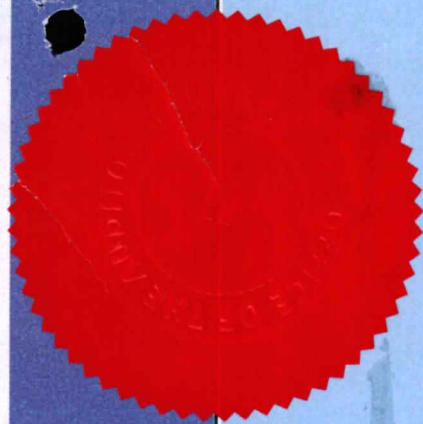
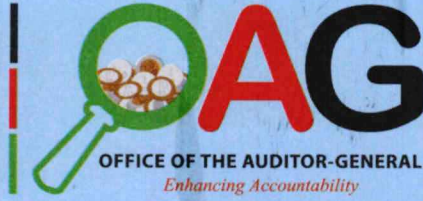


REPUBLIC OF KENYA



REPORT

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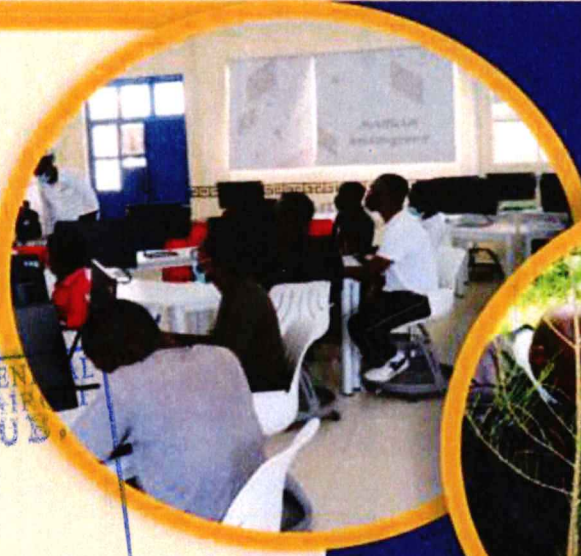
**FOR THE YEAR ENDED
30 JUNE, 2025**



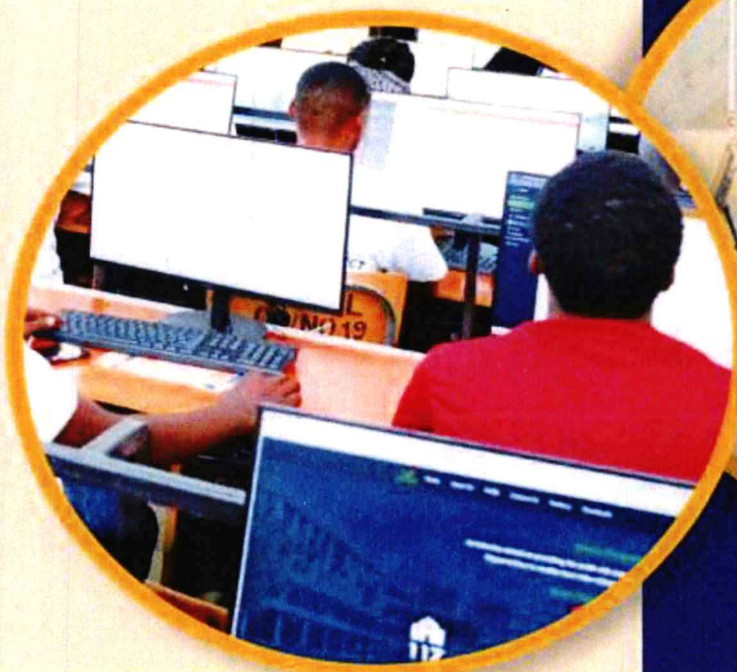


**MACHAKOS
UNIVERSITY**

**Annual Report and Financial
Statements for the year ended June
30, 2025**



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



ISO 9001:2015 Certified.....Co-Creating Sustainable Futures



Machakos University

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1. ACRONYMS AND DEFINITION OF KEY TERMS

A. ACRONYMS AND ABBREVIATIONS

APF	-	Administration, Planning and Finance
ASA	-	Academic and Student affairs
ASK	-	Agricultural Society of Kenya
CUE	-	Commission of University Education
DVC	-	Deputy Vice-Chancellor
ICT	-	Information Communication Technology
KNEC	-	Kenya National Examination Council
MksU	-	Machakos University
MoE	-	Ministry of Education
ODeL	-	Open, Distance, and e-Learning
RIL	-	Research, Innovation and Linkages
SET	-	School of Engineering and Technology
STEM	-	Science, Technology, Engineering, and Mathematics
TNT	-	The National Treasury
TVET	-	Technical and Vocational Education and Training
USD	-	United States Dollars
VC	-	Vice-Chancellor

B. DEFINITION OF KEY TERMS

Comparative Year – Means the prior year.

Fiduciary Management – Members of Management directly entrusted with the responsibility of financial resources of the University





Machakos University

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2. KEY INFORMATION AND MANAGEMENT

a) Background information

Machakos University is a dynamic institution with a rich history having been founded in 1957 as a Technical Rural Training School. It became Machakos Technical and Trade School in 1958, and Machakos Technical School in 1967. Later in 1987, it was converted to Machakos Technical Training Institute (MTTI). On 16th September 2011, MTTI became Machakos University College (MUC) - a constituent college of Kenyatta University. On 7th October 2016, MUC was chartered and became a fully-fledged public University with recognised Centres of Excellence in Engineering and Technology, Hospitality and Tourism Management, and Fashion Design. The current niche is Science, Technology, Engineering & Mathematics (STEM).

Machakos University (MksU) is a pivotal ICT hub geared towards providing a conducive environment for development of competitive technical skills in entrepreneurship and innovation for the digital economy. The institution hosts East Africa's first Luban Workshop (a high tech digital lab offering training in Internet-of- Things (IoT), Block Chain Technology, cyber security and Cloud Computing); STEMPower Centre; and Jitume Computer Lab. Additionally, MksU is home to the UNESCO Chair on Cloud Computing for Sustainable Development with projects in Space Science and Surveillance, Smart Agriculture, Open Distance and e-Learning (ODEL), Health and Well-being, Climate Resilience and Adaptation. The UNESCO Chair has contributed to the development of practical solutions like Cooling Systems for the International Space Station, Surveillance of Wildlife and Livestock Migrations using satellites, Air Quality Monitoring System and an Analogue Simulation Station for future human missions to Mars.

Machakos University is recognised for transformative scholarship through teaching, training, research, innovation, and community engagement for sustainable industrial and socioeconomic transformation. Her core values of Creativity, Agility, Meritocracy, Professionalism, Integrity and Inclusivity (CAMPII) underpin the University's dedication to Co-Creating Sustainable Futures.

The University is operationally structured into three Divisions; Administration, Planning and Finance (APF); Research, Innovation and Linkages (RIL) and Academic and Student Affairs (ASA).





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

KEY INFORMATION AND MANAGEMENT (CONTINUED)

Division of Administration, Planning and Finance (APF)

This Division is the backbone of realisation of effective service delivery at the University. It has the following processes:

- 1) Management of Finances;
- 2) Internal Audit and Risk Management;
- 3) Legal Affairs;
- 4) Procurement of goods, services and works, and asset disposal;
- 5) Management of human resources;
- 6) Security;
- 7) Corporate Affairs and Marketing;
- 8) Information Communication Technology;
- 9) Alumni Relations;
- 10) Performance Contract and Quality Management Systems;
- 11) Planning:
 - a) Transport Management;
 - b) Students' Accommodation;
 - c) Students' Catering;
 - d) Students' Health;
 - e) Records Management; and
- 12) Management of Income Generating Units.

Division of Research, Innovation and Linkages (RIL)

To enable the realisation of the University's mandate and as a strategy for mobilization of resources, this Division has the following process:

- 1) Organization of seminars, workshops and conferences;
- 2) Collaboration with other organizations;
- 3) Staff research training;
- 4) Award and management of research grants; and
- 5) Community and outreach services.





Machakos University

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KEY INFORMATION AND MANAGEMENT (CONTINUED)

Division of Academic and Students Affairs (ASA)

This division undertakes the following academic functions;

- 1) Admission to academic programmes;
- 2) Virtual and physical delivery of curriculum;
- 3) Evaluation of students;
- 4) Monitoring and evaluation of quality of teaching and learning;
- 5) Graduation of students; and
- 6) Students welfare (Students counselling, career guidance, games and sports, clubs and societies, students discipline and students' insurance).

The core mandate of the University is delivered through the following Schools and Institute:

- 1) School of Pure & Applied Sciences
- 2) School of Business, Economics Hospitality and Tourism Management
- 3) School of Engineering and Technology
- 4) School of Humanities and Social Sciences
- 5) School of Agriculture Environment and Health Sciences
- 6) School of Education
- 7) TVET Institute

The University is located at the heart of the Lower Eastern Region, and a kilometer away from Machakos town Centre along Machakos/Wote Road. It is about 66 km from Nairobi and 28 km from Konza Technopolis.

The University's stakeholders include: Students, staff, Alumni, Parents/guardians, Sponsors, Regulatory Bodies, Ministry of Education, Primary and Secondary Schools, Other Ministries, Departments and Government Agencies, County Governments, Local community, Other institutions of higher learning both local and international, Suppliers/contractors, Non-governmental Organizations, Community Based Organizations, International Organizations, Industries, Religious Organizations, Trade Unions and the public in general.





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

KEY INFORMATION AND MANAGEMENT (CONTINUED)

b) Principal Activities

The principal activities of Machakos University are: Teaching/Training, Research, Innovation, and community service

Vision

Excellence in transformative scholarship and community service

Mission

To provide scholarship through teaching, training, research and innovation; and community service for sustainable industrial and socioeconomic transformation

c) Key Management

The Execution of the University's mandate is spearheaded by the following:

- (a) The Chancellor
- (b) University Council
- (c) The Vice-Chancellor
- (d) University Management Board
- (e) University Senate

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June, 2025 and who had direct fiduciary responsibility were:

Designation	Name
(a) Vice-Chancellor	Prof. Joyce J. Agalo
(b) Ag. DVC (Administration, Planning & Finance)	Prof. Mugendi K. M'Rithaa
(c) Ag. DVC (Academic & Student Affairs)	Prof. James M. Muola
(d) Ag. DVC (Research, Innovation & Linkages)	Prof. Stanley M. Makindi
(e) Ag. Chief Finance Officer	CPA Francis M. Wambua
(f) Ag. Chief Procurement Officer	Ms. Alice W. Njeri
(g) Chief Internal Auditor	CPA John M. Ngure
(h) Head of Legal Affairs & Council Secretariat	Adv. Mumbi S. Mwihurih





Machakos University

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KEY INFORMATION AND MANAGEMENT (CONTINUED)

e) Fiduciary Oversight Arrangements

The Council provides strategic direction, exercise control and remain accountable through effective leadership, entrepreneurship, integrity and good judgment. The University Council oversight arrangement is coordinated by the following Council Committees:

- (a) Finance, Planning and Development Committee
- (b) Academic and Research Committee
- (c) Human Resources Committee
- (d) Audit and Compliance Committee

f) Headquarters

P.O Box 136-90100
Wote Road
Machakos, KENYA

g) University Contacts

Cell: 0735 247939 / 0795 207117
E-mail : info@mksu.ac.ke
Website: www.mksu.ac.ke

h) University Bankers

1. KCB Bank Kenya
P.O. Box 30-90100
Machakos

Accounts held: Fees Collection Account, Research Account, and Endowment Fund Account

2. National Bank of Kenya
P.O. Box 274-90100
Machakos

Accounts held: Fees Collection Account, Operations Account, and Development Account





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

KEY INFORMATION AND MANAGEMENT (CONTINUED)

3. Standard Chartered Bank

P.O. Box 29-90100

Machakos

Accounts held: Fees Collection Account, MksU Hotel Account

4. Equity Bank

P.O Box 2453 - 90100

Machakos

Accounts held: Fees Collection Account

5. Co-operative Bank

P.O. Box 1250-90100

Machakos.

Accounts held: Fees Collection Account

6. Sidian Bank

P.O. Box 1932 - 90100

Machakos.

Accounts held: Chancellor's Scholarship Account

i) Independent Auditors

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P. O. Box 30084, GPO 00100,

Nairobi, KENYA.

j) Principal Legal Advisor

The Attorney General

State Law Office, Harambee Avenue

P.O Box 40112, City Square 00200,

Nairobi, KENYA





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

3. THE UNIVERSITY COUNCIL

Chairman



Dr. Christopher Gatama Gakahu, Ph.D.

Dr. Christopher Gatama Gakahu holds a BSc. (Hons) and Ph.D. in Zoology (Biology of Conservation) from University of Nairobi. He undertook post-doctoral research at Aberdeen University in UK, Griffith University in Brisbane Australia and San Diego State University-California. He is a Global Environment Facility (GEF), Environmental Impact Assessment (EIA) trainer and practitioner, expert and certified in PRINCE2 (Projects in Controlled Environments).

Dr. Gakahu is a re-known academician of ten years standing at University of Nairobi as well as at Moi University. He has published widely and also edited several books. He was the Chairman of Council at Garissa University, until June, 2021. He was appointed Chairman of Council, Machakos University by the Cabinet Secretary through a Gazette Notice VOL. CXXIV-NO 131 of 8th July, 2022.

He has 15 years' experience within the United Nations where he held senior positions. These included being the Assistant Country Director in charge of programmes in United Nations Development Programme (UNDP) in Kenya where he doubled as the Energy, Environment and Natural Resources Advisor and team leader.

During his tenure at UN, he played lead roles in establishment of National policies, legislation institutions including Environment Management Co-ordination Act (EMCA) and National Environment Management Authority (NEMA), National Climate Change Secretariat, Kenya Cleaner Production Center and Kenya National Energy Efficiency; and Conservation Center at Kenya Association of Manufacturers (KAM)

Prior to joining the United Nations, Dr. Gakahu worked as a researcher and biodiversity advisor at Wildlife Conservation International (WCI) and the International Union for Conservation of Nature (IUCN). Dr. Gakahu is currently a principal consultant with Oikos Africa Environment Services Ltd. A firm and a center of excellence dedicated to offering professional services in sustainable development, policy advocacy and programming in areas of energy, environment and natural resources and in climate change mitigation and adaptation. Over the last five (5) years, he has been a Board member at Kenya Forest Service, Kenya Tourism Federation and Ecotourism Kenya.





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

UNIVERSITY COUNCIL MEMBERS (Continued....)

**Council Member and
Chairman, Human Resources Committee of Council**



**Dr. Mercy Kanyara,
PhD, CS. Advocate of
the High Court**

Dr. Mercy Kanyara, CS. is an advocate of the High Court of Kenya and a Commissioner for Oaths. She is also a Professional Certified Mediator (CPM) -MTI, a Certified Public Secretary (CS) - ICPSK, a Humanitarian Chaplain, a Pastor and an Entrepreneur in real estate and hotel industry. She is a practicing advocate with M.N. Kanyara & Company Advocates. She is also a motivational speaker, Counsellor, Women Leader and a lecturer. She holds a Master’s degree in Laws (LLM)-UON, a Master’s degree in Business Administration-JKUAT, Bachelor’s degree in Law (LLB)-UON, Diploma in Legal Studies -Kenya School of Law, Diploma in Human Resource Management- Kenya Institute of Management, Diploma in Leadership -Word of Faith Bible Institute, Certificate in Counselling. She holds an honorary PhD in Humane Letters.

With 34 years’ experience as an advocate and wide experience at senior management positions in both public and NGO sector, out of which about 17 years are in university management. In the 2005- 2016, she was the Chief Legal Officer at JKUAT and in year 2019-2021 she was the Registrar -Administration, Planning & Development at AMREF University. Dr. Mercy is philanthropist and she is the founding Trustee of Eddie Forever Solution Centre (ESOC) Foundation in Dagoretti. She’s also a Trustee of KARIKA Group Foundation (foundation supporting the aged in Kenya). She is a member of the Law Society of Kenya (LSK), Institute of Certified Secretaries of Kenya (ICPSK), Institute of Chartered Mediators & Conciliators (ICMC) and a long-time member of Lions Club International. Dr. Mercy has also been involved in management of politics.

**Council Member and
Chairman, Academic and Research Committee of Council**



**Dr. Stellah Onyiego,
PhD.**

Dr. Stellah Onyiego is a highly experienced academician and administrator within the education sector in Kenya, boasting over two decades of teaching and administrative roles in higher institutions of learning. She holds a Doctor of Philosophy in Communication Studies from Moi University, Eldoret, along with a Master of Philosophy in Communication Studies and a Bachelor of Arts from the same institution. Additionally, she obtained a Postgraduate Diploma in Education from Kenyatta University.

She has held roles such as member of Council, Kenya Institute of Mass Communication, Chief Principal at Kitale Technical Training Institute, and Senior Principal at Sigalagala Technical Training Institute, among others. Dr. Stellah is actively involved in professional bodies and committees, such as being a founding member of the Language Association of East Africa, a member of the Media Council of Kenya, and serving on various committees in education.





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

UNIVERSITY COUNCIL MEMBERS (Continued....)



Mr. Felix Kilonzi, CPA-K

**Council Member
Chairman, Audit and Compliance
Committee of Council**

CPA Felix Kilonzi is a full member of Kenya institute of management (MKIM), Africa tax and Research Network (ATRN), scientific committee and the institute of certified public accountants of Kenya (ICPAK) and vast experience in accountancy and financial management. He holds CPA (K), certified secretary (CS), B-Com (Finance), MBA (Corporate management), MSc (tax and customs administration) and he is a PhD (Accounting option) candidate at Moi University. He served in the second Council of the University of Embu in various roles as a member of council. He is a member of the institute's Public Sector Accountants committee where he has supported the growth of the profession through research and engagement on matters IPSAS, IFRS and implementation of PFM Act.

**Council Member
Chairman, Finance, Planning and Development
Committee of Council**



**Mr. Hamadi Musa
Garashi**

Mr. Hamadi Musa Garashi is a highly experienced Scientific Management expert who has over 30 years' experience in the education sector specializing in application of scientific models in Governance. He holds an M.B.A (Management Science) from The University of Nairobi, B.Ed degree from Egerton University. He has held roles as a lecturer in a number of tertiary institutions including Muranga College of Technology, Kenya Institute of Management, Masinde Muliro University of Science and Technology, Catholic University of Eastern Africa (CUEA), Taita Taveta University and at Jomo Kenyatta University of Agriculture and Technology. He also served as the Chair of Kwale County Hospital.





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

UNIVERSITY COUNCIL MEMBERS (Continued....)



Mr. Peter Njoroge

**Rep. Cabinet Secretary,
The National Treasury and Planning**

Mr. Peter Njoroge is a Director of Planning at the National Treasury. He holds a Master of Science degree in Development Planning from the Technical University of Dortmund (Germany), Masters of Science degree in Strategic Management from Moi University. He has over 27 years' experience in Policy Formulation, Sectoral and Strategic Planning, Finance and Budgeting both at the National and County levels.



Dr. Joyce Ngure, Ph.D.

**Rep. Principal Secretary,
State Department of University Education and Research**

Key Qualifications: PhD in Vegetable Sciences, Nanjing Agriculture University. She also has Masters and Bachelor of Science degrees in Horticulture from Egerton University.

Work Experience: She has a wealth of experience in areas of research and project coordination and management. Currently, the Assistant Director Research in the Ministry of Education in the Directorate of Research Science and Technology. she is also the Project Coordinator for the National Physical Sciences and Research Laboratories as well as the Project Officer in the Science and Technology Parks Initiative Project





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

UNIVERSITY COUNCIL MEMBERS (Continued....)

Vice-Chancellor and Secretary to the Council



Prof. Joyce J. Agalo, Ph.D.

Prof. Joyce J. Agalo is a Professor of Education and an Instructional Designer with over 25 years' experience in academic, research, and supervision of both undergraduate and postgraduate students. She holds a B.Ed. from Kenyatta University, an M. Lib. (Media Technology) from the University of Wales, Aberystwyth, United Kingdom and a Ph.D. (Educational Communication and Technology) from Moi University, having undertaken part of her research at the FerUniversitat in Hagen, Germany. She is also a graduate of the Management of Higher Education Institutes programme from Galilee International Management Institute in Israel and the International Women's University (IFU), Hamburg, Germany.

She has a wealth of experience in Senior University and related management leadership. Prof Agalo has served in various capacities including: that of Deputy Vice-Chancellor, Academic and Students Affairs Machakos University since 2017, Trustee Machakos Retirement Benefits Scheme for six (6) years, founding Director, Institute of Open and Distance Learning (IODL), Moi University and a member of the National Open University taskforce appointed and gazetted through Gazette Notice No. 398 of 17th January, 2014. She also served in the first Council of Rongo University as a senate representative. She is a member of the African Council for Distance Education, the Open and E-Learning Practitioners' Association of Kenya (DOLPAK) and a member of the African Network for Internationalization of Education.

She is an ardent researcher in the areas of Leadership, Management and Administration, Open and Distance Learning, Education, Women and Information Technology, Media, and Communication and has published widely. She continues to mentor both staff and students.





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

4. KEY MANAGEMENT TEAM



Prof. Joyce J. Agalo
Vice-Chancellor

PhD. (Education).

The Academic and Administrative Head of the University.



Prof. James M. Muola
Ag. Deputy Vice-Chancellor (ASA)

PhD (Educational Psychology).
In-Charge of Academic and Student Affairs



Prof. Mugendi K. M'Rithaa
Ag. Deputy Vice-Chancellor (APF)

PhD (Universal Design).
In-Charge of Administration, Planning and Finance



Prof. Stanley M. Makindi
Ag. Deputy Vice-Chancellor (RIL)

PhD (Environmental Science)
In-Charge of Research, Innovation & Linkages



Mr. Patrick Okemba
Ag. Registrar (ASA)

Masters' in Procurement).
Supports the functions of the Academic & Student Affairs Division.



Dr. Humphrey R. Omondi
Registrar (AP)

PhD (Economics)
Supports the functions of Administration and Planning



Prof. David M. Mulwa
Ag. Registrar (RIL)

PhD (Educational Administration).
Supports the functions of the Research, Innovation & Linkages Division



Advocate Mumbi S. Mwihurii
Head of Legal Affairs & Council Secretariat
LLM (Governance and Democracy)
In-Charge of the Legal function of the University



CPA Francis M. Wambua
Ag. Chief Finance Officer
MBA (Finance), B.Com (Accounting), CPA(K).
Supports the Financial Management function





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

5. CHAIRMAN'S STATEMENT



On behalf of the University Council, I reaffirm our collective responsibility for strategic oversight of Machakos University. As Chairman, I continue to provide leadership that ensures the Council delivers progressive policy direction, effective governance, and prudent stewardship of the University's resources. Our culture of openness, full participation, and collective decision-making remains central to eliminating bottlenecks and fostering institutional excellence.

Financial Stewardship and Operational Efficiency

During FY2024/2025, the University maintained a strong financial position. All salaries were paid on time, statutory obligations met, and no pending bills recorded. The University earned recognition as runners-up in the Financial Reporting Awards and received an unmodified audit opinion for the year. These outcomes reflect our commitment to transparency and fiscal discipline.

Digitization and Service Delivery

The University successfully automated 20 services, achieving a digitalization score of **92.75%**, in line with the Strategic Plan's emphasis on institutional efficiency. This transformation has enhanced service delivery and positioned Machakos University as a leader in digital innovation within the higher education sector.

Infrastructure and Flagship Projects

Significant progress was made on the Tuition and Office Block, now **80% complete**, with KShs. 120M allocated toward its completion. Additional development milestones include:

- Completion of Phase I of the Perimeter Wall
- Establishment of a Water Purification Plant for 'Macha Drips'





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CHAIRMAN'S STATEMENT (CONTINUED)

Renovation and commissioning of the Staff Lounge

- Safe removal of asbestos materials
- Fencing and utilization of University land near Machakos People's Park

We urge the Government and development partners to continue supporting these transformative projects.

Academic Excellence and Programme Review

The University reviewed 13 academic programmes and introduced 17 new market-driven ones. Our STEM agenda was advanced through the establishment of a state-of-the-art STEM Centre and the JITUME Lab, enhancing digital skills and innovation capacity. The Public Health programme gained regulatory recognition, with 24 students indexed by PHOTC.

Strategic Partnerships and Global Networks

Machakos University expanded its international footprint through:

- Erasmus+ exchange programmes with Riga Technical University and University of Piraeus
- Hosting visiting scholars from the USA and Germany
- Winning 1st prize globally in the Huawei ICT Competition (Network Track) for two consecutive years
- Establishing the UNESCO Chair on Cloud Computing for Sustainable Development

Sustainability and Presidential Directives

In alignment with national priorities, the University planted over **25,000 trees** across multiple sites and launched a fruit orchard with 520 trees. The President's Award Club earned the **Presidential Gold Award**, showcasing our commitment to youth empowerment and environmental stewardship.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CHAIRMAN'S STATEMENT (CONTINUED)

Human Capital and Governance

The Council oversaw the recruitment of 18 staff and promotion of 141, increasing PhD-holding faculty to 89. Staff training on Change Management reached **389 personnel**, reinforcing our commitment to capacity building. Council members underwent multiple governance and strategy workshops, enhancing oversight and performance evaluation.

In conclusion, the Council remains steadfast in its commitment to the Strategic Plan 2023/2024–2027/2028, which is anchored in Vision 2030, SDGs, and the Bottom-Up Economic Transformation Agenda. We will continue to work collaboratively with stakeholders to position Machakos University as a **global Centre of transformative scholarship, innovation, and community service**.

CPA Felix N. Kilonzi
For: Chairman of Council





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

6. REPORT OF THE VICE-CHANCELLOR



The Machakos University Financial Statements for the year ended 30th June 2025 reflect a financially sound and sustainable operation.

The University closed the year with no pending bills, met all statutory and supplier obligations, and ensured the timely payment of salaries and pension contributions.

This sound financial stewardship has underpinned our core mandate of teaching, research, innovation and community service.

