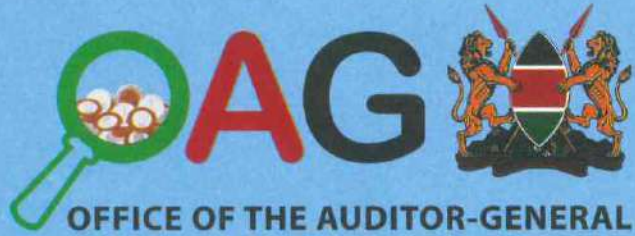


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

ON

EGERTON UNIVERSITY

FOR THE YEAR ENDED
30 JUNE, 2024



EGERTON UNIVERSITY



www.egerton.ac.ke



ANNUAL REPORT

&

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR

ENDED

30TH JUNE 2024

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

Transforming Lives through Quality Education

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1. ACRONYMS, ABBREVIATIONS AND OF TERMS

A: ACRONYMS

ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
VC	Vice Chancellor
DVC	Deputy Vice Chancellor
SODIL	Open and Distance Learning
IGU	Income Generating Units
SCAC	State Corporations Advisory Committee
ARMS	Academic Records Management System.
DILP:	Directorate of International Linkages and Programmes
DPD:	Directorate of Planning and Development
DRTEC:	Dryland Research and Ecotourism Centre
DVC AR&E:	Deputy Vice Chancellor Academic, Research and Extension
DVC AFP:	Deputy Vice Chancellor Administration, Finance and Planning
HCA:	Human Capital and Administration
ICT:	Information & Communication Technology
IGU:	Income Generating Units
NFM	New Funding Model
TAGDEV	Transforming African Agricultural Universities to Meaningfully Contribute to Africa's Growth and Development
NCCC	Nakuru City Campus College
AA	Academic Affairs
A-I-A	Appropriation in Aid

USAID	United States Agency for International Development
PHD	Doctor of Philosophy
BSc	Bachelor of Science
CBC	Competency Based Curriculum
TVET	Technical and Vocational Education and Training (TVET)

B: DEFINITION OF KEY TERMS

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

2. KEY UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background Information

Egerton University, established as a Farm School in 1939 by Lord Maurice Egerton of Tatton, is the oldest institution of higher learning in Kenya. Lord Egerton, a British national who settled in Kenya in the 1920s, initiated this educational venture. In 1950, the institution was upgraded to an Agricultural College, offering diploma programs. The Egerton Agricultural College Ordinance was enacted in 1955.

A significant expansion and facility upgrade, funded by the Government of Kenya and the United States Agency for International Development (USAID), took place in 1979. This development led to Egerton Agricultural College becoming a constituent college of the University of Nairobi in 1986. The following year, in 1987, Egerton University was formally established through an Act of Parliament. This Act was later repealed and replaced by the Universities Act No. 42 of 2012, and the University was rechartered in 2013.

The main campus of Egerton University is located in Njoro and houses the Faculties of Agriculture, Arts and Social Sciences, Education and Community Studies, Engineering and Technology, Environment and Resources Development, Science, and Veterinary Medicine & Surgery. Additionally, the Njoro Campus hosts several key administrative units, including the directorates of Examinations and Timetabling, Undergraduate Studies and Career Services, Board of Postgraduate Studies, School of Open and Distance Learning, the Institute of Gender, Women and Development Studies, the Confucius Institute, Marketing and Resource Mobilization, Income Generation Units, and Linkages and Collaborations.

The University also operates Nakuru City Campus College, which includes the Faculties of Commerce and Health Sciences, and Kenyatta Campus, situated 6 km southeast of Njoro Campus, which hosts the Centre for Capacity Building. Egerton University offers a wide range of programs at the diploma, bachelor's, master's, and doctorate levels, as well as various thematic short courses across its departments.

(b) Principal Activities

The Core business of the University as provided by the Universities Act No 42 of 2012 of the Laws of Kenya includes:

“Transforming Lives Through Quality Education”

1. Advancement of knowledge through teaching, scholarly research and scientific investigation;
2. Promotion of learning in the student body and society in general;
3. Promotion of cultural and social life of society;
4. Support and contribution to the realization of national economic and social development;
5. Promotion of the highest standards in, and quality of, teaching and research;
6. Education, training and retraining higher level professional, technical and management personnel;
7. Dissemination of the outcomes of the research conducted by the university to the general community;
8. Facilitation of life-long learning through provision of adult and continuing education;
9. Fostering of a capacity for independent critical thinking among its students;
10. Promotion of gender balance and equality of opportunity among students and employees;
11. Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

i. Vision

A world class University for the advancement of humanity.

ii. Mission

To generate knowledge and offer exemplary education and training to society for national and global development.

iii. Philosophy

Egerton University innovatively influences human development through generation, acquisition, preservation and dissemination of knowledge and skills in Agriculture and other disciplines, guided by the core values.

iv. Core Values

The University's activities and decisions will be guided by the following core values:

- a) National unity and social fairness;

“Transforming Lives Through Quality Education”

- b) Integrity, Transparency and Accountability;
- c) Professionalism;
- d) Internationalism;
- e) Passion for excellence and devotion to duty;
- f) Team work;
- g) Passion for environmental conservation;
- h) Innovativeness and creativity.

