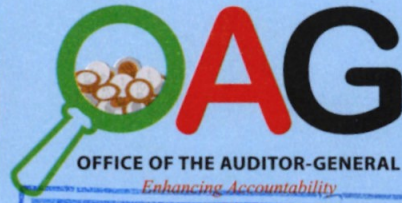


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

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FOR THE YEAR ENDED

30 JUNE, 2025

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OPEN UNIVERSITY OF KENYA

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2025

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

12 OCT 1961



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1. Acronyms and Definition of Key Terms

A: Acronyms

AHITI	Animal Health and Industry Training Institute
AGSO	Alliance for Greening Skills and Opportunities
ANIE	African Network of Internationalization of Education
ARC	Audit Risk and Compliance
AR &L	Academic Research and Linkages
ASLER	Association of Language Educators and Researchers
AU	African Union
AVOIR	African Virtual Open Resources and Initiatives Organisation
BETA	Bottom-Up Economic Transformation Agenda
CBET	Competency Based Education and Training
CCM	Corporate Communications and Marketing
CDF	Constituencies Development Fund
CEO	Chief Executive Officer
CIFS	Children in Freedom School
CIFA	Certified Investment and Financial Analyst
CPA (K)	Certified Public Accountant of Kenya
COL	Commonwealth of Learning
CSA	Climate Smart Agriculture
CSR	Corporate Social Responsibility
CUE	Commission for University Education
DOLPAK	Distance, Open and E-Learning Practitioners Association of Kenya
DVC	Deputy Vice - chancellor
ECL	Expected Credit Loss
EGF	Equity Group Foundation
EMCA	Environmental Management and Coordination Act
ESG	Environmental Social and Governance
ERP	Enterprise Resource Planning
FIHR & P	Finance Infrastructure, Human Resource and Planning
FISA	Freedom International School - Africa
FY	Financial Year
GDP	Gross Domestic Product
GESIP	Green Economy Strategy and Implementation Plan
GoK	Government of Kenya
GRI	Global Reporting Initiative
GSSP	Government Sponsored Student

HELB	Higher Education Loans Board
HESI	Higher Education Sustainability Initiative
HIV	Human Immunodeficiency Virus
HR	Human Resources
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information and Communication Technology
ICTD/ICT4D	Information & Communication Technology for Development
IGAD	Intergovernmental Authority for Development
IGNOU	Indira Gandhi National Open University
IHRM	Institute of Human Resources Management
IPSAS	International Public Sector Accounting Standards
IRIMP	IGAD Regional Infrastructure Masterplan
JSC	Joint Steering Committee
JKUAT	Jomo Kenyatta University of Agriculture and Technology
KALRO	Kenya Agricultural and Livestock Research Organisation
KENET	Kenya Education Network
KIEP	Kenya Industry and Entrepreneurship Project
KLISC	Kenya Library and Information Services Consortium
KNEC	Kenya National Examination Council
KNUT	Kenya National Union of Teachers
KoTDA	Konza Technopolis Development Authority
KUCCPS	Kenya Universities and Colleges Central Placement Services
LAEA	Language Association of East Africa
LMS	Learning Management System
LSE	London School of Economics
MA	Master of Arts
MBA	Master of Business Administration
MDA	Ministries, Departments and Agencies
MOU	Memorandum of Understanding
NGO	Non-Governmental Organisation
NITA	National Industrial Training Authority
NSSF	National Social Security Fund
ODL	Open and Distance Learning
OSHA	Occupational Safety and Health Act
OSSREA	Organization for Social Science Research in Eastern and Southern Africa
OUK	Open University of Kenya
PAC	Public Accounts Committee
PFMA	Public Finance Management Act

PIC	Public Investments Committee
PPE	Property Plant and Equipment
PSC	Public Service Commission
PSPMU	Public Service Performance Management Unit.
PSSP	Privately Sponsored Student
PWDs	Persons with Disabilities
RPL	Recognition of Prior Learning
RVTTI	Rift Valley Technical Training Institute
SAGA	Semi-Autonomous Government Agency
SCAC	State Corporations Advisory Committee
SDG	Sustainable Development Goal
SDHE	State Department for Higher Education
SKIES	Strengthening Kenya's Innovation Ecosystem
SoBE	School of Business and Economics
SoE	School of Education
SST	School of Science and Technology
UF	University Fund
UMB	University Management Board
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
USIU	United States International University
VLE	Virtual Learning Environment
WCAG	Web Content Accessibility Guidelines
WFATE	World Forum for Associations of Teacher Educators
WIBA	Work Injury Benefit Act
WIP	Work in Progress
VISA	Visitors International Stay Admission
VC	Vice-Chancellor

B: Definition of Key Terms

For purposes of this report the following terms are defined as follows:

Academic Year means a period of study and examination as designated by the Senate. The academic year may be divided into semesters or terms for ease of administration of services.