Implementation of the Strategic Plan 2023/2024–2027/2028

During FY 2024/2025 we accelerated roll-out of our five-year roadmap and recorded the following milestones:

- **Strategic Plan Operationalization** After the Plan’s launch on 21st December 2023, we held over ten validation workshops across all schools and directorates, integrated the five Key Result Areas into departmental work plans, and embedded performance targets into staff appraisal systems.
- **Affordable student housing partnership** Building on the July 2023 courtesy visit, Machakos University and the National Housing Corporation initiated a collaboration partnership which culminated into the signing of a Memorandum of Understanding on 18th June, 2025 of approximately KShs. 1 Billion for the construction of the Students Hostel and Centre.
- **CBC alignment and curriculum reform** The School of Education, under Dr Pamela Muriungi, hosted follow-up Competency-Based Curriculum workshops in February and April 2025. These sessions equipped 120 academic staff to realign 25 undergraduates and postgraduate programmes with the national CBC framework.
- **Digital transformation** We automated 20 critical services—spanning admissions, finance, human resources and research management—and attained a digitalization score of 92.75 percent. Turnaround times for key processes have been halved and online access enhanced for all stakeholders.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

Academic Programmes and Quality Assurance

Under Council guidance we reviewed 13 existing programmes and launched 17 new, market-driven offerings in public health, engineering technology and data analytics. Our Bachelor of Science in Public Health secured full indexing by the Public Health Officers and Technicians Council, qualifying 24 graduates and continuing students for professional examinations.

Research, Innovation and Partnerships

Our global footprint expanded through:

- **Erasmus+ mobility** with Riga Technical University—seven students and four staff hosted and hosted four RTU academics in return.
- **Huawei ICT Global Competition**—first prize in the Network Track for a third consecutive year.

Student Experience and Community Engagement

In October 2024 we conferred degrees on 1,400 graduates and enhanced student welfare by commissioning a branded university ambulance, strengthening campus security and planting over 25,000 trees in partnership with Equity Bank and Machakos County under the Presidential environmental directive.

Financial performance

The University continued to manage her financial resources prudently. During the year the revenues increased by 22% to Kshs. 2.1 billion after the implementation of the student-centered model of funding students. The recurrent expenses increased by 8% after implementation of the 2021-2025 National Collective Bargaining Agreements that increased the wage bill of the University. During the year, the percentage of revenue going to personnel costs reduced from 62% to 53%. The ratio of capital development expenditure compared to recurrent expenditure was 101:9. The University was able to pay its obligations and closed the financial year with no pending bills.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

Infrastructural development

The University successfully undertook the following capital projects:

- On-going construction of the Tuition and Innovation complex – 80% complete
- Completion of Phase I perimeter walling
- Construction of Phase II perimeter wall
- Laying of Cabro-paving blocks at the University hotel

All the four (4) projects were implemented successfully despite the limited funding of capital projects from the exchequer.

The University asset base at the end of the financial year increased to Kshs. 3 billion.

Capacity Building and Governance

Our investment in people and governance included:

- **Change management training** for 389 teaching and non-teaching staff (29 – 30 January 2025).
- **Council and management workshops** — eight sessions on strategic leadership, policy review and KPI development between June 2024 and February 2025 — fortifying oversight and performance evaluation.

These achievements attest to our collective commitment to the Strategic Plan's vision of transformative scholarship, innovation and community service. I extend my gratitude to staff, Council members, students and partners for their unwavering dedication to Machakos University's continued rise as a centre of academic excellence.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

The Machakos University financial statements for the year ended 30 June 2025 confirm our status as a going concern. We closed the year with no pending bills, met all statutory obligations, and honoured salaries and pensions on schedule. This fiscal discipline underpins our mandate in teaching, research, innovation and community service.

Strategic Plan 2023/2024–2027/2028: Progress to Date

Building on our launch of the five-year roadmap in December 2023, FY 2024/2025 achievements include:

- Embedding the five Key Result Areas into departmental work plans and staff appraisals
- Finalizing seven service-automation projects (admissions, HR, finance, research management)

Competency-Based Curriculum Training Workshop

In January 2025, the School of Education — under Dean, Dr. Pamela Muriungi — hosted a follow-up CBC Training Workshop to equip 120 academic staff in:

- Implementation of CBC in basic education
- Implications for teacher education programmes
- Guidelines for reviewing teacher education curricula
- Pedagogical and assessment frameworks for CBC

The Vice-Chancellor officially opened the workshop, which also drew members of University Management, Deans, Directors, Chairs of Departments and lecturers.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

As Machakos University strides forward, the workshop's impact will resonate in both classrooms and lecture halls. We remain steadfast in nurturing educators well-versed in competency-based education, contributing to students' holistic development and advancing our institution on the academic frontier.

Alumni Engagement: 1st Homecoming Reunion

On 14 December 2024, Machakos University hosted the first joint reunion for Machakos Technical School alumni (Classes of 1976–1987) and the University Alumni Association at the University Hotel & Conference Centre. Over 30 alumni reconnected, shared success stories and explored mentorship opportunities. The event was graced by University officials headed by the Vice-Chancellor.

Huawei ICT Competition

In May 2025, the University ICT team placed seventh globally and first in Africa at the Huawei ICT Competition 2024–2025 Global Final in Shenzhen, excelling in routing, switching, cloud computing and AI tracks.

Scholarships, Bursaries & Student Support

During FY 2024/2025, partners contributed over KShs 35 million toward student scholarships and bursaries, including:

- Chancellor's Scholarship Fund
- Rattansi Educational Foundation Trust
- Joe Wanjui Foundation Bursary
- Machakos County CDF Bursary
- Michael Blundell Foundation (library books)





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

REPORT OF THE VICE-CHANCELLOR (CONTINUED)

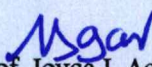
South-Eastern Kenya ASK Show 2025

From 4–7 June 2025, Machakos University participated under the theme “Climate-Smart Agriculture for Sustainable Growth,” winning:

- 1st prize – Best University Stand
- 1st prize – Best Theme Interpretation
- 1st prize – Best R&D Stand
- 1st prize – Best ICT Integration
- 2nd prize – Innovation & Invention
- 2nd prize – Hospitality & Catering
- 2nd prize – Striking Local Products
- 3rd prize – Health & Pharmaceuticals
- 3rd prize – Environmental Standards

Innovation Week

The Innovation Week (18 – 20 February 2025), themed “Green Technology Solutions,” showcased 60 projects.


Prof. Joyce J. Agalo
Vice - Chancellor





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

7. STATEMENT OF MACHAKOS UNIVERSITY PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

Machakos University has four (4) strategic issues for the Financial Year 2024/2025 informed by the 2023/2024 – 2027/2028 Strategic Plan.

These strategic issues are:

1. Quality and relevant teaching, training and learning
2. Knowledge generation
3. Community service
4. Institutional Strengthening

Machakos University prepares its annual work plans based on the above four (4) strategic issues. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University achieved most of the performance targets set for the 2024/2025 financial year for her strategic issues, as indicated in the table below:





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

STATEMENT OF MACHAKOS UNIVERSITY PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2024/2025

Table 1: PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
Quality and relevant teaching, training and learning	To provide holistic education that transforms and empowers learners	Review staff establishment and organizational structure	Reviewed Staff Establishment and Organizational Structure	Organizational structure developed/succession planning
		Review of the programmes	Reviewed programmes	Market needs analysis, review and alignment of 12 programmes was done
		Undertake market needs analysis	Market needs analysis report	Market needs analysis done
		Assessment of academic programmes	Academic programme assessment report	Assessment of 16 reviewed and new academic programmes done.
		Conduct tracer studies	Tracer study report	Report done
		Evaluation of courses	Course evaluation report	The student-lecturer evaluation tool was reviewed and used during the April 2025 exams.
			Student learning experience survey report	
		Evaluation of lecturers	Lecturer evaluation reports	2 reports in Y2 tabled in Senate after spot checks were carried out during the examinations conducted in February and April 2025.
		Evaluation of examination invigilation	Exam invigilation evaluation reports	
		Assessment of academic facilities	Academic facilities assessment reports	Assessment of academic facilities conducted and submitted to CUE.
		Recruit counsellors	No. of counsellors recruited	Two (2) counsellors recruited
Subscription to e-resources	No. of additional e-resources	<ul style="list-style-type: none"> All 26 subscriptions including Turnitin with AI feature detector renewed. 		





Machakos University

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Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
				<ul style="list-style-type: none"> Subscription to BUKU e-database for TVET courses. Elgar Online database that has resources in 7 subject areas was activated by KLISC.
		Acquisition of current book volumes	Current book volumes acquired	487 books acquired (102 books acquired and 385 books requisitioned and awarded for delivery)
	Improvement of examination systems and procedures	Re-engineer examination card verification process.	Re-engineer examination card verification process.	Security features discussed in QA meeting including: <ul style="list-style-type: none"> Water mark Unique number which matches with the exam series Verification in departments
		Acquisition and installation of CCTVs	No. of CCTVs Installed	CCTV cameras have been installed in examination rooms
To attract and retain competent staff	Training and Development	Training of academic staff on andragogy and pedagogy	% of academic staff trained	134 trained in Y1 53 trained in Y2
To create a conducive teaching and learning environment	Improvement of teaching and learning Facilities	Enhance lab equipment	No. of equipment acquired	Lab equipment worth Ksh 6 million for School of Agriculture procured in Y2 Facilities in two labs upgraded to support BSc in Public Health and BSc in Food, Nutrition and Dietetics.





Machakos University
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Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
	Diversification of revenue resources	Establishment of Machakos FUTURES Institute	Machakos FUTURES Institute	A collaborator has been appointed to assist set up the Institute.
		Establishment of a Center for ICT professional courses	Center for ICT professional courses	ICT professional courses have been initiated in the School of Engineering and Technology: <ul style="list-style-type: none"> • HCIA-Artificial Intelligence • HCIA-DataComm HCIA-Cloud Computing
		Establishment a Center for media services	Center for media services	Centre established and to be officially launched.
Knowledge generation	To promote Research, Innovation and Technology	Recruit research fellows	No. of Research fellows recruited	Research fellows to be recruited
		Enhance capacity for attraction of research grants	No. of capacity building programmes	3 capacity building programmes <ul style="list-style-type: none"> • Training on Intellectual property rights (IPR) on 13th September, 2024 and 5th March, 2025 Respectively. • Training in Grant Proposal Writing and sourcing of funds held on 9th October, 2024 and 29th January, 2025. • Training on Innovation and Entrepreneurship





Machakos University

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Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
			% Of academic staff trained on attraction of grants.	A total of 115 out of 141 (81.5%) academic staff trained on development of proposals to attract research grants on <ul style="list-style-type: none"> • 9th October, 2024 • 29th January, 2025 • 12th February, 2025 • 5th March, 2025
		Develop research incentivizing policy.	Approved incentivizing policy	Guidelines developed and approved by UMB on 13 th June, 2025
		Disseminate incentivizing policy	Disseminate incentivizing policy	To be disseminated after approval by Council
		Develop guidelines on commercialization of innovations by staff and students	Developed Commercialization guidelines	Guidelines on commercialization of innovations developed and approved by UMB on 13 th June, 2025
		Develop an intellectual property database	Intellectual property database	A secure database has been established
		Register innovations	Registered innovations	4 Innovations registered: <ol style="list-style-type: none"> Plastic Tarmac Smart Fuel Level Measurement Spiral Blade Using pull effect. Reinventing cooling: an eco-friendly and smart HVAC Kit from salvaged parts





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
		Hold conference, workshops and seminars	Conference, workshops and seminars held	Six (6) workshops, 2 Trainings on Intellectual Property rights (IPR) and 4 Trainings on attraction of grants held
		Publish research findings	Research findings published	80 Research findings published.
		Identifying potential partners to contribute to students' knowledge and skills development	Potential partners identified	Seven (7) MoUs signed
		Identifying potential partners that will enhance revenue Generation for financial sustainability	Potential partners identified	4 MoUs signed
		Staff participation in exchange programmes	Participation of staff in exchange programmes	12 staff participated in exchange programme (Erasmus+ International Mobility Programme)
		Student participation in exchange programmes	Participation of staff in exchange programmes	26 students involved in the exchange programme
Community Service	To promote community outreach on socio-economic initiatives.	Develop community outreach programmes	Community outreach programme developed	11 programmes of community outreach activities have been developed.
		Develop community outreach work plan	Community outreach work plan developed	Community outreach work plan developed
		Implement community outreach work plan	Community outreach work plan implemented	11 community outreach activities implemented
Institutional Strengthening		Review job descriptions manual	Job descriptions manual reviewed	A job evaluation training done.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
	To attract and retain competent staff.			The Job Description Manual review put on hold awaiting the new HR instruments.
		Disseminate the job descriptions manual	Job descriptions manual disseminated	Manual to be disseminated after approval
		Undertake staff motivation programmes	Recognition programmes	<ul style="list-style-type: none"> • Four (4) recognition programs undertaken: Researcher for the month • Staff recognition awards ceremony. • Staff Promotions • Staff productivity mainstreaming
		Training on Change Management	Training on Change Management conducted	Two (2) Trainings on change Management conducted in January 2025 and June 2025, and One(1) seminar conducted in early March 2025 on Cultural transformation.
		Review and implement Human Resource Policy and Procedures Manual.	Reviewed and Approved Human Resource Policy and Procedures Manual	Awaiting the completion of the development of Generic Human Resource Instruments by IPUCCF/PSC
		Undertake Training Needs Assessment.	Training Needs Assessment Report	Training Needs Assessment for 2024/2025 FY Undertaken





Machakos University

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Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
		Implement staff training and development programme	No. of Staff trained	<p>A total of 637 staff have been trained;</p> <ul style="list-style-type: none"> • 204 staff sensitized on Citizens' Service Delivery Charter on 20th May 2025, • 389 staff trained on Change Management on 29th – 30th January 2025 • 13 staff were trained on Productivity Improvement Strategy on 23rd – 25th April 2025 • 31 new staff (10 new staff, 5 PSC interns, 2 ICT Authority interns, 4 graduate apprentices) were taken through induction on 28th May 2025
		Review Human Resource Instruments	Reviewed Human resource instruments	<p>Awaiting the completion of the development of Generic Human Resource Instruments by IPUCCF/PSC</p> <p>A Generic policy for all Universities has been developed. Generic versions of:</p> <ul style="list-style-type: none"> • Human Resources Policy





Machakos University

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Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
				<ul style="list-style-type: none"> • Career Guidelines • Qualification Matrix • Organizational structures were presented to the Vice Chancellor's Committee & HR officers of universities
		Audit Human Resource Management	Approved HR Audit Report	A Comprehensive HR Audit to be conducted after the tools are approved.
		Develop Performance Management Policy	Approved Performance Management Policy	Performance Management Policy to be reviewed with other Human Resource instruments
		Implement Performance Management Policy.	Implementation status report	<ul style="list-style-type: none"> • Annual individual targets (2024/25) set • An Internal Audit was conducted on 5th and 6th February 2025. • PC Evaluation for 2023/2024 FY was conducted on 28th February 2025 • An ISO surveillance by KEBS was conducted on 21st and 22nd May 2025
		Implement Staff Recognition Policy	Implementation status report	Staff Recognition Policy being implemented
		Develop Succession Management Strategy	Approved Succession Management Strategy	Succession Management Strategy being reviewed





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
	To create a conducive teaching and learning environment	Develop a Wellness Policy.	Approved Wellness Policy	Welfare Policy reviewed to incorporate wellness
		Implement Wellness Policy	Implementation status report	Departmental team building activities are being organized as part of the staff wellness program to foster team cohesion and enhance overall employee well-being.
		Wellness Policy Implementation Status Report	Approved wellness programme	Four (4) wellness programmes undertaken: <ul style="list-style-type: none"> • Health Day • Two (2) Public Lectures on – Mental Health and Stress Management • Eye Check-up
		Upgrade the Health Facility	Upgraded health facility	<ul style="list-style-type: none"> • Alternate health facilities identified, • Ambulance was procured, • fresh registration of the facility was done, • license was renewed under new terms.
		Develop mentorship and counselling programme	Mentorship and counselling programmes developed	Mentorship and counselling programme operational in the APA medical cover;





Machakos University
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Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement	
				Counselling Lab was established as part of a Master's Programme.	
		Develop and Implement sports recreation strategy	Approved sports and recreation strategy and implementation status report	Designs of the Master Plan for the new Sports Complex approved in UMB in June 2025	
		Enhance ODeI operations	ODeI operations enhanced	Odel operations Enhanced.	
	To promote prudent financial management		Audit compliance levels	Audit reports	2023/2024 FY report was unqualified. 2024/2025 FY report awaiting completion of the audit
			Establishment of a crèche	Crèche established	Crèche established and operational
			Develop business plans for income generation	No. of developed business plans	Three (3) Business plans developed
			Monitoring budget absorption	Budget absorption report	Absorption of budget monitored by BIC. Quarterly Financial reports.
			Leverage on technology	Alternative Sources of power	10 solar street lights and 365 solar panels installed
			Automation of financial processes	Digitalization of processes	Two (2) services digitalized
To improve ICT services	Automate Human Resource Services	HR Services automated	Four (4) HR processes automated: <ul style="list-style-type: none"> • Leave management • Recruitment process • Performance Management • Electronic Document Management System (EDMS) 		



Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
		Capacity building of ICT staff	ICT staff trained	Eight (8) ICT staff trained in Network and Systems Administration and Information Security
		Increase Internet and internet points	Internet and internet points increased	The current bandwidth as at of today is 630MB. Internet points increased from 112 to 122 to improve accessibility.
		Create data access levels	Data access levels created	There is data access control in six (6) areas: 1. The Main Registry 2. Students Registry 3. HR 4. ERP Access 5. Procurement 6. Library- Biometric
		Appoint and train Data Protection Officers (DPOs) and Register as a data protection centre.	DPOs appointed and trained	41 data protection champions trained. Certificate of Registration as Data Controller and Data Processor obtained.
		Cyber Protection	Enhanced cyber-Security	Security Firewall was renewed
			Increase endpoint security licenses	The University has 300 Security endpoints licenses
		Implement ICT policy	Implementation status reports.	Implementation status reports.
To improve administration	Acquire Title Deeds for all the University Land.	Title Deeds	One Title deed acquired.	





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

Strategic Issues	Strategic Objectives	Activities	Key Performance Indicators	Achievement
	and planning services			Request for second title deed launched.
		Develop and implement master plan	Master plan developed and implemented	Master Plan for the Sports Complex was developed and presented to UMB.
		Develop Transport Management Policy	Transport Management Policy	Draft Transport Policy developed
		Establish Alternative Dispute Resolution Mechanism	% of disputes resolved through ADR	Alternative Dispute Resolution (ADR) framework developed.
		Operationalize the Biometric security system	Operational Biometric Security System	Biometric Security System at the Gate, Pioneer and Library are operational
		Market analysis	Market analysis report	A Committee appointed to undertake market analysis
		Develop a communication strategy framework	Approved corporate communication strategy framework	Draft Communication Strategic Framework developed
		Review and implement the Corporate Branding Policy and Branding Guidelines	Approved corporate branding policy and branding guidelines	Committee developed to review the Branding Guidelines
	To improve supply chain management	Audit compliance levels	Compliance levels audited and Quarterly compliance reports	Quarterly compliance reports prepared and submitted.





Machakos University

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8. CORPORATE GOVERNANCE STATEMENT

Good corporate governance in any State Corporation is key to its effectiveness and sustainability. It plays a leading role in how Corporations and their Boards of Management are directed, controlled and held to account. Corporate governance, therefore, encompasses the systems, practices and procedures by which the individual corporation is regulated in order to remain competitive, ethical, sustainable and fair.

Machakos University Council adheres to principles of openness, integrity and accountability in its stewardship of the University's affairs. It recognizes the evolving nature of corporate governance as well as the University's compliance with generally accepted corporate governance principles and practices on a regular basis, directly and through its Council committees, University Board of Management and the University Senate.

The role of the Council is to provide oversight and strategic leadership by ensuring that a proper management structure is in place and the University structure is effective to maintain corporate integrity, reputation and responsibility.

The Council monitors and evaluates the implementation of strategies, policies, management criteria and plans of the University to ensure compliance with all the relevant laws, regulations, governance practices, accounting and auditing standards.

The Council is also responsible for the maintenance of internal control systems for continued review and effectiveness. The internal controls are designed to both safeguard the University's assets while ensuring the reliability and credibility of financial information.

The University Management Board, comprising, the Vice-Chancellor, Deputy Vice-Chancellors, Registrars, Chief Finance Officer and Legal Officer meet regularly to consider strategic issues of operational importance to the University. Below are the key features of the existing corporate governance practices within Machakos University which are reviewed and improved on a regular basis: -





Machakos University
Annual Reports and Financial statements for the year ended June 30, 2025
CORPORATE GOVERNANCE STATEMENT (CONTINUED)

1. UNIVERSITY COUNCIL

A new Machakos University Council was appointed on 26th January, 2024 for a three-year tenure. The Council was inaugurated on 8th February, 2024. It consists of the Chairman and five members, who have been appointed in accordance with the provisions of the Universities Act (2012). It is a requirement by law that the full University Council meets at least four times during a Financial Year.

The Council is responsible for guiding the strategic direction of the University through the establishment of policies, strategic plan and approval of statutory reports and budgets. Through the various Council Committees, the Council monitors the implementation of strategies and policies by University Management.

The University Council members have diverse skills and wide range of knowledge that is beneficial in providing strategic direction, formulation of objectives and decision making.

Since its inauguration on 8th February 2024, the Council has been holding full Council and Council Committees' meetings in line with approved Council Almanac and as stipulated by the Mwongozo Code of Governance.

The University Council held the following Full Council meetings during the Financial Year 2024/2025:

Table 2: FULL COUNCIL MEETINGS

Name	Designation	No. of Meetings	Meetings attended
Dr. Christopher G. Gakahu	Chairman	10	10
Mr. Peter Njoroge	Rep. CS, TNT	10	10
Dr. Joyce Ngure	Rep. PS, SDUE &R	10	10
Dr. Stella Onyiego	Independent Member	10	10
Dr. Mercy Kanyara	Independent Member	10	10
CPA. Felix N. Kilonzi	Independent Member	10	10
Mr. Hamadi Musa Garashi	Independent Member	9	9
Prof. Joyce J. Agalo	Secretary of Council	10	10

Note: During the year, the University held six (6) special Full Council Meetings and four (4) regular meetings totaling to ten (10) Meetings.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

COUNCIL COMMITTEES

To assist the Council in the discharge of its responsibilities, Council committees have been established. All the Council committees meet at least four times a year. The committees are as follows:

1. FINANCE, PLANNING AND DEVELOPMENT COMMITTEE

Membership

- (1) Mr. Hamadi Musa Garashi - Chairman
- (2) Mr. Peter Njoroge - Representative - Cabinet Secretary, The National Treasury
- (3) Dr. Joyce Ngure – Rep - PS, State Department of University Education and Research
- (4) Dr. Stella Onyiego – Council Member
- (5) Prof. Joyce Agalo (Vice-Chancellor) – Secretary

Responsibilities:

1. To receive, consider and submit the proposed budget estimates from the various sections for approval by the Council;
2. To control the banking and investment operations of the Council and to make provision for the examination of all the bills and accounts and for the discharge of liabilities incurred by the University;
3. To control all the expenditure of the University under approved annual estimates;
4. To receive and consider all requests for authorization of expenditure more than the approved annual estimates and make recommendations to the Council;
5. To consider and propose fees and other rates to the Council;
6. To report to the Council all matters related to finance and development;
7. To ensure that accurate records are kept on the establishments in the University;
8. To consider and recommend to the Council the priority development projects and receive reports, and the recommendations of Management on the progress of the physical development of the University;
9. To report to the Council on the progress of physical infrastructure development of the University;
10. To prepare University Development plans for an approved period and submit to the Council; and
11. To exercise such other powers as the Council may from time-to-time delegate to the Committee.





Machakos University

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CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Table 3: FINANCE PLANNING AND DEVELOPMENT COMMITTEE MEETINGS

Name	Designation	No. of Meetings	Meetings attended
Mr. Hamadi Musa Garashi	Chairman	6	6
Mr. Peter Njoroge	Rep. CS, TNT	7	7
Dr. Joyce Ngure	Rep. PS SDUE &R	7	7
Dr. Stella Onyiego	Member	7	7
Prof. Joyce Agalo	Secretary of Council	7	7

Note: During the year, the University held three (3) special and four (4) regular meetings totaling to ten (7) Meetings.

2. ACADEMIC AND RESEARCH COMMITTEE

Membership

- (1) Dr. Stella Onyiego – Chairman
- (2) CPA. Felix Kilonzi - Independent Member
- (3) Dr. Joyce Ngure – Rep. PS, State Department of University Education and Research
- (4) Mr. Peter Njoroge – Rep. Cabinet Secretary, The National Treasury
- (5) Prof. Joyce Agalo (Vice-Chancellor) – Secretary

Responsibilities:

- (1) To advise the Council on academic programmes where the University has competitive advantage;
- (2) To receive and recommend all policy documents dealing with academic and research.
- (3) To receive and recommend to the Council all Memorandum of Understanding/Agreement pertaining to collaboration and linkages;
- (4) To assist the University in establishing collaboration with industry and other stakeholders;
- (5) To lobby for bursaries, research grants, scholarships and funds for capacity building;
- (6) To exercise such other powers as the Council may from time-to-time delegate to the Committee.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Table 4: ACADEMIC AND RESEARCH COMMITTEE MEETINGS

Name	Designation	No. of Meetings	Meetings attended
Dr. Stella Onyiego	Chairman	4	4
Mr. Peter Njoroge	Rep. CS, TNT	4	4
Dr. Joyce Ngure	Rep. PS, SDUE&R	4	4
CPA. Felix Kilonzi	Member	4	2
Prof. Joyce Agalo	Secretary of Council	4	4

Note: During the year, the University held four (4) regular meetings.

3. GOVERNANCE AND HUMAN RESOURCES COMMITTEE

Membership

- (1) Dr. Mercy Kanyara – Chairperson
- (2) Mr. Hamadi Musa Garashi – Independent Member
- (3) Dr. Joyce Ngure – Rep - PS, State Department of University Education and Research
- (4) Mr. Peter Njoroge - Representative - Cabinet Secretary, The National Treasury
- (5) Prof. Joyce Agalo (Vice-Chancellor) - Secretary

Responsibilities:

- (1) To review and make recommendations to the Council on Staff Terms and Conditions of Service as and when necessary or when directed to do so by the Council from time to time;
- (2) To consider proposals of Terms and Conditions of Service made by staff unions through the University Management Board;
- (3) To receive and review, from time-to-time human resource policies and the code of conduct of the University employees;
- (4) To plan for human resource development in the University;
- (5) To receive, consider and recommend to the Council staff recruitment and promotion criteria;
- (6) To examine and recommend to the Council staff rationalization and career structures within the University; and
- (7) To exercise such other powers as the Council may from time-to-time delegate to the Committee.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

4. Table 5: GOVERNANCE AND HUMAN RESOURCE COMMITTEE MEETINGS

Name	Designation	No. of Meetings	Meetings attended
Dr. Mercy Kanyara	Chairman	5	5
Mr. Hamadi Musa Garashi	Independent Member	4	4
Dr. Joyce Ngure	Rep. PS, SDUE&R	5	5
Mr. Peter Njoroge	Rep. CS, NT	5	5
Prof. Joyce Agalo	Secretary of Council	5	5

Note: During the year, the University held one (1) Special Meeting and four (4) regular meetings totaling to five (5) meetings.