(c) Key Management

The University’s day-to-day management is under the following key organs: University Council, University Management Board and the Senate.

Key Management Organs	Name	Position	Date of Appointment	Date of Exit
Chancellor	Narendra Raval (Guru)	Chancellor	11/01/2019	10/01/2024
University Council	Amb. Dr Hukka Wario, PhD, CBS	Chairman of Council	06/10/2021	05/10/2024
	Dr Paul Maina Mwangi		13/03/2024	-
	Mr Julius K. Mutua		30/09/2019	-
	Hon. Gideon Kimutai Koske	Member	15/12/2023	14/12/2026
	Ms. Brenda Lubisia	Member	15/12/2023	14/12/2026
	Mr Charles Ngugi Njenga	Member	15/12/2023	14/12/2026
	Eng. Christopher O. Oanda	Member	15/12/2023	14/12/2026
	Prof. Isaac O. Kibwage	Secretary	05/10/2021	05/10/2026
Former University Council Members	Dr John N. Ondari	Member	04/11/2020	03/11/2023
	Dr Charity C. Nyaga	Member	04/11/2020	03/11/2023
	Dr Wilson Kipruto Ronno	Member	04/11/2020	03/11/2023
	Mr Joshua N. Otieno	Member	04/11/2020	03/11/2023
	Ms Esther M. Wabuge	Member	04/11/2020	03/11/2023
	Dr Paul Were K'Angira	Alternate Member Ministry of Education	01/09/2022	12/03/2024
University	Prof. Isaac O. Kibwage	Vice Chancellor	05/10/2021	05/10/2026

“Transforming Lives Through Quality Education”

Management Board				
	Prof. Bernard O. Aduda	DVC (AR&E)	01/02/2022	31/01/2027
	Prof. Richard M.S. Mulwa	Ag. DVC (AFP)		
	Prof. Joshua O. Ogendo	Principal, NTCC	16/08/2021	15/08/2026

(d) Fiduciary Management

The key management personnel who held office during the Financial Year ended 30th June 2024 and who had direct fiduciary responsibility are shown below;

	Name	Position	Date of Appointment	Date of Exit
University Management Board	Prof. Isaac O. Kibwage	Vice Chancellor	05/10/2021	05/10/2026
	Prof. Bernard O. Aduda	DVC (AR&E)	01/02/2022	31/01/2027
	Prof. Richard M.S. Mulwa	Ag. DVC (AFP)		
	Prof. Joshua O. Ogendo	Principal, NCCC	16/08/2021	15/08/2026
	Prof. Mwanarusi Saidi	Registrar (AA)	18/08/2021	17/08/2026
	Ms Maureen Ngala	Ag Registrar (HCA)		
	Prof. Nancy W. Mungai	Ag. Director (R&E)		
	Mr Charles K. Wanjohi	Ag. Chief Finance Officer		

(e) Fiduciary Oversight Arrangements

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education for ensuring that the University complies with the Universities Act 2012, The Council has four Committees as follows:

1. Audit, Governance and Risk Management Committee

Membership:

- (i) Ms Brenda Lubisia - Chairperson
- (ii) Mr Charles N. Njenga - Member
- (iii) Mr Julius K. Mutua - Alternate to Principal Secretary, The National Treasury

- (iv) Mr Nahashon M. Gitau - Secretary/Ag Internal Audit Manager

2. Finance, Human Resources and General Purposes Committee

Membership:

- (i) Eng. Christopher Oanda - Chairman
(ii) Hon. Gideon Koske - Member
(iii) Mr Julius K. Mutua - Alternate to Principal Secretary, The National Treasury
(iv) Prof. Isaac O. Kibwage - Secretary/ Vice Chancellor / Member

3. Planning, Development & Grievances Committee

- (i) Mr Christopher Oanda - Member
(ii) Mr Charles N. Njenga - Member
(iii) Dr Paul M. Mwangi - Alternate to Principal Secretary, State Department for Higher Education and Research, Ministry of Education
(iv) Prof. Isaac O. Kibwage - Secretary/ Vice Chancellor / Member

4. Academic and Research Committee

- (i) Hon. Gideon Koske - Member
(ii) Ms Brenda Lubisia - Member
(iii) Dr Paul M. Mwangi - Alternate to Principal Secretary, State Department for Higher Education and Research, Ministry of Education
(iv) Prof. Isaac O. Kibwage - Secretary/ Vice Chancellor / Member

The University Statutes (2013) and adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the University Council Charter.

