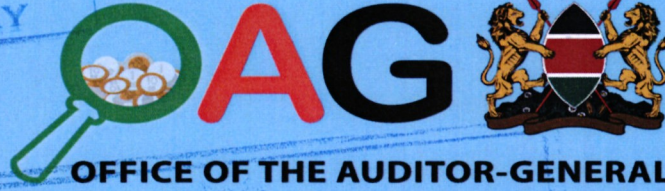


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Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPER NO. 100

DATE: 20 APR 2023 Thursday

REPORT

TABLED BY: Hon Owen Baya MP Deputy leader - majority
CLERK AT THE TABLE: Moses Lemane

OF

THE AUDITOR-GENERAL

ON

**WITNESS PROTECTION AGENCY STAFF
HOUSING MORTGAGE SCHEME FUND**

**FOR THE YEAR ENDED
30 JUNE, 2022**





OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

01 NOV 2022

RECEIVED

**WITNESS PROTECTION AGENCY STAFF HOUSING
MORTGAGE SCHEME FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2022**

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



DRAFT



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1. KEY FUND INFORMATION AND MANAGEMENT

a) Background information

The Witness Protection Agency Staff Housing Mortgage Scheme Fund is established by and derives its authority and accountability from the Car Loan and Mortgage Schemes for State Officers and other Public Officers of Government of Kenya Circular referenced SRC/ADM/CIR/1/13/Vol. III (128) dated 17th December, 2014 by the Salaries and Remuneration Commission`s and regulated by the Witness Protection Agency Staff Housing Mortgage Scheme Fund Regulations that were approved by Witness Protection Advisory Board on January 2016

The Fund is wholly owned by Witness Protection Agency and is domiciled in Kenya.

b) Principal Activity

The principal mission of the Fund is to provide mortgage for the purchase or development of property to the Witness Protection Agency members of staff.

The Fund is administered by the KCB Bank Kenya Limited. There is a Fund Administrative Committee charged with the responsibility of processing loans from applicants in accordance with the approved regulations, setting up a revolving Fund for the disbursement of loans, and supervising the day-to-day operations of the Fund.

The Committee is also responsible for the day-to-day operations with the assistance of a Secretariat.

c) Fund Administration Committee

The Witness Protection Agency operates covertly and therefore the profile of Staff Housing Mortgage Committee members and key management of the Fund could not be published.

Ref	Position	Name
1.	Chairperson	Deputy Director, Corporate Affairs
2.	Vice Chairperson	Deputy Director, Operations
3.	Member/Secretary	Principal Human Resource Officer
4.	Member	Finance Manager
5.	Member	Senior Legal Officer
6.	Member	Principal Administration Officer
7.	Member	Chief Protection Officer
8.	Officer Administering the Fund	Director/Chief Executive



Witness Protection Agency Staff Housing Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2022

d) Key Management

Ref	Position	Name
1.	Director/Chief Executive	Officer Administering the Fund
2.	Chairperson, Witness Protection Agency Staff Housing Mortgage Fund Committee	Deputy Director, Corporate Affairs
3.	Fund Accountant	Accountant II

e) Fiduciary Oversight Arrangements

Ref	Position	Name
1	Fund Administrator	Administrator of the Fund
2	Fund Committee	Staff Housing Mortgage Committee

Human Resources who report administrative to the Officer Administering the Fund and function to the Fund Administration Committee. All deliberations of the Secretariat are subject to the Approval by the Fund Administration Committee which reports to the Officer Administering the Fund. Loan applications are submitted to the Secretariat, which carries out the preliminary evaluation as to the documentations and the statutory 1/3 basic salary rules. These are subsequently passed to the Fund Administration Committee for review and approval. Once approved by the Fund Administration Committee, the Officer Administering the Fund submits the same to the bank for further processing in line with the Fund regulations and the bank mortgage requirements. The Fund Administration Committee meets at least quarterly to review the financial status of the Fund and the loans applications by the Staff.

f) Registered Offices

Milimani Law Court Building
Room 413
P.O. Box 28801-00101
Nairobi, KENYA

g) Fund Contacts

Telephone: (254) (020) 7121337/8, 0770909207,
Hotline: (254)0711222441, 0725222442
E-mail: info@wpa.go.ke
Website: www.wpa.go.ke



h) Fund Bankers

KCB Bank Kenya Limited
On Call Deposit Account
A/C No. 1291202056
Nairobi High Court Branch
P.O. Box 48400 - 00100
Nairobi, Kenya

i) Independent Auditors

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

j) Principal Legal Adviser

The Attorney General
Office of the Attorney General and Department of Justice
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya



2. FUND ADMINISTRATION COMMITTEE

The Witness Protection Agency operates covertly and therefore the profiles of Staff Housing Mortgage Fund Administration Committee members and key management of the Fund could not be published.

Ref	Position	Name
1.	Chairperson	Deputy Director, Corporate Affairs
2.	Vice Chairperson	Deputy Director, Operations
3.	Member/Secretary	Principal Human Resource Officer
4.	Member	Finance Manager
5.	Member	Senior Legal Officer
6.	Member	Principal Administration Officer
7.	Member	Chief Protection Officer
8.	Officer Administering the Fund	Director/Chief Executive



3. MANAGEMENT TEAM

Name	Details of qualifications and experience
Officer Administering the Fund	Director/Chief Executive
Chairperson Fund Committee	Deputy Director, Corporate Affairs



4. CHAIRPERSON'S REPORT

The Witness Protection Agency Staff Housing Mortgage Scheme Fund allocation for FY2021/2022 of Kshs.6,000,000 was banked in KCB Bank Kenya Limited. The Fund had not been operationalized by the closure of the year since the applications received had not been fully approved due to the long process involved. The Scheme funds therefore remained unutilized by the closure of the year.

The Witness Protection Agency Staff Housing Mortgage Scheme Fund was officially rolled out to the staff in 13th June 2022. The process of procuring a financial institution to manage the Fund took long due to the covert nature of the Agency. The Committee shall commence disbursement of the funds in FY2022/2023.

The Committee thanks the National Treasury and Witness Protection Agency management for the initial seed capital and hopes that further allocations will be done annually to boost the amount allowing more staff to benefit from the Fund.

FCPA K. A. Tanui

CHAIRPERSON, FUND COMMITTEE



5. REPORT OF THE OFFICER ADMINISTERING THE FUND

The Witness Protection Agency Housing Mortgage Scheme Fund is yet to be operationalized and therefore the Fund finances for the financial year 2021/2022 remain unutilized. This was occasioned by the long process of procuring an external financial institution to manage the Fund owing to the Agency's internal capacity and covert nature.

It is, however to be noted that most of the records are kept by KCB Bank Kenya Limited, the Fund's Administrator, whose duties are as here under stated:

- i. Operate individual accounts for each borrower and provide details of recoveries of the loan;
- ii. Charge security on properties acquired through loans from the fund to protect the interests of the Fund and act as a custodian of such charges;
- iii. Disburse cheques or transfer funds for newly approved loans to borrowers after the necessary documentation is completed by the Committee;
- iv. Pay all outgoing and issue demand notices to defaulting borrowers through the Officer Administering the Fund;
- v. Upon repayment of the loan, interest and other expenses which may be outstanding, discharge the charge and release the security documents to the borrowers; and
- vi. Perform such other duties as may be assigned to it from time to time by the Committee.

I wish to thank the Witness Protection Agency Staff Housing Mortgage Scheme Fund Committee members for their dedication and commitment in the setting up of the Fund and obtaining all the necessary approvals to operationalize it. It is my hope that the Fund will not only motivate the staff but also enhance their right to affordable housing as stipulated in Article 43 of the Constitution of Kenya, 2010. This will allow the Agency in the staff retention strategy.

Jedidah W. Waruhiu

OFFICER ADMINISTERING THE FUND



6. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

The object and purpose for which the Fund is established is to provide a loan scheme for the purchase or development of residential property by members of the Scheme. This is meant to enable members live in decent housing as they serve the Government in their various capacities.

It was expected that the mortgage loans advanced to members would enhance staff morale and prevent staff attrition.

The Fund Committee had projected to utilize the Kshs.6,000,000 available for borrowing to advance at least one member a mortgage loan. However, by closure of the year, the amount remained unutilized due to the long procurement and operationalization process of the Scheme. It is projected that the amount will be advanced to members in the first quarter of the financial year 2022/2023.



7. CORPORATE GOVERNANCE STATEMENT

Witness Protection Agency Staff Housing Mortgage Fund Committee members are appointed by The Officer Administering the Fund. The operation of the Fund is managed by Witness Protection Agency Staff Housing Mortgage Fund Committee within the Agency.

Witness Protection Agency Staff Housing Mortgage Fund Committee consists of the following;

- (a) Deputy Director Corporate Affairs as the Chairperson;
- (b) Deputy Director Operations as Vice Chairperson;
- (c) Finance Manager (Member);
- (d) Administration Manager (Member);
- (e) Chief Legal Officer (Member);
- (f) Chief Protection Officer (Member); and
- (g) Human Resource Manager as Member /Secretary.

The Functions of the Fund Committee are as stated under;

- a) Approve applications for loans in accordance with existing terms and conditions of borrowing;
- b) Ensure the Regulations and Guidelines of the Fund are adhered to;
- c) Oversee the effective management of the Fund;
- d) Propose amendments to the Regulations and Guidelines as deemed necessary; and
- e) Such other duty as may be directed by the Cabinet Secretary for the purpose of the proper management of the Fund.

The Committee is required to meet at least four times in a year and the quorum for a meeting of the Committee is the Chairperson and three other members.

The Officer Administering the Fund utilizes the interest accruing from the Fund to defray operating expenses of the Fund.



8. MANAGEMENT DISCUSSION AND ANALYSIS

The Witness Protection Agency Staff Housing Mortgage Scheme Fund allocation for FY2021/2022 of Kshs.6,000,000 was banked in KCB Bank Kenya Limited. The Fund had not been operationalized by the closure of the year as the few applications received had not been processed due to the long approval and operationalization process. The Scheme funds therefore remained unutilized by the closure of the year

The Scheme Fund's records and the books of accounts have been properly maintained as per Section 84 (1) of Public Finance Management Act, 2012 and Section 19 of the Fund's Regulations.



9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Fund had not been operationalized during the year under review.



10. REPORT OF THE FUND COMMITTEE

The Committee submit their report together with the audited Financial Statements for the year ended June 30, 2022, which show the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to provide mortgage for the purchase or development of property to Witness Protection Agency's members of staff.

Performance

The performance of the Fund for the year ended June 30, 2022, is set out on pages 1 to 5.

Committee

The members of the Committee who served during the year are shown on page (iii) and (iv).

Auditors

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

By Order of the Fund Committee

FCPA K. A. Tanui
CHAIRPERSON FUND COMMITTEE



11. STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

Section 84 (1) of the Public Finance Management Act, 2012 and Section 19 of the Witness Protection Agency Staff Housing Mortgage Fund Regulations of January, 2016, require that the Administrator of the Witness Protection Agency Staff Housing Mortgage Fund established by the Salaries and Remuneration Commission's circular on 'Car Loan and Mortgage Scheme for State Officers and other Public Officers of Government of Kenya' dated 17th December, 2014, shall prepare Financial Statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board at the end of each financial year.

The Administrator of the Fund is responsible for the preparation and presentation of the Fund's Financial Statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on 30th June, 2022. This responsibility includes maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, and maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the fund. It further includes 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, safeguarding the assets of the fund, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Administrator of the Fund accepts responsibility for the Fund'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 in accordance with the Salaries and Remuneration Commission Circular dated 17th December, 2014. The Administrator of the Fund is of the opinion that the Fund's Financial Statements give a true and fair view of the state of Fund's transactions during the financial year ended 30th June, 2022, and of the Fund's financial position as at that date.