AUDIT AND COMPLIANCE COMMITTEE

Membership

- (1) CPA. Felix N. Kilonzi - Chairman
- (2) Dr. Mercy Kanyara – Independent Member
- (3) Dr. Joyce Ngure – Rep - PS, State Department of University Education and Research
- (4) Mr. Peter Njoroge – Rep. Cabinet Secretary, The National Treasury
- (5) CPA John Ngure (Chief Internal Auditor) - Secretary

Responsibilities:

- (1) To evaluate adequacy of management procedure with regard to issues relating to risk management, control and governance;
- (2) To reviewing and approve the audit charter where applicable and internal audit annual work plans;
- (3) To review internal and external audit findings and recommendations and propose corrective and preventive actions where necessary;
- (4) To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics;
- (5) To initiate special audits and or investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer; and
- (6) To exercise such other powers as the Council may from time-to-time delegate to the Committee





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Table 6: AUDIT AND COMPLIANCE COMMITTEE MEETINGS

Name	Designation	No. of Meetings	Meetings attended
CPA. Felix N. Kilonzi	Chairman	4	3
Dr. Mercy Kanyara	Independent Member	4	4
Mr. Peter Njoroge	Rep. CS, TNT	4	4
Dr. Joyce Ngure	Rep. PS, SDUE&R	4	4
CPA John Ngure	Secretary	4	4

Besides the four main Council committees, there are ad-hoc committees which are not permanent but convened as per need to cover issues such as:

- (a) Appeals committee – Human Resource.
- (b) Graduation and Sealing committee - Academic
- (c) Honorary degrees’ committee - Academic
- (d) Appointments committee for grades 14 and 15 - Human Resource
- (e) Senior management staff disciplinary committee for grade 14 and above - Human Resource

The following were ad-hoc meetings held during the year:

Table 7: APPOINTMENTS COMMITTEE MEETINGS

Name	Designation	No. of Meetings	Meetings invited	Meetings attended
Dr. Christopher Gatama Gakahu	Chairman	1	1	1
Dr. Mercy Kanyara	Member	1	1	1
Prof. Joyce Agalo	Secretary of Council	1	1	1

Table 8: GRADUATION AND SEALING COMMITTEE MEETING

Name	Designation	No. of Meetings	Meetings attended
Dr. Christopher G. Gakahu	Chairman	2	2
Dr. Stella Onyiego	Member	2	2
Mr. Peter Njoroge	Rep. CS, National Treasury	2	2
Dr. Joyce Ngure	Rep. PS, SDHER	2	2
Prof. Joyce Agalo	Secretary to Council	2	2





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Table 9: AD-HOC COMMITTEE MEETING

Name	Designation	No. of Meetings	Meetings attended
Dr. Mercy Kanyara	Chairperson	8	8
CPA Felix N. Kilonzi	Member	8	8
Dr. Joyce Ngure	Member	8	8

Note: During the year, the Council appointed an AD Hoc Council Investigation Committee on 22nd October 2024. The committee held a total of eight (8) meetings.

2. Council Members' Remuneration

Sitting allowance for Council members, monthly honoraria and telephone allowance for the Chairman of Council are guided by Circular No. OP/CAB.9/21/2A/LII/43 dated 23rd November, 2004. Payment of daily subsistence allowance of Kshs. 18,200.00 is guided by Circular No. OP/SCAC.9/21.2VOL1 (164) dated 28th April, 2015. During the financial year ended 30th June, 2025, the amount spent on Council is outlined under **Note 10** (Council expenses) of the Financial Statements.

3. Succession Plan

The succession of Council members is guided by appointments made at the discretion of the Cabinet Secretary, Ministry of Education. As such, the Council operates within the framework of externally determined tenure and composition.

4. Board Charter

Machakos University Council has an approved Board Charter. The Council is also guided by Mwongozo Code of Governance in its operations.

5. Appointment and removal of Council members

The appointment of Council members is the prerogative of the Cabinet Secretary, Ministry of Education.

6. Induction and Training

(a) The Machakos University Council members were inducted on 10th - 13th July, 2024.

(b) During the FY 2024/2025, there was a Council training held from 15th July, 2024 – 19th July, 2024.

7. Council and Council Members' Performance

The evaluation was conducted in September, 2024 by the State Corporations Advisory Commission (SCAC).





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

8. Conflict of Interest

In every Council meeting and other business held by the University Council, Members declare Conflict of Interest on matters in the agenda and register the same in the conflict of interest register book.

9. Ethics and Conduct

Machakos University Council Members uphold integrity and the highest standard of Ethics and conduct while executing their mandate.

10. Governance Audit

The Council has put in place a combination of processes and structures to inform, direct, manage and monitor the activities of the University towards the achievement of its objectives. There is an independent Audit and Compliance Committee of Council that reports to the Council on a regular basis. The Committee plays a key role in assisting the Council to fulfill its oversight responsibilities in areas such as financial reporting, internal control systems, risk management systems and the internal and external audit functions.

The University has internal an audit unit department headed by the Chief Internal Auditor who report directly (functionally) to the Audit and Compliance Committee of Council.

11. Internal Controls

The University has implemented and maintained internal controls designed to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard and maintain accountability of the University's assets. Such controls are based on Law, Government & University regulations, Policies and circulars and are implemented by trained personnel with appropriate segregation of duties. The effectiveness of the system of internal controls is monitored regularly through internal audit functions, staff performance appraisals, operational meetings and the annual external audit.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

12. Going Concern

The University Council confirms that Machakos University has adequate resources to continue operations for the foreseeable future and therefore, the continued use of going concern as a basis of preparing the financial statements. Machakos University has experienced increased student population and staff population. We continue to meet statutory remittances and other financial obligations.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

9. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A: OPERATIONAL AND FINANCIAL PERFORMANCE

OPERATIONAL PERFORMANCE

A) STUDENT POPULATION TRENDS

The University student population has grown from 9,819 in 2017/2018 academic year to 11,639 in the 2024/2025 academic year as tabulated in the table below:

Table: Student population for the last 8 years

Programmes	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024 /2025
PhD	45	53	62	69	74	78	84	91
Masters	107	112	91	140	149	163	175	181
Post-graduate Diploma	2	5	5	0	0	0	0	24
Undergraduate (GSSP)	8,169	6,636	6,016	6,595	8,746	8,656	9,528	9,599
Undergraduate (PSSP)	721	631	515	420	533	259	106	
MUC- Diploma	683	327	128	137	137	0	0	0
MUC-Certificate	92	24	0	0	0	0	0	0
TVET (Diploma/Certificate)	0	347	557	1,265	1,325	2,136	1,792	1,740
TOTAL	9,819	8,135	7,374	8,626	10,964	11,292	11,685	11,639

The University has phased out internal diploma and certificate courses and concentrated on TVET diploma courses.

B) STUDENT PLACEMENT

The number of students placed in Machakos University has increased over the period which contributes to the growing student population.

Table: Student placement

Year	2017 /2018	2018 /2019	2019 /2020	2020 /2021	2021 /2022	2022 /2023	2023 /2024	2024/ 2025
Diploma Students	0	0	0	532	318	332	832	479
Degree Students	1,695	1,236	1,415	1,855	2,355	2,193	2,517	3,211
TOTAL PLACEMENT	1,695	1,236	1,415	2,387	2,673	2,525	3,349	3,690





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

C) GRADUATION TRENDS

The University has graduated 11,464 graduands since its chartering as tabulated in the table below:

Table: Graduated students

Graduations	Academic Year	PhD	Masters	Postgraduate Diploma	Bachelors	Diplomas	Certificates	Total
1.	2015/2016	1	0	3	211	235	116	566
2.	2016/2017	0	5	1	301	216	54	577
3.	2017/2018	0	14	0	1,127	319	60	1,520
4.	2018/2019	1	9	0	1,601	238	27	1,876
5.	2019/2020	4	2	0	1,356	114	9	1,485
6.	2020/2021	3	8	3	1402	116	10	1,542
7.	2021/2022	6	13	0	1,237	19	1	1,276
8.	2022/2023	4	13	0	1,195	7	3	1,222
9.	2023/2024	6	7	0	1,384	3	0	1,400
	Total	25	75	7	9,814	1,267	280	11,464

FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

A) REVENUE ANALYSIS:

During the year, Government grants contributed to 33.9% of the total recurrent revenues while tuition and its related incomes contributed to 34.8%. Income generating activities contributed to 6.7%. Amortization grants in kind contributed to 0.1%. Scholarship and HELB represent 24.5%. The University revenues continue to increase while government grants reduce due to implementation of the new funding model. The University has received capitation for the twelve (12) months and the Kshs. 76M allocated for implementation of CBA in FY2024/2025.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

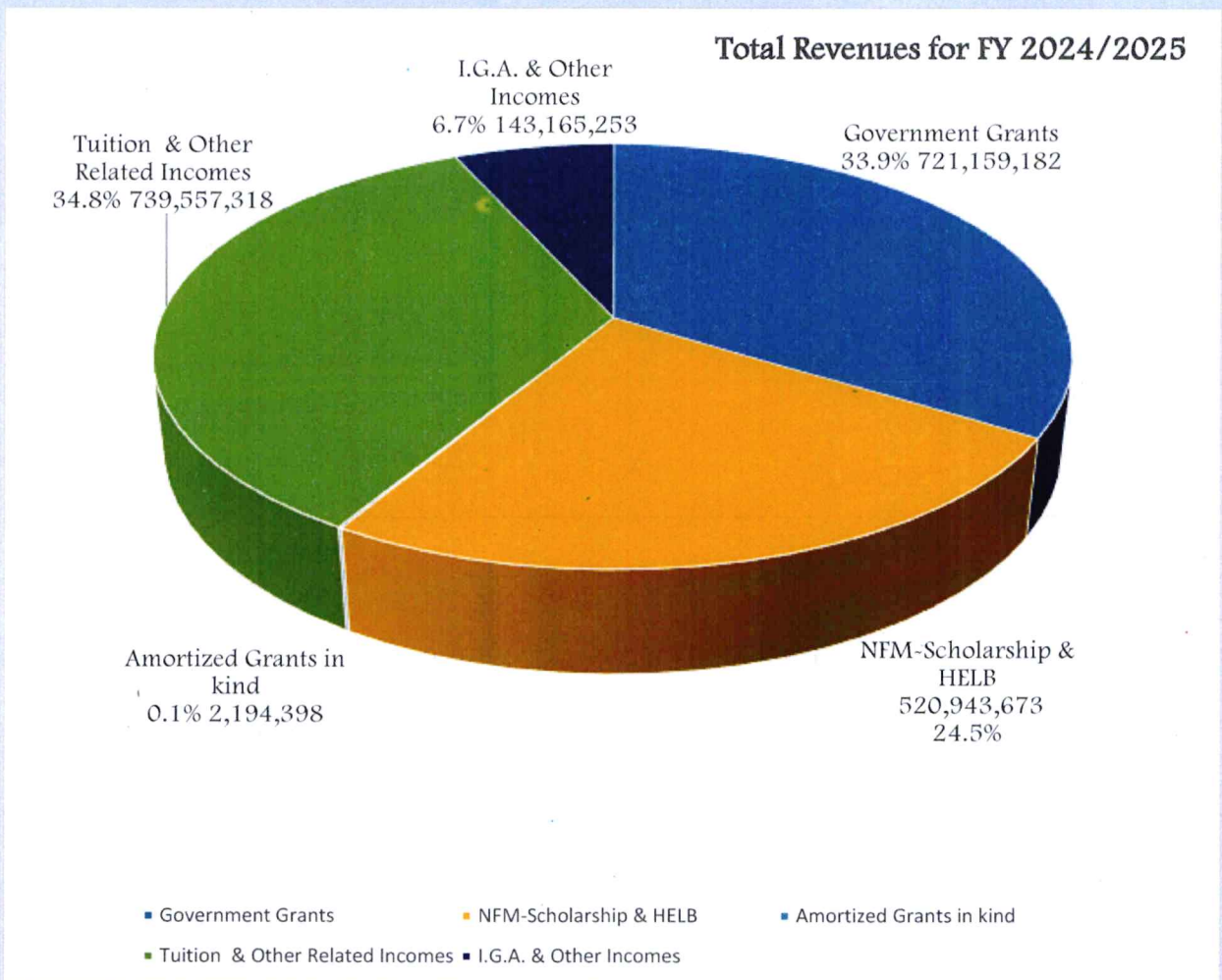


Figure 1: Revenues for FY 2024/2025

The University recorded less recurrent grants from Kshs. 769.7 million in FY2023/2024 to Kshs. 721.2 million in the FY2024/2025. Also the tuition and related incomes reduced from Kshs. 815.4 million in the FY2023/2024 to 739.6 million in the same period of FY2024/2025. The University continued to implement the new cost of programmes for the new funding model. The funds received for scholarship and HELB loans are deducted from the tuition incomes realized. The revenues from income generating units increased from Kshs. 120.2 million to Kshs. 142.9 million in the 2024/2025 financial year.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

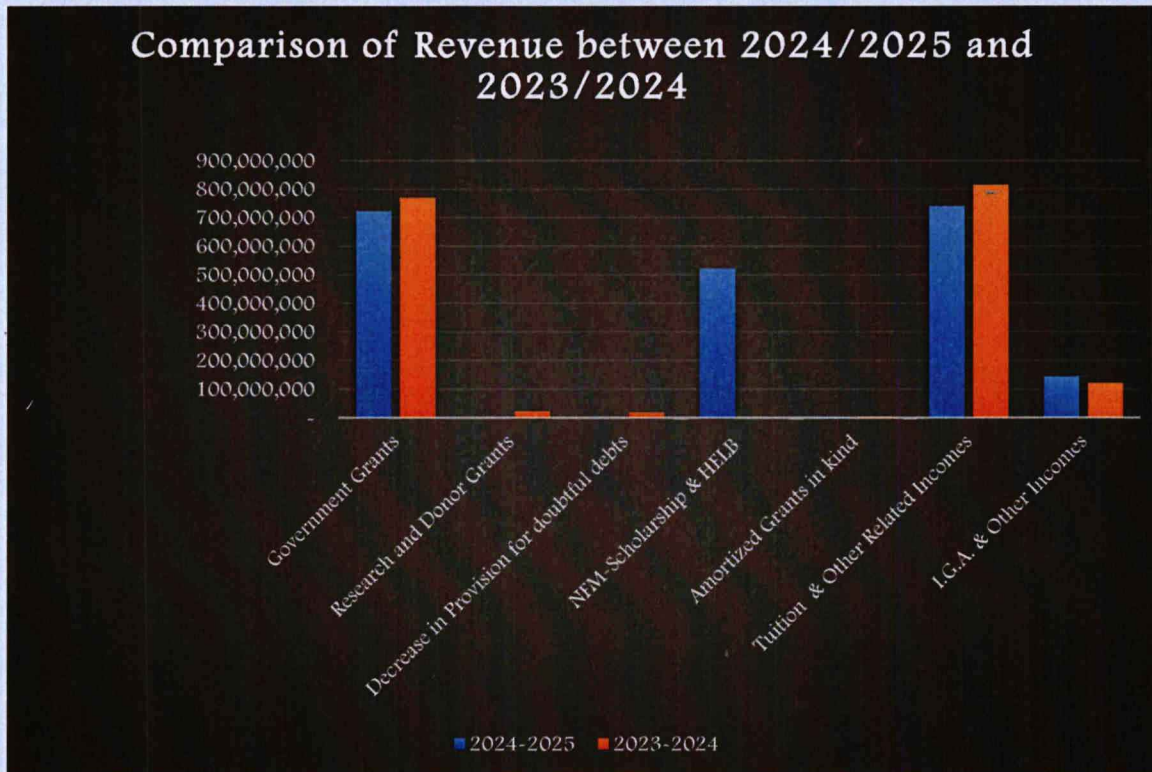


Figure 2: Comparison of Income between 2024/2025 and 2023/2024

The government capitation continues to reduce due to the implementation of the new funding model. However, the increased revenues from the tuition incomes has improved the financial health of the University.

The University appreciates the government for increasing the recurrent grants (capitation) from 727.97 million in the 2017/2018 financial year to 999.53 million in the 2022/2023 financial year. The government capitation reduced to Kshs, 769 million and 721 million due to the implementation of the new funding model. This has ensured financial stability in meeting the institution's expenditure especially the payroll costs as shown in figure 3.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

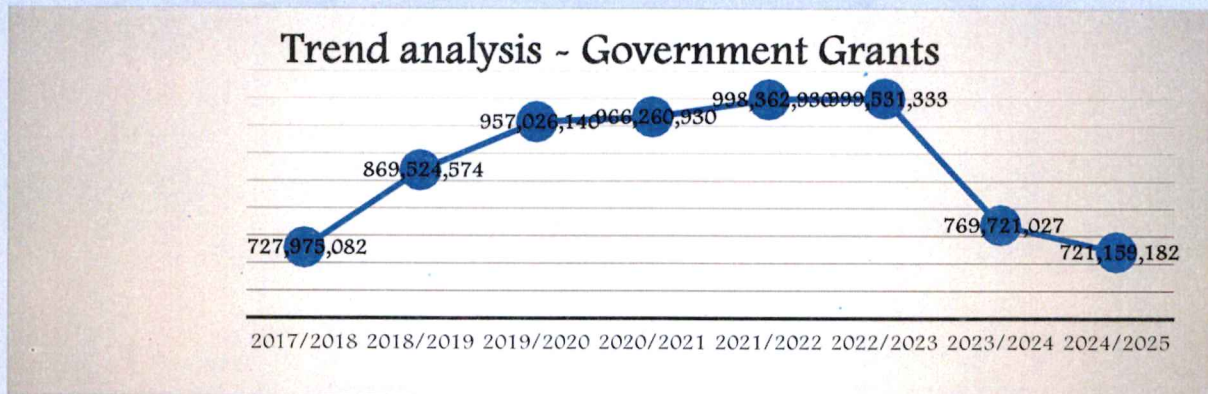


Figure 3: Trend analysis - Government Grants

Tuition and other related incomes increased from 305.0 million to 364.9 million in 2018/2019 financial year. The tuition incomes later reduced to 324.9 million in 2019/2020 and 221.3 million in financial year 2020/2021 due to the effects of COVID-19 pandemic which adversely affected the university operations by suspending the physical lectures up to around May 2021. During the FY2021/2022 the tuition incomes increased to 404 million after physical lectures resumed and further increased to 414 million in FY2022/2023 and further increased in FY2024/2025 to 739.4 million due to the implementation of the new funding model as shown in figure 4.

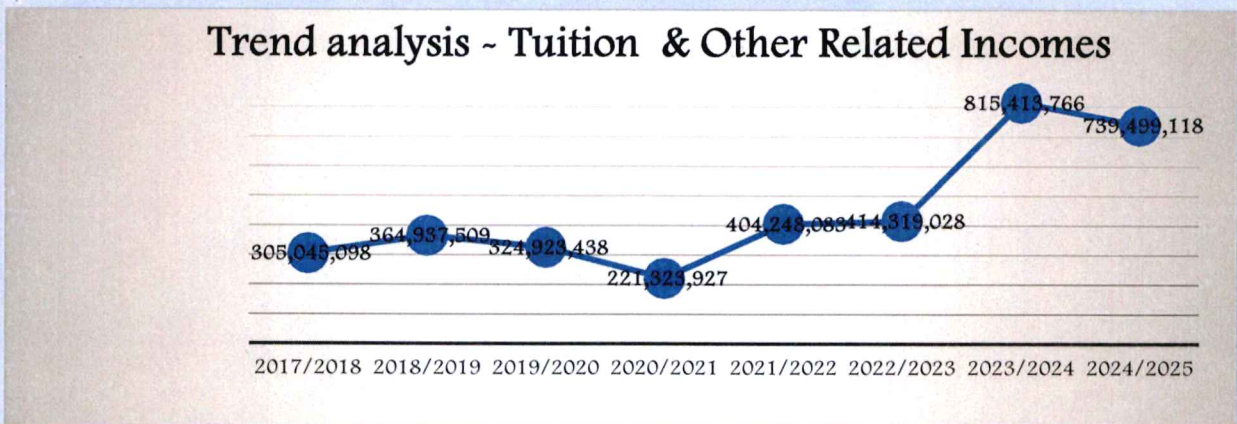


Figure 4: Trend analysis - Tuition & Other Related Incomes





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Revenues from income generating activities grew from 74.8 million in FY 2017/2018 to 152.7 million in FY 2018/2019. The increased revenue was mainly attributed to the university hotel which had more conferences relating to the national population census in the year 2019. The revenue later fell to 100 million in FY 2019/2020 and 95.3 million in the FY 2020/2021 due to the effects of COVID-19 which adversely affected the operations of the university. The incomes slightly increased in FY2021/2022 to 101.8 million. However, the income reduced to 81.7 million in FY2022/2023 but increased in FY2024/2025 to 143 million as shown in figure 5.

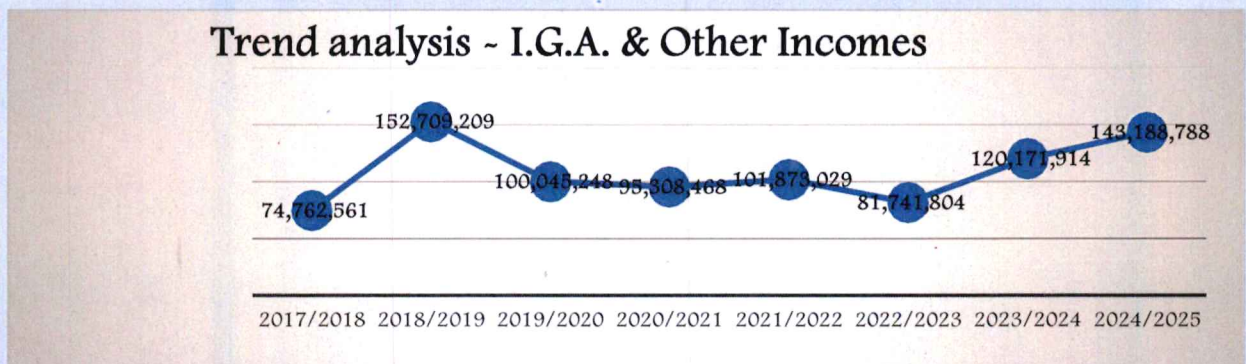


Figure 5: Trend analysis - I.G.A. & Other Incomes

The Surplus for the year dropped from 38.7 million in 2017/2018 to 33.9 million in 2018/2019. The surplus grew to 94.5 million in 2019/2020 but the university experienced a deficit of 55.5 million in 2020/2021 financial year due to reduced revenues from income generating activities and increased depreciation expenses. In FY 2021/2022, the university gained a surplus of 81 million but dropped in FY2022/2023 to 53.1 million. In FY2023/2024 the surplus increased to 191.8 million and Kshs. 447 million in FY2024/2025 as shown in figure 6.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

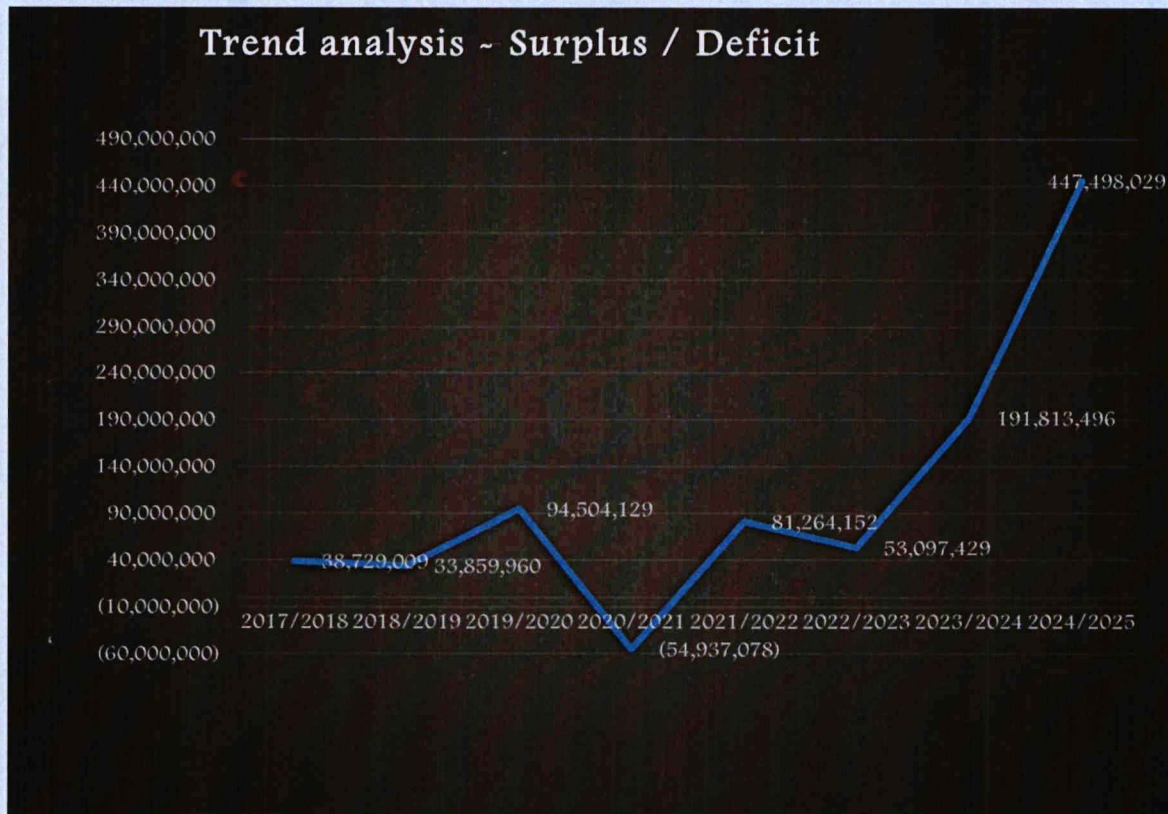


Figure 6: Trend analysis - Surplus / Deficit

B) EXPENDITURE ANALYSIS

During the year, employment costs took the highest amount of total budgeted expenditure with 67.3%. Administrative and operations expenses formed 11.8% with the academic expenses taking 9.8% of the total expenditure. The council expenses were 1.2% of the total expenditure while maintenance expenses, capital expenditure and other expenses represented 1.2%, 9.6% and 4.1% respectively as shown in the figure below.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