The Council consists of eight members- the Chairman & five other members, representative of the National Treasury, Representative of the Principal Secretary Ministry of Education and the Vice Chancellor, who is the Secretary to the Council.

(f) Headquarters

P.O. Box 536 - 20115, **EGERTON**,
Njoro Campus,
Njoro Mau Narok Road,
NJORO, KENYA

(g) Contacts

Tel: (254) 051-2217891/2/051-2217781
E-mail: info@egerton.ac.ke
Website: www.egerton.ac.ke

(h) Bankers

1. Kenya Commercial Bank Ltd,
Egerton University Branch,
P.O. Box 248 – 20115,
EGERTON

2. Co-operative Bank of Kenya Ltd.
P.O. Box 2982 – 20100,
NAKURU

3. Absa Bank Kenya PLC
P.O. Box 66- 20100
NAKURU

4. National Bank Ltd.
P.O. Box 72866-00100
NAIROBI

5. NCBA Bank Ltd.
P.O. Box 44599- 00100
NAIROBI

(i) Independent Auditors

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

KEY ENTITY INFORMATION AND MANAGEMENT
(Continued)

- (j) **Principal Legal Adviser**
Sheth & Wathigo Advocates
Vickers Building
P.O. Box 611 – 20100
Nakuru, Kenya

3. THE UNIVERSITY COUNCIL



NAME: Amb. Dr. Luka.H.Wario, PhD, CBS

YOB: 1952

POSITION/KEY RESPONSIBILITIES:

Council Chairman; Chairman of Appointments Committee

QUALIFICATION:

B Ed, (UoN), M Ed (UoN) PhD (University of Reading)

WORK EXPERIENCE

Chairman, Taskforce on establishing the University of Marsabit; Chairman, Garissa University College Council; Management Consultant Selwood; Writer, Moran Publishers; Chairman, Transition Authority Selection Panel; Director, National Anti-Corruption Campaign Steering Committee; PS, Ministry of State for the Development of Northern Kenya and other Arid Lands; PS, Ministry of the East African Community; PS, Office of the Vice President and Ministry of Home Affairs; Head, Research & Policy Analysis Division; Head, Middle East Division; Director, Administration in the Ministry of Foreign Affairs; Coordinator, Somali National Reconciliation Conference; Ambassador, People's Republic of China; Kenya Representative, International Network for Bamboo and Rattan; High Commissioner, Republics of Zimbabwe and Mozambique and the Kingdoms of Lesotho and Swaziland; Assistant to Kenya's Special Envoy to Somalia; Lecturer, Moi University.



NAME: Dr. Paul Maina Mwangi

YOB: 1970

POSITION/KEY RESPONSIBILITIES:

Council Member – Alternate to P.S. State Department for Higher Education-Ministry of Education; Member – Planning, Development & Grievances Committee; Member – Academic and Research Committee.

QUALIFICATION:

BEd (Sci) (EU), MSc (KU), SLPD (KSG), Pursuing Ph.D (JKUAT)

WORK EXPERIENCE

Ministry of Education, State Department for Higher Education – Deputy Director of Education He has served as a Senior Deputy Director of Education, Assistant Director, Principal Education Officer, Senior Quality Assurance and Standards Officer, Graduate Teacher



NAME: Mr. Julius K. Mutua

YOB: 1971

POSITION/KEY RESPONSIBILITIES:

Council Member - Alt. to P.S. The National Treasury; Member - Audit, Governance and Risk Management Committee; Member - Finance, Human Resources & General-Purpose Committee.

QUALIFICATION: BA (Economics) -KU, MA(Economics)-University of Dar es Salaam

WORK EXPERIENCE

Programme Coordinator of Public Financial Management Reforms at The National Treasury; Has served in the boards of Capital Markets Authority, Retirement Benefits Authority, National Hospital Insurance, Policyholders Compensation Fund, Consolidated Bank, Kenya Plant Health Inspectorate Services, KCB Group and its subsidiaries.



NAME: Hon. Gideon Kimutai Koske

YOB: 1984

POSITION/KEY RESPONSIBILITIES:

Council Member; – Academic and Research Committee; Member – Finance, Human Resources and General Purposes Committee.

