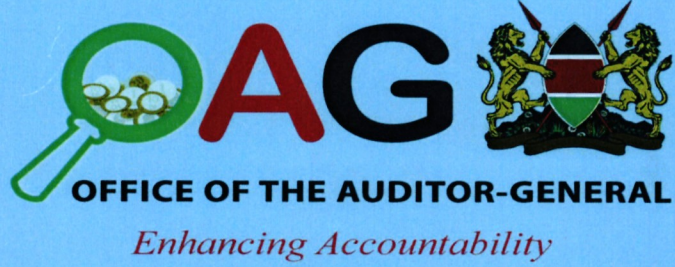


REPUBLIC OF KENYA



**REPORT**


**OF**

**THE AUDITOR-GENERAL**

**ON**

**MAASAI MARA UNIVERSITY**

**FOR THE YEAR ENDED**  
**30 JUNE, 2019**

 THE NATIONAL ASSEMBLY PAPERS L A I D	
DATE: 11 NOV 2021	DAY.
TABLED BY:	WHIP KANAUDE
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OFFICE OF THE AUDITOR GENERAL  
P. O. Box 30084 - 00100, NAIROBI  
REGISTRY  
7467/NRS HUS  
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**RECEIVED**

# MAASAI MARA UNIVERSITY

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING  
JUNE 30, 2019



ISO 9001:2015 CERTIFIED

*[www.mmarau.ac.ke](http://www.mmarau.ac.ke)*

MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

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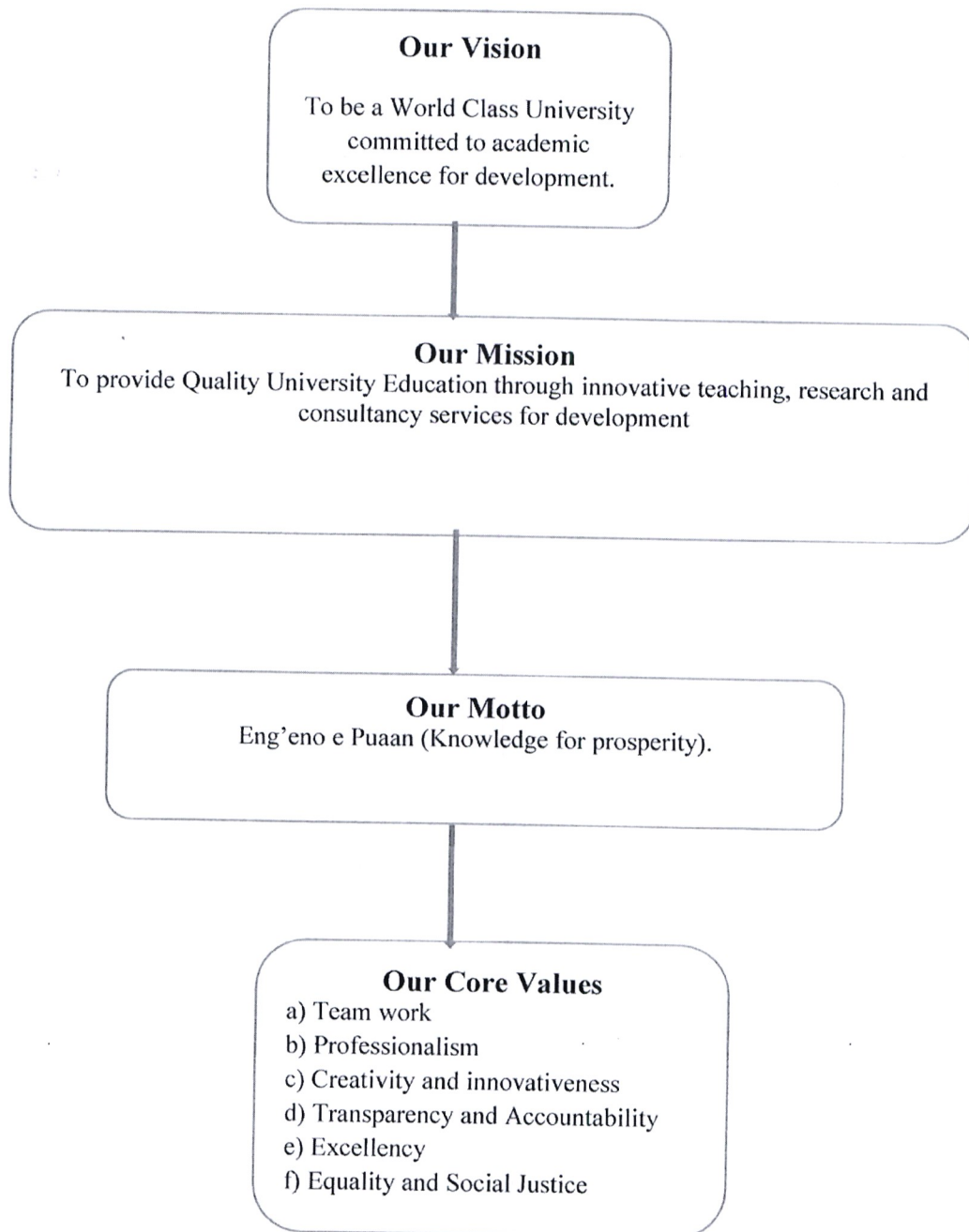
**KEY INFORMATION AND MANAGEMENT**

**a) Background information**

Maasai Mara University is a public body corporate established by Charter as per The Universities Act 2012; the Charter was issued on 11<sup>th</sup> February, 2013. At Cabinet level, Maasai Mara University is represented by the Cabinet Secretary for Education who is responsible for the general policy and strategic direction of the University. Specifically, the University is under the Principal Secretary of University Education and Research. It has five Schools namely: School of Business and Economics, School of Education, School of Science and Information Sciences, School of Arts and Social Sciences and School of Tourism and Natural Resource Management. The University offers recognized academic programmes from Doctor of Philosophy, post graduate, under graduate, diploma, certificate and short training market driven courses. The current student enrolment is 13,000. The University is located approximately one kilometre off the Narok-Bomet highway, two kilometres from Narok town in Kenya and approximately 150 kilometres northwest of Nairobi City

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b) Principal Activities



**MAASAI MARA UNIVERSITY**  
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**Functions:**

Maasai Mara University objectives and functions are defined in Part III Sec 19 of the Universities Act 2012. Key of these functions are as follows: -

- a) Provide directly or in collaboration with other institutions of higher learning, facilities for technological, professional and scientific education;
- b) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- c) Promotion of learning in the student body and society generally;
- d) Promotion of cultural and social life of society;
- e) Support and contribution to the realization of national economic and social development;
- f) Promotion of the highest standards in and quality of, teaching and research;
- g) Education, training and retraining higher level professional, technical and management personnel;
- h) Dissemination of the outcomes of the research conducted by the University to the general community;
- i) Facilitation of life-long learning through provision of adult and continuing education;
- j) Fostering of a capacity for independent critical thinking among its students; and
- k) Promotion of gender balance and equality of opportunity among students and employees.
- l) Promotion of equalization for persons with disabilities, minorities and other marginalized groups;
- m) Play a leading role in development and expansion of opportunities for technological and vocational institutions;
- n) Conduct examinations for and grant such academic awards as may be provided for in the statutes and to syndicate examinations for awards at other institutions as may be approved by the Senate;
- o) Participate in commercial ventures and activities that promote the objectives of the institution.

In the discharge of its functions and the exercise of its powers under this Act, Maasai Mara University is guided by the national values and principles of governance set out under Article 10 of the Constitution.

**c) Key Management**

The University's day-to-day management is under the Vice-Chancellor and Secretary, Maasai Mara University Council. The Council exercise oversight role of policy formulation. The other key management of the University comprises of the Deputy Vice-Chancellor Academic and Student Affairs, Deputy Vice-Chancellor Administration, Finance and Planning, Registrar Academic Affairs, Registrar Administration, Finance Officer, Senior Legal Officer, Librarian and Head, Health Services.

**MAASAI MARA UNIVERSITY**  
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**d) Fiduciary Management**

The key management personnel who held office during the year ended 30<sup>th</sup> June 2019 and who had direct fiduciary responsibility were:

No.	Designation	Name of the Staff
1	Vice-Chancellor/Chief Executive Officer	Prof. Mary K. Walingo
2	Deputy Vice-Chancellor (Admin., Finance & Planning)	Prof. Mohamed H. Abdille
3	Deputy Vice-Chancellor (Academic, & Student Affairs)	Prof. Godrick M. Bulitia
4	Registrar, Administration	Mr. Samuel K. Partoip
5	Registrar, Academic Affairs	Dr. Fredrick Otieno
6	Finance Officer	CPA Anaclat B. Okumu
7	Acting Head Health Services Department	Dr. Anthony L. Yiaile
8	Senior Legal Officer	Miss. Mercylene Njoroge
9	Acting University Librarian	Mrs. Nancy Kimile

**e) Fiduciary Oversight Arrangements**

The fiduciary oversight arrangements of the University are by the Council who carry out the oversight duties through the Council Committees. These committees are: Finance, Strategy and Resources, which is charged with the responsibilities of budgetary planning, budget approval, approval of quarterly and annual financial reports, investment policy, resource mobilization and income generation policies. It is also responsible for overall University planning including master and strategic plan ; Audit, Risk and Compliance committee is a statutory committee whose responsibilities include reviewing internal controls procedures and policies so as to ensure efficiency and effectiveness, submitting quarterly and annual reports on internal controls to the Council, ensuring proper books of accounts have been maintained, review of internal audit reports and their overall effectiveness, ensuring compliance with statutory guidelines, approval of annual audit work plans and reviewing risk management framework; Academic, Sealing and Honorary Degrees Committee which examines the format and content of the University's statutes, deliberates on all matters pertaining to research and academic activities, co-ordinating fund raising activities for research, advising on consultancies, technology transfers and intellectual property rights, receiving and reviewing academic board papers, recommending to the Council for award of honorary degrees and recommending to the Council on number of certificates to be sealed. This committee also receives and recommends to the Council academic policies; Human Resource Committee is charged with reviewing and recommending to the Council staff establishment and organization structure, developing and reviewing Human Resource Policies, reviewing and recommending to the Council career progression for all staff, reviewing and recommending terms and conditions of service, reviewing and recommending Collective Bargaining Agreements in consultation with Finance, Strategy and Resources committee, recommending staff promotions and handling disciplinary matters.

Other oversight activities of the University are carried out by the Commission for University Education who performs quality assurance audits, Kenya Bureau of Standards who carry out

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ISO audits to ensure compliance with relevant ISO standards. The University is ISO 9001:2015. The Office of the Auditor General carries out both continuous and final audits of the University while the Internal Audit function of the University ensures that the control environment is working with minimal risk exposure.

**f) University Headquarters**

Maasai Mara University,  
P. O. Box 861 – 20500,  
Narok County,  
Narok, Kenya

**g) University Contacts**

Tel: (254) 020-5131400  
Fax: 020-2066041  
E-mail: [info@mmarau.ac.ke](mailto:info@mmarau.ac.ke)  
Website: [www.mmarau.ac.ke](http://www.mmarau.ac.ke)

**h) University Bankers**

1. National Bank of Kenya,  
Narok Branch,  
P. O. Box 238,  
**NAROK**
2. Equity Bank Ltd.  
Narok Branch  
P. O. Box 1023-20500,  
**NAROK**
3. Kenya Commercial Bank,  
Narok Branch,  
P. O. Box 406-20500,  
**NAROK**
4. Barclays Bank of Kenya,  
Narok Branch  
P. O. Box 1073-20500,  
**NAROK**
5. SBM Bank Kenya Limited  
Narok Branch,  
P.O Box 66049 - 00800  
**NAIROBI**
6. Jamii Bora Bank  
P.O Box 22741-00400  
**NAIROBI**
7. Co-operative Bank of Kenya,  
Narok Branch

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P. O. Box 632-20500,  
**NAROK**

8. Bank of Africa  
Narok Branch  
P. O. Box 69562-00400  
**NAIROBI**

**i) Independent Auditors**

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

**j) Principal Legal Adviser**

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

MAASAI MARA UNIVERSITY  
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MAASAI MARA UNIVERSITY COUNCIL MEMBERS



Dr. Samuel Ochola  
*Chairman of the Council*

- ♣ DOB: 31st July, 1941
- ♣ PhD Economics
- ♣ Director of United Nations Institute of Economic Development and Planning (UN-IDEP) African Region - Dakar Senegal.
- ♣ Director of United Nations Economic Commission for Africa (UN-ECA) Sub - regional Office – Lusaka Zambia.
- ♣ Senior Industrial Development Officer UN-ECA sub-regional office for West Africa (ECOWAS) – Niamey, Niger.
- ♣ Senior Economic Affairs Officer-UN-ECA Headquarters, Addis Ababa, Ethiopia



CS Damary Ayuku - Angulu  
*Independent Council Member –  
Chairperson Human Resource  
Committee*

- ♣ DOB: 28th. December, 1968
- ♣ LLB - UoN
- ♣ MBA - UoN (Strategic Management)
- ♣ Post Graduate Dip. In Law – Kenya School of Law.
- ♣ Certified Public Secretary of Kenya
- ♣ Certified Mediator
- ♣ Head of Legal – Tourism Promotion Services (Management) Ltd



Mr. Mugambi J. Nyaga  
*Executive Council Member and  
alternate to PS Ministry of  
Education*

- ♣ DOB: 1963
- ♣ B.A. (UoN),
- ♣ MBA (Moi University)
- ♣ Certified Public Secretary of Kenya
- ♣ Deputy Director, HRM & Development services; Head of HR Department in Ministries of: Executive of the President (Cabinet Affairs Office) and Education (University Education and Research)
- ♣ Senior Assistant Director HRM; Head of HR Department in Ministries of: Local Government, Regional Development and Prisons Department.