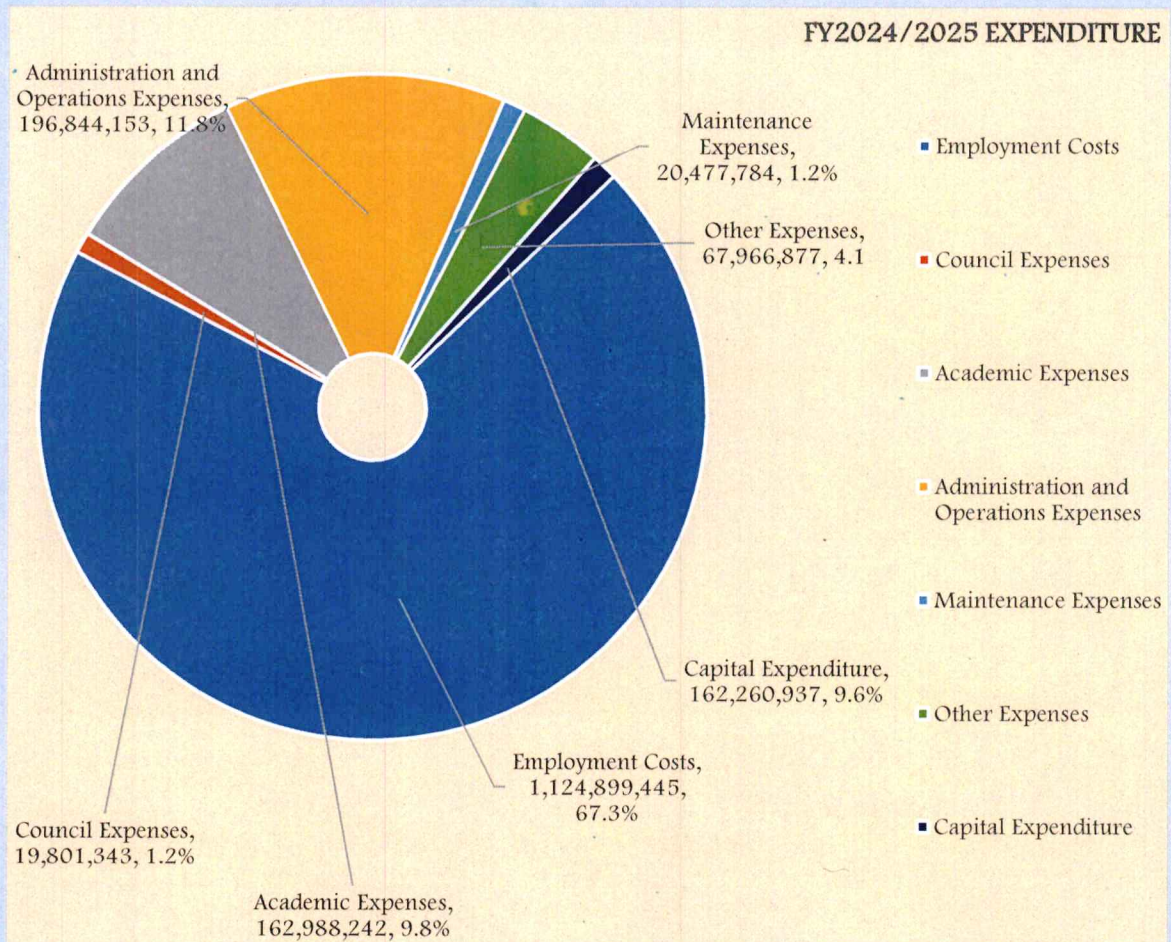


Figure 7: Total expenditure for FY 2024/2025

The year showed an increase in employment costs from Ksh. 1.08 Billion in the same period of the previous financial year to Ksh.1.12 Billion. The University implemented the new salaries as per the 2021-2025 CBA starting from October 2024. Administrative and operation expenses increased from Kshs. 177.4 million to 196.8million while academic expenses increased from Kshs. 140.9 million to Kshs.162.9 million in FY2024/2025. Council expenses increased by Ksh. 2.0 Million while maintenance costs increased by Ksh.1.2 million. Other expenses increased by Ksh.17.2 Million while depreciation increased by 1.4 million as shown in the figure below.





Machakos University

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MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

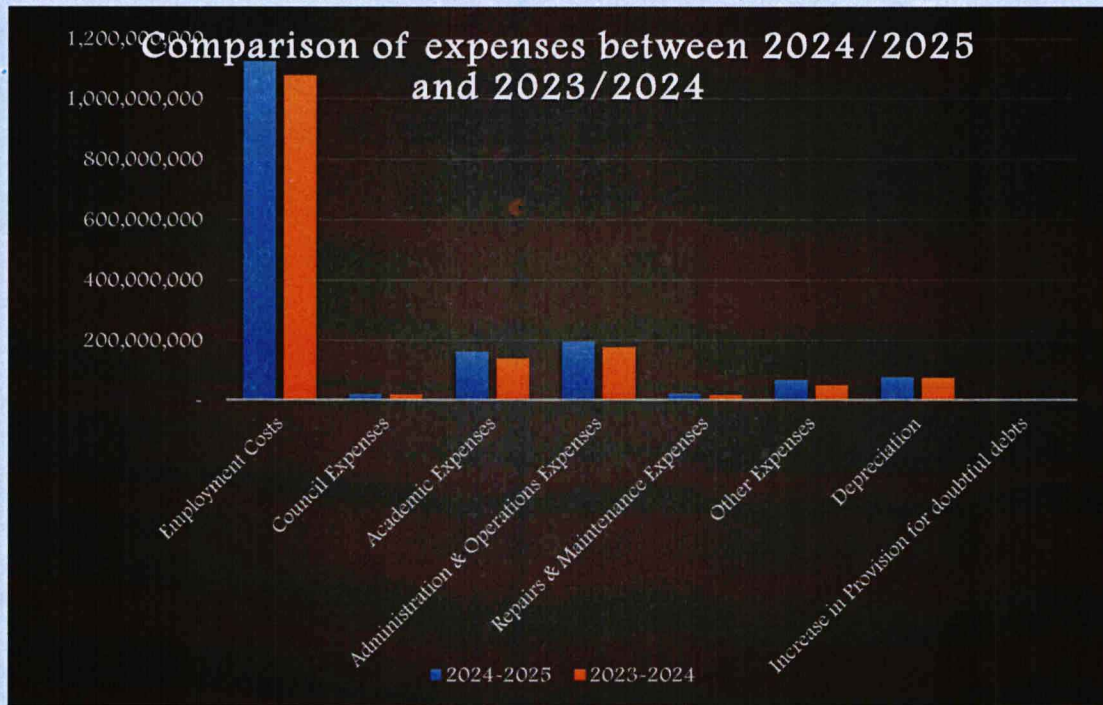


Figure 8: Comparison of expenses between 2024/2025 and 2023/2024

Employment costs have continued to increase from 897.3 million in 2017/2018 to 1.103 billion in the 2019/2020 financial year then reduced to Ksh.1.055 billion in FY2021/2022. The employments costs in 2019/2020 included 2017-2021 CBA arrears for 3 years of Kshs. 96.3 million. The costs reduced to 1.031 billion in FY2022/2023 but slightly increased to 1.078B in FY2023/2024 and 1.124B in 2024/2025 as shown in figure 9.

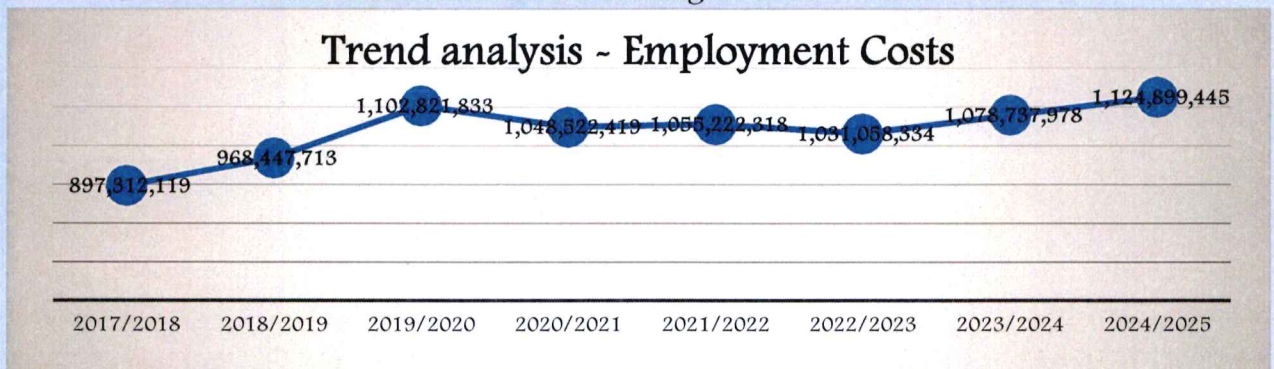


Figure 9: Trend analysis - Employment Costs





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Council expenses increased from 9.1 million in 2017/2018 to 11.3 million in 2019/2020 but later reduced to 7.5 million in the 2020/2021 financial year due to reduced cost of meetings attributed to virtual meetings because of the effects of the COVID-19. The expenses increased in FY2021/2022 to 12.5 million and 17.7 million in FY2022/2023. In FY2023/2024 the expenses slightly increased to 17.8 million and 19.8 million in 2024/2025 as shown in figure 10.

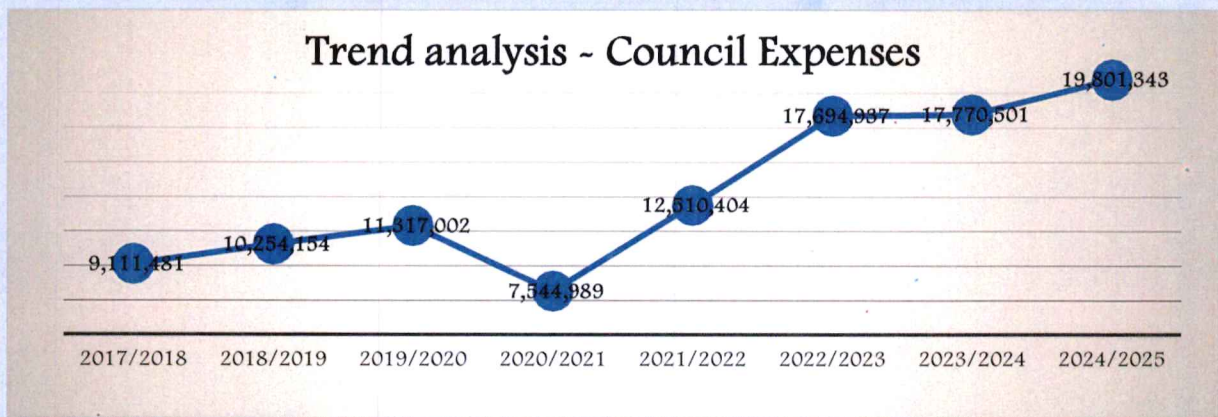


Figure 10: Trend analysis - Council Expenses

Academic expenses increased from 81 million in 2017/2018 to 90.9 million in 2018/2019 but later reduced in 2019/2020 and 2020/2021 financial years due to the effects of COVID-19 which forced the university to close physical lectures from March 2020 to May 2021. After resumption of physical lectures, the expenses increased in FY2021/2022 to 84.6 million and FY2022/2023 to 104.7 million, 141 million in FY2023/2024 and further to 169.5 million in 2024/2025 as shown in the figure below.

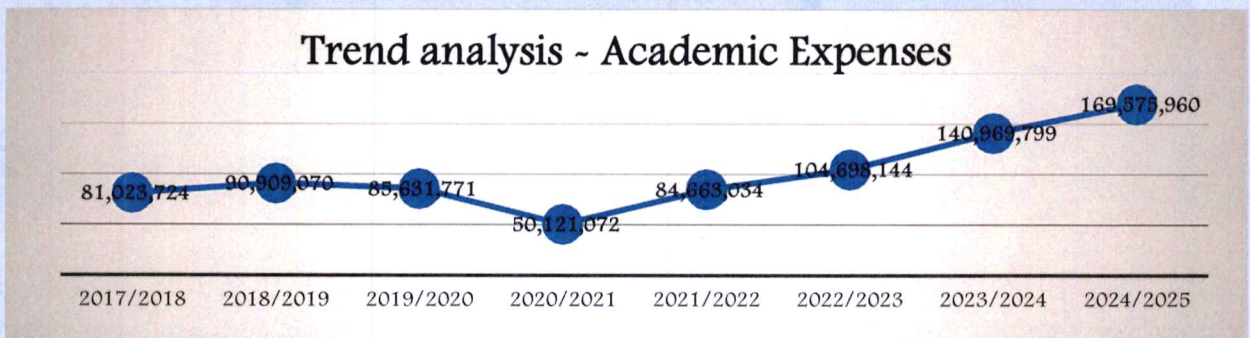


Figure 11: Trend analysis - Academic Expenses





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Administration and operation expenses have been increasing from 116 million in 2017/2018 to 162 million in 2021/2022 financial year. The costs had dropped from 159.6 million in FY2018/2019 to 138.2 million and 142.0 million in 2019/2020 and 2020/2021 respectively due to effects of COVID-19 on some expenditure lines. The expenses slightly reduced in FY2022/2023 to 160.9 million but increased in FY2023/2024 to 177.4 million and 196.8 million in 2024/2025 as shown in figure 12.

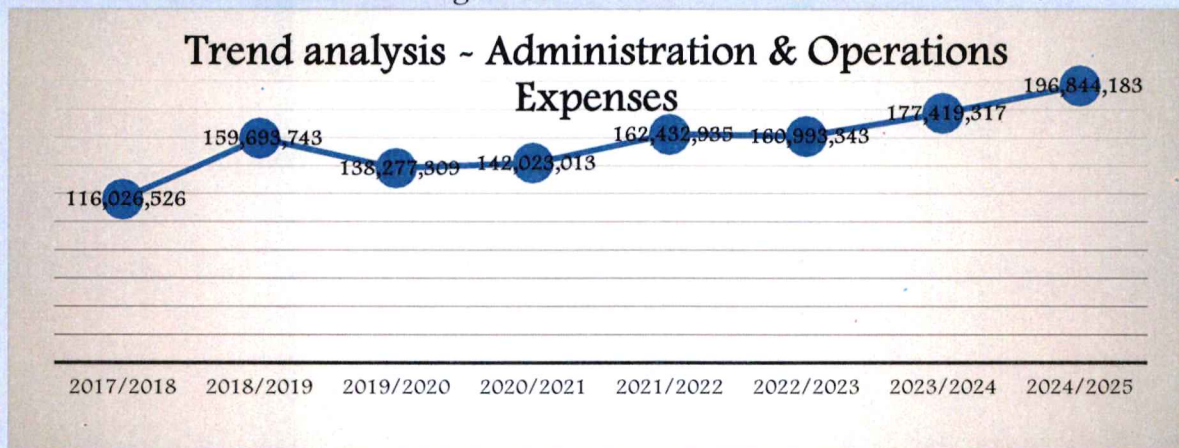


Figure 12: Trend analysis - Administration & Operations Expenses

Repairs and maintenance costs have been decreasing from 16 million in 2018/2019 to 8.9 million in 2020/2021 financial year but increased in FY2021/2022 to 11.8 million. In FY2022/2023 the expenses increased to 12.4 million and further to 16.8 million in FY2023/2024 and 20.4 million in 2024/2025 as shown in figure 13.

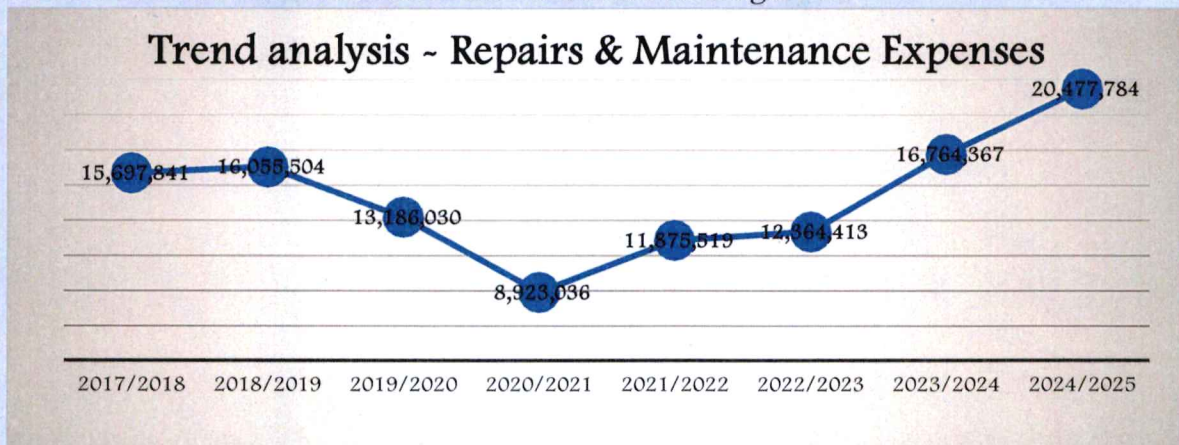


Figure 13: Trend analysis - Repairs & Maintenance Expenses





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Other expenses increased to 52.4 million in 2018/2019 because of the increased operations in the University Hotel but later dropped in 2019/2020 and 2020/2021 financial years due to the effects of COVID-19 which forced the hotel to close for a couple of months. The expenses increased in FY2021/2022 to 42 million due to resumption of hotel operations. The expenses further increased to 46 million in FY2022/2023, 50.7 million in FY2023/2024 and 67.9 million in 2024/2025 as shown in figure 14.

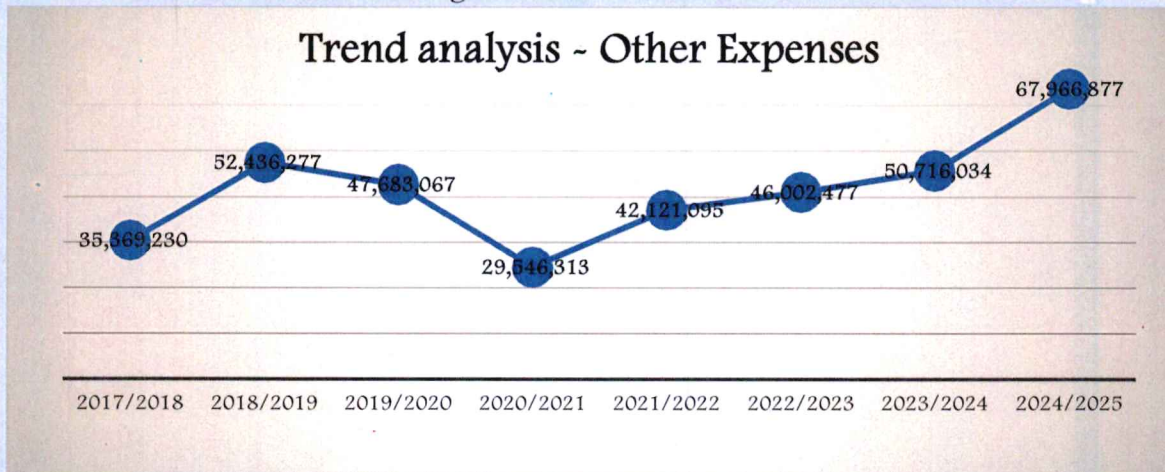


Figure 14: Trend analysis - Other Expenses

Depreciation expenses have been increasing over the years because of the increasing number of fixed assets of the University but later reduced in the FY2021/2022 due to fully depreciated assets. The depreciation expense increased to 89.2 million in FY2022/2023 after revaluation of motor vehicles, ICT equipment and computers. In FY2023/2024 the depreciation rates for Motor vehicles and computers was changed hence the depreciation expense for the year reduced to 76.2 million but slightly increased to 77.3 million in 2024/2025 as shown in figure 15.

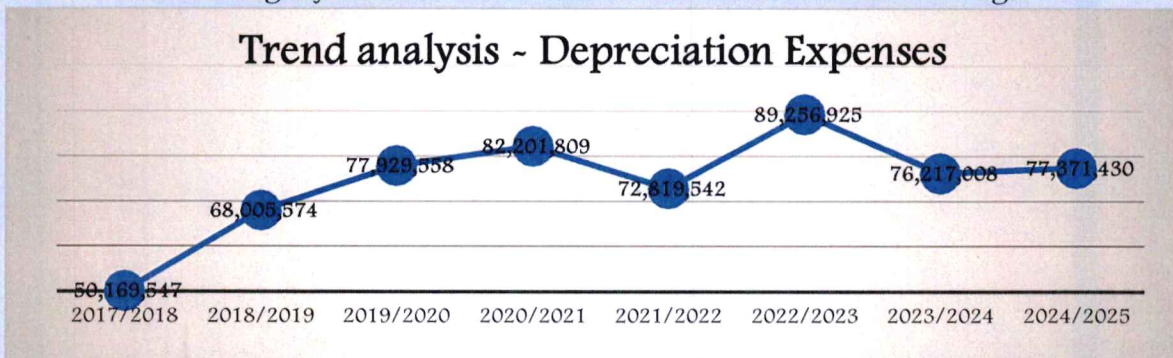


Figure 15: Trend analysis - Depreciation Expenses





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

C) STATEMENT OF THE FINANCIAL POSITION

The net book value of the University fixed assets slightly increased from Kshs. 2.891 billion in 2023/2024 financial year to Kshs. 2.984 billion as at June 30th 2025 as shown in figure 16.

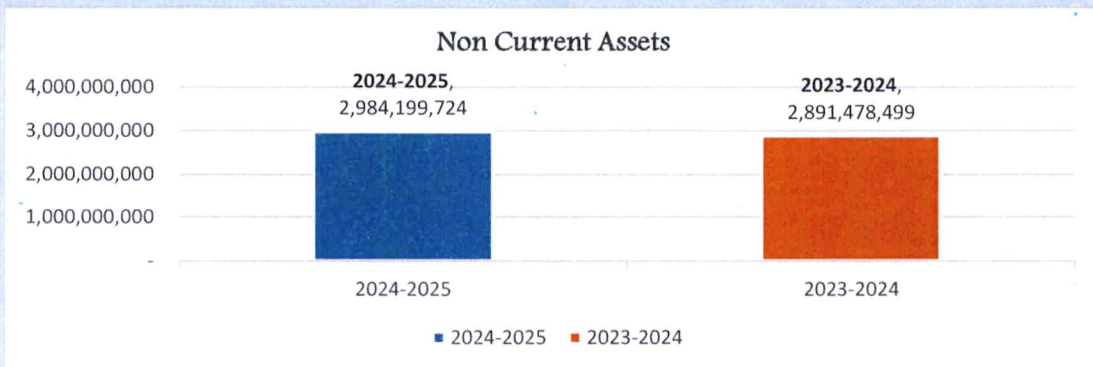


Figure 16: Non-Current Assets

The University closed the year with current assets of Kshs. 1,276,522,337 which are able to cater for the current liabilities of Kshs. 510,258,718. This gives a liquidity of **2.48:1** which is favorable as at the end of the period and an improvement from **2.3:1** at the start of the financial year. The quick ratio at the end of the year is **1.3:1** which is healthy for the University.

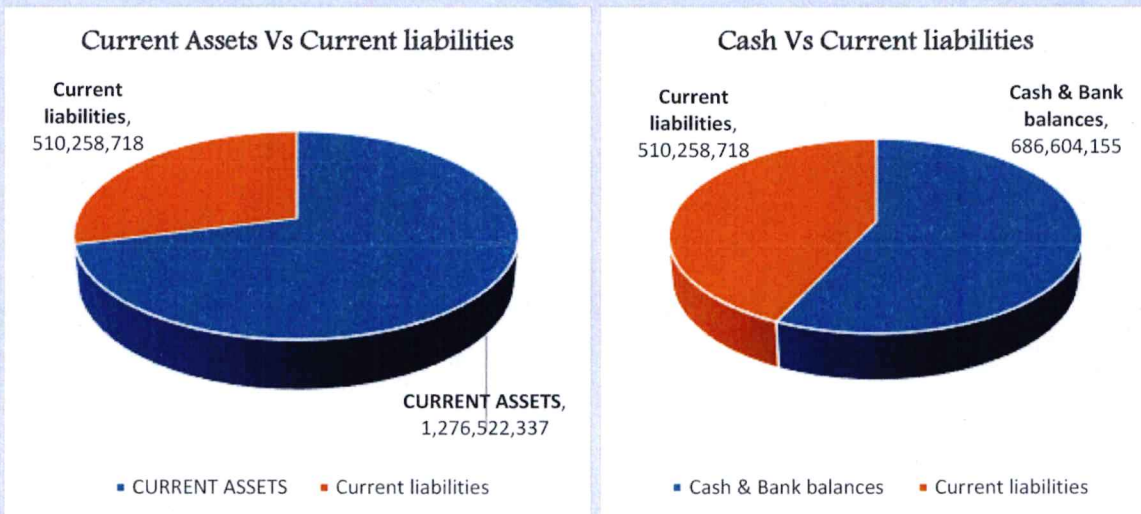


Figure 17: Current Assets Vs Current liabilities





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The University has increased its fixed asset base from 2.37 billion in 2017/2018 to 2.86 billion in 2020/2021 financial year but dropped to 2.83 in FY2021/2022 but increased in FY2022/2023 to 2.89 billion after revaluation of motor vehicles, ICT equipment and computers. The assets slightly increased to 2.984 in FY2024/2025 as shown in figure 18.