The Administrator of the Fund further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's Financial Statements as well as the adequacy of the systems of internal financial control.

In preparing the Financial Statements, the Administrator of the Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the Financial Statements.

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

Approval of the Financial Statements



Witness Protection Agency Staff Housing Mortgage Scheme Fund
Annual Report and Financial Statements for the year ended 30th June 2022

The Fund's Financial Statements were approved by the Fund Committee on 28.10.2022 and signed on its behalf by:

FCPA K. A. Tanui
CHAIRPERSON, FUND COMMITTEE

Jedidah W. Waruhiu
OFFICER ADMINISTERING THE FUND

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON WITNESS PROTECTION AGENCY STAFF HOUSING MORTGAGE SCHEME FUND FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided under 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 the Witness Protection Agency Staff Housing Mortgage Scheme Fund as set out on pages 1 to 16, which comprise the

Report of the Auditor-General on Witness Protection Agency Staff Housing Mortgage Scheme Fund for the year ended 30 June, 2022

statement of financial position as at 30 June, 2022, 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 the Witness Protection Agency Staff Housing Mortgage Scheme Fund as at 30 June, 2022, 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 Public Finance Management Act, 2012 and Witness Protection Agency Staff Housing Mortgage Scheme Fund Regulations, 2016.

Basis for Opinion

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

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Fund or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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


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

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

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

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

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


 CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

05 December, 2022



13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2022.

Description	Note	2021/2022	2020/2021
		Kshs.	Kshs.
Revenue from exchange transactions			
Interest Income	6	143,776	-
Total revenue		143,776	-
Expenses			
Use of Goods and Services	7	368,000	-
Total expenses		368,000	-
Deficit before Tax		(224,224)	-
Taxation	8	(21,566)	-
Deficit after Tax		(245,790)	-

The notes set out on pages 6 to 15 form an integral part of these Financial Statements.

The Financial Statements were approved by the Witness Protection Agency Staff Housing Mortgage Fund Committee and signed by:

Jedidah W. Waruhiu
OFFICER ADMINISTERING
FUND THE FUND

CPA Caroline M. Nzyoki
FUND ACCOUNTANT
ICPAK NO: 25860

FCPA K. A. Tanui
CHAIRPERSON
FUND COMMITTEE

Date: 28.10.2022.....

Date: 28/10/2022.....

Date: 28/10.2022.....

14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

Description	Note	2021/2022 Kshs.	2020/2021 Kshs.
Assets			
Current assets			
Cash and cash equivalents	9	6,000,000	-
Receivables from exchange transactions	10	143,776	-
Total Current Assets		6,143,776	-
Total assets		6,143,776	-
Liabilities			
Current Liabilities			
Trade and other payables	11	389,566	-
Total Current liabilities		389,566	-
Total liabilities		389,566	-
Net assets		5,754,210	-
Mortgage revolving fund		6,000,000	-
Accumulated Deficit		(245,790)	-
Total net assets and liabilities		6,143,776	-

The accounting policies and explanatory notes to these Financial Statements form an integral part of the Financial Statements.

The Fund Financial Statements were approved by Witness Protection Agency Staff Housing Mortgage Fund Committee and signed by:



Jedidah W. Waruhiu
OFFICER ADMINISTERING
THE FUND



CPA Caroline M. Nzyoki
FUND ACCOUNTANT
ICPAK NO: 25860



FCPA K. A. Tanui
CHAIRPERSON
FUND COMMITTEE

Date: 28.10.2022.....

Date: 28.10.2022.....

Date: 28.10.2022.....

15. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2022

Description	Mortgage Fund	Accumulated Deficit	Total
	Kshs.	Kshs.	Kshs.
As at 1 July 2020	-	-	-
Surplus for the period	-	-	-
Funds received during the year	-	-	-
Transfers	-	-	-
As at 30 June 2021	-	-	-
Balance as at 1 July 2021	-	-	-
Deficit for the period	-	(245,790)	(245,790)
Funds received during the year	6,000,000	-	6,000,000
As at 30 June 2022	6,000,000	(245,790)	5,754,210

The Financial Statements set out on page 1 to 5 were signed on behalf of Witness Protection Agency Staff Housing Mortgage Fund Committee by;



Jedidah W. Waruhiu
OFFICER ADMINISTERING
THE FUND

Date: 28.10.2022



CPA Caroline M. Nzyoki
FUND ACCOUNTANT
ICPAK NO: 25860

Date: 28.10.2022



FCPA K. A. Tanui
CHAIRPERSON
FUND COMMITTEE

Date: 28.10.2022

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

Description	Note	2021/2022 Kshs.	2020/2021 Kshs.
Cash flows from operating activities			
Receipts			
Interest received		-	-
Total receipts		-	-
Payments		-	-
Total payments		-	-
Net cash flow from operating activities		-	-
Cash flows from investing activities			
Proceeds from loan principal repayments		-	-
Loan disbursements paid out		-	-
Net cash flows used in investing activities		-	-
Cash flows from financing activities			
Receipts into the mortgage revolving fund		6,000,000	-
Net cash flows from financing activities		6,000,000	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 July 2021		-	-
Cash and cash equivalents at 30 June 2022	9	6,000,000	-

The Financial Statements set out on page 1 to 5 were signed on behalf of Witness Protection Agency Staff Housing Mortgage Fund Committee by;



Jedidah W. Waruhiu
OFFICER ADMINISTERING
THE FUND



CPA Caroline M. Nzyoki
FUND ACCOUNTANT
ICPAK NO: 25860



FCPA K. A. Tanui
CHAIRPERSON
FUND COMMITTEE

Date: 28.10.2022

Date: 28.10.2022

Date: 28.10.2022





17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 30TH JUNE 2022

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization	Notes
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.		
	A	b	C=(a+b)	D	e=(c-d)	F=d/c	
Revenue							
Interest Income	528,361	-	528,361	143,776	384,585	27%	
Total Revenue	528,361	-	528,361	143,776	384,585	27%	(i)
Expenses							
Use of goods and services	441,870	-	441,870	368,000	73,870	83%	(ii)
Taxation	48,300	-	48,300	21,566	26,734	45%	(iii)
Expenditure	490,170	-	490,170	389,566	100,604	79%	
Surplus/(Deficit) for the period	38,191	-	38,191	(245,790)	283,981	644%	(iv)
Capital Expenditure	-	-	-	-	-	0%	

Budget notes

- (i) Interest Income was for half year from December 2021 when funds were transferred to KCB Bank Ltd to June 2022
- (ii) Use of goods and services were lower as No interest was paid to the Fund Manager as the process of procuring a financial institution to manage the fund took long due to the covert nature of the Agency.
- (iii) Taxation amount budgeted was for 12 months but it reduced because the capital of Kshs.6,000,000 was received and deposited to the KCB Bank Ltd in December 2021 and earned a gross interest income of Kshs.143,776 (Shillings One Hundred Forty-Three Thousand Seven Hundred Seventy-Six Only) from December 2021 to June 2022.
- (iv) The deficit was reported because the Fund had not been operationized by the end of the Financial Year


Jedidah W. Waruhiu
OFFICER ADMINISTERING
THE FUND


CPA Caroline M. Nzyoki
FUND ACCOUNTANT
ICPAK NO: 25860


FCPA K. A. Tanui
CHAIRPERSON
FUND COMMITTEE



18. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Witness Protection Agency Staff Housing Mortgage Fund is established by and derives its authority and accountability from the State Officers and other public officers of the Government of Kenya circular dated 17th December, 2014 by the SRC's circular and regulated by Witness Protection Agency and derives its authority and accountability Witness Protection Agency Staff Motor Housing Mortgage Fund Regulations that were approved by Witness Protection Advisory Board on January 2018. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. The Fund's principal activity is to provide mortgage for the purchase or development of property to Witness Protection Agency members of staff.

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 Fund's accounting policies.

The Financial Statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Witness Protection Agency Staff Housing Mortgage Scheme Fund.

The Financial Statements have been prepared in accordance with the PFM Act, and 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 2022

IPSASB deferred the application date of standards from 1st January 2022 owing to Covid 19. This was done to provide entities with time to effectively apply the standards. The deferral was set for 1st January 2023.

ii. Early adoption of standards

The Fund did not early – adopt any new or amended standards in the year 2021/22.



4. Significant Accounting Policies

a. Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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 Fund and can be measured reliably.

ii) Revenue from exchange transactions

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 for each period.

b. Budget information

The original budget for FY 2021/22 was approved on 23/08/2022. No Subsequent revisions or additional appropriations were made to the approved.

The Fund's budget is prepared on a different basis from 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.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts as per the statement of financial performance has been presented under section 14 of these Financial Statements.



Financial instruments

1) Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments; Recognition and Measurement 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 Fund 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.

2) 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 Fund 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.

c. Contingent liabilities

The Fund 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.

d. Contingent assets

The Fund 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 Fund 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.



e. **Changes in accounting policies and estimates**

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

f. **Related parties**

The Fund regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the Fund, or vice versa. Members of key management are regarded as related parties and comprise the Directors/ Trustee, the Fund Managers, and Fund Accountant.

g. **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 and at KCB Bank Limited at the end of the financial year.

h. **Comparative figures**

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

i. **Events after the reporting period**

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

j. **Ultimate and Holding Fund**

The Fund is established under Section 24 (4) PFM Act under the Witness Protection Agency. Its ultimate parent is the Government of Kenya.

k. **Currency**

The Financial Statements are presented in Kenya Shillings (Kshs.)

5. **Transfers from Witness Protection Agency**

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Transfers from Witness Protection Agency	6,000,000	-
Total	6,000,000	-



6. Interest income

Description	2021/2022	2020/2021
	Kshs.	Kshs.
On Call Deposit Account	143,776	-
Housing Mortgage Interest (4%)	-	-
Total Interest Income	143,776	-

The capital of Kshs.6,000,000 was received and deposited to the KCB Bank Ltd in December 2021 and earned a gross interest income of Kshs.143,776 (Shillings One Hundred Forty Three Thousand Seven Hundred Seventy Six Only) from December 2021 to June 2022.

No Housing Mortgage interest was earned during the period since the process of procuring a financial institution to manage the fund was still in progress.

7. Use of Goods and Service

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Committee Allowance	289,000	-
Secretariat Allowance	79,000	-
Total	368,000	-

Witness Protection Agency Housing Mortgage Scheme had not been operational in the FY2021/2022 as the process of procuring a financial institution to manage the fund took long due to the covert nature of the Agency, hence only expenses reported were for the allowances for committee and secretariat amounting to Kshs.368,000 (Shillings Three Hundred Sixty-Eight Thousand) that will be paid in arrears in the FY2022/23.

8. Taxation

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Tax Charged on Interest Income	21,566	-
Income Tax expense	21,566	-.