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**Maj. (Rtd) John Karanja**  
*Independent Council Member –  
Chairman Finance, Strategy and  
Resources Committee*

- ♣ DOB: 24th. September, 1961
- ♣ LLB Law-UoN
- ♣ Certified Public Secretary Kenya
- ♣ Master of Law (LLM) Specialization:  
Security & Law
- ♣ Senior Partner- Kamunya &  
Company Advocates
- ♣ Major/Senior Legal officer-KDF



*Ms Aletia Susan Amlango*  
*Independent Council Member*

- ♣ DOB: 19<sup>th</sup> August, 1974
- ♣ Msc in Disaster Management -  
MMUST
- ♣ Master of Public Health – Moi  
University
- ♣ B. Ed. (Science) – Moi University
- ♣ Dip. Agricultural Education and  
Extension – Egerton University



**Mr. Paul Ngetich – DSM, OGW**  
*Independent Council Member – Chairman  
Academic, Sealing and Honorary Degrees  
Committee*

- ♣ DOB: 20<sup>th</sup> October, 1950
- ♣ B.Ed (Science)
- ♣ Master in Education Management
- ♣ Rtd Chief Principal Tambach TTC
- ♣ Deputy Registrar-Moi Teachers  
College.
- ♣ Senior Lecturer-Kagumo Teachers  
College
- ♣ Assistant Director of Education –  
Jogoo House
- ♣ Provisional Inspector of Schools –  
Nyanza and Eastern Provinces.

**MAASAI MARA UNIVERSITY  
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**Ms. Annette Nasiaki Okello**  
*Independent Council Member*

- ♣ DOB: 20<sup>th</sup> November, 1979
- ♣ Graduate Diploma- Management Information Systems (University of Greenwich – UK)
- ♣ Bsc (Hons) – (University of Greenwich – UK)
- ♣ Msc Information Technology Management (University of Sunderland – UK)
- ♣ Post Graduate Certificate in Global Social and Sustainable Enterprise



**FA Paul Kiagu**  
*Executive Council Member and alternate to PS National Treasury*

- ♣ DOB: 4<sup>th</sup> July, 1969
- ♣ BA(Econs) – (Kenyatta University)
- ♣ Masters in Economics (Kenyatta University)
- ♣ Member Institute of Certified Investment and Financial Analysts (ICIFA)
- ♣ Principal Economists at The National Treasury.



**Prof. Mary K. Walingo**  
*Vice-Chancellor and Secretary to Council*

- ♣ DOB: 1st. January, 1963
- ♣ B. Ed. Home Economics
- ♣ M. Sc Applied Human Nutrition Major
- ♣ Master of Business Administration.
- ♣ Ph. D Food & Nutrition Major
- ♣ Deputy Vice-Chancellor (A & F) Maseno University
- ♣ Principal, Murang'a University College

Ms. Aletia Susan Amlango was appointed as an Independent Council Member to replace Mr. Sammy Roore Oleku in April 2019.

**MAASAI MARA UNIVERSITY**  
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**Council Committees Membership**

Finance, Strategy and Resources Committee	→	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">1. Maj. (Rtd) John K. Karanja</td> <td style="width: 30%;">Chairman</td> </tr> <tr> <td>2. Ms. Damary Ayuku - Angulu</td> <td>Member</td> </tr> <tr> <td>3. Ms. Annette N. Okello</td> <td>Member</td> </tr> <tr> <td>4. FA Paul Kiagu</td> <td>Member</td> </tr> <tr> <td>5. Mr. Mugambi J. Nyaga</td> <td>Member</td> </tr> <tr> <td>6. Prof. Mary K. Walingo</td> <td>Secretary</td> </tr> </table>	1. Maj. (Rtd) John K. Karanja	Chairman	2. Ms. Damary Ayuku - Angulu	Member	3. Ms. Annette N. Okello	Member	4. FA Paul Kiagu	Member	5. Mr. Mugambi J. Nyaga	Member	6. Prof. Mary K. Walingo	Secretary		
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4. FA Paul Kiagu	Member															
5. Mr. Mugambi J. Nyaga	Member															
6. Prof. Mary K. Walingo	Secretary															
Academic, Sealing and Honorary Degrees Committee (Technical Committee)	→	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">1. Mr. Paul Ngetich</td> <td style="width: 30%;">Chairman</td> </tr> <tr> <td>2. Ms. Damary Ayuku-Angulu</td> <td>Member</td> </tr> <tr> <td>3. Ms. Annette N. Okello</td> <td>Member</td> </tr> <tr> <td>4. FA Paul Kiagu</td> <td>Member</td> </tr> <tr> <td>5. Mr. Mugambi J. Nyaga</td> <td>Member</td> </tr> <tr> <td>6. Ms Aletia Susan Amlango</td> <td>Member</td> </tr> <tr> <td>7. Prof. Mary K. Walingo</td> <td>Secretary</td> </tr> </table>	1. Mr. Paul Ngetich	Chairman	2. Ms. Damary Ayuku-Angulu	Member	3. Ms. Annette N. Okello	Member	4. FA Paul Kiagu	Member	5. Mr. Mugambi J. Nyaga	Member	6. Ms Aletia Susan Amlango	Member	7. Prof. Mary K. Walingo	Secretary
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Audit, Risk and Compliance Committee	→	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">1. Ms. Annette N. Okello</td> <td style="width: 30%;">Chairperson</td> </tr> <tr> <td>2. Mr. Paul Ngetich</td> <td>Member</td> </tr> <tr> <td>3. FA Paul Kiagu</td> <td>Member</td> </tr> <tr> <td>4. Ms Aletia Susan Amlango</td> <td>Member</td> </tr> <tr> <td>5. Head of Internal Audit</td> <td>Secretary</td> </tr> </table>	1. Ms. Annette N. Okello	Chairperson	2. Mr. Paul Ngetich	Member	3. FA Paul Kiagu	Member	4. Ms Aletia Susan Amlango	Member	5. Head of Internal Audit	Secretary				
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2. Mr. Paul Ngetich	Member															
3. FA Paul Kiagu	Member															
4. Ms Aletia Susan Amlango	Member															
5. Head of Internal Audit	Secretary															
Human Resource Committee	→	<table border="0" style="width: 100%;"> <tr> <td style="width: 70%;">1. Ms. Damary Ayuku – Angulu</td> <td style="width: 30%;">Chairperson</td> </tr> <tr> <td>2. Maj. (Rtd) John K. Karanja</td> <td>Member</td> </tr> <tr> <td>3. Ms. Aletia Susan Amlango</td> <td>Member</td> </tr> <tr> <td>4. FA Paul Kiagu</td> <td>Member</td> </tr> <tr> <td>5. Mr. Mugambi J. Nyaga</td> <td>Member</td> </tr> <tr> <td>6. Prof. Mary K. Walingo</td> <td>Secretary</td> </tr> </table>	1. Ms. Damary Ayuku – Angulu	Chairperson	2. Maj. (Rtd) John K. Karanja	Member	3. Ms. Aletia Susan Amlango	Member	4. FA Paul Kiagu	Member	5. Mr. Mugambi J. Nyaga	Member	6. Prof. Mary K. Walingo	Secretary		
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3. Ms. Aletia Susan Amlango	Member															
4. FA Paul Kiagu	Member															
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6. Prof. Mary K. Walingo	Secretary															

MAASAI MARA UNIVERSITY  
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MANAGEMENT TEAM



**Prof. Mary K. Walingo**

*Bed (KU), MBA(Maseno), MSc (UoN), PhD (ANGRAU, India), MKNAS, EBS*  
Vice-Chancellor/Chief Executive Officer



**Prof. Mohammed H. Abdille**

*Bsc (University of Mysore-India), MBA (Staffordshire-UK), PhD (Agricultural University-China)*  
Deputy Vice-Chancellor (Admin., Finance & Planning)



**Prof. Bulitia Godrick Mathews**

*BEd (UoN), MBA(UoN), PhD(Maseno)*

Deputy Vice-Chancellor (Academic & Student Affairs)

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**Dr. Fredrick Otieno**  
*BSc (KU), MSc (UoN), PhD(JKUAT)*  
Registrar, Academics



**Mr. Samuel K. Partoip**  
*BEd, MSc (Moi), HND*  
Registrar, Administration



**CPA Anaclet Biket Okumu**  
*BSc in BA (USIU-A) MBA (KU),*  
*ICPAK No.4857*  
Finance Officer



**Dr. Antony L. Yiaile**  
*BPharm (MKU), MSc (UON),*  
*HDipClin Pharm, Dip Pharm*  
*(KMTc), MPSK.*



**Ms. Nancy Kimile**  
*BSc., MPhil. (Moi)*  
Ag. University Librarian



**Ms. Mercylene Njoroge**  
*LLB (Moi), Dip. Law (KSL)*  
Senior Legal Officer

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CHAIRMAN'S STATEMENT



Dr. Samuel Ochola  
Chairman of the Council

*“To address funding gaps, the University will continue sourcing more funds from development partners especially for infrastructural development and prudently apply it.”*

I am delighted to present the Maasai Mara University (herein referred to the “University”) Annual Report and Financial Statements, on behalf of the University Council for the year ended 30th June 2019.

**Key Activities**

The University fared on quite well achieving most of her mandate supported by timely release of Government capitations for both recurrent and development use. This was bolstered by the University’s quest for increased partnerships and collaborations leading to signing of a number of memorandums of understanding with development partners. With this and other key activities, I am pleased to outline a number of milestones achieved during the year under review as follows:

In order to ensure continual corporate governance, the exit of Council member Mr. Sammy Oleku in April 2019 was replaced by Ms. Aletia Susan Amlango an expert in Disaster Management and Sustainable Development. She brings to the Council a wealth of experience from United Nations and other Non-Governmental Organizations.

During the year the University successfully implemented transitioned from ISO (International Organization for Standardization) 9001:2008 to ISO 9001: 2015. This standard emphasizes on process approach of PDCA cycle (Plan, Do, Check and Act) and risk based thinking.

On infrastructural development, I am pleased to report that the boundary wall construction was completed. This now provides the much need security and safety to our students especially during this time of terrorism extremists. Phase II and III of tuition block constructions are underway – at 50% completion stage. The University clinched a memorandum of understanding with Chinese Academy of Sciences for construction of herbal factory. During the Year, University received equipment from the Chinese Academy to support research on traditional medicine. Maasai Mara University and Wuhan Botanical

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Garden of Chinese Academy of Sciences have partnered to jointly support scientific research through equipping University Laboratories and promoting staff and students exchange programs. The donated equipment will help promote research and innovation in the University Laboratories.

In an effort to continually develop relationships with external partners and source for funds, I am pleased to report that on 13<sup>th</sup> December 2018, the University signed an agreement to establish a continuing working relationship among Maasai Mara University, Kenya Botanic Diamonds Company Limited, Sino Africa Joint Research Centre, Wuhan Botanical Garden and Chinese Academy of Sciences in support of the establishment of African Botanical Joint Research Laboratory.

The University admitted One Thousand Four Hundred Sixty-Three (1,463) freshmen and women from Kenya Universities and Colleges Central Placement Services (KUCCPS) on 30<sup>th</sup> August 2018. Out of this, 24 students for the newly establishes School of Nursing. Another 67 undergraduate students, 63 diplomas and 21 certificates were admitted under the privately sponsored program. This number is slightly below the 1,520 admitted in the previous year but increased to One Thousand Seven Hundred Seventy-Two students (1,772) in the 2019/2020 academic year.

In line with the University mandate of producing qualified graduands, during the year a total of Two Thousand Six Hundred Twenty-Eight (2,628) students graduated distributed as 1,323 males and 1,305 females. This leaves a gap of 1,165 between joiners and exits the pitying the former.

Further, the Commission for University Education conducted a quality assurance audit of the University whereby no major concerns of non-conformities were found. The University also organised her 4<sup>th</sup> International Conference and the World Traditional Medicine Day celebration. The International conference themed “*An Integrated Approach in Resolving Conflicts in the use of Natural Resources*” attracted 150 participants and 43 abstracts.

On Corporate Social Responsibility front, during the year the University hosted and participated in the Seeds of Gold event of the Nation Media Group, Annual Maa Cultural Trade Exhibition and Awards, Narok County NHIF Sheep Auction event, and Narok County Livestock Show. Progress was made towards creating a partnership between the University and Ilkerin Loita Integral Development Project. This partnership is aimed to achieve joint fundraising and resource mobilization, project development and implementation, sharing of physical facilities, institutional capacity building, management of staff training and joint research and innovations. The institution yearns to work with the Loita Community members running the programme so as to establish the research, training as well as job creation hubs.

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*Left-Right (seated): The President of the Chinese Academy of Sciences (CAS) Prof. BAI Chunli, Maasai Mara University Council Chairman Dr. Samuel Agonda Ochola and the CEO Botanic Diamonds Company Kenya Limited Mr. George TSUI flanked by the Members of Maasai Mara University Council and Management sign a Memorandum of Understanding(MOU) between Maasai Mara University, Botanic Diamonds Company Limited and the Sino-African Joint Research Center, Wuhan Botanical Garden, Chinese Academy of Sciences on Thursday, 13<sup>th</sup> December 2018 at Serena Hotel, Nairobi*

### **Challenges**

Firstly, as indicated above the ratio of joiners and leavers is skewed towards leavers whereby the number being admitted is lower than those students who are graduating. This is mainly caused by reduced privately sponsored students and lower number attaining the minimum University entry point at the Kenya Certificate of Secondary Education. The Kenya Universities and Colleges Central Placement Services (KUCCPS) shares this small number among both private and public universities.

Second challenge is funding. Whereas, the University is grateful for the support received from the Ministry of Education and timely release of funds, our needs as a young University far outstretches the income received. For instance, the University doesn't have a library and administration block. Also the University Funding Board has not released capitation for the KUCCPS students.

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Lastly, the University is grumbling with lower ratio of teaching staff vis-a vis the student enrolment with approximately 9,800 students against 147 teaching staff. The ratio is far below Commission for University Education (CUE) recommendation.

**Way forward**

To surmount the above challenges, the University rationalized her programmes and provided strategies to revamp the existing ones. A clearer programme niche was mooted.