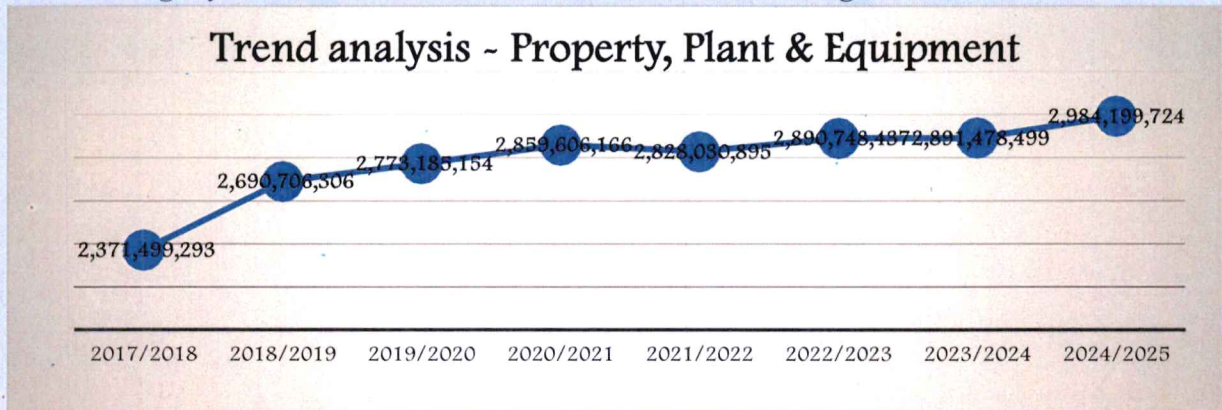


Figure 18: Trend analysis - Property, Plant & Equipment

Trade and other receivables increased from 142.2 million 2017/2018 to 271.9 million in 2019/2020 but later dropped to 170.6 million in 2020/2021. In 2019/2020 there were CBA grants receivable of Kshs. 96.3 million. In FY2021/2022 the receivables further dropped to Kshs. 169.3 million. In FY2022/2023 the receivables increased to 204.1 million. The receivables increased to 558.1 million in FY 2024/2025 due to scholarship and HELB funds that had not been received by 30th June 2025.

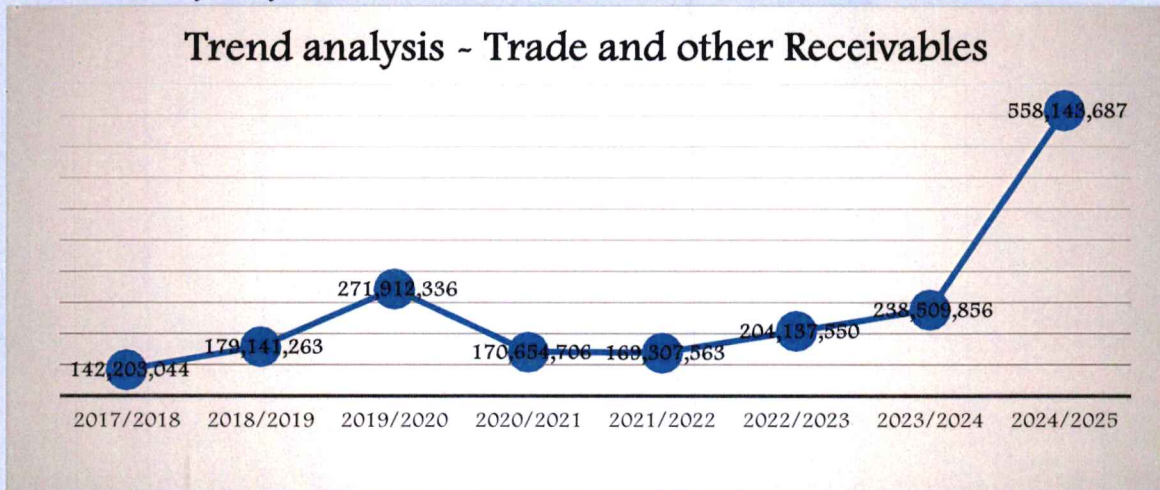


Figure 19: Trend analysis - Trade and other Receivables





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Cash and bank balances increased from KSh. 95.46 million to KSh.281.6 million in 2018/2019 but later dropped in 2019/2020 and 2020/2021. In 2018/2019, the University received development grants of 96 million that remained in the bank account as at the close of the financial year. In FY2021/2022 the cash and bank balances increased to Kshs. 396.8 million due to unpaid staff deductions and suppliers by 30th June 2022. At the end of FY2022/2023 the balance reduced to Kshs. 360.5 million. The cash increased in FY2024/2025 to 686.6 million as shown in figure 20.

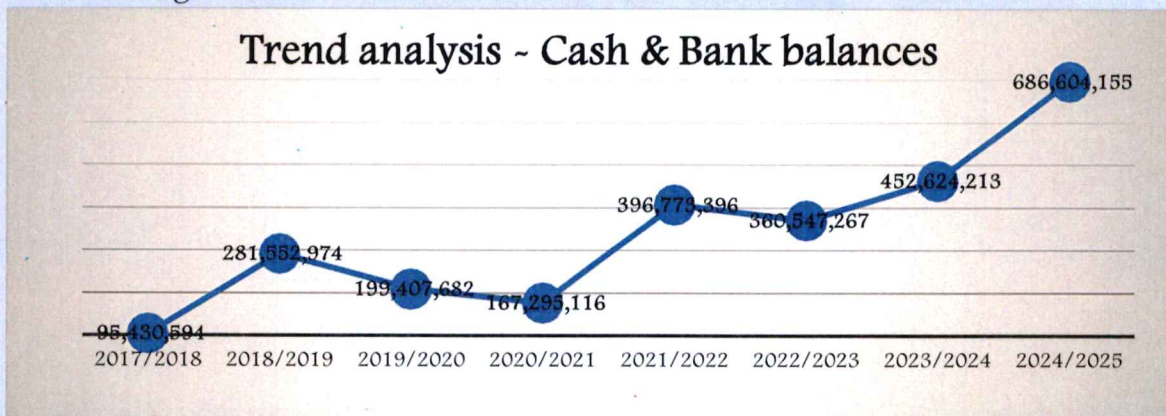


Figure 20: Trend analysis - Cash & Bank balances

Current assets had been increasing from 2017/2018 to 2019/2020 but dropped in the 2020/2021 financial year because of the reduced receivables and; cash and bank balances. The current assets increased in FY2021/2022 to Kshs. 595.8. The current assets slightly reduced in FY2022/2023 to Kshs. 594.1 million and further increased to 720.8 million in FY2023/2024 and 1.27 billion in 2024/2025 as shown in figure 21.

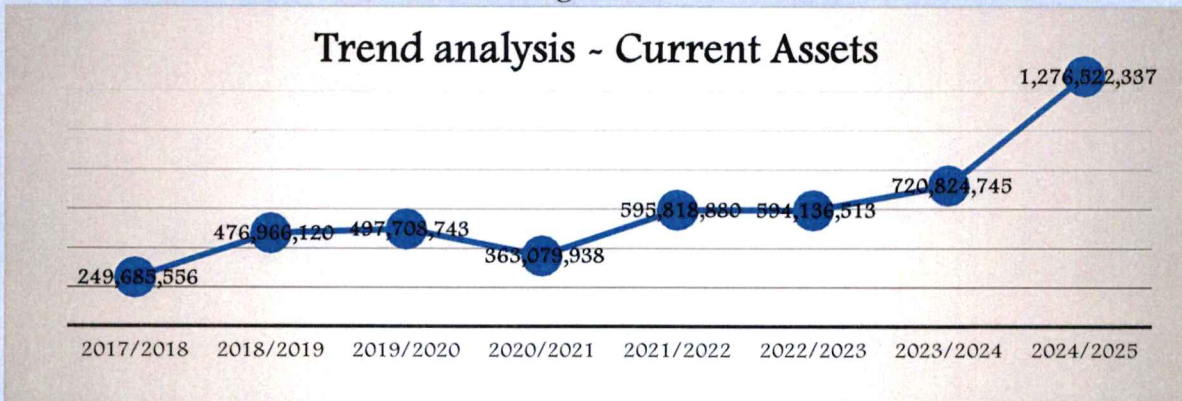


Figure 21: Trend analysis - Current Assets





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The University has experienced growth in its net assets (Reserves) from 2.43 billion in 2017/2018 to 3.75 billion in 2024/2025. The development grants received, surpluses and the donations received over that period have all contributed to this growth as shown in figure 22.

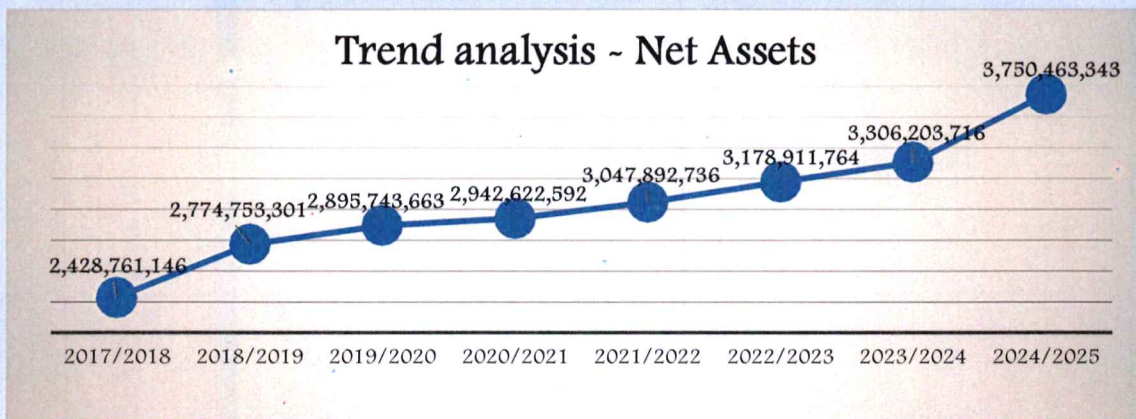


Figure 22: Trend analysis - Net Assets

The current liabilities increased in 2018/2019 to 392.9 million but reduced in the 2019/2020 and 2020/2021 financial years. The University closed the FY2021/2022 with outstanding staff deductions and suppliers hence increasing the liabilities in to Kshs. 375.9 million. In FY2022/2023 the University paid some of the long outstanding liabilities and cleared the staff deductions for June 2023 hence the liabilities reduced to 305.9 million at the close of 2022/2023. The liabilities slightly increased to 306.1 million in FY2023/2024 but in 2024/2025 they increased to 510.2 million due to provision for CBA arrears as shown in figure 23.

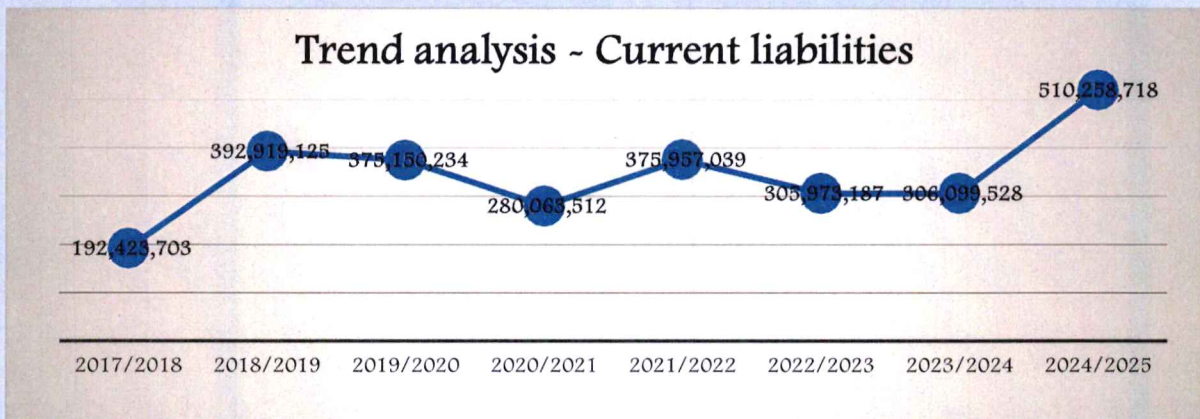


Figure 23: Trend analysis - Current liabilities





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

D) STATEMENT OF CASHFLOWS AS AT 30TH JUNE 2025

The University closed the year with cash and cash equivalent of Kshs. 686.6 million compared to the 452.6 million in June 2024. The University was able to pay its salaries for the period as well as the outstanding suppliers. On the other hand, the University received fees from the new and continue students, HELB and University Funding for September – December semester and part of January – April 2024 semester. The Outstanding balances due for scholarship and HELB funds was Kshs. 313 million.

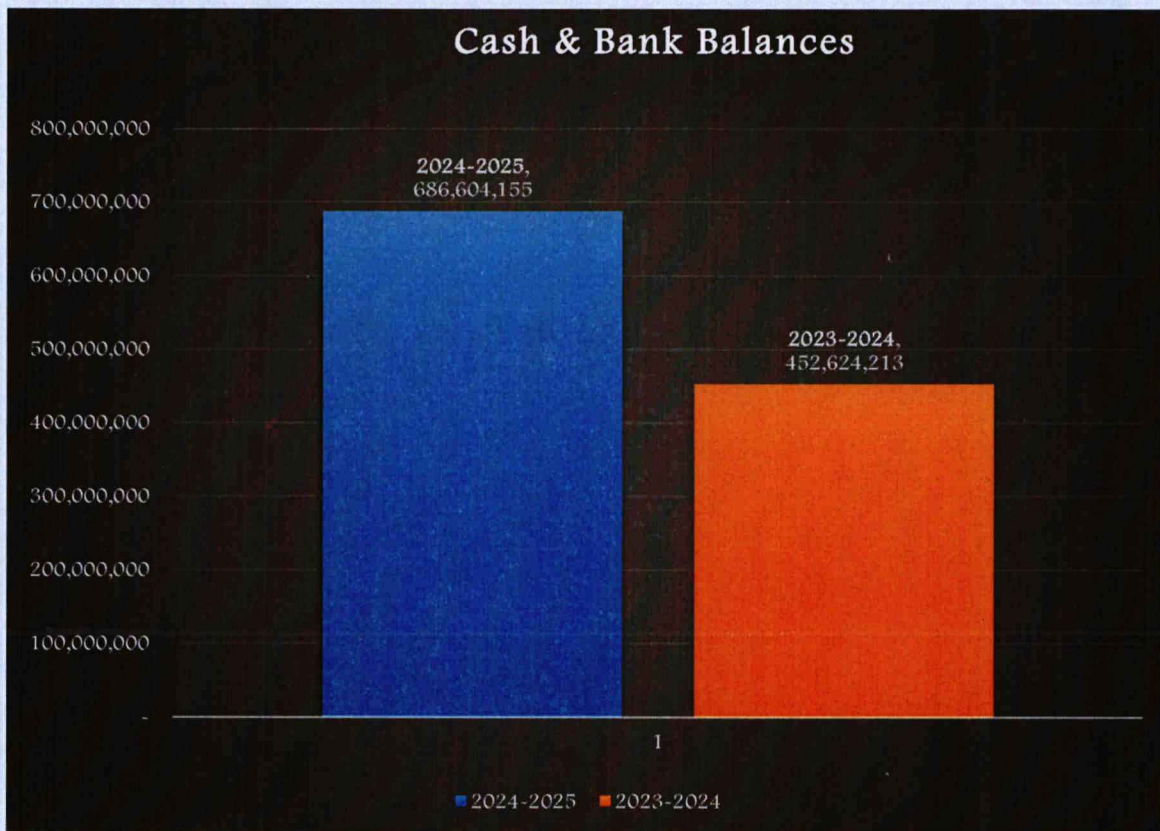


Figure 24: Cash & Bank Balances





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

E) STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The University realized 105% of the budgeted revenues as shown in the table below:

A	REVENUE	Budget	Actual	% of Realization
1	Recurrent Grant	721,159,185	721,159,182	100
2	Development grants	-	-	-
3	Tuition Fees	402,896,928	727,402,636	181
4	NFM-Scholarship & HELB	770,000,000	520,943,673	68
5	Accommodation income	4,500,000	6,524,808	145
6	Catering income	6,000,000	5,571,674	93
7	University Hotel	120,000,000	139,265,733	116
8	Other Income	5,000,000	3,923,056	78
	Total Revenue	2,029,556,113	2,124,790,761	105

The University spent 87% of the budget as shown in the table below.

B	EXPENDITURE	Budget	Actual	% of Utilization
1	Employment Costs	1,192,636,813	1,124,899,445	94
2	Council Expenses	24,370,300	19,801,343	81
3	Academic Expenses	195,139,000	169,575,960	87
4	Administration and Operations Expenses	232,060,000	198,928,003	86
5	Maintenance Expenses	24,500,000	20,477,784	84
6	Other Expenses	70,850,000	67,966,877	96
7	Capital Expenditure	290,000,000	162,260,937	56
	Total Expenditure	2,029,556,113	1,763,910,350	87

The absorption rate at the end of the year is at 87%

The employment costs represent 53% of the total realized revenues

The capital expenditure represents 9.2% of the total expenditure at the end of the year

The Council expenses represents 4.3% of the operational expenditure

The University spending was affected in the first and second quarters majorly because of the circular issued by the National Treasury allowing only 15% of the budget to be spent awaiting approval of the supplementary budget in July 2024 and the court order putting on hold the implementation of new funding model.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

SECTION B: COMPLIANCE WITH STATUTORY REQUIREMENTS

During the year the University complied with all statutory requirements. The Institution does not have any non-compliance that may result to any potential litigation issues or exposure to contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SECTION C: KEY PROJECTS AND INVESTMENT DECISIONS PLANNED AND IMPLEMENTED

Within the year ended 30th June, 2025, the University has been implementing the following projects in order of priority:

S/No	Project	% of completion	Financing of the project	Remarks
1.	Tuition and Office Block	Builders works- 80% Services – 43%	G.O. K	On-going but behind schedule.

The approved allocation for the Tuition and Office block was 120 million from the Appropriations in Aid since there was no exchequer allocation for the financial year.

SECTION D: MAJOR RISKS

OPERATIONAL RISKS

This is loss resulting from inadequate or failed procedures, systems or policies. Some of the risks in the University include:

- 1) ERP System failure
- 2) Failure by customers to pay for services offered
- 3) Some students fail to pay their full fees in time

Risk Mitigation Strategies

- 1) Regular back-up of information
- 2) Enhancing debt collection measures and enforcement of the 100% payment for the Hotel services
- 3) Enforcement of the fees payment policy





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MARKET RISKS

These are losses due to factors that affect the overall performance of the market. Some of the risks in the University include:

- 1) Not attracting many module-two students due to the competition from other universities and colleges.
- 2) Inability to attract and retain qualified lecturers due to competition and financial constraints.
- 3) Competition from other universities regarding the courses being offered.

Risk Mitigation strategies:

- 1) Targeted marketing of academic programmes and enhance the diversity and quality of the University programmes
- 2) Create a conducive working environment for the members of staff
- 3) Offering market-driven courses which are highly marketable in the industry by enhancing collaborations between Machakos University and different companies.

CAPITAL RISKS

The University is exposed to the possibility that an entity may lose money from an investment of capital. Some of the risks in the University include:

- 1) Underperformance of income generating units/activities
- 2) Damage to University infrastructure
- 3) Poor workmanship by the contractors

Risk Mitigation Strategies

- 1) Commercialization of the products from the IGUs and diversification of hotel services
- 2) Insure University assets.
- 3) Procurement of qualified contractors and professional monitoring of projects.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

LIQUIDITY RISK

This is the inability to meet financial demands. Some of the risks include:

- 1) Students delaying to pay their full fees
- 2) Failure to honor contractual obligations due to budget cuts.

Risk Mitigation strategies:

- 1) Enforce the student fee policy
- 2) Lobbying for enhanced government capitation and have resource mobilization strategies.

SECTION E: MATERIAL ARREARS IN STATUTORY/FINANCIAL OBLIGATIONS

The University has no material arrears in statutory and financial obligations to the national exchequer or any other Government agency.

SECTION F: FINANCIAL PROBITY AND SERIOUS GOVERNANCE ISSUES

The University does not have any cases of financial improbity as reported by internal audit/ Audit committee, external auditors, or other National Government Agencies providing oversight.

There were no governance issues among the members of the Council and between the Council and management team, including conflict of interest.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The University continues to pursue policies, strategies and interventions that promotes environmental and sustainability reporting.

i. Sustainability strategy and profile

A sustainable strategy translates into long term success. These benefits are not simply economic but benefit all the University stakeholders. Machakos University has engaged into several initiatives geared to increasing its revenues and reducing its costs by ensuring customer satisfaction, embracing digital transformation, improvement of infrastructure among other beneficial activities. The following are some of the events that took place during the 2024/2025 financial year which promise the University of a Competitive Advantage in the education sector. The activities are geared towards customer focus at a time when the education sector has shifted from government support to being student centered.

MksU Hosts Chinese Delegation to Forge Groundbreaking Water Research Collaboration

Machakos University was privileged to host Professor Yang Min and a high-level delegation from the Research Center for Eco-Environmental Sciences (RCEES) under the University of Chinese Academy of Sciences (UCAS) on 27th June 2025, marking a pivotal moment in advancing water research and environmental sustainability.

The delegation engaged in strategic discussions with the University leadership and scientists to explore joint solutions for sustainable water management, and cyanobacteria control, with a special focus on the Athi - River ecosystem. Both teams shared their passion for safeguarding precious water resources and explored exciting opportunities to strengthen Sino-Kenya scientific ties through joint research, student exchanges, and innovative solutions to combat water pollution.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

Highlights were:

- a) **Fieldwork Launch-** Prof. Yang's team initiated a grant-funded project aimed at early warning systems and mechanisms for detecting cyanobacteria and preventing water quality degradation.
- b) **Research Collaboration-** Plans were laid out for joint studies on toxin analysis, harmful algal blooms, and water pollution mitigation.
- c) **Capacity Building-** Discussions included UCAS scholarships, joint supervision, and exchange programs for Machakos University Students.

The visit marks a major milestone in fostering cross-border scientific partnerships that address pressing environmental challenges and build a resilient future through innovation and knowledge exchange. Machakos University's commitment to environmental stewardship speaks volumes, even as the university continues to shine in research and innovation in the quest to secure a sustainable future.

New Equipment Boost at University's Chemistry Lab

Machakos University made significant upgrade to its Chemistry laboratory after receiving state-of-the-art equipment, thanks to a generous grant from The World Academy of Sciences (TWAS). The newly acquired equipment include; a Hydrothermal Autoclave, High-Speed Centrifuge, and Microwave Digestion System, ushering in a new era for scientific innovation at the university.

- a) **Hydrothermal Autoclave** – Enables the synthesis of advanced materials and nanotechnology experiments
- b) **High- Speed Centrifuge**– support precise sample separation for enhanced chemical analysis
- c) **Microwave Digestion System**– speed up the complex samples for accurate elemental analysis





Machakos University
Annual Reports and Financial statements for the year ended June 30, 2025
ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)



Testing a new equipment in chemistry lab

Partnering for Impact: Machakos University and M-Pesa Foundation Plan Next-Gen Skills Centre

A revolutionary state-of-the-art TVET (Technical and Vocational Education and Training) project took a significant step forward on July 8th, 2025, during a vital alignment meeting in conjunction with M-Pesa Foundation under “*the citizens of the future program*” and Machakos University.

The project aims to deliver a world-class technical facility focused on future skills and real-world income generation. The project aims to enhance the institution’s capacity to offer competitive industry-relevant training. The grant will be strategically allocated to cater for construction and landscaping, creating a purpose-built facility of approximately 2,500 square meters. Additionally, part of the funds will be allocated for state-of-the-art equipment, furniture, and machinery across the specialized workshop.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)



Sustainability built in: solar energy solutions and energy management systems are integral considerations.

With user feedback gathered, the lead project architect will now refine the design. The tender process will commence once designs are finalized and approved, paving the way for groundbreaking on a facility poised to become a national beacon of innovative TVET education and economic empowerment. The facility is planned for completion within one year after groundbreaking.

Machakos University remains committed to transforming technical education through this Smart TVET Facility. The facility which will enable the co-creation of sustainable futures, ensuring that citizens of the future are equipped with the knowledge, skills, and values necessary to build a resilient and equitable society.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

Fashion and Cultural Week

Machakos University hosted the 3rd Fashion and Cultural Week on 3rd and 4th April 2025, a vibrant celebration of culture, fashion, and talent. The event, themed “Celebrating Our Culture Through Fashion,” aimed to showcase the rich diversity of traditions and creativity within our University community through dynamic activities, including fashion showcases, cultural performances, and culinary exhibitions.



MksU students participate in fashion show

Master of Design Exhibition Showcases Innovative Student Projects

Master Students pursuing the Master of Design program at the School of Humanities and Social Sciences, Machakos University, held an exhibition from 30th January to 5th February 2025 at Fashion Design Studio 2. The event, open to staff, students, and the public, showcased projects across Interior Design, Fashion Design, Branding Identity, and Interdisciplinary Design. The exhibition followed a successful mini-exhibition held on 17th December 2024, which laid the foundation for this exhibition showcase.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

The 8th Public Lecture on Mental Health Issues, Consequences and Interventions

Machakos University held the 8th Public Lecture on *“Mental Health Issues, Consequences, and Interventions.”*

The main objective of the public Lecture was to create awareness, discuss interventions and strengthen the mechanisms for addressing mental health issues, with a call to action for all stakeholders to play a role in improving mental health care and awareness.

Machakos University Annual Public Lecture Series is an integral part of the institution’s mission to encourage a culture of research, learning and public engagement. These lectures provide a platform for sharing knowledge and discussing pertinent societal challenges.

MksU Students Football Team Plays at Camp Toyoyo Grounds in a Friendly Match

Machakos University Students Football Team had the honor of playing at the iconic Camp Toyoyo Grounds in Jericho, Nairobi, on 3rd July, 2025, following a special invitation from the Kick Off to Hope Foundation Academy, led by legendary former Harambee Stars Captain, Musa Otieno.



MksU students football team





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

The high-profile friendly match was part of a series of strategic build-up fixtures as the University gears up for the NASOKUSA League Games, scheduled for September 2025. The matches are designed to sharpen the team's tactical preparedness ahead of competitive encounters with strong opponents such as Zetech University, Strathmore University, and JKUA, all active in FKF-organized leagues.

TVETA Endorses Transformative Partnership Between Machakos University's TVET Directorate and MPESA Foundation

Machakos University has received a significant boost in its efforts to enhance Technical and Vocational Training following the official endorsement of a strategic partnership between its TVET Directorate and the MPESA Foundation by the Technical and Vocational Education and Training Authority (TVETA). The partnership seeks to establish a state-of-the-art TVET Centre at Machakos University, reinforcing the institution's role in advancing skills development and employability among Kenyan youth.



MksU visit to TVETA





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

The engagement was both productive and strategic, focusing on institutional growth, quality assurance, and the shared goal of improving technical education in the country.

A key highlight of the visit was the joint review of the quality audit report for the TVET Directorate. Both teams explored practical strategies to address the identified gaps and enhance service delivery and training standards. The discussions reiterated the importance of continuous improvement in line with regulatory frameworks and industry expectations.