QUALIFICATION:

Dip in Purchasing and Supplies Management (KIM), B.COM – Procurement & Supply Chain Management (UON), MBA – Entrepreneurship (KU)

WORK EXPERIENCE

Former MP – Chepalungu Constituency, Vice Chair – Labour & Social Welfare Committee, member of PAC in the 12th parliament; Head of Marketing and Procurement EXP Momentum, General Marketing Manager, Chandarana Supermarket; Assistant Marketing Manager, Stagen Supermarket.



NAME: Ms. Brenda Lubisia

YOB: 1983

POSITION/KEY RESPONSIBILITIES:

Council Member - Audit, Governance & Risk Management Committee.

Member; Academic and Research Committee;

QUALIFICATION:

BSc. General (JKUAT), Masters in Procurement & Logistics (JKUAT)

WORK EXPERIENCE

Safaricom: Stock Controller; Customer Experience Executive



NAME: Mr Charles Ngugi Njenga

YOB: 1980

POSITION/KEY RESPONSIBILITIES:

Council Member; Member – Audit Governance and Risk Management

Committee; Member – Planning, Development & Grievances Committee.

QUALIFICATION:

LLB. (UON), DIP LAW (KSL), CPSK (KASNEB); Pursuing Global Masters in Sports, ISDE (Madrid, Spain),

WORK EXPERIENCE

Partner in Charge of Litigation and Dispute Resolution MKN and Company Advocates, Interconsumer Product Limited Company Secretary, Chairman, Football Kenya Federation, IDAC (Dispute Resolution Committee), Fortune of Africa Limited Company Secretary, MMC Asafo Advocates (Associate), Chairman, UDA Party Disciplinary Committee, Murang'a Water & Sanitation Co. Ltd Company Secretary; Muranga County Budget and Economic Forum Secretariat.



NAME: Eng. Christopher O. Oanda

YOB: 1963

POSITION/KEY RESPONSIBILITIES:

Council Member; Member - Planning, Development & Grievances Committee; Member - Finance, Human Resources & General Purposes Committee;

QUALIFICATION:

B.E in Chemical Engineering (Nit Burdwan University, Calcutta, India), Master of Systems Engineering MSE (Melbourne, Australia), Postgraduate Dip. In Supply Chain Management (CIPS UK)). General Electric and GIBS Management Graduate (GIBS Institute south Africa); World Bank Approved Trainer, WB Training Kigali, Rwanda.

WORK EXPERIENCE

President IFPSM, Finland - Strategic Leadership of the International Federation of Purchasing and Supply Management (IFPSM); Vice President , Finland – Strategic for Leadership of the Federation; Chair Africa Region IFPSM, UK, Strategic Leadership and development of the Federation in the African Region; Founding Chairman of the Kenya Institute of Supplies Management (KISM); Managing Partner & Director, The Global Procurement Academy Ltd (GPA), Kenya; Procurement and Supply chain Consultant, e-sokoni Consultancy Nigeria and Kenya; Head of Supply Chain – Kenya Airways; General Manager EA Area Procurement – BAT East Africa; Head of Procurement BAT Kenya; Planning and Supply Analyst-Total

Oil Kenya; Operations Research Engineer Mobil Oil Company
Australia; Operation Engineer – Kenya Pipeline Company;
Project Engineer II – Ministry of Trade of Industry.



NAME: Prof. Isaac O. Kibwage

YOB: 1954

POSITION/KEY RESPONSIBILITY

Vice-Chancellor

QUALIFICATION

B. Pharm (UoN), M.Pharm, PhD (K.U. Leuven), FPSK, CSci.

C.Chem, MRSC

WORK EXPERIENCE

Egerton University: Vice-Chancellor; Deputy Vice-Chancellor
(Administration, Planning & Development)

University of Nairobi: Principal of the College of Health Science,
Dean of Faculty/School of Pharmacy, Chairman of Department,
Professor, Associate Professor, Senior Lecturer, Lecturer, Assistant
Lecturer, Graduate Assistant

“Transforming Lives Through Quality Education”

4. UNIVERSITY MANAGEMENT BOARD



NAME: Prof. Isaac O. Kibwage

YOB: 1954

POSITION/KEY RESPONSIBILITY

Vice-Chancellor

QUALIFICATION

B. Pharm (UoN), M.Pharm, PhD (K.U. Leuven), FPSK, CSci. C.Chem, MRSC

WORK EXPERIENCE

Egerton University: Vice-Chancellor; Deputy Vice-Chancellor (Administration, Planning & Development)

University of Nairobi: Principal of the College of Health Science, Dean of Faculty/School of Pharmacy, Chairman of Department, Professor, Associate Professor, Senior Lecturer, Lecturer, Assistant Lecturer, Graduate Assistant



