>	<b>(163,323,708)</b>
<b>Net cash flow from operating activities</b>	<b>610,615,401</b>	<b>116,596,193</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

Note 41: Deferred Income				
	Development grants from the GoK	Other Grants		Total
		Equipment	Library books	
	(KES)	(KES)	(KES)	(KES)
Balance as at 1st July, 2024	1,338,511,296	4,582,658	5,536,482	1,348,630,436
Additions	-	-	-	-
Amortization for the period	(22,954,551)	(516,000)	(1,107,296)	(24,577,848)
Balance as at 30th June, 2025	1,315,556,745	4,066,658	4,429,185	1,324,052,588
Note 42: Amortization of deferred grants (Completed projects)				
Description	Buildings	Other Grants		TOTAL
		Equipment	Library books	
Cost	(Ksh)	(Ksh)	(Ksh)	(Ksh)
As at 1st July, 2024	1,037,877,045	12,013,667	33,000,000	1,082,890,712
Transfer from WIP	-	-	-	-
As at 30th June, 2025	1,037,877,045	12,013,667	33,000,000	1,082,890,712
Amortization rate	2.50%	12.50%	20%	
As at 1st July, 2023	96,151,860	7,295,949	26,079,398	129,527,207
Add: Amortization for the period	23,543,130	589,715	1,384,120	25,516,965
As at 30th June, 2024	119,694,990	7,885,664	27,463,518	155,044,172
Add: Amortization for the period	22,954,551	516,000	1,107,296	24,577,848
As at 30th June, 2025	142,649,541	8,401,664	28,570,814	179,622,020
Balance as at 30th June, 2025	895,227,504	3,612,003	4,429,186	903,268,692
Balance as at 30th June, 2024	918,182,055	4,128,003	5,536,481	927,846,540

	2024/2025	2023/2024
	(KES)	(KES)
<b>Note 43: Revaluation Reserve</b>		
Balance b/f	1,866,688,262	1,866,688,262
<b>Note 44: Revenue reserves</b>		
Balance b/f	551,939,422	310,178,644
Current/(deficit) surplus	487,481,117	241,760,778
Prior adjustment (CBA Refund)	81,560,000	-
Prior adjustment (Seized Bond)	4,040,503	-
Balance c/f	1,125,021,042	551,939,422

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

**Note 45: Contingent Liability**

The table below presents cases that were ongoing in court during the period under review and for which the University may have a contingent liability. The actual liability for each case will be determined upon conclusion and final judgment.

S/No.	Parties	Estimated contingent liability
1.	Benson Muia Mumo vs. University of Embu	Will be determined once the case is heard and finally determined.
2.	Daniel Warui Mwaura vs. University of Embu	Will be determined once the case is heard and finally determined.
3.	Daniel Mutwiri Gitonga vs. University of Embu	Will be determined once the case is heard and finally determined.
4.	Geoffrey Onala Wanyanga vs. University of Embu	Will be determined once the case is heard and finally determined.
5.	University of Embu vs Commissioner for Legal Services & Board Coordination (Kenya Revenue Authority)	Will be determined once the Tax Appeal is heard and finally determined.

(i) Benson Muia Mumo sued the University seeking compensation in a road traffic accident claim against the University.

(ii) Daniel Warui Mwaura sued the University seeking compensation in a road traffic accident claim against the University.

(iii) Daniel Mutwiri Gitonga sued the University seeking compensation in a road traffic accident claim against the University.

(iv) Geoffrey Onala Wanyanga sued the University seeking compensation in a road traffic accident claim against the University.

(v) University of Embu has appealed against an Objection decision issued by the Kenya Revenue Authority claiming an amount of KES. 39,854,709/- in taxes from the University.

**Note 46: Financial Risk management**

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

In management of risks, University of Embu Management has put in place an internal audit function to assist it in assessing risks faced by the University on an ongoing basis, and also in evaluating and testing the design and effectiveness of existing internal accounting and operational controls. The University's financial risk management objectives and policies are detailed below:

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

**(i) Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations when due, resulting to financial loss to the University. Credit risk arises from cash and cash equivalents, and deposit with banks, as well as trade and other receivables, and; available for sale financial investments.