In recognition of the University's progress, TVETA issued a letter of commendation, applauding

ii. Environmental performance

Machakos National Show 2025

Machakos University demonstrated its leadership in innovation, research, and community impact at the 2025 Machakos National Agricultural Society of Kenya (A.S.K) Show, held from June 4th to 8th at the Machakos Showground. With a strong focus on this year's theme, "Promoting Climate Smart Agriculture and Trade Initiatives for Sustainable Economic Growth," the University proudly clinched first place in several categories, competing among the country's top institutions.



MksU participates in ASK show in June 2025





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

The university's stand captivated judges and visitors alike with its display of innovative research, climate-resilient agricultural practices, and practical solutions drawn from its various Schools and Departments. Through hands-on demonstrations and community-focused innovations, Machakos University aligned its entire presentation with the national conversation on sustainable agriculture, technology integration, and economic transformation.



MksU participates in ASK show in June 2025





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

Machakos University Partners with Stakeholders in an Ambitious Tree Planting Initiative

Machakos University took undertook an environmental conservation and sustainability by spearheading a significant tree-growing initiative at Konza Technopolis Development on Friday, 15th November 2024. The event, conducted in collaboration with Konza Technopolis Development (KoTDA), the Kenya Forest Service (KFS) led by the Ecosystem Conservator, and Machakos County Government, emphasized the University's commitment to fostering sustainable practices and strengthening inter-institutional partnerships.

The target of planting over 10,000 trees was successfully achieved, symbolizing a shared commitment to a sustainable future. The initiative aligns with the national agenda to plant 15 billion trees by 2032, further demonstrating the University's role in supporting government efforts in advancing ecological sustainability.

The tree growing at Konza Technopolis has reinforced Machakos University dedication to environmental stewardship while strengthening partnerships that align with both national and global sustainability goals.

MksU Hosts Chinese Delegation to Forge Groundbreaking Water Research Collaboration

Machakos University was privileged to host Professor Yang Min and a high-level delegation from the Research Center for Eco-Environmental Sciences (RCEES) under the University of Chinese Academy of Sciences (UCAS) ON 27th June 2025, marking a pivotal moment in advancing water research and environmental sustainability.

The delegation engaged in strategic discussions with the University leadership and scientists to explore joint solutions for sustainable water management, and cyanobacteria control, with a special focus on the Athi - River ecosystem. Both teams shared their passion for safeguarding precious water resources and explored exciting opportunities to strengthen Sino-Kenya scientific ties through joint research, student exchanges, and innovative solutions to combat water pollution.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

This marked a major milestone in fostering cross-border scientific partnerships that address pressing environmental challenges and build a resilient future through innovation and knowledge exchange. Machakos University's commitment to environmental stewardship speaks volumes, even as the University continues to shine in research and innovation in the quest to secure a sustainable future.



iii. Employee welfare

Follow-Up Change Management Training to Sustain Organizational Transformation

Members of staff of Machakos University were taken through a comprehensive follow-up Change Management Training on the 25th and 26th June 2025. The training targeted both administrative and academic staff with the aim of reinforcing the transformation journey initiated in the previous session held in March 2025.

The University commitment to support staff development through targeted trainings. The highlight was the importance of discipline, time management, and strategic planning as key pillars for achieving institutional transformation.





Machakos University
Annual Reports and Financial statements for the year ended June 30, 2025

This training importance is to embrace change as a strategic opportunity to improve service delivery, build stronger inter-departmental relations, and align daily operations with institutional Key Performance Indicators (KPIs).

Staff were able to define personal change goals aligned with responsibilities; assess readiness for change, including identifying internal and external barriers; develop individual and departmental action plans with measurable objectives and engage in collaborative discussions to refine strategies for sustainable transformation.



Change Management training for non-teaching staff

Key Performance Indicator Workshop Sets Tone for Machakos University's Strategic Execution

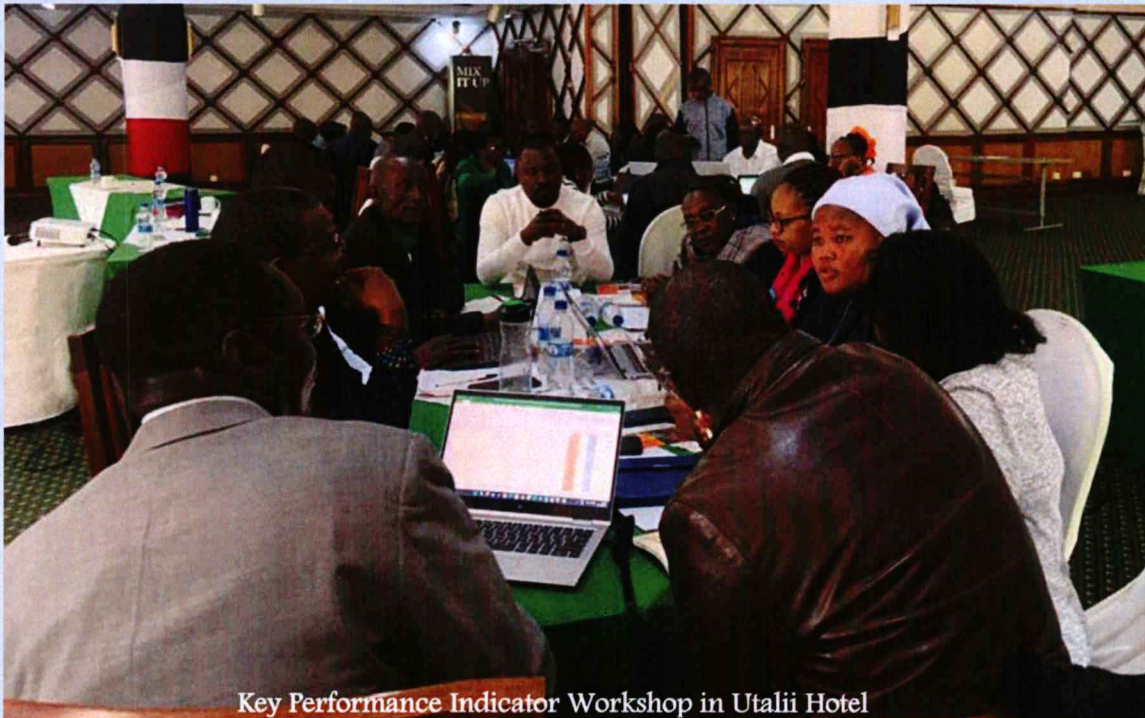
The objective of the workshop was to equip participants with the necessary tools to develop effective KPIs aligned with the University's strategic priorities for the upcoming financial year.

Participants took part in engaging sessions focused on performance planning, evaluation metrics, and aligning departmental objectives with the University's overarching strategic goals and developing KPIs that are measurable, actionable, and results-oriented.





Machakos University
Annual Reports and Financial statements for the year ended June 30, 2025
ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)



Key Performance Indicator Workshop in Utalii Hotel

The workshop concluded with all participants successfully developing and signing off their departmental KPIs, paving the way for a results-oriented performance culture across the institution.

iv. Market place practices

a) Responsible competition practice

Machakos University upholds responsible competition by ensuring its programs, partnerships, and innovations are developed and delivered with integrity and transparency. The University actively safeguards its brand through mechanisms such as, regulating the use of institutional logos, and monitoring digital platforms to prevent misuse or misrepresentation. Public sensitization and outreach efforts through exhibitions and career fairs, and strategic media engagement further reinforce brand awareness and institutional credibility.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

b) Responsible Supply Chain and Supplier relations

Machakos University, recognize that a responsible and transparent supply chain is fundamental to achieving institutional integrity, financial accountability, and sustainable development. During the financial year ended 30 June 2025, the University continued to uphold strong procurement governance structures and fostered fair and ethical relationships with our suppliers.

c) Responsible marketing and advertisement or responsible engagement with the citizens

Machakos University is committed to ethical marketing and responsible communication with the public. It ensures that all promotional materials and campaigns provide accurate, up-to-date, and comprehensive information about academic programs, services, and opportunities. Regular updates are shared through the University's website, social media platforms, press releases, and newsletters avoiding exaggerated claims or misleading content. In line with data protection and ethical engagement, the University obtains consent through signed consent forms for interviews, photography, and videography during events. Additionally, public disclaimer notices are prominently displayed at entry points to notify attendees of ongoing documentation for publicity purposes.

d) Product stewardship or Awareness creation

The University recognize the importance of sustainable practices and environmental responsibility in her daily operations. Product stewardship and awareness creation play a key role in guiding responsible consumption, minimizing environmental impact, and promoting a culture of sustainability within the University.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

ENVIRONMENTAL AND SUSTAINABILITY REPORTING (CONTINUED)

The University is keen towards awareness creation is essential for the success of any stewardship program which involves educating students, staff, and stakeholders about environmental and health impacts of unsustainable products, proper waste disposal practices (e.g., separating biodegradable and non-biodegradable waste), benefits of supporting local, green businesses and responsible consumer behavior and lifestyle choices.

The University has embraced awareness creation through posters and signage in marketplace areas, sustainability student-led initiatives, social media campaigns targeting University communities and integration of environmental education into curricula.

v. Corporate Social Responsibility/ Community Engagements

a) Issuance of bursaries

During the financial year 2024/2025, bursaries were issued to students as follows:

- i. September – December 2024 semester – Amount allocated for bursary for the semester was KShs. 1,500,000; KShs. 500,000 was from the University Bursary and KShs. 1,000,000 was from the SAMU Bursary. 99 students were beneficiaries.
- ii. January – April 2025 semester – Amount allocated for bursary for the semester was KShs. 2,658,229; KShs. 613,690 was from the University Bursary, KShs. 1,444,539 was from the SAMU Bursary and KShs 600,000 from Rattansi Education Trust. 500 students were beneficiaries.





Machakos University
Annual Reports and Financial statements for the year ended June 30, 2025

11. REPORT OF THE UNIVERSITY COUNCIL

Machakos University Council submit their report together with the audited financial statements for the year ended June 30, 2025 which shows the state of Machakos University affairs.

Principal activity

The principal activity of Machakos University is to provide scholarly education through Training, Research and Innovation for industrial and socio-economic transformation of our communities.

Results

The results of Machakos University for the year ended June 30, 2025 are set out on **page 1 to 11**

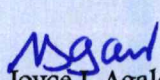
University Council Members

The members of the University Council who served during the year are shown on **page x to xv**.

Auditors

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

By Order of the University Council


Prof. Joyce J. Agalo
VICE-CHANCELLOR/COUNCIL SECRETARY

Date: 11.07.2025



Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

12. STATEMENT OF UNIVERSITY COUNCIL'S RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Sections 14 & 15 of the State Corporations Act require Machakos University 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 that year. The University Council is required to ensure that the University keeps proper accounting records, which disclose, with reasonable accuracy, the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

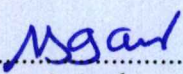
The Council is responsible for the preparation and presentation of Machakos University financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate 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 accounting policies; and (vi) Making accounting estimates that are reasonable in circumstances.

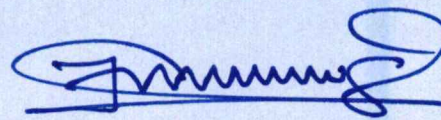
The Council accepts responsibility for Machakos University financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, and in conformity with International Public-Sector Accounting Standards (IPSAS) and in the manner required by the PFM Act, 2012 and State Corporations Act Cap 446. The Council is of the opinion that Machakos University financial statements give a true and fair view of the state of the University transactions during the year ended June 30, 2025, and of its financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University 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

Machakos University financial statements were approved by the Council on 22nd August, 2025 and signed on its behalf by:


.....
Prof. Joyce J. Agalo
Vice-Chancellor/Council Secretary


.....
CPA Felix N. Kilonzi
For: Chairman of Council



REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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

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

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Machakos University set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2025, the statement of financial performance, statement of changes in net assets, statement of

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

In my opinion, 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 Machakos University as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Long Outstanding Trade and Other Receivables

The statement of financial position and as disclosed in Note 16 to the financial statements reflect trade and other receivables balance of Kshs.558,143,687. Review of the debtors' records revealed that debts amounting to Kshs.114,332,511 had been outstanding for more than one year out of which debts amounting to Kshs.41,133,807 were more than five years old. In addition, the receivables increased by Kshs.319,633,831, representing approximately 134% increase compared to the previous year balance of Kshs.238,509,856.

The University Management explained that the increase in debtors was majorly contributed by the fees collection from the student-centered model of funding. As at 30 June, 2025, Kshs.135,234,394 was due from the Universities Fund for scholarship and Kshs.178,689,223 from Higher Education Loans Board for loans relating to students centered funding model. On 23 August, 2024 a conservatory order was issued prohibiting public Universities from refusing to admit and/or provide learning, training and/or access to facilities for any student or prospective student on the basis of having failed to raise or fully pay fees stipulated under the New Higher Education Funding Model.

However, although the University Management has established a formal Debt Recovery Policy to guide effective management and control of receivables, the long outstanding receivables have remained unpaid.

Failure to recover receivables in a timely manner exposes the Institution to the risk of financial loss through bad debts.

In the circumstances, the recoverability of the trade and other receivables balance of Kshs.558,143,687 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Machakos University Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical

requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total revenue budget and actual on a comparable basis of Kshs.2,029,556,113 and Kshs.2,124,790,761 respectively. The University spent Kshs.1,763,910,350 against actual revenue of Kshs.2,124,790,761 resulting to under-absorption of Kshs.360,880,441 or approximately 17% of the actual total revenue.

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

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matter described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Information

Management is responsible for the Other Information set out on pages iv to lxxxv which comprise of Key Information and Management, the University Council Members, Key Management Team, Chairman's Report, Report of the Vice-Chancellor, Statement of Machakos University Performance Against Pre-determined Objectives, Corporate Governance Statement, Management Discussion and analysis, Environmental and Sustainability Reporting, Report of the University Council and Statement of University Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Committee Membership Exceeding One-Third of Council Members

Review of Machakos University governance structure revealed that all committees have five (5) members out of eight (8) members which translates to two-thirds (2/3) of the full Council members. This is contrary to Part B, Paragraph 4 of the Circular on Management of State Corporation Circular OP/CAB.9/1A of 11 March, 2020 which limits Committee membership to less than one-third (1/3) of the full Board to obviate the risk of a committee transacting business as the full Board.

In the circumstances, Management was in breach of law.

2. Delay in Completion of Tuition and Office Block

The University entered into a contract with a local firm for the construction of tuition and office block at a contract sum of Kshs.986,761,116. The contract was signed on 20 July, 2017 with a contract period of one hundred and fifty-six (156) weeks commencing on 20 July, 2017 to 20 July, 2020. The contract period was subsequently revised to end on 5 October, 2025 as per the approval of the Accounting Officer dated 2 May, 2025. Review of documents revealed that Kshs.512,053,697 was paid to the contractor and sub-contractors for certified works as per interim certificate No.40 dated 7 November, 2024.

In addition, review of the records revealed that the project was approximately 81% complete while the value of work certified to date was approximately 52% of the contract sum.

Physical verification carried out in May 2025 revealed that the main contractor and sub-contractors were on site finishing the administration wing. However, the project is yet to benefit the intended beneficiaries due to delayed completion.

In the circumstances, value for money paid for the project totaling Kshs.512,053,697 could not be confirmed.

3. Non-Compliance with Law on Ethnic Composition

As previously reported, review of the Staff Biodata and Master Payroll revealed that the University has a total of four hundred and fifty-two (452) employees out of which, two hundred and sixty-nine (269) or approximately 60% were from the dominant ethnic community in the County. This is contrary to Section 7(2) of Part III of National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from the same ethnic community.

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

4. Non-Compliance with the Law on Fiscal Responsibility

As previously reported, the statement of financial performance and as disclosed in Note 9 to the financial statements reflect Kshs.1,124,899,445 in respect to employee costs representing approximately 53% of the total revenue of Kshs.2,127,698,187. This is contrary to Regulation 26(1)(a) of the Public Finance Management (National Government) Regulations, 2015 which provides that National Government entities expenditure on compensation of employees (including benefits and allowances) shall not exceed 35 percent of the entity's total revenue.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of the Management and University Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions

and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

04 November, 2025



Machakos University


Annual Reports and Financial statements for the year ended June 30, 2025

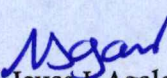
14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

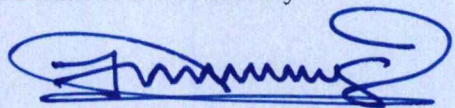
<u>REVENUE</u>	Notes	2024-2025 Ksh	2023-2024 Ksh
Revenue from non-exchange transactions			
Government Grants	5(a)	721,159,182	769,721,027
Research and Donor Grants	5(b)	-	22,584,076
Decrease in Provision for doubtful debts		-	18,119,028
NFM-Scholarship & HELB	5(c)	520,943,673	-
Amortized Grants in kind	6	2,907,425	4,398,689
		1,245,010,281	814,822,819
Revenue from exchange transactions			
Tuition & Other Related Incomes	7	739,499,118	815,413,766
I.G.A. & Other Incomes	8	143,188,788	120,171,914
		882,687,906	935,585,680
Total Revenue		2,127,698,187	1,750,408,500
EXPENDITURE			
Employment Costs	9	1,124,899,445	1,078,737,978
Council Expenses	10	19,801,343	17,770,501
Academic Expenses	11	169,575,960	140,969,799
Administration & Operations Expenses	12	196,844,183	177,419,317
Repairs & Maintenance Expenses	13	20,477,784	16,764,367
Other Expenses	14	67,966,877	50,716,034
Depreciation	15	76,243,306	76,217,008
Increase in Provision for doubtful debts	16(a)	4,391,258	-
Total Expenditure		1,680,200,157	1,558,595,003
Surplus / (Deficit)		447,498,029	191,813,496

The notes set out on pages 12 to 39 form an integral part of the Financial Statements

The Financial Statements set out on pages 1 to 11 were signed on behalf of the University Council by:


 CPA Francis Wambua
 Ag. Chief Finance Officer
 ICPAK No. 13455


 Prof. Joyce J. Agalo
 Vice-Chancellor


 CPA Felix N. Kilonzi
 For: Chairman of Council

Date 30/09/2025

Date 11/10/2025

Date 11/10/2025






Machakos University

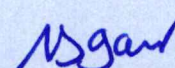
Annual Reports and Financial statements for the year ended June 30, 2025

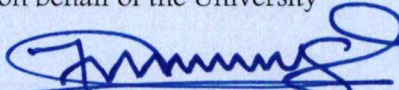
15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

<u>ASSETS</u>	<u>Notes</u>	<u>2024-2025</u> Ksh	<u>2023-2024</u> Ksh
NON-CURRENT ASSETS			
Property, Plant & Equipment	15	2,984,199,724	2,891,478,499
		2,984,199,724	2,891,478,499
CURRENT ASSETS			
Inventories			
Stocks-Inventories	17	31,774,495	29,690,675
		31,774,495	29,690,675
Trade and other Receivables			
Exchange transactions	16(a)	555,511,815	174,178,765
Non-Exchange transactions	16(b)	2,631,872	64,331,091
		558,143,687	238,509,856
Cash & Bank balances	18	686,604,155	452,624,213
Total Current Assets (16+17+18)		1,276,522,337	720,824,745
Total Assets		4,260,722,060	3,612,303,244
CAPITAL FUNDS & LIABILITIES			
Net Assets			
Capital Reserve	19	3,222,874,957	3,222,874,957
Revenue Reserve	20(a)	514,351,989	72,889,156
Deferred Income	20(b)	13,236,396	10,439,603
Sub-total		3,750,463,343	3,306,203,716
Current liabilities			
Trade and other Payables	21	510,258,718	306,099,528
Total Net Assets and Liabilities		4,260,722,060	3,612,303,244

The Financial Statements set out on pages 1 to 11 were signed on behalf of the University Council by:


 CPA Francis Wambua
 Ag. Chief Finance Officer
 ICPAK No. 13455


 Prof. Joyce J. Agalo
 Vice-Chancellor


 CPA Felix N. Kilonzi
 For: Chairman of Council

Date 30/09/2025

Date 11/10/2025

Date 11/10/2025





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

Description	Notes	Capital Reserve Ksh	Revenue Reserve Ksh	Deferred Income Ksh	Total Ksh
Balance as at 1st July 2023		3,215,624,957	(48,888,533)	12,175,340	3,178,911,764
Additional Capital	19	7,250,000	-	-	7,250,000
Donated Equipment	15	-	-	2,662,951.65	2,662,952
Prior year Adjustments	20(a)	-	(70,035,807)	-	(70,035,807)
Surplus for the year 2023/2024	20(a)	-	191,813,496	-	191,813,496
Amortization for the year 2023/2024	20(b)	-	-	(4,398,689)	(4,398,689)
Balance as at 30th June 2024		3,222,874,957	72,889,156	10,439,603	3,306,203,716
Balance as at 1st July 2024		3,222,874,957	72,889,156	10,439,603	3,306,203,716
Additional Capital	19	-	-	-	-
Donated Equipment	15	-	-	5,704,219	5,704,219
Prior year Adjustments	20(a)	-	(6,035,196)	-	(6,035,196)
Surplus for the year 2024/2025	20(a)	-	447,498,029	-	447,498,029
Amortization for the year 2024/2025	20(b)	-	-	(2,907,425)	(2,907,425)
Balance as at 30th June 2025		3,222,874,957	514,351,989	13,236,396	3,750,463,343





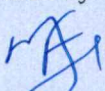
Machakos University

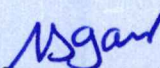
Annual Reports and Financial statements for the year ended June 30, 2025

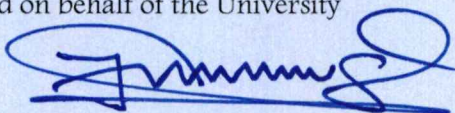
17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

<u>Cash flows from Operating activities</u>	<u>Notes</u>	<u>2024-2025</u>	<u>2023-2024</u>
RECEIPTS		Ksh	Ksh
Revenue from non-exchange transactions	22 (a)	1,306,246,274	728,161,684
Revenue from exchange transactions	22 (b)	495,692,128	896,430,145
		1,801,938,402	1,624,591,828
PAYMENTS			
Employment Costs	23 (a)	1,052,737,775	1,072,249,024
Council Expenses	23 (b)	19,801,343	17,770,501
Academic, Administrative and other Expenses	23 (c)	375,450,175	389,070,419
		1,447,989,293	1,479,089,944
Net cash flows from operating activities	25	353,949,109	145,501,884
Cash flows from Investing activities			
Purchase of Property, Plant & Equipment	24	(119,969,167)	(90,776,392)
Net cash flows used in investing activities	24	(119,969,167)	(90,776,392)
Cash flows from Financing activities			
Development grants received	19	-	37,351,454
Net cash flows from investing activities		-	37,351,454
Net increase in cash & cash equivalents		233,979,942	92,076,946
Net cash & cash equivalents b/f		452,624,213	360,547,267
Cash & Bank balances at the end of the year	18	686,604,155	452,624,213

The Financial Statements set out on pages 1 to 11 were signed on behalf of the University Council by:


 CPA Francis Wambua
 Ag. Chief Finance Officer
 ICPAK No. 13455


 Prof. Joyce J. Agalo
 Vice-Chancellor


 CPA Felix N. Kilonzi
 For: Chairman of Council

Date 30/09/2025

Date 11/09/2025

Date 11/10/2025



Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	Details	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of Utilization	Notes
		A	B	C = (A+B)	D	E	F = D/C	
A	REVENUE	Ksh	Ksh	Ksh	Ksh	Ksh	%	
1	Recurrent Grant	644,771,788	76,387,397	721,159,185	721,159,182	3	100	
2	Development grants	-	-	-	-	-	-	
3	Tuition Fees	402,896,928	-	402,896,928	727,402,636	(324,505,708)	181	1
4	NFM-Scholarship & HELB	770,000,000	-	770,000,000	520,943,673	249,056,327	68	
5	Accommodation income	4,500,000	-	4,500,000	6,524,808	(2,024,808)	145	2
6	Catering income	6,000,000	-	6,000,000	5,571,674	428,326	93	
7	University Hotel	120,000,000	-	120,000,000	139,265,733	(19,265,733)	116	3
8	Other Income	5,000,000	-	5,000,000	3,923,056	1,076,944	78	
	Total Revenue	1,953,168,716	76,387,397	2,029,556,113	2,124,790,761	(95,234,648)	105	
B	RECURRENT EXPENDITURE							
	Employment Costs							
1	Basic salaries	540,023,653	84,387,397	624,411,050	623,643,171	767,880	100	
2	House allowance	211,412,076	-	211,412,076	194,148,399	17,263,677	92	
3	Pension & Gratuity	108,056,966	8,000,000	116,056,966	111,170,940	4,886,026	96	
4	NSSF	9,600,000	6,000,000	15,600,000	15,545,602	54,398	100	
5	Leave Allowances	5,322,733	-	5,322,733	4,680,812	641,921	88	
6	Commuter Allowances	87,890,000	(4,000,000)	83,890,000	62,349,229	21,540,771	74	
7	Adjunct Lecturers	38,556,000	-	38,556,000	34,971,516	3,584,484	91	
8	Book & Research Allowances	2,806,000	-	2,806,000	1,609,000	1,197,000	57	
9	Housing Levy	14,181,750	2,000,000	16,181,750	15,374,581	807,169	95	
10	Other allowances	98,400,237	(20,000,000)	78,400,237	61,406,196	16,994,042	78	
	Total Employment Costs	1,116,249,416	76,387,397	1,192,636,813	1,124,899,445	67,737,368	94	
	Council Expenses							
11	Council Expenses	24,370,300	-	24,370,300	19,801,343	4,568,957	81	4