To address funding gaps, the University will continue sourcing more funds from development partners especially for infrastructural development which has faced significant reductions from the Government. Also, the University will fast track completion of ongoing projects before commencement of new ones. University staff will double their efforts in writing funding proposals and use of innovative ways to control energy costs.

The University will also review the staff establishment especially the administrative staff in line with activities carried so as to manage her payroll costs. Enhanced training on leadership and corporate governance has been planned for both staff and Council members

**Appreciation**

I wish to thank our Almighty God for successfully completing this financial year. I also thank my fellow Council members for articulating their mandate in policy matters of the University. This resulted to well attendance of Council meetings and timely deliberation and dispensation on key policy direction issues. Thirdly, I thank the University management under the able leadership of the Vice-Chancellor for carrying out daily operations of the University. For the entire Maasai Mara University family, keep up the hard work and let us move the University to greater heights together. May God bless you.

Dr. Samuel Ochola  
**CHAIRMAN**  
**MAASAI MARA UNIVERSITY COUNCIL**

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REPORT OF THE VICE-CHANCELLOR/CHIEF EXECUTIVE OFFICER



**Prof. Mary K. Walingo**  
Vice- Chancellor

*"In line with the University mandate of producing qualified graduands, during the year the University held her 6<sup>th</sup> graduation ceremony with a total of Two Thousand Six Hundred and Twenty-Eight (2,628) graduands"*

**Introduction**

It is my pleasure to present to you the Maasai Mara University (hereafter referred to as the "University") Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2019. This Once again the University has recorded tremendous improvement both in strategic direction and operational areas albeit with challenges.

**Key Activities**

The University carried out her activities during the year in compliance with relevant laws, Acts of parliament, regulations and procedures. The objectives of these activities were centred around achievement of the University strategic plan 2014-2019 and core mandate of teaching, research and consultancy services.

*a) Academic Services*

The University admitted One Thousand Four Hundred Sixty-Three (1,463) freshmen and women from Kenya Universities and Colleges Central Placement Services (KUCCPS) on 30<sup>th</sup> August 2018. Out of this, 24 students for the newly establishes School of Nursing. Another 67 undergraduate students, 63 diplomas and 21 certificates were admitted under the privately sponsored program. The students are disaggregated as follows:

<b>School</b>	<b>Number of placements</b>
School of Business and Economics	481
School of Education	468
School of Arts and Social Sciences	182
School of Tourism and Natural Resources Management	93
School of Science and Information Sciences	239
<b>Total</b>	<b>1,463</b>

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This number is slightly below the 1,520 admitted in the previous year.

In line with the University mandate of producing qualified graduands, during the year the University held her 6<sup>th</sup> graduation ceremony with a total of Two Thousand Six Hundred and Twenty-Eight (2,628) graduands distributed as 1,323 males and 1,305 female students being awarded with degree and diploma certificates. This number is nearly double the graduands of 2017/2018 (1,493). The breakdown by School was as follows:

<b>School</b>	<b>Number of graduands</b>
School of Business and Economics	1,022
School of Education	592
School of Arts and Social Sciences	508
School of Tourism and Natural Resources Management	326
School of Science and Information Sciences	180
<b>Total</b>	<b>2,628</b>

*b) Collaborations and linkages*

On collaborations and linkages, the UK National Centre for Earth Observation visited the University in February this year to review progress on the research project on Kenya Hot-Spot Analysis for County Integrated Development Planning and discussed new areas of research and training collaboration. This project is part of Prosperity Co-laboratory Kenya and aims to analyse environmental and agricultural change hotspots in the Mau complex, Vihiga and Elgeyo-Marakwet counties as inputs to county and national decision-making and climate change policies. Its aim is to provide a demonstration of data interpretation across scales using Artificial Intelligence techniques to integrate earth observation, national topographic mapping and community-based agriculture and ecosystem observation.

The University signed an agreement to establish a continuing working relationship among Maasai Mara University, Kenya Botanic Diamonds Company Limited, Sino Africa Joint Research Centre, Wuhan Botanical Garden and Chinese Academy of Sciences in support of the establishment of African Botanical Joint Research Laboratory. The desired focus areas of the laboratory are for the parties to agree to cooperatively set up African Botanical Joint Research Laboratory of 1,000 square meters in the University including 700 square meters for research and production and 150 square meters for products exhibition in the Laboratory, and 150 square meters of plant research space for the University.

During the year, the University received equipment from the Chinese Academy to support research on traditional medicine. Maasai Mara University and Wuhan Botanical Garden of Chinese Academy of Sciences have partnered to jointly support scientific research through equipping University Laboratories and promoting staff and students exchange programs. The donated equipment will help promote research and innovation in the University Laboratories.

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*(Center) the Director of the Institute of Ethnobiology and Ethnomedicines (IEE) at Maasai Mara University Prof. Wycliffe Wanzala checks on the new equipment that were fitted by technicians from the Chinese Academy of Sciences (CAS), June, 2019.*

**c) Corporate Social Responsibility**

In an effort to protect the environment which is part of the niche area of the University, 10,000 tree seedlings were planted during the year in the University compound. This was joint effort between the University and members of Kenya Defence Forces.

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*Members of the Kenya Defence Forces (KDF) dig holes to plant indigenous tree seedlings at the Maasai Mara University African Medicinal Botanical Garden (AMBG) on May 22, 2019 as part of the events leading to 56th Madarak Day celebrations. Looking on are the Maasai Mara University Management members led by the Vice-Chancellor Prof. Mary K. Walingo (in blue dress).*

To enhance publicity and Corporate Social Responsibility, the University hosted and participated in the Seeds of Gold event of the Nation Media Group, Annual Maa Cultural Trade Exhibition and Awards, Narok County NHIF Sheep Auction event, and Narok County Livestock Show. The University also carried out Mentorship and Motivational talk to students of Oloropil Secondary School.

During the year, the University also donated 17 bags of millet flour to G.K Prison Narok to support hundreds of inmates and those in remand.

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*Maasai Mara University Liaison Office donates 17 bags of millet flour to G.K Prison Narok to support hundreds of inmates and those in remand on Friday 28<sup>th</sup> June, 2019.*

**d) Financial operations**

**i) Revenue**

The total revenue realized by the University during the year was **Kshs 1,401,610,567** against actual of **Kshs 1,394,631,985** in 2017/2018 – a growth of **Kshs 6,978,582**. This compares to budgeted **Kshs 1,342,805,000** (4%) above budget. The increase in revenue was mainly caused by incremental Government capitation of **Kshs 59,780,902** in July 2019 which has been captured as income and grants receivable in the Statement of Financial Performance and Financial Position respectively. Rental revenue from facilities and equipment, cafeteria and tuition fees were also above budget.

**ii) Expenditure**

The total expenditure of the University was **Kshs 1,395,185,472** against budgeted **Kshs 1,360,752,000** – 3% above budget. This compares to **Kshs 1,342,551,409** in 2017/2018 financial year. The University absorbed 100% of the allocated funds together with internally generated revenue. Employee costs remain the highest expenditure item at **Kshs 900,019,553** – 64% of total expenses.

**iii) Results**

As evidenced above, the University undertook deliberate efforts to reduce her pending bills hence minimize her exposure to litigations. This led to decline in surplus to **Kshs 6,425,094** as compared to **Kshs 52,080,575** in 2017/2018.

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**Challenges**

The University is facing a number of challenges key of them being: student enrolment, lack of adequate facilities, inadequate funding and fewer numbers of teaching staff.

The pass rate for Kenya Certificate of Secondary Education (KCSE) has been low in the last three years leading to reduced number of students who score grade C plus and above which is the cut off mark for direct University entry. This compels KUCCPS to under-allocate the students leaving unutilized capacity in many Universities; Maasai Mara University not being an exception.

The University lacks most of essential facilities thereby posing a challenge to discharge fully her mandate of teaching and research. For instance, the only completed modern tuition facility can only serve 1,200 students. There is no modern library or Science complex laboratory. These are very essential facilities to enable effective teaching and research.

Inadequate funding is one of key challenges of the University. Reduction in Government funding especially development vote has affected timely completion of infrastructural projects. Reduced student enrolment exacerbates this shortage.

Lastly, the University has fewer faculty staff in comparison to the courses offered. The total teaching staffs stand at 147 against total student population of approximately 9,800.

**Way forward**

To address funding gaps, the University will encourage her academic staff to double the efforts in writing funding proposals aimed at getting adequate research grants for both technical and administrative functions of the University. Already this is yielding fruits with an amount of over Kenya Shillings Twenty Million only research grant agreement made this year courtesy to one of our researchers.

We have already started building strong alliances and partnerships with international Universities in the United Kingdom and United States. These relationships will result in better exposure and funding arrangements. This year, the University Council and senior management have made one such trip resulting to signing of memorandums of understanding.

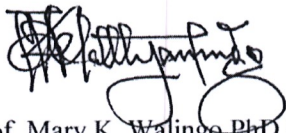
The University will fast track completion of ongoing projects before commencement of new ones. Other sources of internally generated funds will be explored with a possibility of establishing an enterprise charged with creation of income.

The University has already developed her niche programmes in the current Strategic Plan 2019-2024. This will therefore enable us to refocus our energies towards these niche programmes with a view of obtaining market concentration hence more students. The content delivery to our students has changed with more emphasis on experiential learning.

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**Appreciation**

This financial year has been quite a success and I thank the almighty God for having brought us this far. Secondly, I thank the Government of Kenya for both recurrent and development capitations which have gone along away to alleviate our challenges. I also thank the University Council for their dedication and guidance on policy matters. The University Management Board, Senate and entire fraternity have put in a lot of effort in implementing policy matters; I thank them for this dedication. Lastly, I thank the local community for providing conducive environment suitable for advancement of learning. God bless you.



*for*  
Prof. Mary K. Walingo PhD (ANGRAU, India) MKNAS, EBS  
**VICE-CHANCELLOR**  
**MAASAI MARA UNIVERSITY**

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**CORPORATE GOVERNANCE STATEMENT**

Maasai Mara University has engrained the principles of Corporate Governance in its institutional framework and is committed to consistently promoting the highest standards of governance which takes into cognizance the interests of all stakeholders, strengthens the Council, Board of Management and Senate accountability while building public trust in the University. The Council is responsible for appropriate strategic advice and direction to the University and is accountable to the Government, Stakeholders and the Kenyan Public at large through the Ministry of Education.

In implementing the Corporate Governance tenets, the Council seeks to add value through constructive dialogue and engagement with stakeholders as well as management with a strong focus on the University's strategic agenda. The Council embraces and recognizes the benefits of diversity in skills and experience in its compositions and this engenders the effective discharge of the Council's strategic oversight function. The testament to this is seen through diversity of skills of Council members.

As at 30th June 2019, the Council was made up to nine (9) members comprising of a non-executive Chairman, the Principal Secretary, National Treasury and Planning, the Principal Secretary, Ministry of Education, the Vice-Chancellor and five (5) independent members of various backgrounds. The non-executive Council members are independent of management.

The University Council as guided by the State Corporations Act and the Universities Act 2012 meets at least four times a year with special meetings held on a need basis. The meetings are held in accordance with the Council almanac. The Vice-Chancellor and Secretary of the University Council and University management are delegated by the Council to run the day to day affairs of the University.

**Appointment and removal of Council Members:**

The appointment and removal of Council members is guided by the State Corporations Act 446 Part III Section 6.

**Council Committees**

The Council has established four Committees with specific terms of reference to exercise delegated responsibilities. The Committees are namely Finance, Strategy and Resources, Academic, Sealing and Honorary degrees, Audit, Risk and Compliance and Human Resources Committee.

**i) Finance, Strategy and Resources Committee**

The committee is charged with the responsibilities of budgetary planning, budget approval, approval of quarterly and annual financial reports, investment policy, resource mobilization and income generation policies. It is also responsible for overall University planning including master and strategic plan. It arranges for construction of new buildings once the finances have been made available and receives reports on performance contracts. It advises Council on income generation activities and makes proposals to the Council on ways of raising funds for the University both internally and externally. The members are:

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1. Maj. (Rtd) John K. Karanja	Chairman
2. Ms. Damary Ayuku - Angulu	Member
3. Ms. Annette N. Okello	Member
4. FA Paul Kiagu	Member
5. Mr. Mugambi J. Nyaga	Member
6. Prof. Mary K. Walingo	Secretary

**ii) Audit, Risk and Compliance Committee:**

This is a statutory committee whose responsibilities include reviewing internal controls procedures and policies so as to ensure efficiency and effectiveness. It submits quarterly and annual reports on internal controls to the Council while ensuring proper books of accounts have been maintained. The committee also reviews internal audit reports and their overall effectiveness, ensuring compliance with statutory guidelines and approve annual audit work plans. It further reviews risk management framework, ensuring effective co-ordination between management, the internal audit function and external auditors, ensuring statutory guidelines for Universities and State Corporations are fully complied with. It also reviews management reports from external auditors concerning deviations and weaknesses in accounting and operational controls. The membership of this committee comprises of:

1. Ms. Annette N. Okello	Chairperson
2. Mr. Paul Ngetich	Member
3. FA Paul Kiagu	Member
4. Ms Aletia Susan Amlango	Member
5. Head of Internal Audit	Secretary

**iii) Academic, Sealing and Honorary Degrees Committee (Technical Committee)**

This committee examines the format and content of the University's statutes, deliberates on all matters pertaining to research and academic activities, co-ordinates fund raising activities for research, advises on consultancies, technology transfers and intellectual property rights. It receives and reviews academic board papers, recommends to the Council for award of honorary degrees and recommends to the Council on number of certificates to be sealed. This committee also receives and recommends to the Council academic policies. It co-ordinates all fund raising activities for research. The members are:

1. Mr. Paul Ngetich	Chairman
2. Ms. Damary Ayuku-Angulu	Member
3. Ms. Annette N. Okello	Member
4. FA Paul Kiagu	Member
5. Mr. Mugambi J. Nyaga	Member
6. Ms Aletia Susan Amlango	Member
7. Prof. Mary K. Walingo	Secretary

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**iv) Human Resource Committee**

This committee is charged with reviewing and recommending to the Council staff establishment and organization structure, developing and reviewing Human Resource Policies, reviewing and recommending to the Council schemes of service for all staff. It also reviews and recommends terms and conditions of service and Collective Bargaining Agreements in consultation with Finance, Strategy and Resources committee. It recommends staff promotions and handles disciplinary matters. The members are:

1. Ms. Damary Ayuku – Angulu	Chairperson
2. Maj. (Rtd) John K. Karanja	Member
3. Ms. Aletia Susan Amlango	Member
4. FA Paul Kiagu	Member
5. Mr. Mugambi J. Nyaga	Member
6. Prof. Mary K. Walingo	Secretary

**Council Expenses**

The remuneration and expenses of the Chairperson and Members of the Council are guided by the State Corporations Act Cap. 446 and the provisions of the Universities Act 2012.