The tax charged is the withholding Tax on the Interest Income at the applicable rate of 15%



9. Cash and cash equivalents

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Mortgage Account	6,000,000	-
Total Cash and Cash equivalents	6,000,000	-

9 a) Detailed analysis of the cash and cash equivalents in banks approved by National Treasury in line with Section 28 of the PFM Act are as follows:

Financial Institution	Account number	2021/2022	2020/2021
		Kshs.	Kshs.
Mortgage Fund			
KCB Bank Ltd Account	1291202056	6,000,000	-
Grand Total		6,000,000	-

10. Receivables from exchange transactions

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Current Receivables		
Interest Receivable	143,776	-
Total Current Receivables	143,776	-
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	143,776	-

The Fund received gross interest income of Kshs.143,776 (Shillings One Hundred Forty-Three Thousand Seven Hundred Seventy-Six Only) from December 2021 to June 2022

11. Trade and other payables

Description	2021/2022	2020/2021
	Kshs	Kshs
Committee Allowance	289,000	-
Secretariat Allowance	79,000	-
Taxation	21,566	-
Total trade and other payables	389,566	-

The committee held ten committee and secretariat meetings during FY2021/22 but their allowance of Kshs.368,000 (Shillings Three Hundred Sixty Eight Thousand) was not paid thus it will be paid in arrears in the FY2022/23.



The tax payable is the withholding Tax on the Interest Income at the applicable rate of 15%

12. Financial risk management

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

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Fund's management based on prior experience and their assessment of the current economic environment.

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



Description	Total amount Kshs.	Fully performing Kshs.	Past due Kshs.	Impaired Kshs.
At 30 June 2022				
Receivables From Exchange Transactions mortgages	143,776	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	6,000,000	-	-	-
Total	6,143,776	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions- mortgages	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the Fund's short, medium, and long-term funding and liquidity management requirements. The Fund manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the Fund under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed

c) Interest rate risk

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

Management of interest rate risk

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



Capital risk management

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

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Revolving fund	6,000,000	-
Accumulated Deficit	(245,790)	-
Total funds	5,754,210	-
Less: cash and bank balances	(6,000,000)	-
Net debt/(excess cash and cash equivalents)	(245,790)	-
Gearing	4.1%	0%

13. Related party balances

a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities:

- a) National government Fund
- b) Key management; and
- c) Fund Committee

b) Related party transactions

i. Transfers from related parties

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Transfers from Witness Protection Agency	6,000,000	-

ii. Key management remuneration

Description	2021/2022	2020/2021
	Kshs.	Kshs.
Fund Committee	290,000	-
Key Management Compensation	78,000	-
Total	368,000	-

Key management remuneration of Kshs.368,000 (Shillings Three Hundred Sixty Eight Thousand) was not paid as Witness Protection Agency Housing Mortgage Scheme



Fund had not been operational in the FY2021/2022 as the process of procuring a financial institution to manage the fund took long due to the covert nature of the Agency. Thus it will be paid in arrears in the FY2022/23.

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19. ANNEXES

Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

This being the first year for the mortgage operations, there are no Prior Year Auditor's Recommendations

Jedidah W. Waruhiu
OFFICER ADMINISTERING THE FUND

Date... 28.10.2022





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REPUBLIC OF KENYA



Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PARLIAMENTARY COMMISSION

DATE: 20 APR 2023 Thursday

TABLED BY: Hon Owen Baya, MP
Deputy Leader-Majority
Moses Lemura

THE AUDITOR-GENERAL

ON

**AFRIC CENTRE OF EXCELLENCE (ACE II) IN
PHTOCHEMICALS, TEXTILES AND
RENEWABLE ENERGY (PTRE) PROJECT
(IDA CREDIT NO.5798-KE)**

**FOR THE YEAR ENDED
30 JUNE, 2022**

MOI UNIVERSITY



PROJECT NAME: AFRICA CENTRE OF EXCELLENCE (ACEII) PTRE PROJECT

IMPLEMENTING ENTITY: MOI UNIVERSITY

PROJECT GRANT/CREDIT NUMBER: IDA CREDIT 5798-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

*Moi University, African Centre of Excellency (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2022*

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name

The project's official name is the Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project

Objective

The key objective of the project is to advance technology development and innovation in Phytochemicals, Textiles and Renewable Energy through delivery of quality post graduate training and collaborative research in regional priority areas.

Address

The project headquarters office is in Eldoret, Uasin Gishu County, Kenya.
The address of its registered office is:

Moi University

Margaret Thatcher Library, Main Campus
P.O Box 3900 – 30100

Eldoret

Contacts: The following are the project contacts:

Telephone: (+254) 736 138770, 771 336911

E-mail: info@mu.ac.ke, muptreaceii@gmail.com

Website: www.mu.ac.ke

Project information and overall performance (continued)

1.2 Project Information

Project Start Date:	The project start date is 1 July 2017
Project End Date:	The project end date is 30 June 2023
Project Leader:	The project manager is Sir. Prof Ambrose Kiprop
Project Sponsor:	The project sponsor is The World Bank

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Education.
Project number	P151847
Strategic goals of the project	<p>The strategic goals of the project are as follows:</p> <ol style="list-style-type: none"> i. To strengthen education capacity excellence in terms of quality of postgraduate training ii. To strengthen research capacity excellence and outreach service in phytochemicals, textiles and renewable energy iii. To strengthen innovation and technology development in the industrial and manufacturing sectors iv. To strengthen sustainability of research and training through enhancement of facilities
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ol style="list-style-type: none"> i. Admitting and training PhD and MSc students in areas of manufacturing involving Analytical Chemistry, Textile, Industrial Engineering and Renewable Energy. ii. Enhancing learning environment by improving teaching, research facilities and ICT upgrading. iii. Re-tooling faculty on curriculum delivery and supervision. iv. Improving industrial and private sector linkage with stakeholders to offer more internship places for students. v. Offering extension and outreach services to the community. vi. Holding annual meetings with partners to discuss project progress and evaluation. vii) Undertaking joint publications with partners.

	<p>viii) Organizing student and staff exchange activities.</p> <p>ix) Embracing use of visiting members of faculty who are based in the diaspora and other adjunct professors.</p>
Other important background information of the project	<p>The manufacturing sector is envisaged under Kenya Vision 2030 as a key driver to economic growth with an annual growth rate of 10% projected. To make Kenya a dynamic industrial nation by year 2030, a high number of diversified skilled personnel in science, technology, engineering and mathematics (STEM) are necessary. As industrialization advances, the energy demand is expected to rise correspondingly, requiring better energy management with new technologies in energy generation and distribution. Sustainable industrialization requires highly skilled workforce capable of introducing novel manufacturing technologies and energy alternatives for sustainable development. The Centre is attempting to address the need in manufacturing technologies for textile, phytochemicals and renewable energy in the country.</p>
Current situation that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ol style="list-style-type: none"> i. The need to make Kenya a dynamic industrial nation by the year 2030 through adoption of the state-of-the-art technology that is both efficient and environmentally friendly. ii. The need of a competitive manufacturing sector capable of restructuring key local industries that use local raw materials. This will enable the sector to exploit opportunities in value addition to local produce. Of concern being the local textile industry whose revitalization is a focal point in the strategies of the government of Kenya as it strives to realize Vision 2030. iii. The production of synthetic dyes currently used in Kenya is dependent on petrochemical source; most of which usually contains toxic or carcinogenic amines that are not eco-friendly.
Project duration	<p>The project started on 1st July 2017 and is expected to run until 30 June 2023</p>

Project Information and Overall Performance (Continued)

1.4 Bankers

The following are the bankers for the current year:

Kenya Commercial Bank
P. O Box 560 -30100
ELDORET

1.5 Auditors

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

1.6 Roles and Responsibilities

The key people working in the Project are listed below:

Names	Title designation	Key qualification	Responsibilities
Sir. Prof. Ambrose Kiprop	Centre Leader	Ph.D.	Centre Leader
Dr. Rose Ramkat	Deputy Centre Leader	Ph.D.	Deputy Centre Leader
Prof. Simeon Mining	Director – Research	Ph.D.	Coordinator – IP&QA
Dr. Sarah Chepkwony	Coordinator	Ph.D.	Phytochemicals
Dr. Korir K. Kiptiemoi	Coordinator	Ph.D.	Renewable Energy
Dr. Fredrick Nyamwala	Coordinator	Ph.D.	M&E, Ph.D./MSc. Prog
Prof. Charles Nzila	Coordinator	Ph.D.	Seminars and conferences
Dr. Arimi M' Arimi	Coordinator	Ph.D.	Environmental Safeguards
Dr. David Njuguna	Coordinator	Ph.D.	Textile and Ind. Engineering
Dr. Lynn Kitembe	Coordinator	Ph.D.	Social Safeguards Coordinator
Dr. Jacqueline Makatiani	Coordinator	Ph.D.	Short courses and linkages
Dr. Edwin Kimiti	Coordinator	Ph.D.	Commercialization
Ms. Naomi Nkonge	Center Administrator	Masters	General administration
Mr. Julius Cheboriot	Accountant	BBM – Finance CPA(K)	Financial Services

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Mr. Alfred Wandera	Communications Officer	MBA Strategic Communication	Communication
Mr. Edward Nyenze	Procurement Officer	BBM (Purchasing and Supplies)	Procurement Services
Ms. Jayne Njenga	Secretary	BHRM (Human Resource)	Secretariat Services
Ms. Carren Rono	Clerk	BHRM (Human Resource)	Clerical services
Ms. Ester Maritim	Office Assistant	Certificate	Office Assistant
Mr. Moses Chirchir	Driver	Certificate	Driver

1.7 Funding summary

The Project is for duration of 5 years from 2017 to 2023 with an approved budget of US\$ 6,000,000 equivalent to Kshs 600,000,000 as highlighted in the table below:

Project information and overall performance (continued)

During the financial period to 30 June 2022, we received grants from donors as detailed in the table below:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2022)		Undrawn balance to date	
	Donor currency USD (A)	Kshs (A')	Donor currency Kshs (B)	Kshs (B')	Donor currency USD (A)-(B)	Kshs (A')-(B')
(i) Grant						
World Bank/Ministry of Education	6,000,000	600,000,000	5,409,127	558,492,332	590,873	41,507,668
(ii) Attracted Funds						
African Development Bank	-	-	-	38,598,850	-	-
Consulting LGI	-	-	-	1,176,218	-	-
EFPL-Switzerland	-	-	-	1,346,214	-	-
European Commission	-	-	-	45,291,150	-	-
Energy Saving Trust (Tea Lp Project)	-	-	-	289,818	-	-
German International Devp't Agency	-	-	-	851,323	-	-
Glasgow University	-	-	-	1,217,541	-	-
Helmholtz-Zentr Helmh	-	-	-	2,224,495	-	-
Hochschule Ma	-	-	-	329,574	-	-

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Source of funds	Donor Commitment-		Amount received to date – (30 June 2022)		Undrawn balance to date	
	Donor currency USD	Kshs	Donor currency Kshs	Kshs	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Mekelle University Research Fund-Spreer Project	-	-	-	10,717,123	-	-
Nemedussa Project (Felix Langat)	-	-	-	16,880	-	-
Stallenbosch Un C O Unive	-	-	-	383,880	-	-
United Nations	-	-	-	5,332,081	-	-
University of Cape Town	-	-	-	9,635,323	-	-
University Of Bremen	-	-	-	542,525	-	-
University of E. University	-	-	-	4,552,558	-	-
DAAD	-	-	-	106,388	-	-
E. Menach	-	-	-	40,000	-	-
GIZ - Nairobi Office	-	-	-	610,957	-	-
Inter University Council	-	-	-	31,665,280	-	-
KALRO	-	-	-	2,706,945	-	-

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Source of funds	Donor Commitment-		Amount received to date – (30 June 2022)		Undrawn balance to date	
	Donor currency USD	Kshs	Donor currency Kshs	Kshs	Donor currency USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Kenya Education, Kenya	-	-	-	1,500,000	-	-
Kenya Space Agency	-	-	-	1,000,000	-	-
Moi University Asali A/C	-	-	-	17,688,000	-	-
(iii) Internally Generated Funds						
Students' Application & Accommodation, fees	-	-	-	1,334,974	-	-
Hire of project Facilities	-	-	-	342,960	-	-
Short Courses and Conferences	-	-	-	521,594	-	-
Investment income	-	-	-	1,695,342	-	-
Total	6,000,000	600,000,000	5,409,127	740,210,324	590,873	41,507,668

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Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2022)		Cumulative amount paid to date – (30 th June 2022)	Unutilised balance to date (30 th June 2022)	
	Donor currency (A)	Kshs (A')		Donor currency (A)-(B)	Kshs (A')-(B')
Grant					
Government/Donor Funds	-	558,492,332	363,717,927	-	194,774,405
Proceeds from domestic & Foreign Grants	-	177,823,121	117,799,901	-	60,023,220
Other Receipts		3,894,870	-	-	3,894,870
Total	-	740,210,324	481,517,828	-	258,692,495

Project information and overall performance (continued)

1.8 Summary of Overall Project Performance:

i. Budget performance against actual amounts for current year and for cumulative to-date

During the year under review, the project recorded a budget utilization level of 37% and 65% cumulative performance to date. The project is experiencing relative stability from the effects COVID-19 pandemic which had negatively affected the operations of the University at large. To date the project has received more than Kshs. 558Million from the GoK/World Bank support and other donor attracted funds of Kshs. 178Million against cumulative expenditures of Kshs. 482Million.