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

	Details	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of Utilization	Notes
		A	B	C = (A+B)	D	E	F = D/C	
	Academic Expenses							
12	Academic Dress	2,000,000	-	2,000,000	1,300,336	699,664	65	
13	Academic Support	3,000,000	(1,500,000)	1,500,000	1,266,750	233,250	84	
14	Agricultural Training Farm	2,389,000	500,000	2,889,000	2,605,054	283,946	90	
15	Boarding Expenses	300,000	-	300,000	181,000	119,000	60	
16	Catering Expenses	15,000,000	(2,000,000)	13,000,000	10,478,825	2,521,175	81	
17	CUE Expenses	7,000,000	-	7,000,000	8,204,000	(1,204,000)	117	
18	Curriculum Development	2,000,000	(1,000,000)	1,000,000	429,155	570,846	43	
19	Examinations expenses	10,000,000	-	10,000,000	9,839,147	160,853	98	
20	Exhibitions & Shows	2,000,000	500,000	2,500,000	1,613,120	886,880	65	
21	External Examination Expenses	3,000,000	-	3,000,000	931,942	2,068,058	31	
22	Field Courses	7,500,000	(2,000,000)	5,500,000	4,505,980	994,020	82	
23	Graduation Expense	8,500,000	-	8,500,000	8,425,142	74,858	99	
24	Industrial linkages	500,000	(500,000)	-	-	-	-	
25	Innovation Fund	3,500,000	(1,000,000)	2,500,000	800,725	1,699,275	32	
26	Internal Research Fund	8,000,000	(3,000,000)	5,000,000	4,206,395	793,605	84	
27	KUCCPS Expenses	4,500,000	(250,000)	4,250,000	4,240,000	10,000	100	
28	Library expenses	6,000,000	300,000	6,300,000	5,786,748	513,252	92	
29	ODEL Expenses	10,000,000	-	10,000,000	1,215,210	8,784,790	12	
30	Part-time lecturers	65,000,000	(8,200,000)	56,800,000	55,782,013	1,017,987	98	
31	Regulatory Bodies Expense	2,000,000	-	2,000,000	1,438,500	561,500	72	
32	Senate and Senate committees	1,000,000	-	1,000,000	421,610	578,390	42	
33	Sports & Games	5,000,000	-	5,000,000	3,964,960	1,035,040	79	
34	Student Insurance Premium	4,000,000	(1,000,000)	3,000,000	2,856,124	143,876	95	
35	Student Medical Expenses	5,000,000	-	5,000,000	4,113,391	886,610	82	
36	Student Work Study	2,000,000	-	2,000,000	2,000,000	-	100	
37	Students' Activities	4,000,000	(1,000,000)	3,000,000	2,757,824	242,176	92	
38	Students Bursary Fund	1,000,000	1,000,000	2,000,000	2,000,000	-	100	





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

	Details	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of Utilization	Notes
		A	B	C = (A+B)	D	E	F = D/C	
39	Students Industrial Attachment	8,000,000	(500,000)	7,500,000	7,292,511	207,489	97	
40	Teaching Materials	10,000,000	2,000,000	12,000,000	10,464,624	1,535,376	87	
41	Teaching Practice	10,400,000	200,000	10,600,000	10,454,875	145,125	99	
	Sub-Total	212,589,000	(17,450,000)	195,139,000	169,575,960	25,563,040	87	5
	Administration and Operations Expenses							
42	Advertisement, Marketing & Publicity	3,000,000	(2,000,000)	1,000,000	866,155	133,845	87	
43	Audit Fees	960,000	-	960,000	960,000	-	100	
44	Automation Services	12,000,000	(4,000,000)	8,000,000	-	8,000,000	-	
45	Bank Charges	800,000	-	800,000	551,647	248,353	69	
46	Short-term wages	14,000,000	6,000,000	20,000,000	20,117,597	(117,597)	101	
47	Chancellors Expenses	1,200,000	-	1,200,000	1,200,000	-	100	
48	Cleaning Materials & Services	13,500,000	1,000,000	14,500,000	13,931,264	568,736	96	
49	Conferences & Seminars	4,000,000	-	4,000,000	2,889,511	1,110,489	72	
50	Disaster & Pandemic preparedness	500,000	-	500,000	-	500,000	-	
51	Electricity Expenses	12,000,000	-	12,000,000	10,633,177	1,366,823	89	
52	External Travel & Accommodation	1,000,000	-	1,000,000	179,277	820,723	18	
53	Staff Medical Insurance	58,000,000	2,000,000	60,000,000	59,963,966	36,034	100	
54	WIBA & Group life	16,000,000	-	16,000,000	15,672,755	327,245	98	
55	Internet Services	12,000,000	-	12,000,000	11,632,429	367,571	97	
56	Legal Fees	4,000,000	2,500,000	6,500,000	2,095,293	4,404,707	32	
57	Management Capacity Building	1,500,000	-	1,500,000	1,197,000	303,000	80	
58	Management Meetings	2,000,000	-	2,000,000	1,722,300	277,700	86	
59	Master Plan/Toposurvey	7,000,000	(3,000,000)	4,000,000	256,000	3,744,000	6	
60	Office Consumables	2,300,000	-	2,300,000	1,613,880	686,120	70	
61	PC & ISO Expense	2,200,000	-	2,200,000	1,068,032	1,131,968	49	
62	Professional Fees	4,000,000	(2,000,000)	2,000,000	1,289,944	710,056	64	





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	Details	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of Utilization	Notes
		A	B	C = (A+B)	D	E	F = D/C	
63	Property/M/vehicle Insurance	4,000,000	600,000	4,600,000	4,078,174	521,826	89	
64	Rent and Rates	500,000	(500,000)	-	-	-	-	
65	Security expenses	16,000,000	-	16,000,000	16,237,755	(237,755)	101	
66	Staff Trainings	5,000,000	-	5,000,000	3,759,945	1,240,055	75	
67	Staff Uniforms	1,000,000	-	1,000,000	59,000	941,000	6	
68	Staff Welfare	1,500,000	1,500,000	3,000,000	2,586,973	413,027	86	
69	Stationery Expenses	8,000,000	(1,000,000)	7,000,000	6,294,313	705,687	90	
70	Strategic Plan Activities	500,000	-	500,000	-	500,000	-	
71	Subscriptions & Registration Fees	2,500,000	-	2,500,000	1,508,260	991,740	60	
72	Telephone Expenses and Postage	500,000	-	500,000	171,136	328,864	34	
73	Travelling and Accommodation	9,000,000	-	9,000,000	8,573,069	426,931	95	
74	University Committee Expenses	2,000,000	1,000,000	3,000,000	2,994,950	5,050	100	
75	Water & Conservancy	7,500,000	-	7,500,000	4,824,201	2,675,799	64	
	Sub-Total	229,960,000	2,100,000	232,060,000	198,928,003	33,131,997	86	6
	Maintenance Expenses							
76	Generator fuel & Maintenance	1,500,000	-	1,500,000	1,143,494	356,506	76	
77	Grounds Maintenance	3,000,000	1,000,000	4,000,000	2,238,800	1,761,200	56	
78	Motor Vehicles fuel & maintenance	10,000,000	-	10,000,000	9,467,964	532,036	95	
79	Plant & Equipment Maintenance	2,000,000	-	2,000,000	1,460,238	539,762	73	
80	Building and General Repairs	7,000,000	-	7,000,000	6,167,288	832,712	88	
	Sub-Total	23,500,000	1,000,000	24,500,000	20,477,784	4,022,216	84	7
	Other Expenses							
81	Le Technisch expenses	50,000,000	15,000,000	65,000,000	63,596,287	1,403,713	98	
82	Corporate social responsibility	1,000,000	350,000	1,350,000	729,790	620,210	54	
83	Endowment Fund	500,000	-	500,000	500,000	-	100	
84	Production Unit Expense	5,000,000	(1,000,000)	4,000,000	3,140,800	859,200	79	
	Sub-Total	56,500,000	14,350,000	70,850,000	67,966,877	2,883,123	96	8





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	Details	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Performance difference	% of Utilization	Notes
		A	B	C = (A+B)	D	E	F = D/C	
	Total Recurrent Expenditure	1,663,168,716	76,387,397	1,739,556,113	1,601,649,412	137,906,701	92	
	Surplus for the year	290,000,000	-	290,000,000	523,141,349	(233,141,349)		
	Capital Expenditure							
85	Tuition & Office Block	120,000,000	-	120,000,000	35,109,760	84,890,240	29.3	
86	Furniture & Fittings	1,000,000	-	1,000,000	992,700	7,300	99.3	
87	Library Books, Journals & Materials	5,000,000	-	5,000,000	3,859,074	1,140,926	77.2	
88	ICT Equipment and computers	40,000,000	-	40,000,000	34,837,225	5,162,775	87	
89	Lab equipment and machines	53,500,000	-	53,500,000	36,252,493	17,247,507	67.8	
90	Plant and Equipment	12,000,000	2,000,000	14,000,000	2,957,421	11,042,579	21.1	
91	Motor Vehicles	8,000,000	-	8,000,000	7,657,000	343,000	95.7	
92	Security Infrastructure & Lighting	4,000,000	-	4,000,000	267,300	3,732,700	6.7	
93	Perimeter wall	30,000,000	-	30,000,000	27,741,704	2,258,296	92	
94	Internal Road Network	10,000,000	-	10,000,000	9,215,260	784,740	92.2	
95	Graduation Pavilion	5,000,000	(4,000,000)	1,000,000	334,000	666,000	33.4	
96	Students Centre	500,000	3,000,000	3,500,000	3,037,000	463,000	86.8	
97	Smart Agriculture center	500,000	(500,000)	-	-	-	-	
98	STEM Complex	500,000	(500,000)	-	-	-	-	
	Total Capital Expenditure	290,000,000	-	290,000,000	162,260,937	127,739,063	56	9
	Grand Total Expenditure	1,953,168,716	76,387,397	2,029,556,113	1,763,910,350	265,645,763	87	

Explanation of changes between original and the final budget

The Original Budget for FY2024/2025 was rationalized as per the with approved budget from the National Assembly supplementary estimates no. 1 and the approved scholarship and HELB projections and approved by the University Council. The budget was revised as per the Supplementary estimates no. II.





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Explanation of material variance

1. Tuition and Related Incomes

The State Department of Higher Education and Research guided that only household element is to be treated as Appropriations in Aid. This necessitated that material budget adjustment. Students are billed for the total cost of the programme for the semester once they report. For the scholarship and HELB funds to be separated from the tuition fees, only journal entries can be passed to reduce the tuition incomes once the scholarship and HELB funds are received. As such, only Kshs. 520,943,673 had been received and reduced from tuition income by 30th June, 2025. As at 30th June 2025, Kshs. 313 million was still pending to be released by universities Fund and HELB.

2. Accommodation income

The budgeted income was based on the bed capacity for 2 semesters. However, the University hostels were occupied for the May-August semester especially by TVET students.

3. Hotel income

The hotel got more business especially from other Government entities during the year.

4. Council Expenses

The Council budget had factored in payment of new Council allowances which were shelved by the Court.

5. Academic Expenses

The National Treasury circular issued in July 2024 that limited expenditures to only 15% affected most of the academic expenses budget line. The procurement processes for most of the budgets were not initiated in the first quarter.





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6. Administration and Operation expenses

Most of the operations budgets have been affected by the uncertainties surrounding release of funds for scholarships and loan for the new funding model students

7. Maintenance costs

The activities budgeted under maintenance costs like leveling of land at the People's Park, building repairs and maintenance of equipment had been initiated but were not completed by end of the financial year.

8. Other expenses

The proposals for some production units like gift shop, staff canteen were ready for implementation but some were yet to be actualized by end of the financial year. These are expected to be actualized in FY2025/2026.

9. Capital Expenditure

The capital expenditure budget absorption was majorly affected by underspending the Tuition and Office Block budget. The payment certificates for the Tuition and office block presented were Kshs. 34 million out of the total budget of Kshs. 120 million due to slow progress of work by the contractor and the sub-contractors.

RECONCILIATION OF ACTUALS IN THE STATEMENT OF FINANCIAL PERFORMANCE AND THE BUDGET

<u>INCOME</u>	<u>KShs</u>	<u>EXPENDITURE</u>	<u>KShs</u>
Total Income as per the Statement of Financial Performance	2,127,698,187	Total Expenditure as per the Statement of Financial Performance	1,680,200,157
<u>Add:</u>		<u>Add Back:</u>	
Development Grants	-	Capital items	162,260,937
<u>Less:</u>		<u>Less:</u>	
Amortized grant in kind	(2,907,425)	Changes in Inventory	2,083,820
		Depreciation	(76,243,306)
		Increase in Provision for doubtful debts	(4,391,258)
Total Income As per the Budget	2,124,790,761	Total Expenditure as per the Budget	1,763,910,350





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19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Machakos University is established by and derives its authority and accountability from The Universities Act. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. Machakos University's principal activities are teaching/training, research, innovation, and community service.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION – IPSAS 1

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with the International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying Machakos University accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4 (k) of these financial statements.

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

The financial statements have been prepared in accordance with the Public Financial Management Act (PFM), the State Corporations Act, the Universities Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

ADOPTION OF NEW AND REVISED STANDARDS

i. New standards and amended standards and interpretation in issue effective in the year ended 30 June 2025

There are no new and amended standards issued in the financial year.





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NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

Standard	Effective date and impact:
IPSAS 43: Leases	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash-flows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p> <p>Machakos University does not have any leased property hence the standard will not be relevant during the preparation of the financial statements</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p>Machakos University does not hold any non-current assets for sale hence the standard will not be relevant in preparation of the financial statements</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets</p>





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Standard	Effective date and impact:
	<p>if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>Machakos University does not have heritage assets at the moment. However, the University has infrastructural assets held under the building and site works asset class. This implies that the standard will guide the University on measurement and treatment of the two asset classes i.e. Land and, Building and site works.</p>
<p>IPSAS 46 Measurement</p>	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p>Machakos University adopted IPSAS and hence this standard will be applicable to improve the measurement across all the standards that the University has applied.</p>
<p>IPSAS 47- Revenue</p>	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>





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Standard	Effective date and impact:
	<p>Machakos University has adopted IPSAS 9, IPSAS 11 and IPSAS 23. Therefore the adoption of IPSAS 47 will improve the reporting of all the University revenues ranging from transfers from other Government entities to revenues generated internally.</p>
<p>IPSAS 48- Transfer Expenses</p>	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p>Machakos University has only been a receiver of transfers from the State Department of Higher Education and Research. As such, this standard may not be applicable to the University.</p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p>Machakos University operates a separate retirement benefit scheme which is distinct from the operations of the University. The scheme operates autonomously and presents its own separate books of accounts to members hence the standard may not be applicable once it becomes effective.</p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> <li data-bbox="464 1666 1449 1733">i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. <li data-bbox="464 1733 1449 1839">ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

Standard	Effective date and impact:
	<p>iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</p> <p>Machakos University does not have mineral sources at the moment hence the standard will not be applicable.</p>

III. Early adoption of standards

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

(i) Revenue from non-exchange transactions-IPSAS 23

Donations are recognized when received and the asset recognition criteria are met. Values for grants and donations related to property, equipment and other assets are estimated by the University or as advised by donors. Donations in kind of current nature are recognized in the year received and categorized as inventories while those of capital nature are prorated in their useful life in a systematic manner and categorized as deferred income in the financial statements in accordance with IPSAS 23.

Transfers from government entities are measured at fair value and recognized on obtaining the asset if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the university and can be measured reliably.





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NOTES TO THE FINANCIAL STATEMENTS (Continued)

(ii) Revenue from exchange transactions-IPSAS 9

Fees and other incomes are recognized when earned during the financial year. 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.

b) Budget Information-IPSAS 24

The Original Budget for FY2024/2025 was approved by the University Council and later rationalized with approved budget from the National Assembly, National Treasury and the communicated printed estimates by the State Department of Higher Education and Research (SHUER). Subsequent revisions were made to the approved budget in accordance with specific approvals from the appropriate authorities. The Supplementary estimates were communicated to the University vide letters dated 19th August 2024, 3rd September 2024 and 4th April 2025.

The revisions were added to the original budget upon receiving the respective approvals in order to conclude the final budget. Machakos University recorded budget revision of KShs. 76,387,397 as per the approved supplementary estimates no.II and the approved Scholarship and HELB Projections.

The Annual Budget is prepared on accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the university. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or university differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts except for few items that are not budgeted for.

A reconciliation has been provided to explain the difference in the actual amounts in statement of comparison of budget and actual amounts and the actuals amounts in per the statement of financial performance has been prepared after the notes explaining the material variances of the budget.





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NOTES TO THE FINANCIAL STATEMENTS (Continued)

c) Property, Plant and Equipment-IPSAS 17

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 is calculated on straight line basis over the estimated useful lives of the assets.

The annual rates in use are:

i. Land	0.0%
ii. Buildings	2.5%
iii. Motor vehicles	12.5%
iv. Property, Plant & Equipment	12.5%
v. Computers & ICT Equipment	12.5%
vi. Library books	5%
vii. Loose Tools	12.5%

Library books and Loose tools are accounted for under Property, Plant and Equipment as per the IPSAS 17

d) Inventories-IPSAS 12

Inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.





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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

e) Nature and purpose of reserves

The university creates and maintains reserves in terms of specific requirements. The reserves are maintained to cater for assets replacement, settlement of bad and doubtful debts, and any other contingency.

f) Changes in accounting policies and estimates – IPSAS 3

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

g) Employee benefits-IPSAS 39

The University established a defined contributions benefits scheme by the name Machakos University Retirement Pension Scheme under the custodian of Machakos university pension scheme, where employees' contributions are channeled to. The fund is managed by Liberty Pension Scheme.

h) Related parties – IPSAS 20

The university regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the university, or vice versa. These parties offer managerial, advisory and regulatory services. The National Government, Members of Council and the management team are regarded as related parties in preparation of these financial statements. National Government transactions have been disclosed under revenue from non- exchange transactions (Recurrent grants) and under capital reserves (Development grants), Members of Council allowances and management team remuneration have been disclosed under Administrative and Academic expenses in the statement of financial performance. The related parties' transactions are summarized in tables (a) and (b) below





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NOTES TO THE FINANCIAL STATEMENTS (Continued)

a) COUNCIL EXPENSES	2024-2025	2023-2024
Sitting Allowances	6,960,000	7,559,000
Subsistence Allowances	5,235,992	5,388,060
Mileage Allowances	1,367,065	886,791
Honoraria and Telephone	1,044,000	1,044,000
Lunch Allowances	386,000	8,000
Others	4,808,286	2,884,650
	19,801,343	17,770,501

b) **NATIONAL GOVERNMENT**

Grants	2024/2025	2023/2024
Recurrent Grants	721,159,182	769,721,027
Development Grants	-	7,250,000
TOTAL	721,159,182	776,971,027

i) **Cash and cash equivalents – IPSAS 2**

Cash and cash equivalents comprise cash on hand, M-Pesa, 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.

j) **Comparative figures**

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

k) **Significant judgments and sources of estimation uncertainty – IPSAS 1**

The preparation of Machakos University 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.





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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Estimates and assumptions

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

Useful lives and residual values

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

The condition of the asset based on the assessment of experts employed by the university

- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset.

Provisions:

- Provision for Doubtful debts policy

A provision for any uncollected debt shall be provided as a doubtful debt as follows:

- i. Below 5 years – 1%
- ii. 5 – 10 years – 50%
- iii. Above 10 years – 75%

1) The Accounts Receivables

The Accounts receivables are stated at their nominal value.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

m) Accounts Payables

The Accounts payables are stated at their nominal value.

n) Deferred Income

Deferred income arises as a result of donation in kind of fixed assets that are amortized annually at a rate equivalent to the depreciation rate. All other relevant costs being freight, custom and clearing charges are capitalized.

o) Capital Reserves

Capital reserves recognized in the financial statements comprises of development grants from the ministry and revaluations of property, plant and equipment

p) Subsequent events – IPSAS 14

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

q) Corporate Tax

Machakos University is exempted from paying corporate tax by the Income Tax Act Cap 470 of the laws of Kenya.

r) Financial Risk Management

Machakos University's activities expose the institution to a variety of financial risks including credit and liquidity risks, effects of changes in foreign currency and changes in market prices. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The university's financial risk management encompasses the scrutiny and proactive oversight of a number of key elements of the University's operations including Credit risk, Liquidity risk and market risk.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(i) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the University. The University's credit risk is primarily attributable to its receivables. The amounts presented in the statement of financial position are net of provision for doubtful debts, estimated by the University's management based on prior experience and their assessment of the current economic environment. The management provides for doubtful debts for non-performing debts in every year to mitigate the financial risks.

(i) Market risk

There has been no change to the University's exposure to market risks or the manner in which it manages and measures the risk.

(ii) Capital Risk Management

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

	2024/2025	2023/2024
	KShs	KShs
Retained earnings	514,351,989	72,889,156
Capital reserve	3,222,874,957	3,222,874,957
Deferred Income	13,236,396	10,439,603
Total funds	3,750,463,343	3,306,203,716
Total borrowings		-
Less: cash and bank balances	686,604,155	452,624,213
Net debt/ (excess cash and cash equivalents)	-	-
Gearing ratio	-	-

The University does not have any long-term obligations hence the gearing ratio does not apply.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. GRANTS IN KIND

	2024-2025	2023-2024
	Kshs.	Kshs.
Equipment From Seeding Labs (17,382,586*12.5%)	-	2,172,823
Luban Workshop - Equipment (13,978,782 x 12.5%)	1,747,348	1,747,348
Luban Workshop - Computers (31,467,844 x33.3%)	-	31,468
Library books (1,157,681*5%)	57,884	57,884
Engineering - Computers (349,487*12.5%)	43,686	43,686
Engineering - Equipment (100,890*12.5%)	12,611	12,611
Virtual Computing Lab Equipment (1,384,419.36*12.5%)	173,052	173,052
Electronics Lab Equipment (1,278,532.29*12.5%)	159,817	159,817
Luban Workshop -ICT Equip & Computers 5,704,219*12.5%	713,027	-
	2,907,425	4,398,689

NOTE:

- (a) Donated Assets in the year 2016/2017 comprised of;
 - 1. Equipment from Seeding Labs Ksh 17,382,586
- (b) Donated Assets in the year 2020/2021 comprised of;
 - 1. Equipment for Luban Workshop Kshs. 13,978,782
 - 2. Computers for Luban Workshop Kshs. 31,467,844
- (c) Donated Assets in the year 2021/2022 comprised of;
 - 1. Library Books from various donors Kshs. 1,157,681
 - 2. Computers for Engineering Workshop Kshs. 349,487
 - 3. Equipment for Engineering Workshop Kshs. 100,890
- (d) Donated Assets in the year 2023/2024 comprised of;
 - 1. Virtual Computing Lab Equipment Kshs. 1,384,419.36
 - 2. Electronics Lab Equipment Kshs. 1,278,532.29
- (e) Donated Assets in the year 2024/2025 comprised of;
 - 1. ICT Equipment & computers from TCVC Ksh.5704219





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. TUITION & OTHER RELATED INCOMES

VOTEHEAD	2024-2025	2023-2024
	Kshs.	Kshs.
Academic trips	12,468,023	7,980,693
Activity fee	10,544,425	10,371,500
Admission fee	8,401,200	5,963,000
Application fee	418,515	321,520
Attachment Fee	26,574,505	21,070,492
Boarding	6,524,808	4,780,922
Catering	5,571,674	6,969,672
Centre fees	234,300	60,000
Certification income	75,240	45,300
Computer Project fee	260,287	245,813
Examinations fee	29,890,987	28,492,116
General damages/Other charges	44,184	33,361
Graduation Fees	4,848,000	4,569,000
Industrial Attachment & Insurance	40,347,450	3,292,250
ICT Fee	1,433,000	39,155,900
KNEC & KASNEB Exam Fee	-	16,984,155
Laboratory/Workshop fee	25,398,175	21,201,475
Library fee	7,345,392	7,618,871
Material development	3,841,216	6,963,200
Medical fee	21,477,162	20,860,500
Penalty fee	126,358	106,770
Quality Assurance fee	8,903,800	7,743,250
R.D Cheques Charges Income	-	3,600
Referral/ Supplementary	6,745,534	5,600,200
Registration fee	24,423,224	16,277,500
Re-Take Fee	1,348,108	2,292,513
SAMU Membership and Subscriptions	-	8,841,970
Statutory charges	3,153,526	3,900,843
Students Identity Cards	2,206,820	1,845,500
Students Insurance fee	9,917,343	8,980,000
Students projects	1,203,200	106,102
Supervision fees	236,100	120,000
Teaching Practice fee	1,507	25,669
Thesis Examination	340,000	160,000
Tuition fee	475,195,055	552,430,109
TOTAL	739,499,118	815,413,766

Note: Kshs. 520,943,673 relating to scholarship and HELB loans received has been deducted from the tuition fee.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. I.G.A AND OTHER INCOMES	2024-2025	2023-2024
<u>VOTEHEAD</u>	Kshs	Kshs
Le Technisch Restaurant	139,265,733	115,420,597
Production Unit -Food & Beverage	292,536	220,372
Production Unit - Agriculture	30,185	-
Production Unit - Corporate Affairs	1,300	11,433
Production Unit - Electrical	530,000	-
Auction	314,640	301,540
Seminar	31,025	131,500
Hire of facilities	578,921	557,409
Rent	405,000	415,750
Research & Consultancy income	1,147,463	-
Management fee	109,547	113,021
Other Incomes	474,739	3,000,292
Crenche Income	7,700	-
TOTAL	143,188,788	120,171,914

9. EMPLOYMENT COSTS	2024-2025	2023-2024
	Kshs	Kshs
Basic salaries	623,643,171	501,190,918
House allowance	194,148,399	195,819,232
Pension & Gratuity	111,170,940	97,160,379
NSSF	15,545,602	8,785,930
Leave Allowance	4,680,812	4,754,235
Commuter Allowances	62,349,229	63,097,603
Part-time lecturers	-	84,109,511
Adjunct Lecturers	34,971,516	31,545,507
Casual wages	-	14,510,298
Book & Research Allowances	1,609,000	1,602,000
Housing Levy	15,374,581	11,535,826
Other allowances	61,406,196	64,626,540
TOTAL	1,124,899,445	1,078,737,978

10. COUNCIL EXPENSES	2024-2025	2023-2024
Sitting Allowances	6,960,000	7,559,000
Subsistence Allowances	5,235,992	5,388,060
Mileage Allowances	1,367,065	886,791
Honoraria and Telephone	1,044,000	1,044,000
Lunch Allowances	386,000	8,000
Others	4,808,286	2,884,650
	19,801,343	17,770,501





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. ACADEMIC EXPENSES

VOTEHEAD	2024-2025	2023-2024
	Kshs	Kshs
Academic dress	1,300,336	736,420
Academic Support	1,266,750	-
Academic Research Expenses	-	22,584,076
Agricultural Farm Expenses	2,605,054	736,097
Attachment expenses	7,292,511	7,310,124
Boarding expenses	181,000	122,700
Catering expenses	10,478,825	10,144,569
CUE expenses	8,204,000	960,000
Curriculum development expenses	429,155	956,913
Examinations expenses	9,839,147	25,758,814
Exhibitions & Shows	1,613,120	1,452,307
External examinations expenses	931,942	1,258,718
Field courses expenses	4,505,980	2,042,847
Graduation Expenses	8,425,142	8,358,846
Industrial linkages	-	253,650
Innovation fund expenses	800,725	1,905,655
Insurance (Students) expenses	2,856,124	2,928,911
Internal Research expenses	4,206,395	6,059,278
KUCCPS expenses	4,240,000	3,361,500
Library expenses	5,786,748	2,903,640
ODEL expenses	1,215,210	266,750
Part-time Lecturers	55,782,013	-
Students Medical expenses	4,113,391	3,769,957
Regulatory bodies Expense	1,438,500	841,750
SAMU expenses	-	8,822,947
Senate & Senate Committees expenses	421,610	494,820
Sports & Games	3,964,960	4,059,765
Students Activities expenses	2,757,824	3,110,615
Students Bursary fund expense	2,000,000	1,000,000
Students Work Study expenses	2,000,000	1,879,750
Teaching Materials and Expenses	10,464,624	7,745,335
Teaching practice expenses	10,454,875	9,143,046
TOTAL	169,575,960	140,969,799





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. ADMINISTRATIVE AND OPERATIONS EXPENSES

<u>VOTEHEAD</u>	2024-2025	2023-2024
	Ksh	Ksh
Advertisement, Marketing and Publicity Expense	866,155	908,324
Audit fees	960,000	960,000
Automation expenses	-	1,527,390
Bank Charges	551,647	755,305
Short-term wages	20,117,597	-
Chancellors Expenses	1,200,000	1,200,000
Change in Inventories	(2,083,820)	(238,979)
Cleaning & Sanitation	13,931,264	11,817,824
Conference and Seminars Expenses	2,889,511	5,096,070
Disaster & Pandemic preparedness	-	121,500
Electricity Expense	10,633,177	11,106,875
External Travelling expenses	179,277	738,415
Staff Medical Insurance	59,963,966	56,608,309
WIBA & Group life	15,672,755	15,691,238
Internet services	11,632,429	11,506,049
Legal expenses	2,095,293	2,953,714
Management Capacity Building	1,197,000	448,000
Management meetings expenses	1,722,300	444,800
Marketing & Publicity Expense	-	831,450
Master plan	256,000	-
Newspapers & Magazines	-	154,735
Office Consumables	1,613,880	1,502,140
PC & ISO	1,068,032	1,777,472
Printing and publishing	-	39,200
Professional fees	1,289,944	2,604,693
Property Insurance	4,078,174	3,586,521
Security Expenses	16,237,755	10,292,179
Staff Trainings & Development	3,759,945	4,066,000
Staff Uniforms	59,000	10,000
Staff welfare expenses	2,586,973	1,282,217
Stationery Expenses	6,294,313	7,599,700
Strategic Planning expenses	-	3,356,773
Subscriptions & Registration Fees	1,508,260	1,792,840
Telephone & Postage	171,136	513,202
Travelling & Accommodation expenses	8,573,069	8,066,728
University Committees Expenses	2,994,950	1,931,110
Water & Conservancy	4,824,201	6,367,525
TOTAL	196,844,183	177,419,317





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. REPAIRS AND MAINTENANCE EXPENSES

<u>VOTEHEAD</u>	2024-2025 Ksh	2023-2024 Ksh
Generator Fuel & maintenance	1,143,494	1,184,878
Grounds Maintenance	2,238,800	13,200
Motor vehicles fuel & Maintenance	9,467,964	8,877,259
Plant & Equipment Maintenance	1,460,238	1,333,312
Building and General Repairs	6,167,288	5,355,718
TOTAL	20,477,784	16,764,367

14. OTHER EXPENSES

<u>VOTEHEAD</u>	2024-2025 Kshs	2023-2024 Kshs
Le Technisch Restaurant Expenses	63,596,287	49,823,114
Corporate social responsibility	729,790	799,985
Endowment fund	500,000	-
Production unit expenses	3,140,800	92,935
TOTAL	67,966,877	50,716,034





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. NON-CURRENT ASSETS.