**Council Meetings**

During the year there were eighteen full council meetings including special meetings. The Council Committee meetings were as follows:

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Name of Committee	Membership	Role	Number of Meetings
Finance, Strategy and Resources Committee	1. Maj. (Rtd) John K. Karanja	Chairman	7
	2. Ms. Damary Ayuku - Angulu	Member	
	3. Ms. Annette Nasiaki Okello	Member	
	4. Mr. Paul Kiagu	Member	
	5. Mr. Mugambi J. Nyaga	Member	
	6. Prof. Mary K. Walingo	Secretary	
Academic, Sealing and Honorary Degrees Committee (Technical Committee)	1. Mr. Paul Ngetich	Chairman	4
	2. Ms. Damary Ayuku – Angulu	Member	
	3. Ms. Annette Nasiaki Okello	Member	
	4. Mr. Mugambi J. Nyaga	Member	
	5. Ms. Aletia Susan Amlango	Member	
	6. Mr. Paul Kiagu	Member	
	7. Prof. Mary K. Walingo	Secretary	
Audit, Risk and Compliance Committee	1. Ms. Annette Nasiaki Okello	Chairman	2
	2. Mr. Paul Ngetich	Member	
	3. Aletia Susan Amlango	Member	
	4. FA Paul Kiagu	Member	
	5. Head of Internal Audit	Secretary	
Human Resource Committee	1. Ms. Damary Ayuku – Angulu	Chairperson	20
	2. Maj. (Rtd) John K. Karanja	Member	
	3. Ms. Aletia Susan Amlango	Member	
	4. Mr. Mugambi J. Nyaga	Member	
	5. FA Paul Kiagu	Member	
	6. Prof. Mary K. Walingo	Secretary	

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**The Role of Senate in Governance**

The Senate forms part of the overall governance framework of the University. Its mandate is derived from the Universities Act (2012) 35 (1) and the University Charter. The Senate is responsible to Council and the Management Board for all academic matters of the University.

The Senate exercised the following powers and duties during the year: -

- a) Satisfied itself regarding the content and academic standard of courses offered at the University;
- b) Classified students for graduation by vetting their results and ensuring due process was followed.

**The Role of Management Board and the Vice-Chancellor in Governance**

As the Chief Executive Officer of the University, the Vice- Chancellor is both the chief academic officer and the chief administrator of the University. Indeed, she chairs both the Management Board and Senate for purposes of smooth governance of the University. The functions of the Vice Chancellor are set out in the Universities Act (2012), the Public Procurement and Asset Disposal Act (2015), the Public Financial Management Act (2012), and the Charter of the University.

The Vice-Chancellor provides progress reports to Council on policy implementations. She is the Secretary to Council. Council has delegated widespread powers and responsibilities to the Vice- Chancellor. The Management Board assists the Vice-Chancellor on both academic and administrative issues of the University.

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**MANAGEMENT DISCUSSION AND ANALYSIS**

**a) The University's operational and financial performance:**

The operational and financial performance of the University is set out on page 39 to page 45.

**b) University's compliance with statutory requirements:**

The University's financial statements have been prepared in accordance with Section 83 of the PFM Act. The financial statements are in consonance with the Public Sector Accounting Standards Board of Kenya (PSASB-K) approved templates for annual reporting by National Government Entities of 30<sup>th</sup> June 2019. The annual report contains financial and non-financial information as stipulated under Section 83 2 (a) and (b) in the form and format that complies with the standards prescribed and published by the PSASB-K.

**Total Exposure**

The University's going concern is not in doubt. Whereas the University has on-going court cases, it is the judgement of both the Council and management that these cases do not expose the University with regards to going concern. The University is in full compliance with all its statutory obligations and requirements. Further, the financial statements have been prepared on a going concern basis and management does not have significant concerns about the University's ability to continue as a going concern as required by IPSAS 1.

**Reporting framework**

There is consistency in the presentation and classification of items in the financial statements which has been retained from the previous periods in conformity with IPSAS 1 on the presentation of financial statements. Additionally, each material class of similar items has been presented separately in the financial statements while dissimilar items have been aggregated only if they are immaterial on an individual basis [IPSAS 1 (13)].

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

The University has one ongoing project: The Tuition block phase II and III which are at 50% completion stage. The Boundary wall is practically complete although not yet handed over to the University.

Cost of the project:	Kshs. 564,712,500
Commencement date:	17 <sup>th</sup> February 2016
Proposed date of completion:	28 <sup>th</sup> February 2020
Percentage of completion:	50%

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<p><b>Project Name:</b> Tuition Block</p>
<p><b>Project geographic location:</b> Narok County (Maasai Mara University)</p>
<p><b>Project purpose:</b> Office space and lecturer rooms</p>
<p><b>Brief description of the project/Project summary:</b> The overall completion level is approximately 50%. Phase II is at 65% while Phase III is at 25%. Main gate is approximately 99% complete.</p> <p>When completed the project will provide office space and additional lecturer rooms which will help in easing the inadequate office and learning space as follows:</p> <p>Phase I: Six floor building each floor having two lecture rooms with capacity of 100 students and seven offices. Total student capacity being 1,200 and 42 offices.</p> <p>Phase II: Three floor building with six lecture theatres, two per floor each having capacity of 200 students. Total students served will be 1,200.</p> <p>Phase III: Six floor building. Each floor with four lecture rooms with capacity of 250 students. Total students being 1,500. Additionally, there are 13 door washrooms.</p>
<p><b>Outline economic and social benefit:</b></p> <ul style="list-style-type: none"> <li>-This is a Vision 2030 flagship project that is in line with National Government strategic objectives and policies as anchored in the vision's social pillar on education.</li> <li>-Employment opportunities during and after construction</li> <li>-Construction has low level of imports so the stimulus spending stays within the national economy</li> </ul>
<p><b>Outline source of financing:</b> Government of Kenya</p>

**Viability of the project:** The tuition block is viable since it is Vision 2030 project and the Government has undertaken to fund it.

**Sustainability of the project:** The relevant Government regulatory authorities approved the construction of tuition block especially National Environment Management Authority. An environmental impact assessment was carried out.

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**d) Major risks facing the University:**

The University is facing the following risks which can affect attainment of overall objectives and achievement of her mandate:

- i) Liquidity risk: This is caused by reduced Government development funding, reduced student numbers and student debtor balances arising from inability of students to pay full fees in a timely manner. The effect of this risk is inability of the University to complete her development projects in time and lack of sufficient funds for operational activities.
- ii) Operational risks: This mainly relates to inadequate teaching staff compliment. Fewer teaching staff leads to inability of the University to effectively discharge her teaching, research and consultancy services. The University assets have been valued and now waiting for the valuation report then insurance process will commence. Before this is done there is a risk of inadequate compensation in case of loss of the assets.
- iii) Reputational risk: This can arise from pending payments to suppliers who can decline to do business with the University until they are paid which can portray the University in bad faith. The pending court cases can also put the University in bad repute and financial distress. These risks can be addressed through enhancing funding and minimizing legal cases.

**e) Material arrears in statutory/financial obligations:**

The following were outstanding obligations by end of the year:

- i) Staff pension remittance relating to 2011, 2012 and 2013 amounting to Ksh. 55,763,006 which is made up of the principal Kshs 17,657,710 and interest of Kshs 38,105,296.
- ii) Tuition block - Kshs 161,402,228.
- iii) Part time lecturers – Kshs. 95,508,463
- iv) Suppliers of goods and services - Kshs 54,551,872
- v) Staff payroll creditors for the month of June 2018 – Kshs 63,922,338.
- vi) Students payables – Kshs 35,794,839

The court cases and their potential financial impact facing the University are:

- i) Nakuru Employment and Labour Relations Court Case No.249 of 2013
- ii) Nakuru Employment and Labour Relations Court Case No.523 of 2014.
- iii) Kericho Employment and Labour Relations Court Case No.22 of 2015
- iv) Nakuru Employment and Labour Relations Court Cases NO.506/507 of 2014
- v) Nakuru Employment and Labour Relations Court Judicial Review No.4 of 2016
- vi) Kisumu Employment and Labour Relations Court Case No.346 of 2016 claiming Kshs 575,000
- vii) Nyeri Employment and Labour Relations Court Case No .87 of 2016. Claiming Kshs 199,080
- viii) Engineer S.R.M'S Court Case No.174 of 2016 claiming Kshs 1,200,000.
- ix) Nairobi High Court Civil Case No.294 of 2015 claiming Kshs 76,380,000.

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Since the outcome of these court cases is uncertain, they have not been included in the financial statements.

**f) The University's financial probity and serious governance issues**

During 2018/2019 financial year there were no major financial improbities reported by internal audit/Audit Committee, External Auditors, or any other National Government Agencies providing oversight that were known to the management. Additionally, the University is not aware of any serious governance issues among the Council or its members of the Council and top management including conflict of interest.

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**CORPORATE SOCIAL RESPONSIBILITY STATEMENT**

Maasai Mara University was founded for public benefit, to promote education and knowledge, and to provide an institution open to all, irrespective of race, creed or political belief. It is a pioneering institution of higher learning in making university education available to the communities living in the South Rift Valley of Kenya.

The University's Corporate Social Responsibility (CSR) policy sets out the guiding principles by which the University is run in order to fulfil its core mission. This policy brings together the ways in which the University ensures, at corporate level, that its activities are carried out ethically, sustainably and for the public benefit.

The CSR Policy is made up of three central pillars:

- People and Community
- Finance and Economic Activity
- Environmental Sustainability

During the year the University was involved in the following Corporate Social Responsibility activities:

Hosted and participated in the Seeds of Gold event of the Nation Media Group, Annual Maa Cultural Trade Exhibition and Awards, Narok County NHIF Sheep Auction event, and Narok County Livestock Show. The University also carried out Mentorship and Motivational talk to students of Oloropil Secondary School and donated 17 bags of millet flour to G.K Prison Narok to support hundreds of inmates and those in remand.

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**REPORT OF THE UNIVERSITY COUNCIL**

The Council submits this report together with the financial statements for the year ended June 30, 2019 which show the state of the University's affairs.

**Principal activities of the University**

The University is mandated to provide quality education through innovative teaching, research and consultancy services for development. It does this through inter alia:

- a) Advancement of knowledge through teaching, scholarly research and scientific investigation;
- b) Promotion of learning in the student body and society generally;
- c) Promotion of cultural and social life of society;
- d) Support and contribution to the realization of national economic and social development;
- e) Promotion of the highest standards in, and quality of, teaching and research;
- f) Education, training and retraining higher level professional, technical and management personnel;

**Results**

The results of the University the year ended June 30, 2019 are set out on page 39 to page 45.

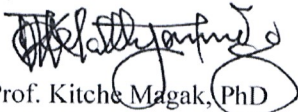
**Council Members**

The Council Members who served during the year are shown on page 9 to page 11 in accordance with the Universities Act 2012 (18). During the year Mr. Sammy Oleku exited and was replaced by Ms. Aletia Susan Amlango as an independent Council Member with effect from April 2019.

**Auditors**

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

By Order of the Council.



Prof. Kitche Magak, PhD

Acting Vice-Chancellor/ Chief Executive Officer & Secretary

**MAASAI MARA UNIVERSITY COUNCIL**

Date 2.12.2019 .....

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**FOR THE YEAR ENDED JUNE 30, 2019**

**STATEMENT OF COUNCIL'S RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and Section 14(3) of the State Corporations Act, require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for the year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2019. This responsibility includes:

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

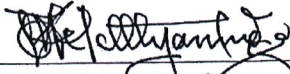
The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act 2012, the State Corporations Act 2012 and the Universities Act 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2019, and of the University's financial position as at that date. Council members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

**Approval of the financial statements**

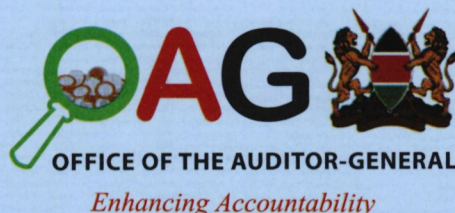
The University's financial statements were approved by the Council on 26<sup>th</sup> September 2019 and signed on its behalf by:

\_\_\_\_\_  
Dr. Samuel Ochola  
Council Chairman

  
\_\_\_\_\_  
Prof. Kitchi Magak  
Ag. Vice-Chancellor / Council Secretary

# REPUBLIC OF KENYA

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NAIROBI

## REPORT OF THE AUDITOR-GENERAL ON MAASAI MARA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2019

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### REPORT ON THE FINANCIAL STATEMENT

#### Qualified Opinion

I have audited the accompanying financial statements of Maasai Mara University set out on page 39 to 69, which comprise of the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts 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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Maasai Mara University as at 30 June, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

#### Basis for Qualified Opinion

##### 1. Unreconciled Receipts on Graduation Fees

As disclosed in Note 8(iii) to the financial statements, the statement of financial performance reflects other income balance of Kshs.14,985,781 which constitutes an amount of Kshs.12,866,250 in respect of graduation income. A review of the ledger, revealed that a total of 2372 students were billed graduation fees against 2628 students who graduated resulting to 256 unbilled graduates. Management did not provide any evidence that the students were billed and paid graduation fees at Kshs.4,500 per student.