NAME: Prof. Bernard O. C. Aduda

YOB: 1958

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Academic, Research & Extension)

QUALIFICATION

B. Ed ((UoN), MSc. ((UoN), Dip. (University of London), PhD (University of London)

WORK EXPERIENCE

Egerton University: Deputy Vice Chancellor (Academic Affairs), Principal – College of Biological and Physical Sciences (UoN), Member - UoN Executive Board, Chief Coordinator - MSSEESA, Council Member - Kenya Polytechnic University College, Council Member - National Council for Science and Technology (NCST), Honorary Treasurer - Network of the African Academy of Sciences (NASAC), Fellow & Editor-in-Chief - Kenya National Academy of Sciences (KNAS), Associate Dean - Kenya Science Campus, and Chairman - Department of Physics



NAME: Prof. Richard M.S. Mulwa

YOB: 1967

POSITION/KEY RESPONSIBILITY

Ag. Deputy Vice Chancellor (Administration, Finance & Planning)

QUALIFICATION

Dip., BSc. (Egerton), Grad. Dip, MappSc. (Melbourne), PhD. (UIUC)

WORK EXPERIENCE

Egerton University - Ag. Deputy Vice Chancellor (Administration, Planning & Development), Associate Professor of Horticulture, Director - Crop Management Research and Training, Senior Lecturer, Lecturer, Teaching Assistant/ Research Assistant, Assistant Lecturer - Department of Crops, Horticulture and Soils; University of Melbourne: PC2 Greenhouse Manager.



NAME: Prof. Joshua O. Ogendo

YOB: 1963

POSITION/KEY RESPONSIBILITY

Principal, Nakuru City Campus College

QUALIFICATION

Bsc (UON), MSc (UON & University of Greenwich - UK), PhD (Egerton)

WORK EXPERIENCE

Egerton University – Principal; Associate Professor, Director - Crop Management Research Training (CMRT); Dean - Faculty of Agriculture; Chairman - CHS Department, Timetabling Officer; Coordinator - Mpeketoni Campus, Assistant Lecturer; Chair, Pesticidal Plants Network, Kenya (PEPTEN) President, International Society of Pesticidal Plants (ISPP)



NAME: Prof. Mwanarusi Saidi

YOB: 1971

POSITION/KEY RESPONSIBILITY

Registrar (Academic Affairs)

QUALIFICATION

BSc. (Egerton), MSc. (Egerton), PhD. (Michigan/Egerton)

WORK EXPERIENCE

Egerton University – Registrar (Academic Affairs); Coordinator, Senior Lecturer, Lecturer, Assistant Lecturer, Teaching Assistant department of Crops, Horticulture and Soils, Egerton University; Assistant Farm Manager, Coast Development Authority.



NAME: Ms. Maureen A. Ngala

YOB: 1973

POSITION/KEY RESPONSIBILITY

Ag. Registrar (Human Capital & Administration)

QUALIFICATION

B.A (Moi), M.A. (UoN), HND-IHRM

WORK EXPERIENCE

Egerton University - Ag. Registrar (Human Capital & Admin); Senior Assistant Registrar, Assistant Registrar, Senior Administrative Assistant, Administrative Assistant, Administrative Assistant.



NAME: Prof. Nancy W. Mungai,

YOB: 1969

POSITION/KEY RESPONSIBILITY

Ag Director (Research & Extension)

QUALIFICATION

BSc. (Nairobi), MSc. (Sokoine), PhD (Missouri)

WORK EXPERIENCE

Egerton University - Ag. Director (Research & Extension), Project Coordinator - TAGDev Program; Director Board of Undergraduate Studies; Professor, Associate professor of soil fertility and microbiology



NAME: Mr. Charles Kairu Wanjohi

YOB: 1977

POSITION/KEY RESPONSIBILITY

Ag. Chief Finance Officer

QUALIFICATION

C.P.A (K), BSc. (Egerton), MBA (CUEA)

WORK EXPERIENCE

Egerton University – Ag. Finance Officer, Deputy Finance Officer, Senior Accountant; Corn Products Kenya Limited - Financial Accountant -; Sotik Tea Co. Ltd. – Senior Accountant; Sotik Highlands Tea Estates - Senior Accountant



NAME: M/s Janegrace K. Kinyanjui

YOB: 1967

POSITION/KEY RESPONSIBILITY

University Librarian

QUALIFICATION

BA (Egerton), MSc. (SISA-Addis Ababa)

WORK EXPERIENCE

Egerton University – University Librarian; Kabarak University – University Librarian, Deputy University Librarian, Senior Assistant Librarian; Egerton University – Assistant Librarian, Senior Library

5. CHAIRMAN'S STATEMENT

In the year ending 30th June 2024, Egerton University reached several significant milestones that have advanced its mission and solidified its standing as a leading institution in higher education and research. These achievements included hosting the 15th Biennial International Conference, gaining accreditation for key academic programs, expanding collaborations with prestigious institutions, and making substantial contributions to environmental conservation, particularly in the preservation of the Mau Forest ecosystem.