University's credit risk is primarily attributable to its fee revenue receivable. The amount presented in the Statement of Financial Position is gross amount expected from students. No provision has been made for doubtful debts. This is mainly because the Higher Education Loans Board (HELB) has been financing majority of our student through loans, with tuition component of the loans being remitted directly to the University bank account, resulting to no bad debts. The credit risk on liquid funds with financial institutions is low, because UoEm banks its monies with reputable banks.

The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk is made up of the following:

Credit risk management				
	Fully performing (KES)	Past due (KES)	Impaired (KES)	Total ammount (KES)
<b>As at 30th June, 2024</b>				
Receivable from exchange transactions	69,170,723	-	-	69,170,723
Receivable from non -exchange transactions	52,830,151	-	-	52,830,151
Bank balances	121,867,890	-	-	121,867,890
<b>Total</b>	<b>243,868,764</b>	<b>-</b>	<b>-</b>	<b>243,868,764</b>
<b>As at 30th June, 2025</b>				
Receivable from exchange transactions	95,115,731	-	-	95,115,731
Receivable from non -exchange transactions	7,719,399	-	-	7,719,399
Bank balances	209,849,794	-	-	209,849,794
<b>Total</b>	<b>312,684,924</b>	<b>-</b>	<b>-</b>	<b>312,684,924</b>

University's fee payment policy requires payment of fees within the first three weeks of a semester. Where the student is not able to pay fee within the first three weeks of the semester, they are required to either call off the semester, or apply for phased fee payment, where fee is paid in three instalments. No student is allowed to sit for examination with a fee balance, unless with a written commitment to pay by a specified date. Consequently, students' receivables are categorized as past due. Past due amounts are those beyond the maximum established credit period and represent slow, but paying students.

**(ii) Concentration risk**

The reported receivables from fees wholly relate to balances due from the students who are unrelated, thus there is no concentration risk.

**(iii) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the University Management, which has built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding, and liquidity management requirements. University of Embu manages liquidity risk by maintaining banking facilities and through continuous forecasts and monitoring of actual cash flows. Prudent liquidity risk management includes maintaining sufficient cash to meet the University's obligations. University of Embu management reviews its cash forecasts regularly and

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

determines the University's cash requirement. However, the University as a government funded institution, faces the risk of inadequate and/or delayed funding by the National Treasury. This implies that sometimes the University operates with insufficient cash to cater for operational costs and obligations, on timely basis. The table that follows analyses the University's financial liabilities, into relevant maturity groupings, based on the remaining period at the end of the financial year to the contractual maturity. The reported balances equal their carrying amounts, as the impact of discounting is not significant.

<b>Liquidity risk management</b>				
The table below analyses the University's financial liabilities into relevant maturity groupings, as at 30th June, 2025				
	<b>Less than 1 month</b>	<b>Between 1-3 months</b>	<b>Over 3 months</b>	<b>Total</b>
<b>As at 30th June 2024</b>				
Allumni association	-	-	7,407,990	7,407,990
Caution Money	-	-	27,838,131	27,838,131
CBA refund	-	-	81,560,000	81,560,000
Deferred fee income	-	-	68,838,526	68,838,526
Deferred income	-	-	1,348,630,436	1,348,630,436
Deferred Research grants	-	-	17,247,618	17,247,618
Endowment fund	-	-	51,289,724	51,289,724
Provision for audit fees	-	-	522,000	522,000
Provision for salary arrears	-	-	5,288,831	5,288,831
Rental deposits	-	-	1,121,788	1,121,788
Retention on constructions	-	-	8,210,795	8,210,795
Seized Performance bond	-	-	4,040,503	4,040,503
Students' bursary fund	-	-	10,698,542	10,698,542
Students' clubs	-	-	19,060	19,060
Trade creditors -Withholding	301,810	-	-	301,810
UESA Subscription	-	-	5,187,310	5,187,310
Unclaimed deposit	-	-	4,363,877	4,363,877
Unpaid part-time teaching	-	-	24,343,220	24,343,220
VC's Kitty	-	-	2,373,500	2,373,500
Vice-Chancellor's Fund	-	-	297,632	297,632
	<b>301,810</b>		<b>1,669,279,483</b>	<b>1,669,581,293</b>
<b>As at 30th June 2025</b>				
Allumni association	-	-	9,382,740	9,382,740
Caution Money	-	-	31,892,131	31,892,131
Deferred fee income	-	-	56,463,381	56,463,381
Deferred income	-	-	1,324,052,588	1,324,052,588
Deferred Research grants	-	-	43,652,229	43,652,229
Endowment fund	-	-	66,325,625	66,325,625
Provision for audit fees	-	-	522,000	522,000
Provision for salary arrears	-	-	41,312,395	41,312,395
Rental deposits	-	-	1,128,788	1,128,788
Retention on constructions	-	-	32,464,121	32,464,121
Students' bursary fund	-	-	8,623,035	8,623,035
UESA Subscription	-	-	4,543,336	4,543,336
Unclaimed deposit	-	-	4,740,703	4,740,703
VC's Kitty	-	-	6,861,707	6,861,707
Vice-Chancellor's Fund	-	-	1,264,936	1,264,936
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,633,229,715</b>	<b>1,633,229,715</b>