In the circumstances, the accuracy of graduation income balance of Kshs.12,866,250 for the year ended 30 June, 2019 could not be confirmed.

## 2. Unsupported Tuition Fees

As disclosed in Note 10 to the financial statements, the statement of financial performance reflects tuition fees balance of Kshs.347,833,231. However, fee ledgers reflected a total of 17,037 students against signed nominal roll of 15,331 students who were billed resulting to a variance of 1,706 students who were not billed.

Consequently, the accuracy and completeness of the tuition balance of Kshs.347,833,231 reflected in the statement of financial performance for the year ended 30 June, 2019 could not be confirmed.

## 3. Unsupported Expenditure

The statement of financial performance reflects total expenditure amounting to Kshs.1,395,185,472. However, a review of the individual components revealed that expenditure totalling to Kshs.45,500,071 had not been supported as tabulated below:

	<b>Components</b>	<b>Unsupported Balance</b>
		<b>Kshs.</b>
1	Council Expenses	29,996,725
2	Motor vehicle expenses	7,258,594
3	Service Charter Delivery	7,136,552
4	Security Allowances	1,108,200
	<b>Total</b>	<b>45,500,071</b>

In the circumstances, the accuracy and validity of expenses amounting to Kshs.45,500,071 reflected in the statement of financial performance could be ascertained.

## 4. Unreported Expenditure

A review of records revealed that, Management incurred an expenditure of Kshs.12,090,100 for purchase of Enterprise Resource Planning (ERP) software. Management ought to have recognized the ERP as an intangible asset to be amortized throughout the asset's life. However, the amount is not recorded as additional assets in the schedule of movement of assets in statement of financial position or even as an expenditure in the statement of financial performance.

As result, the accuracy and completeness of the financial statements for the year ended 30 June, 2019 could not be confirmed.

## 5. Unreconciled Balances

As disclosed in Note 28 to the financial statements, the statement of financial position reflects under receivable from exchange transaction of Kshs.145,183,895. The balance is net provision for doubtful debts of Kshs.6,731,455. The balance constitutes student debtors balance of Kshs.128,506,096. However, a review of records provided

reflected a balance of Kshs.94,615,263 resulting to unsupported difference of Kshs.33,890,833.

Further, the balance includes staff debtors-imprest balance of Kshs.10,389,200 out of which an amount Kshs.829,950 was not supported with imprest warrants.

In addition, the statement of financial position reflects total current liabilities of Kshs.365,277,965 against supporting ledger balance of Kshs.349,546,064 resulting to an unreconciled variance of Kshs.15,731,901.

In the circumstances, the accuracy of the statement of financial statements for the year ended 30 June, 2019 could not be confirmed.

## **6. Unsupported Property, Plant and Equipment**

As disclosed in Notes 23 to the financial statements, the statement of financial position reflects property, plant and equipment a net book value of Kshs.1,395,716,142. However, Management did not provide supporting documents to support additional of property, plant and equipment totalling to Kshs.70,758,474 and schedules to support depreciation and amortization of Kshs.67,780,278 for audit verification.

Further, the balance includes motor vehicles balance of Kshs.13,495,341. However, inspection of vehicle records and physical verification revealed that the logbooks did not reflect the name of the University while the engine number quoted in the log book differed with verified engine number. Although the Management had requested for assets valuation from Ministry of Housing and Physical Planning, the valuation had not been done by 30 June, 2019.

Consequently, the accuracy of property, plant and equipment net book value of Kshs.1,395,716,142 reflected in the statement of financial position as at 30 June, 2019 could not be confirmed.

## **7. Inaccuracy in Work in Progress**

As disclosed in Note 25 to the financial statements, the statement of financial position reflects work in progress opening balance of Kshs.260,276,779 against audited closing balance of Kshs.243,558,820 for year 2017/2018 resulting to unreconciled variance of Kshs.16,717,959. No prior year adjustments has been recognized in the books of account or journal vouchers were provided for the adjustments.

In the circumstances, the accuracy and completeness of working progress of Kshs.375,112,690 reflected in the statement of financial position as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Maasai Mara University 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 qualified opinion.

### **Key Audit Matters**

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

### **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised. However, the Management has not resolved the issues nor given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates and The National Treasury's Circular reference No. PSASB/1/12/(44) of 25 June, 2019.

## **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. Pension Obligation**

As disclosed in Note 33 to the financial statements, the financial statements reflects a balance of Kshs.55,763,006 in respect of pension obligations as at 30 June, 2019, representing an increase of Kshs.6,276,169 or twelve (12) percent increase from Kshs.49,486,837 recorded during the previous year. This is an indication that the University is not honouring its obligations and this jeopardises the employees after their retirement.

In the circumstances, it has not been possible to confirm whether the Management effectively managed public resources effectively.

#### **2. Delayed Construction of Projects**

During the 2017/2018 financial year, Management awarded a contract to a firm for the construction of a perimeter wall at a contract price of Kshs.87,219,440. Available

records indicate that works started on 29 September, 2017 and were due to be completed on 13 April, 2018. However the completion date was extended severally culminating to a final date of 17 February, 2020. An audit inspection undertaken on 17 September, 2019 revealed that about 50% of the perimeter wall had not been fitted with razor wire as per the Bill of Quantities while one (1) gate next to the main entrance gate had not been fitted with a canopy as provided.

Earlier, during the 2015/2016 financial year, Management had awarded a contract to a company for the construction of tuition block at a contract price of Kshs.410,700,000. The contract commencement date was 16 February, 2016 and an end date of 16 February, 2019. The completion date was revised and a new completion date was set to 16 February, 2020. According to the status report dated 12 September, 2019, the progress of works stood at 25% for phase II and 80% percent complete for phase III.

However, no evidence of the Tender Committee recommendations to the Accounting Officer were used as the basis to vary completion dates for the two (2) projects contrary to Section 139(2)(a) of the Public Procurement and Asset Disposal Act, 2015.

Consequently, the Management is in breach of the law.

### **3. Purchase of Enterprise Resource Planning (ERP) and Software**

During the 2015/2016 financial year, the University acquired an Enterprise Resource Planning System, (ERP) to integrate and support both managerial and financial functions at contract sum of Kshs.23,316,000. The contract period was twenty-four (24) months with a commencement date of 16 February, 2016 and end date of 16 February, 2019.

A review of the ERP implementation revealed that the Human Resource Management Module, Procurement and Inventory Management Module, Student Finance, Catering Management, Library Management and Student Academic Management were not fully operational contrary to Implementation Committee Minutes No. Min 5/07/2019 of 4 July, 2019.

In the circumstance, it is not possible to confirm whether the University has achieved intended objectives have been achieved.

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

## **Basis on my Conclusion**

### **1. Weakness in Internal Audit Department**

The University's Internal Audit Department has an establishment of only four (4) officers. However, although the Audit Risk and Compliance Committee of Council had resolved that the department needed to be adequately staffed, there was no evidence the resolution was implemented by Management. Further, the Head of Internal Audit has been on acting capacity since the year 2016 while two (2) internal audit positions still remained vacant.

In the circumstances, it has not been possible to confirm existence of an effective internal audit and overall governance.

### **2. Lack of Risk Assessment Policy**

The University did not have Risk Management Policy in place to conduct risk assessment for its key operations. As a result, it is not possible to define the entity's risk capability and set the risk tolerance levels or identify acceptable exposure levels.

In the circumstances, it has not been possible to confirm existence of an effective risk management systems in the University.

### **3. Weakness in the Internal Control Systems**

Examination of records revealed that two (2) vehicles had been marked obsolete and ready for disposal. However, technical report regarding valuation of vehicles by the Ministry of Public Works was not provided for audit verification. There is also no evidence that the matter had been brought to the attention of the Disposal Committee.

Further, a review of human resource records revealed that three (3) officers were sharing one identification numbers in the master payroll.

In the circumstances, it has not been possible to confirm existence and effective of internal control measures on governance in human resource records as well as assets management.

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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal 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 University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to terminate the University 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.

The University Council is responsible for overseeing the financial reporting process, reviewing the effectiveness of how the University 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 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 policies and procedures may deteriorate.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. 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 Maasai Mara University to cease to continue as a going concern or 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 University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



**Nancy Gathungu**  
**AUDITOR-GENERAL**

**Nairobi**

**05 October, 2021**

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED**  
**30<sup>TH</sup> JUNE 2019**

	Notes	Jun-19 Kshs	Jun-18 Kshs
<b>REVENUE</b>			
<b>Revenue From Non-Exchange Transactions</b>			
Recurrent Grants	5	979,833,931	801,668,009
Collective Bargaining Agreement Arrears	6	-	141,728,700
Research Income	7	2,377,799	4,153,479
<b>Total Revenue From Non-Exchange Transactions</b>		<b>982,211,729</b>	<b>947,550,188</b>
<b>Revenue From Exchange Transactions</b>			
Rental Revenue from Facilities & Equipment	8 (i)	27,466,512	17,362,750
Finance Revenue- Interest on Short term Deposit	8 (ii)	8,065,014	3,556,051
Other Income	8(iii)	14,985,781	18,614,827
Cafeteria Revenue	9	21,048,299	7,463,759
Tuition Income	10	347,833,231	400,084,410
<b>Total Revenue From Exchange Transactions</b>		<b>419,398,837</b>	<b>447,081,797</b>
<b>Total Revenue</b>		<b>1,401,610,567</b>	<b>1,394,631,985</b>
<b>EXPENDITURE</b>			
General Expenses	11	168,531,160	119,682,031
Rent and Rates	12	1,441,595	497,500
Casual Wages	13	14,794,799	10,372,322
Schools Direct Expenses	14	76,962,960	103,134,854
Research Expenses	15	427,300	1,355,469
Catering & Accommodation Expenses	16	30,232,421	13,856,153
Medical Costs	17	35,027,444	32,661,089
Water & Electricity	18	20,879,107	20,651,272
Employee Costs	19	900,019,553	940,976,151
Council Expenses	20	29,996,725	17,709,503
Repairs & Maintenance	21	28,681,157	15,043,721
Contracted Services	22	18,421,764	4,191,167
Depreciation and Amortization Expense	23	67,780,278	61,045,703
Financial Expenses	24	1,989,209	1,374,475
<b>Total Expenditure</b>		<b>1,395,185,472</b>	<b>1,342,551,409</b>
<b>SURPLUS/(DEFICIT)</b>		<b>6,425,094</b>	<b>52,080,575</b>

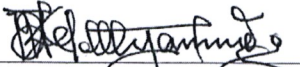
The notes set out on pages 46 to 70 form an integral part of the Financial Statements

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**


**STATEMENT OF FINANCIAL POSITION AS AT 30<sup>TH</sup> JUNE 2019**

	Notes	Jun-19 Kshs	Jun-18 Kshs
<b><u>NON-CURRENT ASSETS</u></b>			
Property, Plant and Equipment	23	1,395,716,142	1,392,737,946
Work in Progress	25	375,112,690	243,558,820
<b>Total non-current assets</b>		<b>1,770,828,832</b>	<b>1,636,296,766</b>
<b><u>CURRENT ASSETS</u></b>			
Inventories	26	7,125,487	11,463,399
Receivables from Non-Exchange transactions	27	59,780,902	-
Receivables from Exchange transactions	28	145,183,895	150,192,375
Cash and Cash Equivalents	29	289,166,032	158,753,258
<b>Total current assets</b>		<b>501,256,316</b>	<b>320,409,032</b>
<b>TOTAL ASSETS</b>		<b>2,272,085,148</b>	<b>1,956,705,798</b>
<b><u>CAPITAL FUNDS &amp; LIABILITIES</u></b>			
<b><u>CAPITAL FUNDS</u></b>			
Accumulated Capital Fund		1,837,911,445	1,561,673,305
Revaluation Reserve		3,101,540	3,101,540
Revenue Reserve		22,744,158	16,319,064
<b>Total capital funds</b>		<b>1,863,757,143</b>	<b>1,581,093,909</b>
<b><u>CURRENT LIABILITIES</u></b>			
Trade Creditors	30	54,551,872	66,085,107
School Direct expenses	31	90,617,005	78,586,717
Students' Payables	32	35,794,859	26,028,156
Employee Obligation/Pension Obligation	33	55,763,006	49,486,837
Payroll Creditors	34	63,922,338	64,408,247
Contractors Payables	35	49,874,632	41,341,495
Research Grants Payable	36	14,754,253	2,798,010
<b>Total Current Liabilities</b>		<b>365,277,965</b>	<b>328,734,568</b>
<b><u>LONG TERM LIABILITIES</u></b>			
Contractors Retention - WIP	37	43,050,040	46,877,321
<b>TOTAL LIABILITIES</b>		<b>408,328,005</b>	<b>375,611,890</b>
<b>TOTAL FUNDS &amp; LIABILITIES</b>		<b>2,272,085,148</b>	<b>1,956,705,798</b>

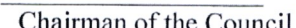
The financial statements set out on pages 39 to 45 were signed on behalf of Maasai Mara University by:

  
 Ag. Vice-Chancellor  
 Prof. Kitchi Magak,

Date 2.12.2019

  
 Finance Officer  
 CPA Biket Okumu  
 ICPAK Member No.4857

Date 2/12/19

  
 Chairman of the Council  
 Dr. Samuel Ochola

Date \_\_\_\_\_

**MAASAI MARA UNIVERSITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019**

**STATEMENT OF CHANGES IN NET ASSETS**

	<b>Accumulated Fund Fund Kshs</b>	<b>Revaluation Reserve Kshs</b>	<b>Revenue Reserve Kshs</b>	<b>Total Kshs</b>
Balance as at 1st July, 2017	1,507,601,305	3,101,540	(35,761,512)	1,474,941,333
Government Capital Grants	54,072,000	-	-	54,072,000
Surplus/Deficit for the Period	-	-	52,080,576	52,080,576
<b>Balance as at 30<sup>th</sup> June 2018</b>	<b>1,561,673,305</b>	<b>3,101,540</b>	<b>16,319,064</b>	<b>1,581,093,909</b>
Balance as at 1st July, 2018	1,561,673,305	3,101,540	16,319,064	1,581,093,909
Government Capital Grants	276,238,140	-	-	276,238,140
Surplus/Deficit for the Period	-	-	6,425,094	6,425,094
<b>Balance as at 30<sup>th</sup> June 2019</b>	<b>1,837,911,445</b>	<b>3,101,540</b>	<b>22,744,158</b>	<b>1,863,757,143</b>