Egerton University successfully hosted the 15th Biennial International Conference from 19th to 21st March 2024. This event featured both virtual and in-person sessions, enabling participants from diverse geographical locations to engage, thus broadening the scope and impact of the discussions. The conference highlighted Egerton University's commitment to fostering global research collaborations and driving innovative solutions to address societal challenges in this rapidly changing century.

As part of its strategic goal to expand international partnerships, Egerton University signed a five-year Memorandum of Understanding (MOU) with Michigan State University (MSU) on 16th October 2023. This collaboration was formalized under the Alliance for African Partnership (AAP), a consortium established in 2016 to promote sustainable, equitable, and transparent collaboration between African institutions and global partners. This partnership marks a significant step forward in strengthening Egerton University's role in tackling global challenges through research, education, and innovation.

In the health sector, the University is working closely with the Nakuru County Government to establish a Centre of Excellence on Respiratory Diseases. This initiative is part of the Kenya-UK Health Alliance (KUKHA) framework, which aims to develop a 600-bed teaching and research hospital. Collaboration with the County Government is crucial, and the University is eager to secure ongoing support to realize this ambitious project.

A highlight of the year was the 9th Edition of the "Run for the Mau" marathon, held on 2nd March 2024. This annual event is dedicated to raising awareness and galvanizing efforts to conserve the Mau Forest Complex, a vital ecosystem supporting the livelihoods of millions of people in Kenya. Participants from various backgrounds united to advocate for the preservation of this critical resource. Over the years, the event has grown beyond a sporting activity to become a platform for fostering environmental consciousness.

Accreditation is central to maintaining academic excellence and ensuring that Egerton University's programs meet the highest educational standards. During the year, two master's programs—the Master of Science in Animal Nutrition and the Master of Science in Food Science—underwent rigorous evaluation and accreditation by the ASIIN Accreditation team. This accomplishment not only underscores the academic rigor of these programs but also reinforces the University's commitment to delivering top-tier education that equips graduates with the skills and knowledge to excel in their fields. Additionally, the University's Bachelor of Science in Food Nutrition and Dietetics program was accredited by Kenya's professional regulatory authority for Nutritionists and Dieticians under the KNDI Act No. 18 of 2007, resulting in the issuance of an official license on 23rd November 2023. Moreover, three engineering programs were evaluated by the Engineering Board of Kenya to ensure compliance with both local and international standards. This compliance enhances the global competitiveness of our engineering graduates, opening up international employment opportunities.

The University is also in the process of implementing ISO 9001:2015 Quality Management Standards to improve service delivery and operational efficiency. To support this, the Kenya Bureau of Standards conducted comprehensive training sessions for staff, equipping them with the necessary knowledge and skills to comply with the new standards. These trainings address various operational challenges within the University, with the aim of elevating the quality of services in teaching, research, and administrative functions. Once fully implemented, the system will allow for continuous monitoring and evaluation to ensure that services meet the expectations and needs of stakeholders, including students, staff, and partners.

To further enhance the learning environment, the University is upgrading key infrastructure. Renovations of Lecture Theatres T1 and T2 have been completed, modernizing these spaces to improve the teaching experience. Upgrades to Ruwenzori Hostels and the Faculty of Health Sciences have also been completed, providing students with enhanced residential and academic facilities. These improvements are part of the University's ongoing efforts to meet contemporary standards and promote academic excellence.

The 2023/2024 academic year marked significant achievements for Egerton University. From expanding international collaborations and ensuring the quality of academic programs to actively participating in environmental conservation, the University continues to make strides in education, research, and community engagement. These accomplishments reflect our dedication

“Transforming Lives Through Quality Education”

to remaining a leader in higher education and a force for positive change in Kenya and beyond. The future looks promising as we build on these successes and continue working towards realizing the full potential of Egerton University as a world-class institution.

Financial Performance

During the financial year ended 30th June 2024, the University registered an operating deficit of **Kshs 18.7 million** compared to a deficit of **Kshs 706 million** in the financial year 2022/2023. The University was funded through the Government Capitation (44%) and Appropriation in Aid (A-I-A) (56%) for its recurrent expenditure.