In the year under review, the project budgeted for Kshs. 338,676,806 out of which Kshs. 124,306,288 was utilized.

ii. Physical progress based on outputs, outcomes, and impacts since project commencement

Since the inception of the project, there have been a number of successes and has had positive impacts both to the hosting institution and the surrounding communities. Some of the benefits are listed here below:

- a) The project has improved the enrolment of students for both master and PhD programmes nationally and internationally and boosted the status of the University since the programmes offered meet world class requirement especially in the energy sector. The number of student who has graduated under the project now stands at twenty nine. In addition, the project shall continue to provide national and international staff student exchange programmes in order to widen and broaden its research activities that are instrumental in changing lives and ways of doing things for the good of our economic development.
- b) The project shall continue to foster national and international linkages and cooperation and to this end, the project has entered into partnership agreements and signed seven memorandum of understanding with private, professional bodies and public institutions.
- c) The project has also offered short courses within the University and with outlying counties on matters that are of mutual benefit to the institution and the community at large
- d) Since its inception the project has attracted USD 2,998,597.386 as externally generated funds, which has benefitted the institution in term of improving facilities and increased the students teaching materials. The facilities improved include renovations of laboratories and improvement of student hostel facilities for the students. It has also procured teaching equipment of over fifty million and reduced the reliance and payment of research costs from other teaching institutions.
- e) As part of corporate social responsibility, the project, apart from installing a biogas technology at the University, it has also reached four local secondary schools with the same facilities. In addition, it has offered training opportunities to the appropriate staff in the surrounding counties

of Uasin Gishu, Elgeyo Marakwet and Nandi Counties on biogas technologies. This technology will improve on the management of waste management.

iii. Comment on value-for-money achievements

The ACEII-PTRE project since inception has had significant value for money. This includes

- a) Equipping the University with appropriate facilities through procurement of equipment which would otherwise have not been met by mainstream budgetary allocation. In addition, it has lowered the cost of procuring research costs from other institutions.
- b) Through staff and students exchanges, research output through publications that address industry needs.
- c) Accreditation of curricula has enhanced visibility, nationally, regionally and internationally.
- d) Through partnerships with the industry, the community staff have trained on social improvement.
- e) There have been a number of innovations such as the fruit preservative, the anti-termite research finding, improved cooking stove.

iv. Indicate the absorption rate for each year since the commencement of the project

Over the five year since inception, the project has recorded a varying absorption rate due to various challenges that each year presented. Key among the challenges was the effect of Covid-19 pandemic and industrial unrest that faced the University sector including others that have been highlighted below. The overall absorption rate stands at 36%. The project is however still on course in achieving the milestones the project schedules had been set in its activities

Year	Final Budget (Kshs.)	Expenditure (Kshs.)	Absorption
2017/2018	119,769,567	52,095,615	43%
2018/2019	216,142,667	88,459,403	41%
2019/2020	318,382,168	65,556,675	21%
2020/2021	347,524,796	151,099,847	43%
2021/2022	338,676,808	124,306,288	37%
Total	1,340,496,004	481,517,828	36%

The absorption challenges that the project faced have been highlighted under note 1.8(v) below.

v. List the implementation challenges and recommended way forward

Challenges

The project, just like the institution itself, faces challenges, some of which are occasioned by factors beyond its capacity. Some of the challenges include:

- a) Staff industrial challenges that are unforeseeable and have a direct impact on the progress of the project implementation of its objectives especially closure of institution leading to academic gridlock;
- b) The global Covid-19 pandemic was the most significant challenge since there was a total lockdown of the country for significant period of time and this affected the mobility of staff and students hence delayed the planned activities. The post pandemic period still continue to affect the implementation of other project activities;
- c) Delays in the procurement of specialised equipment not available in the local market, hence sourcing from the international markets;
- d) Inadequate capacity to commercialize research outputs;
- e) Lack of avenues for dissemination of research outputs; and
- f) Some academic programmes were delayed due to the accreditation challenges.

Way forward

These challenges cannot be addressed by the project alone without the involvement of the hosting institution. As a way forward, the project together with the University:

- i. Have introduced regular meetings to consider students research progress and ensured continuity of face to face learning progress, including online teaching where appropriate.
- ii. Introduced two graduations ceremonies in a year to enable students graduate and meet the market needs.
- iii. Industrial partnerships and linkages on commercialization.
- iv. Organisations of research workshops or seminars with key stakeholders.

PROJECT ACTIVITIES DURING THE YEAR

a). Launch of Master of Science program in Sustainable Energy and Energy Access

The Moi University through the Transforming Energy Access – Learning Partnership (TEA-LP) program, a project under The Africa Centre of Excellence in Phytochemicals, Textile and Renewable Energy (ACEII PTRE) developed a new multidisciplinary Master of Science program in Sustainable Energy & Energy Access with a view to bridge existing skills gaps in Sub-Saharan Africa's rapidly-growing energy access sector.

b). University participates in Women Empowerment Project

During the year the Project team participated in the women empowerment project. The key issue of discussion is the value addition of discarded textile waste from domestic and industrial establishment. This is in line with European Union (EU) circular on Economy policy currently under discussion in the EU Parliament. This project will involve collection of textile waste from Dandora dumpsite in Kenya and re-design them to have a higher value (up scaling).



c). Awards and Recognition of ACEII-PTRE Best students in various conference and Workshops

During the year the Project students participated in various National and International Conference and workshops which saw most of them win awards and recognition in their various fields of studies. These include:

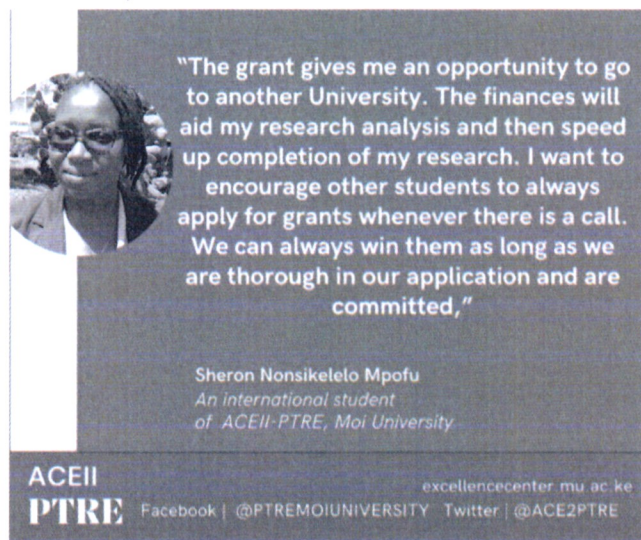
i). Samuel Obakiro Baker was recognised for his presentation of an international paper entitled “Ethnobotany, ethnopharmacology and phytochemistry of traditional medicinal plants used in the management of symptoms of tuberculosis in East Africa: a systematic review.”

during and international conference on Reimagining the Natural Products Industry in Africa (RNPIA -2021) organised by Future Africa Carnegie Cooperation; University of Pretoria and Makerere University and held in Kampala our Analytical Chemistry PhD Project student.

ii). Ms. Sheron Nonsikelelo Mpofo a PhD student won an award of Agnes Paws Mobility Grant 2021, she scooped the award which will be utilized at the Department of Polymer, Textile and

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Industrial Engineering, Busitema University. This is the second award she has won in the year, having recently scooped a global accolade following her outstanding research article on fashion and textile



iii). **Ronald Kipkemoi Bett** a student under was selected as a peer review under the Journal of Applied Chemical Science International.



iv). **SAISTA Conference- Student participation**

During the year the ACEII-PTRE Project jointly with Sino-Africa International Symposium on Textiles and Apparel & Sino-Africa Cultural Exchange Forum (SAISTA) held a joint international conference. The

conference was hosted by Donghua University, Shanghai, China and Co-hosted by Moi University, Eldoret, Kenya. The theme of conference was “*Advancing Science, Technology and Innovation for Industrial Growth*”.

d). Workshops and Visits to ACEII-PTRE Project

In line with objectives of the project, there were a number of visit and workshops held during the year at the Centre and or related Centres in the Country. The purpose of visit and workshops were to review the impact of the programmes in the different locations and the benefits that have contributed to the national goals and impact on the societies.

e). Benchmarking exercise to ACEII PTRE by INSEFOODS Center

The Africa Center of Excellence in Sustainable Use of Insects as Food and Feeds (INSEFOODS) based at Jaramogi Oginga Odinga University of Science and Technology (JOOUST), during the year made a visit to the ACEII-PTRE, Moi University for a benchmarking exercise.



ACEII PTRE and JOOUST team

ii). Benchmarking with Wacwisa, University of Development Studies, Ghana

A joint team drawn from the three Kenyan Universities ACEIIs Egerton University; JOOUST, INSEFOODS, Jaramogi Oginga Odinga University and ACEII-PTRE, Moi University visited The West African Centre for Water, Irrigation and Sustainable Agriculture (WACWISA) of the University for Development Studies (UDS), Tamale, Ghana. The purpose of the visit was to hold discussions with the Management and staff of WACWISA-UDS on the best practices in the management of ACE Impact activities, and also, to explore areas of the possible collaborations/partnerships in the context of Eastern and Western African Regions among the Universities and the Centres of Excellence. An Agreement to Cooperate was signed that forms the foundation for development of corporate Memoranda of Understanding (MoUs).



WACWISA, University of Development Studies, Ghana

iii). Digital Transformation Workshop

ACEII PTRE Center and Moi University, participated in the survey for digital transformation within institutions and our institution is among the 12 universities selected as geographically located in both East and West Africa to participate in the above workshop. This is the new project for the African Higher Education Centers of Excellence to assist African universities in developing their digital transformation strategy and implementation plan. The project will be focusing on five key areas: **Institutional Management and Administration, Education (Teaching and Learning), Research, Outreach and Networking, and Digital Infrastructure** to aid drive the necessary digital transformation changes systematically.