**MAASAI MARA UNIVERSITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**STATEMENT OF CASH FLOWS AS AT 30 JUNE 2019**

	Notes	Jun-19 Kshs	Jun-18 Kshs
<b>Cash flow from Operating Expenses:</b>			
Surplus/(Deficit)		6,425,094	52,080,576
<b>Adjustment for:</b>			
Donations			696,000
Provision for Audit fees	11	-	696,000
Depreciation	23	67,780,278	61,045,703
Increase /(Decrease) in Provision for doubtful debts	8(iii)	(720,508)	(8,128,844)
		<u>73,484,865</u>	<u>105,693,435</u>
<b>Changes in Working capital</b>			
(Increase) / Decrease in stocks	26	4,337,912	(5,098,634)
(Increase)/ Decrease in Receivables	27 - 28	(54,051,914)	87,495,401
Increase/ (Decrease) in Payables	30-36	36,543,397	13,023,533
Increase/ (Decrease) in retention	37	(3,827,281)	5,931,058
<b>Total Changes in working capital</b>		<u>(16,997,886)</u>	<u>101,351,358</u>
<b>Net cash from Operating Activities (a)</b>		<b>56,486,979</b>	<b>207,044,793</b>
<b>Investing Activities</b>			
Property, Plant and Equipment	23	(70,758,474)	(11,440,689)
Work in Progress	25	(131,553,870)	(143,898,450)
<b>Cash from Investing Activities (b)</b>		<u>(202,312,345)</u>	<u>(155,339,139)</u>
<b>Financing Activities</b>			
Government Grants - Capital		276,238,140	54,072,000
Grants from Development Partners		-	-
Proceeds from long term borrowing		-	-
<b>Cash from Financing Activities (c )</b>		<u>276,238,140</u>	<u>54,072,000</u>
<b>Net Increase in Cash &amp; Cash Equivalents</b>		<b>130,412,774</b>	<b>105,777,654</b>
Net Cash & Cash Equivalents - Bal b/f	29	158,753,258	52,975,604
<b>Net Cash &amp; Cash Equivalents - Bal c/d</b>	29	<u>289,166,033</u>	<u>158,753,258</u>

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**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2019**

	Original Budget	Adjustments	Final Budget 2018-2019	Actual on Comparable Basis	Performance		Variance %	Notes
					Kshs	Kshs		
<b>9) RECURRENT BUDGET</b>								
<b>REVENUE</b>								
Recurrent Grants	938,000,000	(17,947,000)	920,053,000	979,833,931	59,780,931	6%		
Rental Revenue from Facilities and Equipment	21,240,000	-	21,240,000	27,466,512	6,226,512	29%	[a]	
Finance Revenue: Interest on Short Term Deposit	8,500,000	-	8,500,000	8,065,014	(434,986)	-5%		
Other Income	34,937,000	-	34,937,000	14,985,781	(19,951,219)	-57%	[b]	
Research Income	15,390,000	-	15,390,000	2,377,799	(13,012,201)	-85%		
Cafeteria Revenue	342,685,000	-	342,685,000	21,048,299	(321,636,701)	-79%	[c]	
Tuition Fee				347,833,231	5,148,231	2%		
<b>Total Revenue</b>	<b>1,360,752,000</b>	<b>(17,947,000)</b>	<b>1,342,805,000</b>	<b>1,401,610,567</b>	<b>58,805,567</b>	<b>4%</b>		
<b>EXPENDITURE</b>								
General Expenses	206,580,500	(23,147,000)	183,433,500	168,531,160	14,902,340	8%		
Rent And Rates	900,000	542,000	1,442,000	1,441,595	405	0%		
Casual Wages	7,110,000	5,462,000	12,572,000	14,794,799	(2,222,799)	-18%	[d]	
Schools Direct Expenses	59,822,000	12,458,000	72,280,000	76,962,960	(4,682,960)	-6%		
Research Expenses	8,000,000	(3,799,000)	4,201,000	427,300	(3,773,700)	90%	[e]	
Catering & Accom Expenses	13,500,000	5,235,000	18,735,000	30,232,421	(11,497,421)	-61%	[f]	
Medical Costs	11,285,000	24,159,000	35,444,000	35,027,444	416,556	1%		
Bulk Purchases of Water & Electricity	16,200,000	5,086,000	21,286,000	20,879,107	406,893	2%		
Employee Costs	939,109,000	(70,641,000)	868,468,000	900,019,553	(31,551,553)	-4%		
Council Expenses	29,405,500	-	29,405,500	29,996,725	(591,225)	-2%		
Repairs & Maintenance	26,500,000	4,995,000	31,495,000	28,681,157	2,813,843	9%		

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Contracted Services	6,000,000	11,109,000	17,109,000	18,421,764	(1,312,764)	-8%
Depreciation and Amortization	35,940,000	26,441,000	62,381,000	67,780,278	(5,399,278)	-9%
Financial Expenses	400,000	2,100,000	2,500,000	1,989,209	510,791	20%
<b>TOTAL EXPENSES</b>	<b>1,360,752,000</b>	<b>-</b>	<b>1,360,752,000</b>	<b>1,395,185,472</b>	<b>(34,433,472)</b>	<b>-3%</b>
<b>SURPLUS/(LOSSES)</b>	<b>-</b>	<b>(17,947,000)</b>	<b>(17,947,000)</b>	<b>6,425,094</b>	<b>93,239,039</b>	

[g]  
[h]

<b>b) Development</b>						
<b>Revenue</b>						
Government Grants- Development	315,340,000	-	315,340,000	276,238,140	(15,763,000)	-5%
Grants from Development Partner- Dev't	1,260,000,000	-	1,260,000,000	-	(15,763,000)	-1%
<b>Total</b>	<b>1,575,340,000</b>	<b>-</b>	<b>1,575,340,000</b>	<b>276,238,140</b>	<b>(31,526,000)</b>	
<b>Expenditure</b>						
Construction of tuition block	206,340,000	(6,000,000)	200,340,000	94,390,704	105,949,296	53%
Laboratory/Science complex	1,260,000,000	-	1,260,000,000	-	1,260,000,000	100%
Perimeter fence	115,000,000	-	115,000,000	20,445,207	94,554,793	82%
<b>Total</b>	<b>1,581,340,000</b>	<b>(6,000,000)</b>	<b>1,575,340,000</b>	<b>114,835,912</b>	<b>1,460,504,088</b>	

[i]  
[j]  
[k]

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**Explanation of variances above 10%**

[a] and [c] The University received more revenue for use of both accommodation facilities and catering services from the National Police Service during their one month stay to prepare for the Madaraka Day celebrations in Narok.

[b] Other sources of income namely: NHIF capitation, endowment fund, alumni and innovation services recorded lower revenue as compared to budget.

[d] and [f] Higher casual wages and catering expenses were caused by increased activities caused by [a] and [c] above.

[e] Savings in research expenses were commensurate with lower research income received.

[g] Depreciation expense being a non-cash item is was higher than budget because of donated assets during the year.

[h] Savings in financial expenses resulted from fluctuations in withholding tax on interest earned from short term placements.

[i and k] Development expenditure is dependent on the interim certificates of payments received.

[j] The University did not receive development partner funding for the construction of Laboratory Science complex.

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**NOTES TO THE FINANCIAL STATEMENTS**

**1. General Information**

The Maasai Mara University is a public body corporate established by Charter as per the Universities Act 2012. The University is the successor of Narok University College constituted under the Narok University College Order (Legal Notice No. 101 of 2008). All rights, liabilities and assets held by anybody on behalf of Narok University College, existing at the commencement of the Charter were automatically and fully transferred to The Maasai Mara University. The University's vision is to be a world Class University committed to academic excellence for development. The mission is to provide quality University education through innovative teaching, research and consultancy services for development.

At Cabinet level the University is represented by the Cabinet Secretary for Education. It is specifically funded under the State Department of University Education and Research. The general policy and strategic direction of the University is provided by the Cabinet Secretary.

**2. Statement of compliance and basis of preparation – IPSAS 1**

The University's financial statements have been prepared on historical cost basis in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University. The accounting policies have been consistently applied to all the years presented. The financial statements have also been prepared in accordance with Public Finance Management Act 2012 and the State Corporation Act 446. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

**3. Adoption of new and revised standards**

<b>Standard</b>	<b>Impact</b>
IPSAS 39 - Employee benefits	The University does not use defined benefit plan but instead uses defined contribution plan. Hence this standard is not applicable.
IPSAS 40 - Public Sector Combinations	The University does not intent to combine either through amalgamation or combinations in the near future. Therefore, this standard is not applicable.

The University did not early adopt any new or amended standard in the financial year 2018/2019.

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**4. Summary of significant accounting policies**

**a) Revenue recognition**

**i) Revenue from exchange transactions**

The University recognizes revenue from rendering of services (tuition fee) by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to academic semester period incurred to date as a percentage of total academic semesters. Tuition fee revenue from students is recognised as it accrues unless collectability is in doubt. Where fees has been paid in advance such is treated as deferred income since the teaching would not have taken place at close of the financial year.

Where the service contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

The University also maintains a provision of 5% of all outstanding fee balances due from students.

**Sale of goods**

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

**Interest revenue**

Interest income is recognized when earned. The University makes short term placements from student's fees received in lump sum at the beginning of the semester to finance its operations for a longer period of time. Such income is therefore not utilized immediately. The rates of interest are negotiated and the amounts are mainly put on call deposits.

**Rental revenue**

Rental revenue arising from operating leases on the University's properties is accounted for on a straight-line basis over the lease terms and included in revenue. This revenue is recognized when earned and is mainly from accommodation of students within the University hostels. This amount is also deferred if paid in advance and hence not earned.

**Other Exchange transactions revenue**

The University realized further income from hire of facilities like halls and pavilion grounds.

**ii) Revenue from non-exchange transactions – transfers from other Government entities**

Non-exchange transactions revenue is mainly from Government grants which are split into recurrent and development. They are recognized on receipt. In cases where the receipt is after year end, the University still recognizes the revenue to the year it applies to and records the same as income receivable.

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**b) Budget information**

This Standard requires that the financial statements of public sector entities that make their approved budget(s) publicly available include by providing a comparison of actual amounts with amounts in the original and final budget. This comparison is to be made on the same basis of accounting as adopted for the budget, even if that basis is different from the basis adopted for the financial statements. Actual amount describes the amounts that result from execution of the budget. An explanation of material differences between budget and actual amounts is supposed to be provided.

The Universities statement of comparison of budget and actual performance is on accrual basis since the revenue and expenses are accrued. During the year there were budget virements leading to revised budget. Differences between final budget and actual budget of over 10% were explained.

**c) Taxes**

The University is exempted from Taxation under First Schedule to the income Tax Act (CAP470). However, as a withholding tax agent the University withholds 6% VAT, 3% income withholding tax on construction contracts, 5% income withholding tax on consultancies and 10% rental expenses. The University further compiles PAYE tax and remits the same on monthly basis.

**d) Property, plant and equipment**

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

The depreciation applied on straight line are as follows:

The annual depreciation rates in use are:

Plant and Equipment	20%
Buildings	2.5%
Furniture and Fittings	12.5%
Motor vehicles	25%
Computer	33.3%
Library Books	25%

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Buildings that are completed and handed over to the University are capitalized in the year of completion and depreciated during that year.

**e) Inventories**

Inventories are stated at the lower of cost and Net Realisable Value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories purchased by the University are expensed immediately to the various expense classes. At the end of the year, a stock take is carried out to establish the remaining consumable stock. They are valued at historical cost.

As at the closure of 2018/2019 financial year the University had consumable stock valued at **Kshs 7,125,487**.

**f) Provisions**

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. During the financial year, the University made a total debtor provision of 5% amounting to **Kshs 6,731,455**.

**g) Contingent assets**

The contingent asset is a possible asset 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. The University at the time of preparing the 2018/2019 did not have contingent assets.

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

Estimates and Judgements are continually evaluated on the basis of historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. During the year, the University did not change her accounting policies.

**i) Employee benefits**

**Retirement benefit plans**

The University operates a defined contribution benefit scheme for all its employees. The scheme is administered by Octagon Pension Services and operates according to provisions of the Retirement Benefits Act (1997). The assets of the scheme are held in a separate trustee administered fund that is funded by both the University and its Employees.

The University also contributes to a statutory defined contribution scheme, The National Social Security Fund (NSSF). The contributions are determined by the National Social Security Fund Act (CAP 258).

The University's contribution to this scheme is charged to the income statement in the year to which they relate.

The University provides gratuity for employees on contract. Such staff do not benefit from the Defined Contribution Benefit Scheme.

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**j) Related parties**

Members of key management are regarded as related parties. Key management of the University have been disclosed on pages 11 to 13 of these financial statements. The University is also related to National Government and Council members. During the year, the University management remuneration of **Kshs 19,741,102** while the Council member's expenses were **Kshs 29,996,725**.

**k) 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 various commercial banks at the end of the financial year. The total cash and cash equivalents during the year was **Kshs 289,166,032**.

**l) Intangible assets**

The University is in the process of installing a new ERP system. Since the modules have not been installed and tested and the system has not been handed over, capitalization process has not taken place.