Strategic Direction

The 2018-2023 Strategic Plan will be achieved through the following Strategic Goals; providing quality higher education; Engage in research, extension, outreach and consultancy; Enhance governance and resource mobilization in the University; Expand ICT capacity to promote the digital economy; and enhance physical infrastructure and the environment. In this respect, the University was ranked Fourth in Kenya in the July 2023 rankings by the Webometric Rankings of World Universities. The Webometrics Rankings is the most prominent academic ranking of higher education institutions assessing over 31,000 institutions worldwide. The rankings assess Universities in impact, openness and excellence parameters.

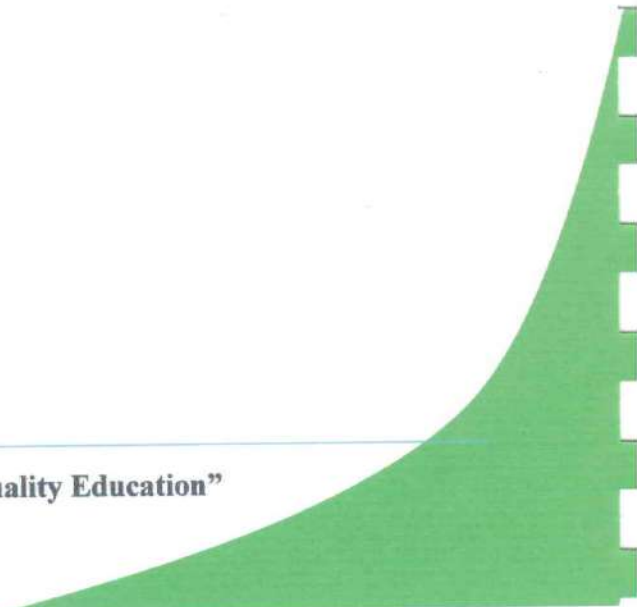
Future outlook

As the university continues to implement its 2023-2027 Strategic plan focus is now on resource mobilization through the revamping Income Generating Units (IGUs) to generate more revenue. The Directorate of IGUs Provides strategic guidance to university's departments that generate income through innovations and services to the Income Generating Units (IGUs). Our Income Generating Units (IGUs) are working tirelessly to re-brand their products and services for better competitiveness in the market. The Division supports these useful ideas which will boost the financial base of the University and ensure proper management of resources.

I wish to thank the Government of Kenya, Council members, Management and staff for their dedication and participation during the year in striving to make Egerton University a world class University for the advancement of Humanity.



Eng. Christopher O. Oanda
Ag. Chairman, Egerton University Council



6. REPORT OF THE VICE-CHANCELLOR

During the financial year ending 30th June 2024, the University maintained its unwavering commitment to becoming a world-class institution dedicated to advancing humanity. To achieve this goal, we prioritized enhancing the quality of academic programs and research output by collaborating with other institutions of higher learning and digitizing campus infrastructure. These efforts enabled seamless research data exchange, improved the lecturer-student ratio through remote teaching, and facilitated the creation of online content.

The University held its 47th Graduation Ceremony on 27th October 2023, where 3,956 students graduated. Plans are underway for the 48th graduation ceremony in November 2024. In the 2023/2024 academic year, we admitted 4,918 first-year students across various programs.

Education, Training, and Research

Egerton University was ranked 5th in Kenya in the July 2024 Webometrics Rankings of World Universities, a prominent system that evaluates over 31,000 institutions globally based on impact, openness, and excellence. In the impact category, which accounts for 50% of the ranking and measures academic presence (e.g., university-linked journals), Egerton ranked 3,605 globally, 44th in Africa, and 6th in Kenya. In the openness category, which assesses the number of citations (10% weight), the University ranked 2,622 globally, 131st in Africa, and 6th in Kenya. For excellence—based on the number of papers among the top 10% most cited—the University ranked 3,881 globally, 235th in Africa, and 5th in Kenya. Our goal remains to become the leading university in Kenya and East Africa.

We hosted the 15th Biennial International Conference from 19th to 21st March 2024, under the theme "Research for Innovative Solutions in the 21st Century." The conference, featuring both virtual and in-person sessions, attracted scholars, researchers, and thought leaders globally, further enhancing our research collaborations, visibility, and academic engagement.