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**(iv) Market risk**

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. Internal Audit Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies. There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

**Foreign exchange risk**

University of Embu has transactional currency exposures. Such exposures arise through purchase of goods and services that are done in foreign currencies. Invoices denominated in foreign currencies are paid within 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

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

	Other currencies		Total
	Dollars (USD)	Euros	(KES)
<b>At 30 June, 2024</b>			
Financial assets (cash)	16,828,043	2,243,223	19,071,266
Net foreign currency asset/ (liability)	Nil		Nil

**Price risk**

Embu of University does not holds quoted shares that would be subjected to price risk.

**Interest rate risk**

Interest rate risk is the risk that the University's financial condition may be adversely affected as a result of changes in interest rate levels. The interest rate risk arises from bank deposits. This exposes University of Embu to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on bank deposits.

**Management of interest rate risk**

To manage the interest rate risk, the Management has endeavored to bank with institutions that offer favourable interest rates.

**Capital risk management**

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

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

Notes to the Financial Statements (continued)

	2024/2025	2023/2024
	(KES)	(KES)
Revaluation reserve	1,866,688,262	1,866,688,262
Revenue reserves	1,125,021,041	551,939,422
<b>Total funds</b>	<b>2,991,709,303</b>	<b>2,418,627,685</b>
Total borrowings	Nil	Nil
Less: Cash and bank balances	209,849,794	121,867,890
Net debt/(excess cash and cash equivalents)	209,849,794	121,867,890
<b>Gearing</b>	<b>Nil</b>	<b>Nil</b>

**Note 47: Related party disclosures**

Entities and other parties related to the University include parties who have ability to exercise control or significant influence over University's operating and financial decisions. The following are the related parties that UoEm dealt with during the year under review:

- 1) Government of Kenya
- 2) University Chancellor
- 3) University Council
- 4) University Management

**Related party transactions**

**(i) Government of Kenya**

Transaction with the Government of Kenya

Nature of transaction	Amount in 2024/2025 (KES)	Amount in 2023/2024 (KES)
Transfer from the GoK	1,100,476,378	757,756,637
Transfer to the GoK	Nil	Nil

**(ii) University Council.**

During the year under review, the University Chancellor and the Council Chairperson, received remuneration on full-time equivalent basis. Details of their remuneration are displayed below:

S/no.	Category	Number of people	2024/2025 (KES)	2023/2024 (KES)
1.	University Chancellor	1	1,200,000	Nil
2.	University Council expenses	5	5,681,993	8,011,630
3.	Chairman - on full time equivalent	1	Nil	522,000
	<b>TOTAL</b>		<b>6,881,993</b>	<b>8,533,630</b>

**(iii) Due from related parties**

Nature of transaction	Amount in 2024/2025 (KES)	Amount in 2023/2024 (KES)
Dues from the Ministry of Education	Nil	44,695,305
Dues from staff	7,719,399	8,134,846
Dues from students	92,020,471	44,992,272

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**(iv) Dues to related party**

Nature of transaction	Amount in 2024/2025 (KES)	Amount in 2023/2024 (KES)
Staff dues	41,312,395	5,288,831
KRA – Withheld taxes	Nil	301,810

**Note 48: Segment reporting**

University of Embu does not have operations in different geographical regions. All operations are conducted in the registered office.

**Note 49: Capital commitments**

The University did not have any commitments at the end of the year under review, which were carried forward to the next financial year.

**Note 50: Ultimate and Holding entity**

UoEm is a semi-autonomous government agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

**Note 51: Currency**

The financial statements are presented in Kenya Shilling (KES).