Act means the Universities Act, 2012 (No. 42 of 2012) as may be amended from time to time.

Alumni mean any person who is a former student and a graduate of OUK.

Annual Estimates Means the estimates prepared under Section 11 of the Charter and these Statutes in respect of any financial year.

Asynchronous Learning Means an educational approach where learners access and complete course materials on their own schedule, allowing for flexibility in how and when they participate.

Capital Development Budget means a financial plan specifically designed to allocate funds for long-term investments in assets that will provide benefits over several years.

Chair of Council Means the Chairperson of Council of the Open University of Kenya under Chapter 36 of the Act.

Charter Means the Open University of Kenya Charter (2023) granted under the provisions of the Act.

Comparative Year Means the prior period.

Constitution Means the Constitution of Kenya, 2010.

Council Means the Council of the Open University of Kenya established under Paragraph 13 of the Charter, and OUK Statutes.

E-Citizen Online portal in Kenya that provides a one-stop platform for accessing various government services.

Fiduciary Management Means members of Management directly entrusted with the responsibility of financial resources of the organization.

Financial Year Means the financial period of the University as provided for under the Act and in Paragraph 23 of the Charter and OUK Statutes.

Learning Management System Means the software application used to administer, document, track, report, and deliver educational courses or training programs at OUK.

Statutes Means the University Statutes (2023) approved by the Council under the Act and Section 14 of OUK Charter.

Recurrent Budget A budget that covers operational and regular expenses.

Student Means a learner registered by the University for the purposes of obtaining education and training towards the acquisition of a particular qualification of the University under OUK Statutes.

Synchronous Learning Means mode of education where all participants engage in learning activities at the same time.

The Government Means the government of Kenya.

The University Means the Open University of Kenya.

University Management Board Means a governance structure of the University under the Act and Paragraph 17 of the Charter and OUK Statutes

Vice-Chancellor Means the Vice-Chancellor of the Open University of Kenya appointed under the Act; Paragraph 14 of the Charter and OUK Statutes.

2. Key University Information and Management

(a) Background information

The Open University of Kenya (OUK) is a specialized public University established in August 2023 under Section 24(1)(b) of the Universities Act No. 42 of 2012. It was founded to address Kenya's growing need for flexible, inclusive and technology-driven higher education. OUK is an online and digital University committed to promoting accessibility, affordability, flexibility, inclusivity and quality education to all learners.

The University leverages modern Information and Communications Technology (ICT), including a comprehensive Virtual Learning Environment (VLE) and integrated Enterprise Resource Planning (ERP) system, to deliver a seamless academic experience. It also recognizes Prior Learning, enabling diverse learners to gain academic credit for skills and experiences acquired outside formal education. With a focus on national priorities and lifelong learning, OUK aims to transform Kenya's higher education landscape by offering accessible, relevant and future-oriented programmes to learners across the country and beyond.

The Governance Structure of the University:

The governance of the University is guided by its Charter and is organized into a coherent structure comprising academic schools, departments and administrative support units that collectively drive its mission of providing quality, flexible, affordable, accessible, inclusive and technology-enhanced higher education. It is anchored in four key organs: the Chancellor, the University Council, the University Management Board (UMB) and the Senate.

The Chancellor

The Chancellor serves as the titular head of the University and provides strategic guidance and oversight.

University Council

It is the highest policy-making organ, responsible for overall governance, resource allocation and strategic direction.

University Management Board (UMB)

The Board oversees the day-to-day operations and implementation of Council Decisions. The UMB consists of the following members:

- Vice-Chancellor as the Chair
- Deputy Vice-Chancellors
- Finance Officer
- Director ICT