**m) Subsequent Events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

**n) Financial Risk Management Objectives and Policies**

The University's activities expose it to a variety of financial risks including credit risk and liquidity risk. There exists an Audit, Risk and Compliance committee of the Council charged with overall responsibility of reviewing the risk profile and establishing mitigating measures to manage risks. The University's overall risk management programme focuses on the unpredictability in the markets and seeks to minimize adverse effects on its financial performance.

The University regularly reviews its risk management policies and systems to reflect emerging best practises. Risk management is carried out by the management under the supervision of Council.

**Credit risk Management**

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the University. Most of the credit facilities offered by the University relate to tuition fees.

Accounts receivable from exchange transactions are as follows:

	As at 30 <sup>th</sup> June 2019	As at 30 <sup>th</sup> June 2018
Accounts Receivables	Kshs 145,183,895	Kshs 150,192,375

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**Liquidity Risk Management**

Liquidity risk is the risk that the University will not be able to meet its financial obligations when they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring un acceptable losses or at the risk of damaging the University's reputation. This is done by phasing the University's activities in line with the timing of receipt of Government subventions and tuition fees revenue.

The University ensures that it has sufficient cash on demand to meet expected operational expenses. This is done by ring fencing funds for mandatory expenses including employee emoluments and related expenses payroll deductions. All liquidity policies and procedures are subject to review and approval by Council. All capital investments are funded by Grants from Government.

Accounts payables from exchange transactions are as follows:

	As at 30 <sup>th</sup> June 2019	As at 30 <sup>th</sup> June 2018
Accounts payables	Kshs 54,551,872	Kshs 66,085,107

**o) Significant judgments and sources of estimation uncertainty**

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

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

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

**p) Donations**

Gifts and donations (other than services in-kind) are recognized as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably. With gifts and donations, the making of the gift or donation and the transfer of legal title are often simultaneous, in such circumstances, there is no doubt as to the future economic benefits flowing to the entity. The University recognizes gifts and donations as revenue when it is certain of the fair value of the same. The donations which constitute fixed assets are reported as part of the Property, Plant and Equipment and depreciated as per the depreciation policy. Any costs associated with transfer of ownership and carriage is expensed in full.

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**q) Contingent liabilities – IPSAS 19**

The University had a number of court cases which had not been determined by the end of the year. These included:

- i) Nakuru Employment and Labour Relations Court Case No.249 of 2013
- ii) Nakuru Employment and Labour Relations Court Case No.523 of 2014.
- iii) Kericho Employment and Labour Relations Court Case No.22 of 2015
- iv) Nakuru Employment and Labour Relations Court Cases NO.506/507 of 2014
- v) Nakuru Employment and Labour Relations Court Judicial Review No.4 of 2016
- vi) Kisumu Employment and Labour Relations Court Case No.346 of 2016 claiming Kshs 575,000
- vii) Nyeri Employment and Labour Relations Court Case No .87 of 2016. Claiming Kshs 199,080
- viii) Engineer S.R.M'S Court Case No.174 of 2016 claiming Kshs 1,200,000.
- ix) Nairobi High Court Civil Case No.294 of 2015 claiming Kshs 76,380,000.

Since the outcome of these court cases is uncertain, they have not been included in the financial statements.

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**5**

**Recurrent Capitation**

	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
July	78,235,802	63,850,373
August	78,235,802	63,850,373
September	78,235,802	63,850,373
October	78,235,802	63,850,373
November	73,541,654	63,850,373
December	73,541,654	63,850,373
December	-	5,066,219
January	76,671,085	63,850,373
January	-	5,066,219
February	76,671,085	63,850,373
February	-	5,066,219
March	71,976,938	63,850,373
March	-	5,066,219
April	78,235,801	63,850,373
April	-	5,066,219
May	78,235,802	63,850,373
May	-	5,066,219
June	78,235,802	63,850,373
June (Supplementary Budget)	59,780,902	5,066,219
	<b>979,833,931</b>	<b>801,668,009</b>

**6 CBA Arrears**

	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
July-17	-	116,397,673
November-17	-	25,331,027
<b>Total</b>	<b>-</b>	<b>141,728,700</b>

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7	<b>Research income/Consultancy</b>	<b>Jun-19</b>	<b>Jun-18</b>
		<b>Kshs</b>	<b>Kshs</b>
	National Research Fund	2,210,000	2,163,110
	Sino-Africa Joint Research Center	-	155,500
	Teacher Education Sub Sahara Africa (TESSA)	390,859	308,800
	Africa Experts	817,556	808,500
	Open University	-	261,169
	Norbrook	-	-
	Osho Chemicals	156,400	456,400
	NACOSTI	1,301,800	
	Oil Zone East Africa Ltd - Consultancy services	315,460	
	Templeton World Charity Foundation	10,424,181	
	University of Nottingham	235,734	
	<b>Total</b>	<b>15,851,990</b>	<b>4,153,479</b>
	15% Administrative charge	<b>2,377,799</b>	

The research income recognized in the Statement of Financial Performance only comprises the 15% administrative charge.

8(i)	<b>Rental revenue from facilities &amp; equipment</b>	<b>Jun-19</b>	<b>Jun-18</b>
		<b>Kshs</b>	<b>Kshs</b>
	Students accommodation	4,240,749	17,362,750
	Hire of facilities	16,807,550	-
	<b>Total</b>	<b>21,048,299</b>	<b>17,362,750</b>

8(ii)	<b>Finance Revenue</b>	<b>Jun-19</b>	<b>Jun-18</b>
		<b>Kshs</b>	<b>Kshs</b>
	Interest on Short Term Deposit	<b>8,065,014</b>	<b>3,556,051</b>

8(iii)	<b>Other income</b>	<b>Jun-19</b>	<b>Jun-18</b>
		<b>Kshs</b>	<b>Kshs</b>
	Medical Fees	76,750	500
	ID Replacement	-	128,985
	Key Replacement	-	52,000
	Fines	9,200	25,680
	Graduation Income	12,866,250	7,567,700
	Misc Income	120,600	516,300
	Nursery Income	-	697,000
	Collaborations	-	-
	Decrease in provisions for doubtful debts	720,509	8,128,844
	NHIF Income	1,192,473	1,497,818
	<b>Total</b>	<b>14,985,781</b>	<b>18,614,827</b>

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<b>9 Cafeteria revenue</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
	<hr/>	<hr/>
Catering sales	21,048,299	7,463,759
	<hr/>	<hr/>
<b>10 Tuition Income</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
	<hr/>	<hr/>
PSSP Program	100,730,257	128,608,310
KUCCPS Students	247,102,974	271,476,100
	<hr/>	<hr/>
<b>Total</b>	<b>347,833,231</b>	<b>400,084,410</b>

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<b>11 General Expenses</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
1 Administrative/Office	1,573,741	1,245,260
2 Advertising & Publicity	15,740,615	3,829,053
3 African Medical Botanical Garden Expenses	-	60,000
4 Bindery Materials	-	24,050
5 Cleaning Materials and Detergents	1,644,890	870,466
6 Committee expenses	822,410	1,809,449
7 Computer Maintenance Expenses	3,987,386	2,229,797
8 Conferences & Seminars	3,488,051	1,179,715
9 Corporate Social Responsibility	484,965	-
10 E -Resources	1,395,636	1,340,000
11 Fee Waiver	1,254,860	2,649,495
12 Fuel, Oil & Transport	7,258,594	6,049,540
13 Gender Issues	182,762	196,792
14 Graduation Expenses	14,016,382	9,035,464
15 Honoraria	-	1,860,000
16 Innovations	1,512,010	229,858
17 Insurance Expenses	1,398,136	3,985,831
18 Internet Expenses	18,485,322	26,304,185
19 Kitchen Expenses	-	46,970
20 Library Books	-	-
21 Postage & Telephone	2,169,421	2,544,700
22 Audit Fees	696,000	696,000
23 Publishing & Printing Expenses	210,000	-
24 Purchase of Uniforms & Clothing	1,341,188	1,255,474
25 Sanitary Expenses	2,304,200	1,150,995
26 Security Surveillance & Expenditure	5,281,170	5,455,730
27 Senate Expenses	3,953,386	2,756,070
28 Service Charter Delivery/Quality Assurance	7,136,552	3,926,292
29 Staff & Student Welfare	1,221,149	1,606,893
30 Staff Development	3,982,487	1,368,356
31 Purchase of Stationery	5,604,552	4,007,334
32 Students' Activities	9,005,838	4,917,265
33 Students' choir	487,700	1,651,750
34 Student Financial Aid (scholarship)	2,833,360	2,500,000
35 Student Refunds	-	1,074,975
36 Subscription and Registration of Membership	2,156,441	1,180,330
37 Travel and Subsistence -External	13,004,127	5,219,493
38 Travel and Subsistence -Internal	13,264,098	15,424,450
39 Provision for Audit Fees	2,413,241	-
40 Collaborations and linkages	20,300	-
41 KUCCPS/CUE Charges	11,682,600	-
42 HIV/AIDS Awareness	30,650	-
43 Interest Expense on Pension	6,276,170	-

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<b>11 General Expenses</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
44 Land title expenses	162,725	-
45 Recruitment expenses	48,045	-
<b>Total</b>	<b>168,531,160</b>	<b>119,682,031</b>
<b>12 Rent and Rates</b>	<b>Jun-19</b>	<b>Jun-19</b>
	<b>Kshs</b>	<b>Kshs</b>
Rent and Rates	1,441,595	497,500
<b>13 Casual wages</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
	14,794,799	10,372,322
<b>14 School's Direct Expenses</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Teaching Practice/Attachment	23,324,674	11,974,703
Africa Experts-Siana Students	574,656	-
Examination Materials	4,888,025	3,485,993
Students' Practicals, Media & Forestry Trips	4,005,018	4,109,285
Programme Development	1,658,771	3,798,151
Admission Expenses	-	6,465,000
Brails	-	6,300
External Examiners	1,600,708	1,605,099
Teaching Materials	2,681,736	270,920
Lab Consumables	882,636	201,840
Part time for the year	37,346,736	71,217,563
<b>Total</b>	<b>76,962,960</b>	<b>103,134,854</b>
<b>15 Research expenses</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Total</b>	<b>3,895,747</b>	<b>1,355,469</b>

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<b>16 Catering and Accommodation Expenses</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Purchase of foodstuff	30,232,421	13,856,153
<b>Total</b>	<b>30,232,421</b>	<b>13,856,153</b>
<b>17 Medical Costs</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Staff Medical expenses	24,597,886	32,661,089
Purchase of Drugs	8,630,680	-
Medical lab	1,798,878	-
<b>Total</b>	<b>35,027,444</b>	<b>32,661,089</b>
<b>18 Water and Electricity</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Electricity	13,803,677	12,190,259
Water	7,075,430	8,461,013
<b>Total</b>	<b>20,879,107</b>	<b>20,651,272</b>
<b>19 Employee costs</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Gross Pay	825,490,516	737,842,140
Pension Employer	56,813,595	47,620,433
CBA 2013-2017 Arrears	-	116,397,673
CBA 2013-2017 Arrears	-	25,331,097
Pension accrued Interest charge	6,276,170	-
Gratuity	11,439,272	13,784,808
<b>Total</b>	<b>900,019,553</b>	<b>940,976,151</b>
<b>20 Council expenses</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Sitting, Travelling & Accommodation Allowances	29,996,725	17,709,503
<b>Total</b>	<b>29,996,725</b>	<b>17,709,503</b>

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**21 Repairs and Maintenance**

	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Buildings -Minor works	3,199,194	2,340,612
Catering Facilities	-	2,339,231
Motor Vehicles	3,342,326	2,177,103
Water & Sewerage	519,140	1,067,697
Maintenance of Contingencies	473,249	545,996
Grounds	1,295,672	125,695
Computers & Office Equipment	579,052	294,500
Plant & Equipment	19,045,524	6,152,887
Assets valuation and tagging	227,000	-
<b>Total</b>	<b>28,681,157</b>	<b>15,043,721</b>

**22 Contracted Services**

	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Legal and Consultancy Expenses	18,421,764	4,191,167
	<b>18,421,764</b>	<b>4,191,167</b>

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23	Property, Plant and Equipment	20.0%		2.5%		12.5%		25.0%		33.3%		25.0%		TOTAL
		LAND	PLANT & EQUIPMENT	BUILDINGS	FURNITURE AND FITTINGS	MOTOR VEHICLES	COMPUTER	LIBRARY BOOKS	Kshs	Kshs	Kshs	Kshs		
	Cost/Valuation													
	Net Book Value as at 1.07.2017	5,264,000	3,127,762	1,067,820,152	14,427,703	8,548,598	3,968,538	78,743,023	1,181,899,776					
	Prior year adjustment of net book value	-	-	66,697	-	-	-	-	66,697					
	Additions during the Year:	-	-	-	-	-	-	-	-					
	Additions - Borehole drilling	-	1,390,800	-	-	-	-	-	1,390,800					
	Additions- Landmark Holdings Ltd	-	-	104,919,233	-	-	-	-	104,919,233					
	Capitalize Lecturer complex offices	-	-	9,330,467	-	-	-	-	9,330,467					
	Additions	-	1,421,000	146,126,787	4,046,903	-	625,986	-	152,220,676					
	Additions- Toyota Corolla	-	-	-	-	3,956,000	-	-	3,956,000					
	Balance as at 30.06.2018	5,264,000	5,939,562	1,328,263,336	18,474,606	12,504,598	4,594,524	78,743,023	1,453,783,649					
	Accumulated Depreciation													
	Accumulated Depreciation b/f	-	33,461,226	60,415,101	15,247,461	42,019,585	17,563,382	26,247,675	194,954,429					
	Amortization/Depreciation for the Year	-	1,187,912	33,206,583	2,309,326	3,126,150	1,529,977	19,685,756	61,045,703					
	Accumulated Depreciation c/d	-	34,649,138	93,621,684	17,556,787	45,145,734	19,093,358	45,933,430	256,000,132					
	Net Book Value as at 30.6.2018	5,264,000	4,751,650	1,295,056,753	16,165,280	9,378,449	3,064,548	59,057,267	1,392,737,946					
	Cost/Valuation													
	Net Book Value as at 1.07.2018	5,264,000	4,751,650	1,295,056,753	16,165,280	9,378,449	3,064,548	59,057,267	1,392,737,946					