Property Plant & Equipment Schedule

	LAND	BUILDINGS & SITE WORKS	WORK IN PROGRESS	MOTOR VEHICLES	COMPUTERS	FURNITURE & EQUIPMENT	LOOSE TOOLS	LIBRARY BOOKS	TOTALS
	KSH	KSH	KSH	KSH	KSH	KSH	KSH	KSH	KSH
DEPRECIATION RATES	-	0.025	-	0.125	0.125	0.125	0.125	0.05	
COST/ VALUATION									
As at 30th June 2023	1,285,000,000	1,046,116,027	510,962,183	42,310,000	66,481,402	182,076,678	29,786,500	77,707,520	3,240,440,310
2023/2024 ADDITIONS	-	23,297,180	6,683,024	7,995,000	15,218,417	16,338,781	-	4,751,716	74,284,118
REVALUATION	-	-	-	-	-	-	-	-	-
2023/2024 DONATIONS	-	-	-	-	-	2,662,952	-	-	2,662,952
As at 30TH JUNE 2024	1,285,000,000	1,069,413,207	517,645,207	50,305,000	81,699,819	201,078,411	29,786,500	82,459,236	3,317,387,380
2024/2025 ADDITIONS	-	-	75,437,724	7,657,000	34,837,225	40,469,914	-	3,859,074	162,260,937
REVALUATION	-	-	-	-	-	-	-	-	-
TRANSFERS	-	9,916,453	(9,916,453)	-	-	-	-	-	-
2024/2025 DONATIONS	-	-	-	-	5,704,219	-	-	-	5,704,219
As at 30TH JUNE 2025	1,285,000,000	1,079,329,660	583,166,478	57,962,000	122,241,263	241,548,325	29,786,500	86,318,310	3,485,352,536
DEPRECIATION									
Accumulated Depreciation 30.06.2023	-	162,200,912	-	10,577,500	22,158,251	110,406,834	26,063,188	18,285,189	349,691,873
Less: Accumulated Depreciation	-	-	-	-	-	-	-	-	-
Charge for 2023/2024	-	26,735,330	-	6,288,125	10,212,477	25,134,801	3,723,313	4,122,962	76,217,008
Accumulated Depreciation 30.06.2024	-	188,936,242	-	16,865,625	32,370,728	135,541,635	29,786,500	22,408,151	425,908,831
Less: Restated Depreciation	-	-	-	(999,375)	-	-	-	-	(999,375)
Charge for the 2024/2025	-	26,983,242	-	6,288,125	15,280,158	23,375,867	-	4,315,915	76,243,306
Accumulated Depreciation 30.06.2025	-	215,919,483	-	22,154,375	47,650,886	158,917,502	29,786,500	26,724,066	501,152,813
NET BOOK VALUES									
AS AT 30TH JUNE 2025	1,285,000,000	863,410,177	583,166,478	35,807,625	74,590,377	82,630,823	-	59,594,244	2,984,199,724
AS AT 30TH JUNE 2024	1,285,000,000	880,476,966	517,645,207	33,439,375	49,329,090	65,536,775	-	60,051,085	2,891,478,499

Note: 1. Depreciation that had been charged on the new Ambulance in FY2023/2024 amounting to Kshs. 999,375 has been re-instated.
 2. Furniture, Equipment of Kshs. 54,541,392 and Loose Tools of Kshs. 29,786,500 revalued in FY 2016/2017 have been fully depreciated.





Machakos University

Annual Reports and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)



Pioneer lecture building with ultra-modern Laboratories and Equipment



The upcoming Tuition and Office building



University Buses



Le-Technisch Hotel building



Luban Workshop with computers, Furniture and Equipment



Laboratory equipment





NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. TRADE AND OTHER RECEIVABLES

(a)	2024-2025 Kshs.	2023-2024 Kshs.
Exchange Transactions		
Student Debtors	476,491,550	118,359,618
Trade Debtors	100,888,743	72,984,826
E-Citizen Receivable	233,529	357,070
Other Debtors	4,512,290	4,700,290
	582,126,112	196,401,803
Provision for Doubtful debts	(26,614,296)	(22,223,038)
	555,511,815	174,178,765

Note 1: AGING ANALYSIS OF DEBTORS

a) Student Debtors		
Below 5 Years = 1%	468,191,845.75	4,681,918.46
5-10 Years =50%	8,299,704.00	4,149,852.00
Obove 10 Years= 75%	<u> </u>	<u> </u>
	476,491,549.75	8,831,770.46
b) Trade Debtors		
Below 5 Years = 1%	70,383,305.30	703,833.05
5-10 Years =50%	27,946,219.55	13,973,109.78
Obove 10 Years= 75%	<u>2,559,218.00</u>	<u>1,919,413.50</u>
	100,888,742.85	16,596,356.33
c) Other Debtors		
Below 5 Years = 1%	2,183,624.00	21,836.24
5-10 Years =50%	2,328,666.00	1,164,333.00
Obove 10 Years= 75%	<u> </u>	<u> </u>
	4,512,290.00	1,186,169.24
TOTAL	26,614,296.03	

Note 2: Out of the Kshs. 476,491,550 for the student debtors, Kshs. 313,923,617 relates to Scholarship and HELB funds due from the Universities Fund and HELB

(b)	2024-2025 Kshs.	2023-2024 Kshs.
Non-Exchange Transactions		
Govt Grants Receivable	-	64,143,419
Prepayments	2,628,000	128,000
Staff Advance	3,872	59,672
	2,631,872	64,331,091
Total	558,143,687	238,509,856





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. INVENTORIES
STOCKS -INVENTORIES

	2024-2025 Ksh	2023-2024 Ksh
Kitchen & Hospitality stores inventory	1,406,964	941,563
Central Stores inventory	3,474,454	4,942,538
Academic gowns inventory	19,195,453	17,836,601
Le-Technisch inventory	2,669,695	2,830,278
Maintenance store inventory	3,785,341	2,134,545
Health unit inventory	1,148,698	908,953
Fuel Inventory	93,890	96,198
Total	31,774,495	29,690,675

18. CASH & BANK BALANCES

<u>Bank</u>	<u>Account No.</u>	2024-2025 Kshs.	2023-2024 Kshs.
Standard Chartered:			
Standard Chartered Bank	0102016845602	104,710,514	108,111,005
Standard Chartered Bank	0152016845602	106,218,738	137,662,146
		210,929,252	245,773,151
National Bank:			
National Bank of Kenya	01020078499400	129,724,322	33,730,496
National Bank of Kenya	01020078499401	129,155,532	20,196,790
National Bank of Kenya	01020078499402	40,676,690	40,676,690
		299,556,543	94,603,976
Kenya Commercial Bank:			
Kenya Commercial Bank	1137145064	76,992,786	41,550,232
Kenya Commercial Bank	1180326849	13,810,074	18,577,667
Kenya Commercial Bank	1211489167	1,343	768,263
		90,804,202	60,896,162
Cooperative Bank of Kenya:			
Co-operative Bank of Kenya	01129277651100	4,660,066	4,643,158
Equity Bank:			
Equity Bank:	0600278674858	77,293,495	43,706,982
Sidian Bank:			
Sidian Bank	01018020006162	3,360,597	3,000,785
TOTAL		686,604,155	452,624,213



**NOTES TO THE FINANCIAL STATEMENTS (Continued)****19. CAPITAL RESERVE**

	2024-2025 Kshs.	2023-2024 Kshs.
Balance B/f	3,222,874,957	3,215,624,957
Development Grants for the year	-	7,250,000
Balance as at 30th June	3,222,874,957	3,222,874,957

20. (a) REVENUE RESERVE

	2024-2025 Kshs.	2023-2024 Kshs.
Balance B/f	72,889,156	(48,888,534)
Prior year Adjustments	(6,035,196)	(70,035,807)
Surplus/Deficit for the year	447,498,029	191,813,496
Balance as at 30th June	514,351,989	72,889,156

20. (b) DEFERRED INCOME

	2024-2025 Kshs.	2023-2024 Kshs.
Equipments from Seeding Labs Bal b/f	-	2,172,824
Luban Workshop - Equipment	6,989,392	8,736,739
Luban Workshop - Computers	-	31,468
Library books	984,029	1,041,913
Engineering - Computers	73,043	116,729
Engineering - Equipment	63,057	75,668
Lab Equipment -Virtual Computing	1,211,367	1,384,419
Lab Equipment -Electronics	1,118,716	1,278,532
Luban Workshop - ICT Equipment & Computers	5,704,219	-
	16,143,822	14,838,292
Amortization (17,382,586 @12.5%)	-	(2,172,823)
Amortization (13,978,782 @12.5%)	(1,747,348)	(1,747,348)
Amortization (31,467,844 @ 12.5%)	-	(31,468)
Amortization (1,157,681 @ 5%)	(57,884)	(57,884)
Amortization (349,487 @ 12.5%)	(43,686)	(43,686)
Amortization (100,890 @ 12.5%)	(12,611)	(12,611)
Amortization (1,384,419.36 @ 12.5%)	(173,052)	(173,052)
Amortization (1,278,532.29 @ 12.5%)	(159,817)	(159,817)
Amortization (5,704,219 @ 12.5%)	(713,027)	-
Balance as at 30th June	13,236,396	10,439,603

NOTE: (a) Donated Assets in the year 2016/2017 comprised of;

1. Equipment from Seeding Labs Ksh 17,382,586

(b) Donated Assets in the year 2020/2021 comprised of;

1. Equipment for Luban Workshop Kshs. 13,978,782
2. Computers for Luban Workshop Kshs. 31,467,844





Machakos University

Annual Report and Financial statements for the year ended June 30, 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(c) Donated Assets in the year 2021/2022 comprised of;

1. Library Books from various donors Kshs. 1,157,681
2. Computers for Engineering Workshop Kshs. 349,487
3. Equipment for Engineering Workshop Kshs. 100,890

(d) Donated Assets in the year 2023/2024 comprised of;

1. Virtual Computing Lab Equipment Kshs. 1,384,419.36
2. Electronics Lab Equipment Kshs. 1,278,532.29

(e) Donated Assets in the year 2024/2025 comprised of;

1. ICT Equipment & computers from TCVC Ksh.5704219

21. TRADE & OTHER PAYABLES

	2024-2025 Kshs.	2023-2024 Kshs.
Trade payables		
Recurrent Trade Payables	80,833,417	13,291,585
Audit fees	960,000	960,000
Customer & Other Prepayments	5,900,585	7,128,799
Chancellors Scholarship fund	2,100,957	3,057,825
Endowment fund	1,261,343	768,263
Research Liability	11,822,691	18,285,742
Part Time Claims owing	20,719,420	-
Alumni Liability	1,402,750	10,500
	125,001,162	43,502,713
Capital Creditors		
Retention	44,091,206	41,343,398
Other capital creditors	54,873,082	15,329,120
	98,964,288	56,672,518
Students payables		
Students Prepaid fees	80,480,083	88,085,137
Refundable Caution fees	66,823,510	60,886,745
KNEC Exams	784,808	-
MUSA Membership & Subscription	128,487	-
Students Sponsorships Fund	20,703,893	11,741,598
	168,920,781	160,713,480
Payroll payables		
Leave Allowance Payable	2,367,598	2,366,017
Staff deductions payable	66,847	87,824
Part Time Claims owing	-	14,620,550
Staff Gratuity Payable	29,502,258	28,136,426
CBA Arrears payable	85,435,784	-
	117,372,487	45,210,816
	510,258,718	306,099,528





NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RECEIPTS	2024-2025	2023-2024
22. (a) Non-Exchange transactions	Ksh	Ksh
Revenue from non-exchange transactions	1,242,102,855	792,305,103
Change in Grants Receivables	64,143,419	(34,041,965)
Less: Development grants received	-	(30,101,454)
	1,306,246,274	728,161,684
22. (b) Exchange transactions	Ksh	Ksh
Revenue from exchange transactions	882,687,906	935,585,680
Change in Receivables	(388,168,508)	17,788,687
Change in Student payables	8,207,301	13,091,585
Prior year Adjustments	(6,035,196)	(70,035,807)
Re-stated depreciation	(999,375)	-
	495,692,128	896,430,145
TOTAL RECEIPTS	1,801,938,402	1,624,591,828
23. PAYMENTS	2024-2025	2023-2024
23. (a) Employment costs	Ksh	Ksh
Employment Costs	1,124,899,445	1,078,737,978
Change in Payroll payables	(72,161,670)	(6,488,954)
	1,052,737,775	1,072,249,024
23. (b) Council expenses	Ksh	Ksh
Council Expenses	19,801,343	17,770,501
	19,801,343	17,770,501
23. (c) Academic, Administrative and other expenses	Ksh	Ksh
Academic Expenses	169,575,960	140,969,799
Administration & Operations Expenses	196,844,183	177,419,317
Repairs & Maintenance Expenses	20,477,784	16,764,367
Other Expenses	67,966,877	50,716,034
Change in Inventories	2,083,820	238,979
Change in Trade payables	(81,498,449)	2,961,924
	375,450,175	389,070,419
TOTAL PAYMENTS	1,447,989,293	1,479,089,944
24. CAPITAL PAYMENTS	2024-2025	2023-2024
Purchase of Property, Plant & Equipment	(162,260,937)	(74,284,118)
Change in capital creditors	42,291,770	(16,492,274)
Net cash flows used in investing activities	(119,969,167)	(90,776,392)



Machakos University

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. CASH GENERATED FROM OPERATIONS

	2024-2025	2023-2024
	Ksh	Ksh
Surplus /Deficit for the year	447,498,029	191,813,496
Adjusted for:		
Depreciation	76,243,306	76,217,008
Non-cash grants received	(2,907,425)	(4,398,689)
Working Capital adjustments		
Change in inventory	(2,083,820)	(238,979)
Change in receivables	(319,633,831)	(64,473,760)
Prior Year Adjustments	(6,035,196)	(70,035,807)
Re-stated Depreciation	(999,375)	-
Change in Payables	161,867,420	16,618,615
Net Cash-flow from operating activities	353,949,109	145,501,884

CONTINGENT ASSETS AND LIABILITIES

Contingent Assets

The University does not anticipate any reimbursement arising from insurance reimbursement, determination of court cases or reimbursable indemnities and guarantees. However, the University expects to receive Kshs. 135,234,394 from the Universities Fund for scholarship and Kshs. 178,689,223 from Higher Education Loans Board for loans relating to students centered finding model.

Contingent Liabilities

The University anticipates to incur expenditure on legal services for the on-going undetermined court cases. There are uncertainties regarding the University's litigation issues considering that the court cases might be determined in favor or against the University.

As at June 30, 2025 the University could not determine the actual amounts that may be payable for the following on-going court cases:

Prof. Francis Mathooko Versus Machakos University
Fredrick Ogola lecturer/Petitioner Versus Machakos University/Respondent
Alfred Nyandika Migiro Lecturer/Applicant Versus Machakos University





20. APPENDICES

APPENDIX I: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issue raised by the external auditor, and management comments that were provided to the auditor. We have set time frames within which we expect the issues to be resolved as shown in the table below.

Reference no. on the external audit report	Issue/ Observations from auditor	Management comments	Status: (Resolved /Not Resolved)	Time frame: (put a date when you expect the issue to be resolved)
N/A FY 2023/2024	Lawfulness and effective use of public resources Non-Compliance with Fiscal Responsibility Policy – Employment costs were 62% of the total revenue which exceeded the recommended threshold of 35%.	The University is required to engage academic staff in order to comply with the Commission for University Education Guidelines. The University’s priority in recruiting academic staff and avoiding to replace the retired members of non-teaching staff has reduced the wage bill from 72% in the FY 2020/2021 to 62% in FY 2023/2024. Consequently, the University is putting strategies to increase its internally generated revenues and invest on acquiring more academic facilities to increase student population hence reduce the percentage of budget going to wage bill.	In Progress	30 June 2028
N/A FY 2023/2024	Lawfulness and effective use of public resources Irregular payment of Acting Allowances – Included in the employment costs is Kshs. 2,755,300 for acting allowances paid to officers who acted for a period of more than six (6) months.	The recruitment process for the Deputy Vice-Chancellor positions is conducted by the Public Service Commission (PSC). The University has since communicated the vacant positions to the commission. Some of the positions would not have been filled during the year under review because the offices still had substantive office holders but were not in the University. The University has put efforts to fill all the positions substantively by budgeting them in the 2025/2026 Budget.	In Progress	30 June 2026
N/A FY 2023/2024	Lawfulness and effective use of public resources Irregular security expenses – Included in	The police officers deployed in Machakos University are not paid for private use since the university is a public institution. The University does not pay the police	Resolved	-





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Reference no. on the external audit report	Issue/ Observations from auditor	Management comments	Status: (Resolved /Not Resolved)	Time frame: (put a date when you expect the issue to be resolved)
	security expenses is Kshs. 1,985,456 paid directly to police officers deployed to the University instead of paying to the National Treasury.	officers their salaries but a facilitative stipend. The University has nine (9) police officers attached; being paid a stipend of Kshs. 14,286 and Kshs. 18,571 monthly depending on the rank. This translates to Kshs. 476 and Kshs. 619 daily. The engagement of the Police officers attached to Machakos University was discussed on 1 st July, 2015 in a meeting between Machakos University College, OCPD Machakos and Sub-County Administration Police Commander. The rates payable was agreed upon in the said meeting and a letter dated 3 rd July, 2015 to the County Commander, was done requesting for establishment of a police post and armoury in the University and letters of attachment. Officers attached to the University have letters and on reporting the same are filed.		
N/A FY 2023/2024	Lawfulness and effective use of public resources Non-compliance with Law on Ethnic Composition and People Living with Disability Rule – 60% of the workforce were from the dominant ethnic community in the County and less than 5%, people with disabilities.	Over the years, the local community dominance has reduced from 75% to 60% as at the end of 2023/2024 financial year through exits and new appointments. The University has continued to advertise vacancies through mass media with national reach to attract staff from the all over the Country. During shortlisting and appointment processes, the panels endeavour to balance the ethnic representations, without compromising the quality of staff appointed. The University will continue to make efforts in the subsequent recruitments to balance the said aspects and will endeavour to clear the imbalance.	In Progress	30 June 2028





Machakos University

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Reference no. on the external audit report	Issue/ Observations from auditor	Management comments	Status: (Resolved /Not Resolved)	Time frame: (put a date when you expect the issue to be resolved)
		In order to improve the percentage of people with disabilities, the University has been encouraging them to apply in all job advertisements. However, the University has not been receiving applications for the people with disabilities. The University will still continue to encourage them to apply in subsequent advertisements and also reach out to the National Council for Persons with Disabilities for referrals.		

Agalo

Prof. Joyce J. Agalo
Vice-Chancellor

Date: *11/07/2025*





Machakos University

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APPENDIX II: PROJECTS IMPLEMENTED BY MACHAKOS UNIVERSITY

Projects implemented by the University funded by Development partners or the Government.

S/n o	Project Title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1.	Tuition and Office Block	MksU/W/2017/2018	G. O. K	156 weeks	986,761,116	NO	YES

Status of Projects completion

S/n o	Project	Total project Cost	Total expended to date	Completion % to date	Budget (2024/2025)	Actual 2024/2025	Sources of funds
1.	Tuition and Office Block	986,761,116	548,569,742	Builders works- 80% Services – 43%	120,000,000	35,109,760	G. O. K / A-I-A





Machakos University

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APPENDIX III: TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development /Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others	
SDHE	13/08/2024	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	11/09/2024	Recurrent	53,730,983	53,730,983					53,730,983
SDHE	08/10/2024	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	08/11/2024	Recurrent	53,397,649	53,397,649					53,397,649
SDHE	05/12/2024	Recurrent	333,333	333,333					333,333
SDHE	05/12/2024	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	06/01/2025	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	07/01/2025	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	10/02/2025	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	13/03/2025	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	10/04/2025	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	02/05/2025	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	12/06/2025	Recurrent	53,730,982	53,730,982					53,730,982
SDHE	27/06/2025	Recurrent	76,387,397	76,387,397					76,387,397
Total			721,159,182	721,159,182					721,159,182

Note: SDHE – State Department of Higher Education





Machakos University

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APPENDIX IV: INTER- ENTITY CONFIRMATION LETTER


Transferring Entity: STATE DEPARTMENT FOR HIGHER EDUCATION

Beneficiary Entity: MACHAKOS UNIVERSITY

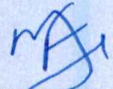
Confirmation of amounts received by Machakos University as 30 th June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C) = (A+B)	Remarks
N/A	13/08/2024	53,730,982	-	53,730,982	Capitation for July 2024
N/A	11/09/2024	53,730,983	-	53,730,983	Capitation for August 2024
N/A	08/10/2024	53,730,982	-	53,730,982	Capitation for September 2024
N/A	08/11/2024	53,397,649	-	53,397,649	Capitation for October 2024
N/A	05/12/2024	333,333	-	333,333	Capitation for October 2024
N/A	05/12/2024	53,730,982	-	53,730,982	Capitation for November 2024
N/A	06/01/2025	53,730,982	-	53,730,982	Capitation for December 2024
N/A	07/01/2025	53,730,982	-	53,730,982	Capitation for January 2025
N/A	10/02/2025	53,730,982	-	53,730,982	Capitation for February 2025
N/A	13/03/2025	53,730,982	-	53,730,982	Capitation for March 2025
N/A	10/04/2025	53,730,982	-	53,730,982	Capitation for April 2025
N/A	02/05/2025	53,730,982	-	53,730,982	Capitation for May 2025
N/A	12/06/2025	53,730,982	-	53,730,982	Capitation for June 2025
	27/06/2025	76,387,397	-	76,387,397	CBA grants for FY2024/2025
Total		721,159,182	-	721,159,182	

I confirm that the amounts shown above are correct as of the date indicated

Name: Ms. Margaret Kariuki
Head of Accounting Unit
State Department of Higher Education

Signature.....  Date..... 26/8/2025

CPA Francis Wambua
Ag. Chief Finance Officer
Machakos University

Signature.....  Date..... 30/09/2025





Machakos University

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APPENDIX V: REPORTING OF CLIMATE RELEVANT EXPENDITURES

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Sources of Funds	Implementing Partner
				Q1	Q2	Q3	Q4		
Community service	Corporate social responsibility	To enhance forest coverage	Tree growing	-	224,252	134,453	-	A-I-A	Machakos University





APPENDIX VI: REPORTING ON DISASTER MANAGEMENT EXPENDITURE

Programme	Sub-Programme	Disaster type	Category of disaster related activity that require expenditure reporting (response, Recovery, mitigation, Preparedness)	Expenditure Item	Amount (KShs.)	Comments
N/A	N/A	-	-	None	-	-