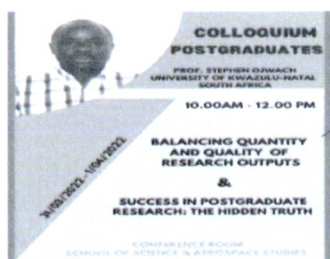
iv). LEAP-RE first general Assembly at Strathmore University, Nairobi – Kenya

Long-Term Joint EU-AU Research and Innovation Partnership on Renewable Energy (LEAP-RE) held its first general assembly (hybrid) in Nairobi, Kenya. Moi University (MU) is a partner of the bigger consortium addressing Work package (WP) 14: Energy Village Concept.

v). Colloquium

During the year, the Centre hosted Prof. Stephen Ojwach from the University of Kwazulu , Natal, South Africa who held seminars with the Centre's Postgraduate Students. He made presentations on:

- a) Colloquium Flier for Spectroscopic Techniques *NMR, TFTIR, and MS.
- b) Success in Postgraduate Research Supervision: The Hidden Truth.
- c) Balancing Quantity and Quality in Scientific Research Publications.



v). Process of SPEC Co. Ltd for Technology adoption/transfer

Following the successful matching of the SPEC Company Ltd that deals with construction of water dams and roads a project manual has been developed, STEIN material received from Japan as well as 360 degree camera have been received from Japan for the exercise. The process of mixing the STEIN and soil samples has commenced and soil samples were collected from Langas, Eldoret and Boya in Kisumu. In order to sustain the programme, continuous meetings between KOPERNIK, SPEC Co. Ltd and Moi University, ACEII PTRE will be held progressively to access the progress.



Collection of soil samples



Online meeting with SPEC, Kopernik and Moi University

vi). Students exchange at University of Oradea

During the year two students from ACEII PTRE Centre (Mr. Patrick Kirui and Mr. Mqondisi Moyo) pursuing Msc. in Textile Engineering are currently on exchange at the University of Oradea.

vii). Visit to National Textile University, Pakistan

A team from ACEII- PTRE Center visited the National Textile University, Pakistan to seek collaboration/partnership on advancement of the Textile research component.



vii). Benchmark at the University of Rwanda

During the year, a ACEII-PTRE team visited the Centres of Excellence at the University of Rwanda. The aim of the visit was to identify areas of future collaborations and engagements. The team together with representative from the four (4) other ACEsprojects at University of Rwanda namely; African Centre of Excellence in Energy for Sustainable Development (ACEESD) and African Centre of Excellence in Internet of Things (ACEIoT) were hosted at the College of Science & Technology, African Centre of Excellence for Teaching and Learning Mathematics and Science (ACEITLMS) hosted at the College of Education, and African Centre of Excellence for Data Sciences (ACE-DS) hosted at the College of Business & Economics held discussions on areas of collaborations and engagements. The University has a Grid Innovation and Incubation Hub (GIH) under ACEESD and discussions on areas of collaborations with PTRE Incubation Centre were held.

The team also visited Kigali Independent University and Zipline Drone Company in Muhanga.



Visit to the University of Rwanda.



Visit to the Zipline Drone Company

viii). Visit by the Ambassador of France to Kenya and Somalia

During the year, the Ambassador of France to Kenya and to Somalia visited Moi University, ACEII-PTRE project to review the progress of the project activities and the impact of the project to the institution and the community at large. During the visit, the Ambassador emphasised on

the need to develop strong socio-educational linkages that can make the two countries benefit from the technology drawn from exchange programme. In addition, during the visit the Ambassador, attended an awarded in a ceremony held at the Centre ceremony of “*Les Palmes Academiques*” to Sir. Prof. Ambrose Kiprop, the ACEII-PTRE Centre Leader.

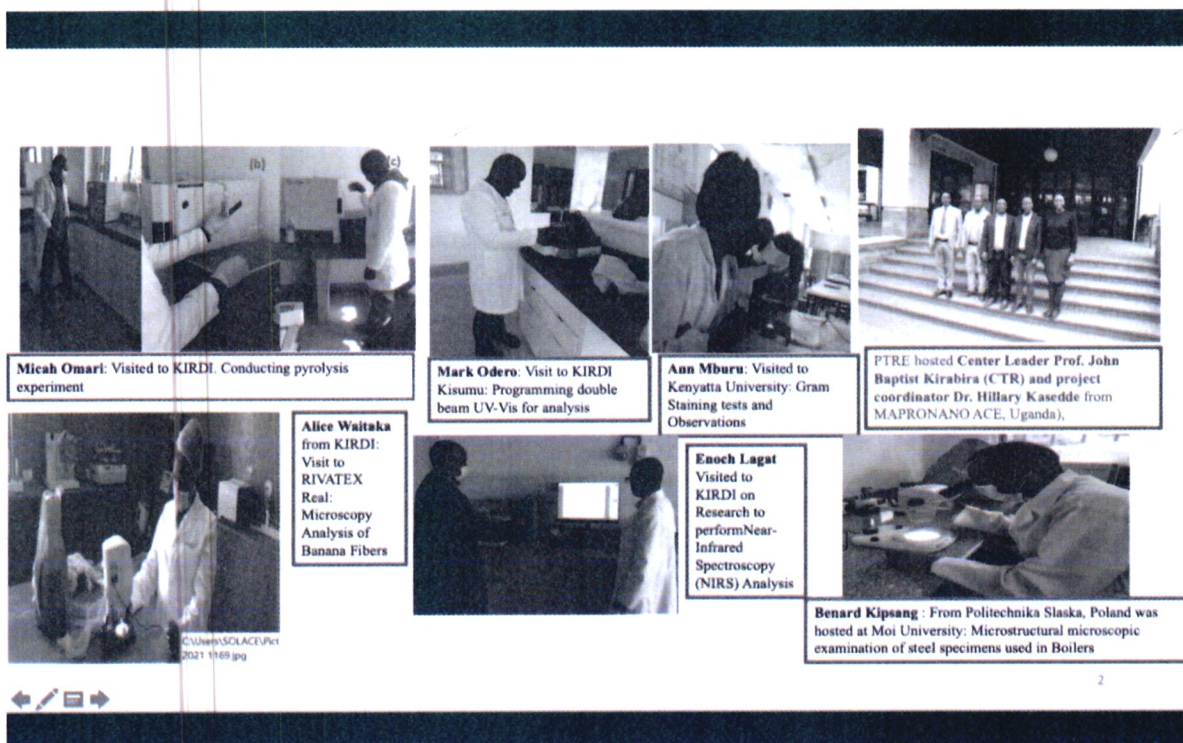


Welcoming ceremony

Award ceremony

f). Staff and Student Exchanges Programmes

The Centre continued to foster staff and student exchange programmes for faculty exchange programmes nationally and within the region during the year.



g). Graduations and the Centre Graduands

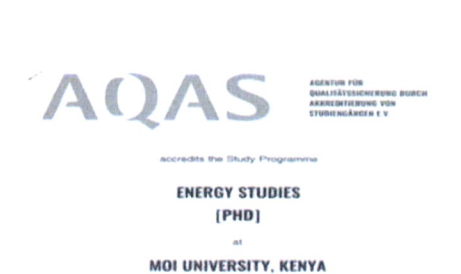
During the 43rd graduation ceremony of Moi University held in June 2022, a total of twenty-nine (29) students under the ACEII-PTRE were presented for the award of the following degrees for year 2020 to 2022

i). Doctoral Programmes	Nos.	M	F	Country
PhD in Analytical Chemistry	4	3	1	Kenya
ii). Master programme				
Renewable Energy	5	3	2	Zambia, Malawi, Ethiopia, Kenya
Textile Engineering	3	1	2	Uganda, Kenya
Analytical Chemistry	11	4	7	Uganda, Malawi & Kenya
Industrial Engineering	6	5	1	Uganda, Kenya, South Sudan
Total	29	16	13	

h). International Accreditation of Quality of Education programmes

In order to meet the international standard for ACEII-PTRE academic programmes, the Centre has accredited the programmes listed below.

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The accreditation procedure and the resolution are based on the Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG). The programme complies with the AQAS criteria for programme accreditation and is compliance with the requirements defined by the ESG. The accreditation is implemented according to the resolution of the Standing Commission of May 31, 2021. The accreditation is conditional and therefore limited in time until September 30, 2027.

COLOGNE, MAY 31, 2021

 PROF. DR. EBERHARD MENZEL
 PRESIDENT

 DR. VERENA KLOETERS
 MANAGING DIRECTOR

AQAS e.V. is recognized by and/or member of the following organisations:




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COLOGNE, MAY 31, 2021

 PROF. DR. EBERHARD MENZEL
 PRESIDENT

 DR. VERENA KLOETERS
 MANAGING DIRECTOR

AQAS e.V. is recognized by and/or member of the following organisations:


1.9 Summary of Project Compliance

The project complied with all the relevant and applicable laws and regulation in its operational activities; hence there was no consequence for non-compliance suffered.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETERMINED OBJECTIVES

Introduction

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

The key development objectives of the project's 2018-2022 plans are to:

- i. To advance technology development and innovation in Phytochemicals, Textile and Renewable energy through delivery of quality post-graduate training and collaborative research in the regional priority areas.
- ii. To strengthen:
 - a) Education Capacity excellence in terms of quality postgraduate training.
 - b) Research Capacity excellence and outreach service in Phytochemicals, Textile and Renewable energy.

- c) Innovation and technology development in the industrial and manufacturing sectors.
- d) Sustainability of research and training through enhancement of facilities.

Progress on attainment of strategic development objectives

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

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
ACEII-PTRE	To strengthen Education Capacity excellence in terms of quality postgraduate training.	Target: To Admit and train 30 PhD students and 60 MSc. Achieved: A total of 183 students. PhD students Target (30) Achieved 58 40M, 18 F Masters Students Target (60) Achieved 126, (82M), 44F)	Admitted a total of 183 students	Achieved above the target
		National and international accreditation of new curricula	4 Curriculum accredited nationally and 2 accredited internationally. Nationally: - <ul style="list-style-type: none"> • MSc Analytical Chemistry • PhD in Analytical Chemistry • PhD in Textile and Material Engineering • PhD in Industrial Engineering Internationally: - <ul style="list-style-type: none"> • PhD in Textile and Material Engineering • PhD in Energy Studies Development a multidisciplinary Curriculum in Masters in Sustainable Energy Access Jointly reviewed curriculums with Stakeholders: <ul style="list-style-type: none"> • Masters & PhD in Energy Studies 	Achieved above the target

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			<ul style="list-style-type: none"> • Master in Textile Engineering 	
		Target 50 staff and students exchange programmes	Achieved over 82 nationally, regionally, and international exchanges.	Achieved
	Research Capacity excellence and outreach service in Phytochemicals, Textile and Renewable energy.	Develop and offer Short Courses - Target 4, Achieved 4	<ul style="list-style-type: none"> • Joint virtual training course with MORENDAT (MIOG) on workplace health, safety and environment management • Natural Dyes (offered at Eldoret, Trans Nzoia and Kisumu) • Programme Development and Curriculum Delivery course • Soap and detergent making course at Kesses community 	Achieved
		Target of 50 Publications made from various research areas	112 publications	Achieved above target
		Biogas Training for High Schools	Trained four high schools on biogas installation. Installed a biogas plant at Moi University, Moi Girl High School, Kapsabet Boys and Kaptagat Girls high school	Achieved
		Host at least 1 international conference	Completed after hosting virtual international conference with Donghua University, China	Achieved
		Upgrade of ICT lab	Equipped postgraduate lab at the School of Sciences and Aerospace Studies	Achieved
	Innovation and technology development in the industrial and	7 MOUs signed with industrial partners and Staff	MoUs with: - NOCART, AEPEA, KAM, KIRDI	Achieved

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	manufacturing sectors.	exchange undertaken with partner institutions in implementation of signed agreements	University of Gezira and Busitema University	
	Sustainability of research and training through enhancement of facilities.	Renovations of laboratories	Procurement of equipment worth Ksh. 50,661,918 Renovations of facilities (labs and students' hostels) Kshs. 10,390,812	Achieved above target
		Procurement of motor vehicle	A Landcruiser and Scania bus	

3. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

ACEII-PTRE exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy. The project is anchored on University policies that promote the sustainability of the University programmes and activities. It is therefore envisaged that the going concern of the University shall continue to be sustained through Government support, national and international donors support. In line with this arrangement, the University constantly communicate with the Ministries of Education and the National treasury to upscale its budgetary allocation. Government support together with this project injection of substantial cash inflow has greatly improved and increased the University's physical resources.