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<b>Additions during the Year:</b> Balance as at 30.06.2019	-	52,209,502	-	7,310,950	8,615,339	1,664,719	957,965	70,758,474
<b>Accumulated Depreciation</b> Accumulated Depreciation b/f Amortization/Depreciation for the Year Accumulated Depreciation c/d Net Book Value as at 30.6.2019	-	34,649,138	93,621,684	17,556,787	45,145,734	19,093,358	45,933,430	256,000,132
	-	11,392,230	32,376,419	2,934,529	4,498,447	1,574,846	15,003,808	67,780,278
	-	46,041,369	125,998,103	20,491,316	49,644,181	20,668,204	60,937,238	323,780,411
	5,264,000	45,568,921	1,262,680,334	20,541,701	13,495,341	3,154,420	45,011,424	1,395,716,142

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<b>24 Finance Expenses</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank charges - Coop Bank	1,352,786	923,252
Bank charges - Barclays Bank	20,440	31,939
Bank charges - Equity Bank	111,485	74,510
Bank charges - KCB Bank	32,313	21,455
Bank charges - National Bank	326,502	322,219
Bank Charges - SBM bank		1,100
Bank Charges - Bank of Africa	144,603	-
Bank Charges - Jamii Bora Bank	1,080	-
<b>Total</b>	<b>1,989,209</b>	<b>1,374,475</b>

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<b>Work in progress</b>					
<b>CONTRACTORS</b>	<b>GROSS PAY</b>	<b>VAT</b>	<b>WITHHOLDING TAX</b>	<b>RETENTION</b>	<b>NET PAY</b>
		6%	3%	10%	
Bal b/f as at 01/7/2017	373,218,822	11,361,850	8,355,760	14,168,844	339,332,367
	-	-	-	-	-
	373,218,822	11,361,850	8,355,760	14,168,844	339,332,367
<b>Adjusted balance as at 01/07/2017</b>	<b>373,218,822</b>	<b>11,361,850</b>	<b>8,355,760</b>	<b>14,168,844</b>	<b>339,332,367</b>
Mycall General Services Ltd	18,057,800	934,024	513,713	1,805,780	14,804,283
Vee Vee Entr. (Tuition Block)	38,559,716	1,994,468	997,234	3,855,972	31,712,042
Vee Vee Entr. (Women Hostel)	-	-	-	(8,382,518)	8,382,517
Mycall General Services Ltd	27,105,450	1,402,006	701,003	2,710,545	22,291,896
Vee Vee Entre. (Tuition Block)	45,390,178	2,347,768	1,173,884	4,539,018	37,329,508
Mycall General Services Ltd	18,321,300	947,653	473,827	1,832,130	15,067,690
	<b>147,434,444</b>	<b>7,625,920</b>	<b>3,859,661</b>	<b>6,360,927</b>	<b>129,587,936</b>
	<b>520,653,266</b>	<b>18,987,769</b>	<b>12,215,421</b>	<b>20,529,771</b>	<b>468,920,304</b>
Capitalize phase one of tuition block	(146,126,787)	(7,558,282.09)	(3,779,141)	(14,612,679)	(120,176,685)
Capitalize Lecturer complex (Landmark)	(104,919,233)	-	(2,713,428)	(10,491,923)	(91,713,881)
Capitalize Lecturer complex offices (Stroika)	(9,330,467)	(482,610.36)	(241,305)	(933,047)	(7,673,505)
<b>TOTAL</b>	<b>260,276,779</b>	<b>11,429,487</b>	<b>8,436,280</b>	<b>5,917,093</b>	<b>348,743,618</b>
<b>Balance July 1, 2018</b>	<b>260,276,779</b>	<b>11,429,487</b>	<b>8,436,280</b>	<b>5,917,093</b>	<b>348,743,618</b>
Vee Vee Entre. (Tuition Block)	42,861,526	2,216,975	1,108,488	4,286,153	35,249,910
Vee Vee Entre. (Tuition Block)	51,529,178	2,665,302.31	1,332,651	-	47,531,225
Mycall General Services Ltd	3,701,060	191,434	95,717	370,106	3,043,803
Mycall General Services Ltd	14,697,080	760,193.79	380,097	1,469,708	12,087,081
Mycall General Services Ltd	2,047,067	-	-	-	2,047,067
<b>Balance June 30, 2019</b>	<b>375,112,690</b>	<b>17,263,393</b>	<b>11,353,233</b>	<b>12,043,059</b>	<b>248,784,532</b>

MAASAI MARA UNIVERSITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

<b>26</b>	<b>Inventories</b>	<b>Jun-19</b>	<b>Jun-18</b>
		<b>Kshs</b>	<b>Kshs</b>
	Closing Stock-Stationeries	5,012,601	6,663,797
	Closing Stock - Estates	669,645	821,070
	Closing Stock - Catering	343,658	631,956
	Closing Stock - Health Facility	1,099,583	3,346,576
	<b>Total</b>	<b>7,125,487</b>	<b>11,463,399</b>
<hr/>			
<b>27</b>	<b>Receivables from Non - Exchange Transactions</b>	<b>Jun-19</b>	<b>Jun-18</b>
		<b>Kshs</b>	<b>Kshs</b>
	Ministry of Education -Supplementary Budget	59,780,902	-
	<b>Total</b>	<b>59,780,902</b>	<b>-</b>
<hr/>			
<b>2</b>			
<b>8</b>	<b>Receivables from Exchange transactions</b>	<b>Jun-19</b>	<b>Jun-18</b>
		<b>Kshs</b>	<b>Kshs</b>
	Staff Debtors - Imprest	10,389,200	1,708,014
	Rent Deposit (United Kenya Club)	150,000	150,000
	Fuel Deposit (Total Kenya )	1,208,094	1,208,094
	Deposits (Oltale)	5,538,960	5,538,960
	Other Debtors	442,250	442,250
	Students' Debtors	128,506,096	148,597,020
	National Police Service	5,138,250	-
	Department of Nomadic Education	250,000	-
	Kenya Rural Roads Authority	292,500	-
		<b>151,915,350</b>	<b>157,644,338</b>
	Provision for Doubtful Debts	6,731,455	7,451,964
	<b>Total</b>	<b>145,183,895</b>	<b>150,192,375</b>
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**MAASAI MARA UNIVERSITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

<b>29 Cash and Bank balances</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Equity PSSP a/c no.0360292999764	1,189,865	130,977
Equity a/c no. 0360293859409 -Catering and Accommodation	417,671	959,101
Equity GSSP a/c no. 0360293859386	1,164,653	2,202,409
National Bank of Kenya a/c no. 01400042224300	57,686,797	
Barclays Bank of Kenya a/c no. 041111267	3,978,112	7,021,945
Cooperative of Bank a/c no.01129337192600	70,637	1,518,795
Cooperative of Bank a/c no.01129337192601 - GSSP	2,339,624	1,823,315
Cooperative of Bank a/c no.01129337192602 -C&A	1,455,325	264,985
KCB Development a/c no.1112635831	3,103,007	10,288,588
KCB PSSP a/c no. 1136121064	119,559	431,346
JAMII Bora Bank a/c 0011795088002	1,054,944	1,056,024
SBM Bank a/c no.	393,107	126,008
Bank of Africa	1,192,732	-
<b>Short Term Deposits</b>		-
National Bank of Kenya a/c no. 01300042224312	30,000,000	30,000,000
National Bank of Kenya a/c no. 01400042224306	60,000,000	72,929,767
National Bank of Kenya a/c no. 01300042224313	28,000,000	
KCB	84,000,000	
Bank of Africa	13,000,000	
Cooperative Bank	-	13,000,000
Barclays Bank of Kenya	-	17,000,000
<b>Total</b>	<b>289,166,032</b>	<b>158,753,258</b>

<b>30 Trade Payables</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Trade Creditors	54,551,872	66,085,107
<b>Total</b>	<b>54,551,872</b>	<b>66,085,107</b>

<b>31 School Direct expenses</b>	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Part time Teaching payable	90,617,005	78,586,717
<b>Total</b>	<b>90,617,005</b>	<b>78,586,717</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**32 Students' Payables**

	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Caution money Deposits	9,892,000	9,415,000
Students fees received in advance	19,972,959	16,613,156
Students' Union	3,905,400	-
HELB Payable	2,024,500	-
<b>Total</b>	<b>35,794,859</b>	<b>26,028,156</b>

**33 Employee Obligation/Pension Obligation**

	<b>Jun-18</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Pension Contribution Payable	55,763,006	49,486,837
<b>Total</b>	<b>55,763,006</b>	<b>49,486,837</b>

**34 Payroll Creditors**

	<b>Jun-18</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Staff Loans deductions payable	49,267,663	64,408,247
Gratuity Payable	14,654,675	-
<b>Total</b>	<b>63,922,338</b>	<b>64,408,247</b>

The payroll creditors for FY 2017/2018 were not split between staff loans deductions and gratuity.

**35 Contractors payable**

	<b>18-Jun</b>	<b>18-Jun</b>
	<b>Kshs</b>	<b>Kshs</b>
Pending Interim Certificates	49,874,632	41,341,495
<b>Total</b>	<b>49,874,632</b>	<b>41,341,495</b>

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**36 Research Grants Payable**

	<b>Jun-18</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance b/f	2,798,010	-
Received during the year	15,851,990	4,153,479
<b>Total</b>	<b>18,650,000</b>	<b>4,153,479</b>
Less: Expenses	(3,895,747)	(1,355,469)
<b>Balance b/f</b>	<b>14,754,253</b>	<b>2,798,010</b>

**37 Contractors Retention for Work In Progress**

	<b>Jun-19</b>	<b>Jun-18</b>
	<b>Kshs</b>	<b>Kshs</b>
Balance b/f as at 1 <sup>st</sup> July 2018	46,877,321	40,946,263.00
Additions during the year	2,505,939	14,313,575.29
Less Payment	(6,333,220)	-8382518
<b>Balance as at 30<sup>th</sup> June 2019</b>	<b>43,050,040</b>	<b>46,877,320</b>

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**NOTES TO THE FINANCIAL STATEMENTS**

**Transfers from Ministries, Departments and Agencies**

Name of Entity Sending the grant	Amount recognized to statement of comprehensive income	Amount deferred under deferred income	Amount Recognized in capital fund	Total Grant income during the year	2016-2017
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Ministry of Education	979,833,931	-	276,238,140	1,256,072,071	997,468,709
<b>Total</b>	<b>979,833,931</b>	<b>-</b>	<b>276,238,140</b>	<b>1,256,072,071</b>	<b>997,468,709</b>

**Events after the reporting period**

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

**Ultimate and Holding Entity**

Maasai Mara University is a Semi-Autonomous Government Agency under the Ministry of Education, State Department of University Education. Its ultimate parent is the Government of Kenya.

**Currency**

The financial statements are presented in Kenya Shillings.

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**APPENDIX I: PROGRESS ON FOLLOW – UP OF AUDITORS  
RECOMMENDATIONS**

The following is the summary of outstanding paragraphs raised by the external auditor and their resolution status.

<b>Audit matter</b>	<b>Audit paragraph</b>	<b>Management comment</b>	<b>Status</b>
Receivables from exchange Transactions	The net receivables from exchange transactions stood at Kshs. 150,192,375 as at 30 June 2018 compared to Kshs. 159,558,931 as at in 30 June 2018 representing an increase of Kshs. 9,366,555. Included in the receivables from exchange transactions is Kshs 148,597,020 in respect of student's debtor gross. However, the figure remains substantially high.	Reconciliations to clean up the student's debtors is ongoing. This figure has now been reduced to Kshs 106,392,778.	On - going.
Pension obligation	The pension obligation as at 30th June 2018 was Kshs 49,486,837. During the year the balance moved from Kshs 43,917,055 to Kshs 49,486,837 representing an increase of Kshs 5,569,782 which is accrued interest.	The pension obligation result from outstanding remittances to Moi University Pensions Scheme dating back to 2011 to 2013 during which period the current University management has requested for specific funding from the National Treasury through the Parent Ministry but this has yet to be honoured. The University has no outstanding obligations since 2014.	Discussions are underway for Moi University to transfer the pension contribution to Maasai Mara Scheme.
Sustainability of services	The current assets stood at Kshs 320,409,032 while the current liabilities were Kshs 328,734,568 leading to a negative working capital of Kshs 8,325,536. This situation indicates uncertainty exists that may cast significant doubt on the University's ability to continue honouring its obligations as and when they fall due.	The working capital has now improved to a positive balance of Kshs 110,079,241	The University is on course with regard to management of her working capital needs.
Delayed completion of Boundary wall	The Boundary wall contract sum during the year was Kshs 87,219,440. The Contractor, Mycal General Services has been paid Kshs 49,646,924 exclusive of retention money which represents 57% of work certified. Physical verification of project showed lower percentage completed.	The Boundary wall is now practically complete.	

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**APPENDIX II: INTER-ENTITY TRANSFERS**

The University received the following transfers from the Ministry of Education:

<u>a) Recurrent grants</u>	
<b>Month</b>	<b>Kshs</b>
July	78,235,802
August	78,235,802
September	78,235,802
October	78,235,802
November	73,541,654
December	73,541,654
January	76,671,085
February	76,671,085
March	71,976,938
April	78,235,801
May	78,235,802
June	78,235,802
June (Supplementary Budget)	59,780,902
<b>Total recurrent</b>	<u><b>979,833,931</b></u>
 <b>Development Grants</b>	
October-18	45,927,500
November-18	100,742,500
February-19	42,861,526
May-19	86,706,614
<b>Total development</b>	<u><b>276,238,140</b></u>
 <b>Grand Total</b>	 <u><u><b>1,256,072,071.</b></u></u>