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR'S RECOMMENDATIONS**

The Auditor-General raised the following three issues in the report for the financial year 2023/2024. The status of resolution for each issue is provided in the table below.

S/No.	Issues	Action taken	Status
1)	<p><b>Long Outstanding Liability</b></p> <p>As previously reported, the statement of financial position reflects the Collective Bargaining Agreement (CBA) refund of Kshs 81,560,000 as further disclosed in Note 39 to the financial statements. Review of records revealed that the University received an amount of KES 106,000,000 in the financial year 2012/2013 and 2013/2014 from the National Treasury for CBA implementation.</p> <p>This amount was reallocated to other votes and spent by the University. Later, the University, under the direction of the Ministry of Education refunded Kshs 24,440,000 resulting to an outstanding balance of Kshs 81,560,000 which had not been refunded as at the time of audit. The University has not shown how it planned to clear the outstanding debt.</p>	<p>The University Management followed up the matter with the Ministry of Education - State Department of Higher Education and Research to verify the obligation. However, no evidence was found on their end indicating that the University owed any money to the State Department. As a result, a prior year adjustment was made to transfer the outstanding amount to the Revenue Reserve, effectively closing the account.</p>	Resolved
2)	<p><b>Non-compliance with Law on Fiscal Responsibility on Wage Bill.</b></p> <p>The statement of financial performance, as disclosed in Note 17 to the financial statements, reflects an amount of Kshs.786,073,193 relating to employee costs. The amount represents 54.9 % of the University's total revenue of Kshs.1,431,031,139 during the year under review. This was contrary to Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which states that expenditure on the compensation of employees shall not exceed 35% of the revenue</p> <p>In the circumstances, Management was in breach of the law.</p>	<p>The University has already made significant progress towards improving its internally generated revenues, improving the ratio from 70% in FY 2021/2022 to 48.9% in FY 2024/2025</p>	Ongoing, with significant milestones achieved

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

3)	<p><b>University Operating Without a Council</b></p> <p>The statement of financial performance and as disclosed in Note 18 to the financial statements, reflects an amount of Kshs. 8,533,630 in respect to remuneration of University Council. It was noted that the Council Members who served during the first quarter of the year under review, were appointed through Gazette Notice No.9009 dated 4 November, 2020 for a term of three years which expired on 4 November, 2023.</p> <p>However, the Institution did not have substantive Governing Council for almost 3 months from 4 November, 2023 to 26 January, 2024 when new appointments were gazetted which created leadership vacuum as the new Council Members were appointed on 26 January, 2024 through Gazette Notice 596. This was contrary to Section 16(5) of the University (Amendment) Act, 2016 which states that the members of the Council appointed under Section 36(1) shall at their first meeting after appointment determine by lot which two of their members shall vacate office after a period of three and four years respectively to ensure continuity in the activities of the Council.</p> <p>In the absence of a substantive Governing Council, the University lacked proper governance and direction.</p>	<p>New members of the Council were appointed on 26th January 2024 through Gazette Notice No. 596</p>	<p>Resolved, the council was appointed</p>
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Prof. Daniel Mugendi Njiru  
VICE-CHANCELLOR

**APPENDIX II: PROJECTS IMPLEMENTED BY THE UNIVERSITY OF EMBU**

Projects implemented by the University of Embu funded by the development partners and or the Government

The only externally funded project that was undertaken by the University during the year under review is the ongoing Tuition Block. The Project is funded by the GoK, through development grants.

Project title	Project number	Donor	Period/Duration	Donor commitment	Separate reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Tuition Block	N/A	Funded by the GoK	On-going	N/A	N/A	Yes

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025

**APPENDIX III: Status of projects completion**

S/No.	Project	Total project Cost (KES)	Total expended to date (KES)	Completion % to date	Budget (KES)	Actual (KES)	Sources
1.	Tuition Block	1,168,440,166	933,633,926	94%	290,880,000	290,879,795	GoK