The University regularly engages national regulatory entities that set standards for the institution in terms of teaching, research and other operational activities in addition; there are frequent updates of staff on new and improved standards that guide the working environment and general acceptable practices, these updates improves the staff skills and thereby increase efficiency and effectiveness in service delivery. To this end, the University continues to review its statutes and other governing instruments and formulate policies that will put the institution in a world map of efficient service delivery and thereby attract partnership pact with donors of goodwill that shall ensure stability and life-long sustainability.

In addition, the University is also diversifying in commercial agricultural large apple farming that will generate revenue to support the Government budget. It is expected that when the project picks up, the burden of redeeming the current debt situation shall be reduced.

On the other hand, the University is at discussion with the national government on the best and save avenue of right sizing of the employees so as to attain the acceptable international ratio of teaching against the non-teaching staff. This arrangement will reduce the current burden of managing the staff compensation and other operational activities. Upon completion, there shall be comfortable working environment and boosting of staff morale which in turn shall give positive results

(i) Sustainability strategy and profile

In order to sustain the output of the project and allow its continuity beyond the donor support, the University Management shall put in place measures that will strengthen the operation and management of the project. This shall include:-

- More Research Proposals to attract more funds;
- Institutional capacity building from other faculties since they are opportunities of improvement and commercialization in the project;
- Commercialization of research and innovative activities from the ACE II PTRE;
- Seeking financial support from the government and other interested parties for the start-ups;

- More engagement and linkage with other government ministries and SAGAS (Semi-autonomous government agencies so as to support our activities and benefit from our research output and innovation; and
- Proposals to the national Government to spearhead strategies that can influence industries to finance research at policy level.

(ii) Environmental performance

The project is anchored on the university policies that includes environmental among other policies. The project has undertaken renovations of different University structures and adequate measures are in place to manage solid waste as well as occupational health and safety risks.

(iii) Employee welfare

The University provides equal opportunity irrespective of gender to all the applicants who are seeking for the engagement in the University. This Employment criterion is contained in the University Human Resource Manual which provides guidelines on hiring and exiting the employment, and this manual has been incorporated with the Central Government manual.

The University engages its employees through open and transparent process and the employees engaged are expected to comply with constitutional and mandatory requirements, including the principles of affirmative action, gender and person enabled differently and mainstreaming of National values and principles of Governance as espoused in the constitution that guide the hiring process. The performance of the employee are measured using appraisal instruments that provides feedback, review progress, identifies and addresses potential for rewarding and advancement

The University continues to provide a conducive working environment and comfortable and secure facilities for our staff in compliance with security and safety standards including provisions of protective gears in hazardous situations. The University continues to promote harmonious working relationship with the surrounding communities to provide cohesive business environment, comfort and security to our employees.

In addition, the University encourages and builds on its pool of staff to improve and enhance their career development through in service training, promotions and support training from other Government Institutions and collaborative institutes.

(iv) Market place practices

a) Responsible Supply chain and supplier relations

The Project is guided by the Government Laws and Regulations governing the procurement and disposal of goods and services. These Laws and Regulations provide for equal opportunity to all eligible suppliers to do business with the project. On its part, the project has a duty and obligation

to pay the goods and service providers their dues within the agreed period, and this has been done successfully.

b) Responsible ethical practices

The project operates within the main University ethical guidelines and polices that are in place. This includes anti-corruption and nepotism and does not engage on political influence to make its decision.

c) Regulatory impact assessment

In order for the project to remain operational the security and safety of the employee is paramount. The project provides the safety gadgets in risk-prone areas to employees and visitors. It has also put in place firefighting equipment to secure assets in the event of fire. All these activities are subject to the assessment by competent and approved providers of such services. In insurance cover is provided by the University.

(v) Community Engagements

The project recognises the importance of the Community living around and within the University. In doing so, it has through the University Management engaged and shall continue do so in providing the Corporate Social Responsibility since the University recognizes that, for sustainable growth, profitability and posterity, it must play its role in society as an ethical and compliant entity that respects communities, rule of law and the environment. During the year the project reached the community in the following outreach activities:-

- Biogas training outreach at Kesses, Eldoret by Flexi Biogas international who carried out training energy stoves repairs and diagnostics;
- Soaps and detergent making;
- Natural dyes course from locally available weed.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2022.

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

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

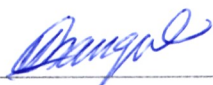
The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2022, and of the Project's financial position as at that date.

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The Vice Chancellor and the Project Coordinator for ACEII, PTRE Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Management Board on 23rd September 2022 and signed on its behalf by:



Prof. Isaac S. Kosgey
Vice Chancellor



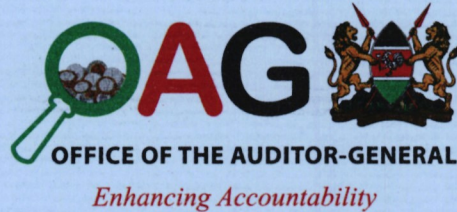
Sir. Prof. Ambrose Kiprop
Centre Leader



Egla Samoei
Ag. Chief Finance Officer
ICPAK Member No: 5141

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REPORT OF THE AUDITOR GENERAL ON AFRICA CENTRE OF EXCELLENCE (ACE II) IN PHYTOCHEMICALS, TEXTILES AND RENEWABLE ENERGY (PTRE) PROJECT (IDA CREDIT NO.5798-KE) FOR THE YEAR ENDED 30 JUNE, 2022 – MOI UNIVERSITY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Africa Centre of Excellence (ACE II) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project set out on pages 1 to 19, which comprise of the statement of financial assets as at 30 June, 2022,

Report of the Auditor-General on Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project (IDA Credit No.5798-KE) for the year ended 30 June, 2022- Moi University

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project as at 30 June, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Subsidiary Grant Agreement for IDA Credit No.5798-KE between the Government of Kenya and Moi University dated 27 October, 2016 and Grant Agreement No. 2019-1973/006-001 between Moi University and the European Commission dated 28 November, 2019 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 Africa Centre of Excellence (ACEII) in Phytochemicals, Textiles and Renewable Energy (PTRE) Project Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.338,676,806 and Kshs.176,046,197 respectively resulting to an under-funding of Kshs.162,630,609 or 48% of the budget. Similarly, the Project expended Kshs.124,306,288 against an approved budget of Kshs.338,676,806 resulting to an under-expenditure of Kshs.214,370,518 or 63% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Acquisition of Non-Financial Assets - Renewable Energy Equipment

The statement of receipts and payments reflects an amount of Kshs.31,180,248 under acquisition of non-financial assets as disclosed in Note 11.5 to the financial statements. Included in this amount is Kshs.30,442,348 for strengthening research capacity excellence which in turn includes Kshs.21,634,514 that was paid to a firm for supply, installation, commissioning and acceptance of renewable energy equipment. However, the asset register and the delivery note did not indicate the serial numbers of the equipment delivered.

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

2. Imprests and Advances

The statement of financial assets reflects imprests and advances balance of Kshs.4,299,583 as disclosed in Note 11.7 to the financial statements. However, a total of Kshs.1,196,970 held by five (5) payees remained un-surrendered or un-accounted for as at the time of audit in October, 2022. In addition, no evidence of recovery action or other appropriate disciplinary action having been taken on the defaulting officers has been provided, contrary to Regulation 93(10) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to take such action.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by loan agreements signed between the Republic of Kenya and International Development Association (IDA Credit No.5798 - KE), I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Program, so far as appears from the examination of those records; and,
- iii. The Program's financial statements agree with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how the 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

24 November, 2022

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

Note	2021-2022		2020-2021		Cumulative to-date (From inception)
	Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
Receipts	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Transfer from Government entities	140,701,511	-	149,355,234	-	558,492,332
Proceeds from domestic and foreign grants	34,528,581	-	17,715,180	-	177,823,121
Miscellaneous receipts	816,105	-	850,181	-	3,894,870
Total receipts	176,046,197	-	167,920,595	-	740,210,324
Payments					
Purchase of goods and services	93,126,039	-	105,798,067	-	354,884,528
Acquisition of non-financial assets	31,180,248	-	45,301,780	-	126,633,299
Total payments	124,306,288	-	151,099,847	-	481,517,828
Surplus/ (deficit)	51,739,909	-	16,820,748	-	258,692,496

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



Prof. Isaac S. Kosgey
Vice Chancellor



Sir. Prof. Ambrose Kiproop
Centre Leader





CPA Egla Samoei
Ag. Chief Finance Officer
ICPAK Member No: 5141

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022

Description	Note	2021-2022	2020-2021
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	11.6a	254,392,913	203,259,801
Cash Balances	11.6b	-	-
Cash equivalents (Short-term deposits)	11.6c	-	-
Total Cash and Cash equivalents		254,392,913	203,259,801
Imprests and Advances	11.7	4,299,583	3,692,786
Total Financial Assets		258,692,496	206,952,587
Financial Liabilities			
Deposits and Retention monies		-	-
Net Assets		-	-
Represented By			
Fund Balance B/fwd.	11.8	206,952,587	190,131,839
Prior Year adjustments	11.9	-	-
Surplus/(Deficit) for the Year		51,739,909	16,820,748
Net Financial Position	11.8	258,692,496	206,952,587

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 23rd September 2022 and signed by:


Prof. Isaac S. Kosgey
Vice Chancellor

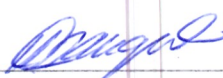

Sir. Prof. Ambrose Kiprop
Centre Leader



Eglia Samoei
Ag. Chief Finance Officer
ICPAK Member No: 5141

8. STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2022

Description	Notes	2021-2022	2020-2021
		Kshs	Kshs
Cash flow from operating activities			
Receipts			
Transfer from government entities	11.1	140,701,511	149,355,234
Proceeds from domestic and foreign grants	11.2	34,528,581	17,715,180
Miscellaneous receipts	11.3	816,105	850,181
Total receipts		176,046,197	167,920,595
Payments			
Purchase of goods and services	11.4	(93,126,039)	(105,798,067)
Total Payments		(93,126,039)	(105,798,067)
Adjustments during the year			
Prior year adjustments	11.9	-	-
Decrease/(increase) in accounts receivable	11.10	(606,797)	1,616,544
Increase/(decrease) in accounts payable:		-	-
Net cash flow from operating activities		82,313,360	63,739,072
Cash flow from investing activities			
Acquisition of non-financial assets	11.5	(31,180,248)	(45,301,780)
Net cash flows from investing activities		(31,180,248)	(45,301,780)
Cash flow from financing activities			
Proceeds from foreign borrowings		-	-
Net cash flow from financing activities		-	-
Net increase in cash and cash equivalents		51,133,112	18,437,292
Cash and cash equivalent at beginning of the year	11.6	203,259,801	184,822,509
Cash and cash equivalent at end of the year	11.6	254,392,913	203,259,801

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 23rd September 2022 and signed by:


Prof. Isaac S. Kosgey
Vice Chancellor

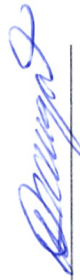

Sir. Prof. Ambrose Kiprop
Centre Leader


Eglia Samoei
Ag. Chief Finance Officer
ICPAK Member No: 5141

9. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=e-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	142,224,479	98,883,926	241,108,405	140,701,511	100,406,898	58
Proceeds from domestic and foreign grants	57,889,890	35,543,760	93,433,650	34,528,581	58,905,070	37
Proceeds from borrowings	-	-	-	-	-	-
Miscellaneous receipts	3,145,432	989,319	4,134,751	816,105	3,318,646	20
Total Receipts	203,259,801	134,417,005	338,676,806	176,046,197	162,630,609	52
Payments						
Purchase of goods and services	170,159,709	135,417,005	305,576,714	93,126,039	212,450,675	30
Acquisition of non-financial assets	33,100,092	-	33,100,092	31,180,248	1,919,844	94
Total Payments	203,259,801	135,417,005	338,676,806	124,306,288	214,370,518	37
Surplus or Deficit	-	-	-	51,739,909	-	-

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



Prof. Isaac S. Kosgey
Vice Chancellor



Sir. Prof. Ambrose Kiprop
Centre Leader



CPA Eglia Samoei
Ag. Chief Finance Officer
ICPAK Member No: 5141

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Statement of compliance and basis of preparation

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

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

10.2 Reporting entity

The financial statements are for ACEII-PTRE project under the State Department of Education, Science and Technology. The financial statements are for the reporting entity ACEII-PTRE project as required by Section 81 of the PFM Act, 2012.

10.3 Reporting currency

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

10.4 Recognition of receipts

The ACEII-PTRE project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

Significant Accounting Policies (Continued)

iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing

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

vi) Undrawn external assistance

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

10.5 Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

10.6 In-kind donations

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

10.7 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 imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Significant Accounting Policies (Continued)

10.8 Restriction on cash

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

10.9 Imprests and Advances

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

10.10 Contingent Liabilities

A contingent liability is:

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

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities, letters of comfort/ support, insurance, Public Private Partnerships.

The Entity 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.

10.11 Contingent Assets

The ACEII-PTRE 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 ACEII-PTRE 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.

Significant Accounting Policies (Continued)

10.12 Pending bills

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

10.13 Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation. A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex 1 to these financial statements.

10.14 Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, no loan disbursements were received in form of direct payments from third parties.

10.15 Exchange rate differences

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

10.16 Comparative figures

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

Significant Accounting Policies (Continued)

10.17 Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2022.

10.18 Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented in note 11.9 of these financial statements.

11. NOTES TO THE FINANCIAL STATEMENTS

11.1 Transfers from Government entities

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

Description	Kshs	Kshs	Cumulative to-date (from inception)
	2021-2022	2020-2021	
<i>Ministry of Education/World Bank</i>			
Funds Received in Quarter 1	75,000,000	-	232,603,592
Funds Received in Quarter 2	65,701,511	284,628	113,598,222
Funds Received in Quarter 3	-	149,070,606	197,095,133
Funds Received in Quarter 4	-	-	15,195,385
Total (See Annex 2)	140,701,511	149,355,234	558,492,332

*Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2022*

Notes to the Financial Statements (Continued)

11.2 Proceeds From Domestic and Foreign Grant

During the financial period to 30 June 2022, we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in Kshs	
						2021-2022	2020-2021
			Kshs	Kshs	Kshs	Kshs	Kshs
Bilateral Donors (Foreign Governments)							
Consulting LGI	19/10/2021		1,176,218	-	-	1,176,218	-
EPFL-Switzerland	08/12/2021		1,346,214	-	-	1,346,214	-
Energy Saving Trust (Tea LP Project)	24/11/2021		230,000	-	-	230,000	59,818
Helmholtz-Zentr Helmhoh	07/02/2022		1,119,300	-	-	1,119,300	1,105,195
Hochschule Ma	23/07/2021		329,574	-	-	329,574	-
Nemedussa Project (Felix Langat)	05/03/2022		16,880	-	-	16,880	-
Stallenbosch Un C O Unive	11/05/2022		383,880	-	-	383,880	-
United Nations	22/11/2021		4,703,932	-	-	4,703,932	-
University of Cape Town	06/01/2022		4,150,612	-	-	4,150,612	208,577
University Of Bremen	16/02/2022		542,525	-	-	542,525	-
University of E. University	31/01/2022		1,492,692	-	-	1,492,692	2,930,737
Local Individuals and organizations							
Inter University Council			-	-	-	-	503,040
KALRO	30/06/2022		1,348,755	-	-	1,348,755	1,190,690
Kenya Space Agency			-	-	-	-	1,000,000
Mekelle Univ. Research Fund-Spree			-	-	-	-	10,717,123
Moi University Asali A/C	02/06/2022		17,688,000	-	-	17,688,000	-
Total			34,528,581	-	-	34,528,581	17,715,180

Notes to the Financial Statements (Continued)

11.3 Miscellaneous receipts

	2021-2022		2020/2021	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties		
	Kshs	Kshs		
Student Application & Accommodation Fees	473,145	-	328,587	1,334,974
Hire of Facilities	342,960	-	-	342,960
Short Courses and Seminars	-	-	521,594	521,594
Interest Income	-	-	-	1,695,342
Total	816,105	-	850,181	3,894,870

*Moi University, African Centre of Excellence (ACEII) PTRE Project
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Notes to the Financial Statements (Continued)

11.4 Purchase of Goods and Services

	2021/2022		2020/2021		Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
Purchase of Goods and Services	Kshs	Kshs	Kshs	Kshs	Kshs
1.0 Set up Institutional Framework for Commencement of the ACEII	9,025,258		9,025,258	10,850,145	60,210,967
2.0 Strengthen Educational Capacity Excellence - Quality and Productivity	26,658,690		26,658,690	3,840,836	83,669,382
3.0 Education Capacity and Development Impact	11,719,456		11,719,456	6,919,398	22,109,639
4.0 Strengthen Research Capacity Excellence - Quality and Productivity	12,908,316		12,908,316	28,102,740	74,847,415
5.0 Strengthen education and research capacity (through increased financial sustainability) and demonstration of value to students and partners	91,550		91,550	-	91,550
6.0 Observation of best practices in ACE financial operation	149,600		149,600	-	149,600
7.0 Observation of best practices in ACE procurement operation	-		-	18,140	18,140
Donor Attracted Research Expenses	32,573,169	-	32,573,169	56,066,808	113,787,835
Total	93,126,039	-	93,126,039	105,798,067	354,884,528

Note:

Included in Expenditure line 3.0 is a payment of Kshs. 2,717,285.00 being Biogas costs in three Counties of Uasin Gishu, Nandi and Elgeyo Marakwet.

Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2022

Notes to the Financial Statements (Continued)

11.5 Acquisition of Non-Financial Assets

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	Kshs.	Kshs.	Kshs.	2020-2021	Kshs
1.0 Set up Institutional Framework for Commencement of the ACEII	182,700	-	182,700	2,231,333	11,726,191
2.0 Strengthen Educational Capacity Excellence - Quality and Productivity	555,200	-	555,200	565,000	6,818,504
3.0 Education Capacity and Development Impact	-	-	-	-	23,478,663
4.0 Strengthen Research Capacity Excellence - Quality and Productivity	30,442,348	-	30,442,348	40,665,080	82,731,374
5.0 Strengthen education and research capacity (through increased financial sustainability) and demonstration of value to students and partners 5	-	-	-	-	-
6.0 Observation of best practices in ACE financial operation	-	-	-	-	-
7.0 Observation of best practices in ACE procurement operation	-	-	-	-	-
Donor Attracted Research Expenses	-	-	-	1,840,367	1,878,567
Payments from Internal Proceeds	-	-	-	-	-
Total	31,180,248	-	31,180,248	45,301,780	126,633,299

Notes to the Financial Statements (Continued)

11.6 Cash and Cash equivalents

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts (Note 11.6a)	254,392,913	203,259,801
Cash in hand (Note 11.6b)	-	-
Cash equivalents (short-term deposits) (Note 11.6c)	-	-
Total	<u>254,392,913</u>	<u>203,259,801</u>

The project has one (1) number project account within the project implementation area as listed below:

11.6a. Bank Accounts

Project Bank Accounts

Details	2021-2022	2020-2021
	Kshs	Kshs
Local Currency Accounts		
Kenya Commercial Bank [A/c No. 1202447163]	254,392,913	203,259,801
Total bank account balances	<u>254,392,913</u>	<u>203,259,801</u>

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2022 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision. Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

Description	2021-2022	2020-2021
	USD	USD
(i) A/C Name [A/c No 1000331704]		
Opening balance	51,589	51,589
Total amount deposited in the account	13,946,762	3,379,572
Total amount withdrawn (as per Statement of Receipts & Payments)	13,946,762	3,372,572
Closing balance (as per SDA bank account reconciliation attached)	<u>51,589</u>	<u>51,589</u>

*Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2022*

(ii) A/C Name [A/c No 1000331704]		
Opening balance (as per the SDA reconciliation)	51,589	51,589
Total amount deposited in the account	2,708,496	3,379,572
Total amount withdrawn (as per Statement of Receipts & Payments)	2,708,496	3,372,572
Closing balance (as per SDA bank account reconciliation attached)	51,589	<u>51,589</u>

11.6b. Cash in hand

Description	2021-2022	2020-2021
	KShs	KShs
Cash Office	-	-
Total cash in hand balances	=	=

11.6c. Cash equivalents (short-term deposits)

Description	2021-2022	2020-2021
	Kshs	Kshs
Kenya Commercial Bank [A/c No. 1202447163]	-	-
Total	=	=

11.7 Imprests and Advances

Description	2021-2022	2020-2021
	Kshs	Kshs
Imprests	4,299,583	3,692,786
Total	4,299,583	3,692,786

*Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2022*

11.8 Fund Balance Brought Forward

Description	2021-2022	2020-2021
	Kshs	Kshs
Bank accounts	254,392,913	203,259,801
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	4,299,583	3,692,786
Total	258,692,496	206,952,587

11.9 Prior Year adjustment

	Balance b/f FY (2020/2021 audited financial statements)	Adjustment s	Adjusted balance b/f FY 2020/2021
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

11.10 Changes in Receivable

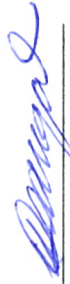
Description	2021-2022	2020-2021
	Kshs	Kshs
Opening Receivables as at 1 st July 2021	3,692,786	5,309,330
Closing account receivables as at 30 th June 2022	4,299,583	3,692,786
Change in Receivables	(606,797)	1,616,544

Moi University, African Centre of Excellence (ACEII) PTRE Project
 Annual Report and Financial Statements for the financial year ended June 30, 2022

12. PRIOR YEAR AUDITOR-GENERAL'S RECOMMENDATIONS

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)

There were no issues raised by the Auditors in the 2020/2021 audited accounts



Prof. Isaac S. Kosegy
 Vice Chancellor



Sir. Prof. Ambrose Kiprop
 Centre Leader

*Moi University, African Centre of Excellence (ACEII) PTRE Project
Reports and Financial Statements For the financial year ended June 30, 2022*

13. ANNEXES

Annex1 - Variance explanations - Comparative Budget and Actual amounts for FY 2021-2022