UNIVERSITY OF EMBU  
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE,

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/ Others	Total Amount - KES	Where Recorded/ recognized			
				Statement of Financial Performance	Capital Fund	Deferred capital grants	Receivable
Ministry of Education	13/08/2024	Recurrent	43,602,070.75	√			
	11/09/2024	Recurrent	43,602,070.70	√			
	08/10/2024	Recurrent	43,602,070.70	√			
	08/11/2024	Recurrent	42,268,737.00	√			
	05/12/2024	Recurrent	43,602,071.00	√			
	05/12/2024	Recurrent	1,333,333.00	√			
	06/01/2025	Recurrent	43,602,071.00	√			
	07/01/2025	Recurrent	43,602,071.00	√			
	10/02/2025	Recurrent	43,602,071.00	√			
	13/03/2025	Recurrent	43,602,071.00	√			
	10/04/2025	Recurrent	43,602,071.00	√			
	02/05/2025	Recurrent	43,602,071.00	√			
	12/06/2025	Recurrent	43,602,068.00	√			
	27/06/2025	Recurrent	53,494,948.00	√			
Total			576,719,795.15				

**UNIVERSITY OF EMBU**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2025**

**APPENDIX V: INTER-ENTITY CONFIRMATION LETTER**



REPUBLIC OF KENYA

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

Telephone: 254-20-3318581  
 Direct Line: 254-20-2228617  
 E-mail: [pssecretary@education.go.ke](mailto:pssecretary@education.go.ke)  
 Website: [www.education.go.ke](http://www.education.go.ke)  
 When replying please quote

Jogoo House 'B'  
 Harambee Avenue  
 P.O. Box 9583-00200  
**NAIROBI**

**Ref: MOE/SDHER/AC/GEN/09/VOL XII**

**29<sup>th</sup> July, 2025**


Vice Chancellor  
 University of Embu  
 P.O. Box 6 -60100  
**EMBU**

**CONFIRMATION OF FUNDS TRANSFER**

This is has reference to your letter Ref.No.UoEm/vc/MOEST/VOL.13/015 dated 7<sup>th</sup> July, 2025.

I wish to confirm that the following is a breakdown of the funds disbursed to Embu University during 2024/2025 Financial Year.

S/No.	Bank Statement Date	Recurrent (Ksh)
1.	13/08/2024	43,602,070.75
2.	11/09/2024	43,602,070.70
3.	08/10/2024	43,602,070.70
4.	08/11/2024	42,268,737.00
5.	05/12/2024	43,602,071.00
6.	05/12/2024	1,333,333.00
7.	06/01/2025	43,602,071.00
8.	07/01/2025	43,602,071.00
9.	10/02/2025	43,602,071.00
10.	13/03/2025	43,602,071.00
11.	10/04/2025	43,602,071.00
12.	02/05/2025	43,602,071.00
13.	12/06/2025	43,602,068.00
14.	27/06/2025	53,494,948.00
<b>Total</b>		<b>576,719,795.15</b>

  
**Margaret W. Kariuki**  
 For: **PRINCIPAL SECRETARY**





## APPENDIX VI: REPORTING OF CLIMATE RELEVANT EXPENDITURES

Project name	Project description	Project objectives	Project activities	Quarter				Sources of funds	Implementing partners
				Q1 (KES)	Q2 (KES)	Q3 (KES)	Q4 (KES)		
Tree planting	Purchase of trees	To increase the forest cover within the University and its surrounding	Purchase of tree seedlings Planting of trees	Tree planting 99,228	Nil	Nil	Tree planting 116,813	A-I-A	1) NCBA 2) Kenya Forest Service 3) Embu County Professionals Development Association (ECPDA)
Garbage management	Garbage collection and disposal	To ensure that garbage management is handled in an environmentally friendly manner.	Garbage collection and disposal	205,800	215,600	225,400	186,200	A-I-A	1) Kiambukuta General Suppliers 2) Kenya Tenri Society

**APPENDIX VII: REPORTING ON DISASTER MANAGEMENT EXPENDITURE**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-Programme	Disaster type	Category of disaster related activity that require expenditure reporting (Response/ recovery/ mitigation/ preparedness)	Expenditure item	Amount (KES)	Comments
Firefighting and safety	1) Training on basic safety fire incident command system.	Fire	Preparedness	1) Staff training and development	70,000	The University takes the risk of fire seriously, and ensures that necessary firefighting equipment are in good working condition all the time.
	2) Servicing of fire extinguishers, alarm system and purchase of fire blankets			2) Maintenance	2,122,776	
Road safety	Training for defensive driving facilitation for drivers	Road accident	Preparedness	Staff training and development	135,300	Road accidents remain a key threat to human life and property. In collaboration with the NTSA, we regularly train our students, staff, and the surrounding community on road safety as our contribution towards reducing road accidents.