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	A	B	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	241,108,405	140,701,511	100,406,894	58	(i)
Proceeds from domestic and foreign grants	93,433,650	34,528,581	58,905,070	37	(ii)
Proceeds from Borrowing	-	-	-		
Miscellaneous receipts	4,134,751	816,105	3,318,646	20	(iii)
Total Receipts	338,676,806	176,046,197	162,630,610	52	
Payments					
(a) Purchase of Goods and Services					
1.0 Set-up Institutional Framework for Commencement of the ACE	29,195,116	9,025,258	20,169,859	31	(iv)
2.0 Strengthen Education Capacity Excellence - Quality and Productivity	37,890,381	26,658,690	11,231,691	71	(v)
3.0 Education Capacity & Development Impact	19,727,959	11,719,456	8,008,503	59	(vi)
4.0 Strengthen Research Capacity excellence - quality and Productivity	119,505,641	12,908,316	106,597,325	29	(vii)
5.0 Strengthen Education and Research Capacity (through increased financial sustainability) and demonstration of value to students and partners	4,433,968	91,550	4,342,418	2	
6.0 Observation of Best Practices in ACE Financial Operations	206,500	149,600	56,900	72	(viii)
7.0 Observation of Best Practices in ACE Procurement Operations	206,500	-	206,500	0	(ix)
8.0 Education Support Capacity	-	-	-		(x)
9.0 Donor attracted research expenses	96,330,492	32,573,169	63,757,323	34	(xi)

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Annual Report and Financial Statements for the financial year ended June 30, 2022*

	Final Budget	Acquisition Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
(5) Acquisition of Non-Financial Assets					
1.0 Set-up Institutional Framework for Commencement of the ACE	200,000	182,700	17,300	92	
2.0 Strengthen Education Capacity Excellence - Quality and Productivity	600,000	555,200	44,800	93	
4.0 Strengthen Research Capacity Excellence - Quality and Productivity	32,300,092	30,442,348	1,857,744	94	
Total payments	338,676,806	124,306,288	214,370,518	37	

Notes to the Variances

- (i.ii & iii). Favourable proceeds from domestic and foreign grants for the year and brought funds from 2020/2021 financial year.
- (iv). The planned project activities including the annual meeting with Management and stake holders was not held and the acquisition of back-up generator and general maintenances of the Centre were rolled over to 2022/2023.
- (v). Non implementation of Technical Equipment for C-CoDE programme, due to delayed disbursement of counterpart funds which were sourced by IODI to match the allocation of funds by ACEII.
- (vi). The accreditation of regional/international post graduate curriculum is on-going and will be completed in the FY 2022/2023.
- (vii). The acquisition of specialized equipment for the labs and construction of ACEII building is still on going and rolled over to FY 2022/2023.
- (viii). Activities relating to processing of patents and still on-going, the activity rolled over to FY 2022/2023.
- (ix-x). Appropriate activities relating to financial operations are on-going; and
- (xi). The implementation of various attracted donor funds are on-going and shall spill to FY 2022/2023

*Moi University, African Centre of Excellence (ACEII) PTRE Project
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Annex 2: Reconciliation of inter-entity transfers

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

PROJECT NAME: AFRICA CENTRE OF EXCELLENCE (ACEII) PTRE PROJECT

Break down of Transfers from the State Department of University Education and Research

	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
Ministry of Education/World Bank			
State Department University Education	24/03/2022	75,000,000	FY 2021/2022
State Department University Education	21/04/2022	65,701,511	FY 2021/2022
TOTAL		140,701,511	

Center Leader
ACEII PTRE Project

Signature-----

Head of Accounting Unit
State Department for University Education and Research

Signature-----

Moi University, African Centre of Excellence (ACEII) PTRE Project
Annual Report and Financial Statements for the financial year ended June 30, 2022

Annex 3 – Summary of Fixed Assets Register

Asset class	Opening Cost (Kshs) 2021/2022	Donation s in form of assets (Kshs) 2021/2022	*Purchases/ Additions in the Year (Kshs) 2021/2022	**Disposals in the Year (Kshs) 2021/2022	Transfers in/(out) Kshs 2021/2022	Closing Cost (Kshs) 2021/2022
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Transport equipment	25,181,393	-	-	-	-	25,181,393
Office equipment, furniture and fittings	9,211,562	-	105,200	-	-	9,316,762
ICT Equipment,	7,454,257	-	435,000	-	-	7,889,257
Laboratory Equipment	53,605,839	-	30,640,048	-	-	84,245,887
Total	95,453,051	-	31,180,248	-	-	126,633,299

*Moi University, African Centre of Excellence (ACEII) PTRE Project
Reports and Financial Statements For the financial year ended June 30, 2022*

Annex 4 – Breakdown of Imprests and Advances

Name of Officer or Institution	Date Surrendered	Amount Taken	Amount Surrendered	Balance 2022	Balance 2021
		Kshs	Kshs	Kshs	Kshs
John Lukorito	-	109,000	-	109,000	-
Kimitei Edwin K.	14/07/2022	359,400	-	359,400	-
Chepkwony Kefa Chesire	26/09/2022	593,700	-	593,700	-
Oduor Elton Dickens	-	304,520	-	304,520	-
David Njuguna	05/09/2022	533,456	-	533,456	-
Owino John Isemeki	-	18,000	-	18,000	-
Korir John Kimeli	14/07/2022	62,000	-	62,000	-
Kipkorir Paul	07/07/2022	195,705	-	195,705	-
Kipkoech Geoffrey Yegon	-	350,345	-	350,345	-
Matakala Bernard Khisa	25/10/2022	328,400	-	328,400	-
Cherus Ann	06/07/2022	689,974	-	689,974	-
Maina Paul	03/08/2022	127,480	-	127,480	-
Njenga Jayne W.	07/07/2022	117,532	-	117,532	-
Edward Nyenze	01/09/2022	66,631	-	66,631	-
Githua Beatrice Wangui	19/07/2022	111,740	-	111,740	-
Agesa Joseph Agufana	25/07/2022	331,700	-	331,700	-
Kogei Michael Seurey	16/12/2021	-	-	-	325,680
Cherus Ann	22/07/2021	-	-	-	101,106
Serem Abraham Kipkemei	18/08/2021	-	-	-	312,130
Kosgei Viola Jepchumba	26/07/2021	-	-	-	119,840
Kosgei Viola Jepchumba	26/07/2021	-	-	-	104,160
Morogo Naomi Jepkemoi	22/09/2021	-	-	-	346,800
Kweyu C. Muganda	25/11/2021	-	-	-	692,208
Kipsanai Janet Jepchumba	19/07/2021	-	-	-	128,852
Kipsanai Janet Jepchumba	19/07/2021	-	-	-	352,508
Oduor Elton Dickens	06/12/2021	-	-	-	515,650
Njuguna David Githinji	19/07/2021	-	-	-	595,852
Kandie Faith Jebiwot	18/07/2021	-	-	-	98,000
		4,299,583	-	4,299,583	3,692,786

Annex 5: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2022
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. Trial Balance

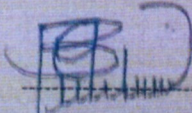
SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2022
Account No.	1000331704
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	ESAHECE ACE II CR NO. 5798
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2021 as per C.B.K. Ledger Account	51,589.83
Add:	
Total Amount deposited by World Bank	2,708,496.20
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	2,708,496.20
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2022	51,589.83

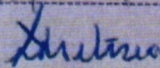
**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE

4.07.2022

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE

01/08/2022

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2022 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

**EASTERN AND SOUTHERN AFRICA HIGHER EDUCATION CENTRES OF EXCELLENCE - ACE II
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2022**

Credit No.: IDA CREDIT NO. 57980-KE

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

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		13,946,762.02
	Less:		
2	Total amount documented		13,946,762.02
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special account Balance as at 30 June 2022		51,589.83
5	Amounts claimed but not credited as at 30 June 2022		-
6	Amounts withdrawn and not claimed		(51,589.83)
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2022		-

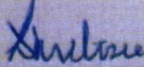
Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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


AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

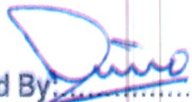
DATE: 01/08/2022

Moi University

KB17 - MU ACE II WB Project Account No. 1202447163 - Kenya Commercial Bank

Bank Reconciliation Statement - June 2022

Particulars	Note	Kes	Kes
Balance as per Bank Statement			254,735,142.14
Less: Payment in Cashbook not in Bank statement	1	342,229.00	
Receipts in Bank Statement not in Cashbook	2	-	
			342,229.00
Add: Payment in Bank Statement not in Cashbook	3	-	
Receipts in Cashbook not in Bank Statement	4	-	
Balance as per Cash book			<u>254,392,913.14</u>

Prepared By: 
Accountant - Reconciliation

Approved By: 
For: Chief Finance Officer

Moi University

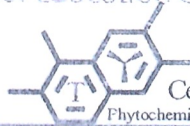
KB17 - MU ACE II WB Project Account No 1202447163 - Kenya Commercial Bank

Unpresented Cheques - June 2022

Date	ChqNo	Name	Amount
1/18/2022	2049	Kenya Commercial Bank - DLA Scientific Ltd	300,000.00
6/14/2022	2260	Sirikwa Eldoret Hotel, Ltd	16,318.00
6/24/2022	2271	CFAO Motors Kenya Ltd	25,911.00
			342,229.00

ACE II

Eastern and Southern Africa
Higher Education Centers of Excellence Project



Center of Excellence in
Phytochemicals, Textiles and Renewable Energy

FROM: Internal Auditor

DATE: 1st July, 2022

TO: Accountant – ACEII

REF: MU/IA/FIN/2/11/49

RE: CASH BALANCE CERTIFICATE – ACEII PETTYCASH

The approved petty cash float issued for payment of general operating expenses was Kes.60,000.00

The status of petty cash at the close of business on 30th June, 2022 was as follows;

Petty cash surrendered - Kes. 60,000.00

This is, therefore, to certify that there was **nil** cash float as at 30th June, 2022.

Petty cash holder:

Name: Esther Maritim – PF. No. 1422

Sign: 

Date: 30th June, 2022

Auditor:

Name: Daniel Maweu - PF. No. 5574

Sign: 

Date: 30th June, 2022.



Ethiopia



Kenya



Malawi



Mozambique



Rwanda



Tanzania



Uganda



Zambia



ISO 9001-2015 Certified Institution

ACEII-PTRE TRIAL BALANCE AS AT 30TH JUNE 2022

	Details	Debit	Credit
Purchase of Goods and Services	1.0 Set up Institutional Framework for Commencement of the ACEII	9,025,258	-
	2.0 Strengthen Educational Capacity Excellence - Quality and Productivity	26,658,690	-
	3.0 Education Capacity and Development Impact	11,719,456	-
	4.0 Strengthen Research Capacity Excellence - Quality and Productivity	12,908,316	-
	5.0 Strengthen education and research capacity (through increased financial sustainability) and demonstration of value to students and partners	91,550	-
	6.0 Observation of best practices in ACE financial operation	149,600	-
	Payments for Donor Attracted Research Expenses	32,573,169	
Acquisition of Non-Financial Assets	1.0 Set up Institutional Framework for Commencement of the ACEII	182,700	
	2.0 Strengthen Educational Capacity Excellence - Quality and Productivity	555,200	
	4.0 strengthen Research Capacity Excellence - Quality and Productivity	30,442,348	
	Bank Balances	254,392,913	-
	Receivables	4,299,583	-
	Project Capital funds	-	206,952,587.18
	GoK/Donor Funds	-	140,701,510.75
	Attracted Funds	-	34,528,580.50
	Internally Generated Funds	-	816,105.30
		382,998,784	382,998,784