Accreditation is crucial to maintaining the quality and integrity of our programs. Two master's programs, Master of Science in Animal Nutrition and Master of Science in Food Science, were evaluated and accredited by the ASIIN Accreditation team, reflecting the high standard of our training. Additionally, the professional regulatory authority for Nutritionists and Dieticians in Kenya inspected the Department of Food Nutrition and Dietetics under the KNDI Act No. 18 of 2007. Following a two-day assessment, the Bachelor of Science in Food Nutrition and Dietetics

program was accredited with a score of 89.63%, and the University was issued a license on 23rd November 2023. This accreditation ensures that our graduates meet the regulatory requirements for professional practice in Kenya and beyond. Furthermore, the Engineering Board of Kenya evaluated three engineering programs for compliance with local and international regulations, enhancing job opportunities for our engineering graduates. These accreditation processes underscore the University's commitment to maintaining the integrity and quality of its academic offerings, ensuring that Egerton University continues to produce graduates well-prepared for the modern workforce.

To promote research excellence, the University organized a Postgraduate Seminar in the 2023/2024 academic year, themed “Expanding our capacities through research and innovation,” providing a platform for postgraduate students to present their research findings.

We also participated in Kenya Innovation Week 2023, held from 27th November to 1st December 2023, under the theme "Innovating to Unlock Our Common Wealth." His Excellency, President Dr. William Samoei Ruto, inaugurated the event, emphasizing the critical role of universities in fostering innovation. The President’s emphasis on innovation aligns with Egerton University's strategic plan to leverage such endeavors for job creation and align with national policies.

On 16th October 2023, Egerton University signed a five-year Memorandum of Understanding (MOU) with Michigan State University under the Alliance for African Partnership (AAP). This collaboration aims to address global challenges sustainably, focusing on Agri-food systems, water, energy, the environment, culture, youth empowerment, education, and health and nutrition. Our partnerships with other institutions, such as West Virginia University, Arava International Centre for Agricultural Training (AICAT), Seychelles, Nanjing Agricultural University, and several universities in the USA, continue to strengthen. Through these collaborations, Egerton University will benefit from joint research projects, capacity-building initiatives, and funding opportunities, enhancing our contribution to global development.

We are also expanding our MOU with the County Government of Nakuru to provide Egerton University students with more opportunities for hands-on experience in local hospitals. The University is collaborating with the Kenya-UK Health Alliance (KUKHA) to establish a 600-bed teaching and research hospital focused on respiratory diseases. This hospital will be one of five spokes for the Centre of Excellence for Health Education and Training, with the hub at Kisii University. Additionally, we are seeking to broaden our Memorandum of Understanding with the

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County Government to provide more attachment opportunities for students in hospitals across Nakuru County, giving them practical experience beyond the Provincial General Hospital.

Service Delivery

The University is in the process of implementing ISO 9001:2015 Quality Management Standards to improve service delivery and operational efficiency. To facilitate this, comprehensive training sessions were conducted by the Kenya Bureau of Standards, equipping staff with the knowledge and skills required to adhere to the new standards. Once implemented, the system will enable continuous monitoring and evaluation, ensuring that services in teaching, research, and administration meet stakeholder needs. This will help the University enhance its recognition, boost enrolment, and strengthen its financial base.

Infrastructure Development

In its efforts to improve infrastructure and create a conducive learning environment, the University is actively upgrading key departments and facilities. The renovation of Lecture Theatres T1 and T2 has been successfully completed, with the goal of modernizing these spaces to improve the teaching and learning experience for both students and faculty. These upgraded lecture halls are now equipped to support more dynamic and interactive educational methods, aligning with modern pedagogical standards. Additionally, the renovation of Ruwenzori Hostels has also been finalized, offering students better residential amenities. This project, along with upgrades to the Faculty of Health Sciences, addresses the unique needs of students in health-related fields, providing them with specialized facilities that support both education and research. The University plans to continue these renovations, ensuring that all available spaces meet contemporary standards. This ongoing commitment to improving infrastructure is essential in creating an environment that fosters academic excellence, innovation, and student well-being.

Restoration of the Ecosystem

On 2nd March 2024, the University held its 9th Edition of the "Run for the Mau" marathon, which continues to grow in popularity. This event raises awareness and promotes action for the preservation of the Mau Forest Complex, a critical ecosystem for Kenya. Participants from all walks of life came together to advocate for the preservation of this vital resource.

In support of Kenya's Landscape and Ecosystem Restoration Programme, the University hosted a large tree-planting event on 13th November 2023, where over 14,050 trees were planted at the Main Campus, Ngongogeri Farm, and Kenyatta Campus. Additionally, over 1,500 trees were donated to the community as part of our corporate social responsibility initiative.

We handed over the Njoro River Rehabilitation Project to the Narok and Nakuru County Governments on 23rd February 2024. This project, located at the source of the Njoro River, represents a joint commitment to preserving natural resources for future generations. Egerton University will continue to support these ongoing conservation efforts in partnership with local governments.

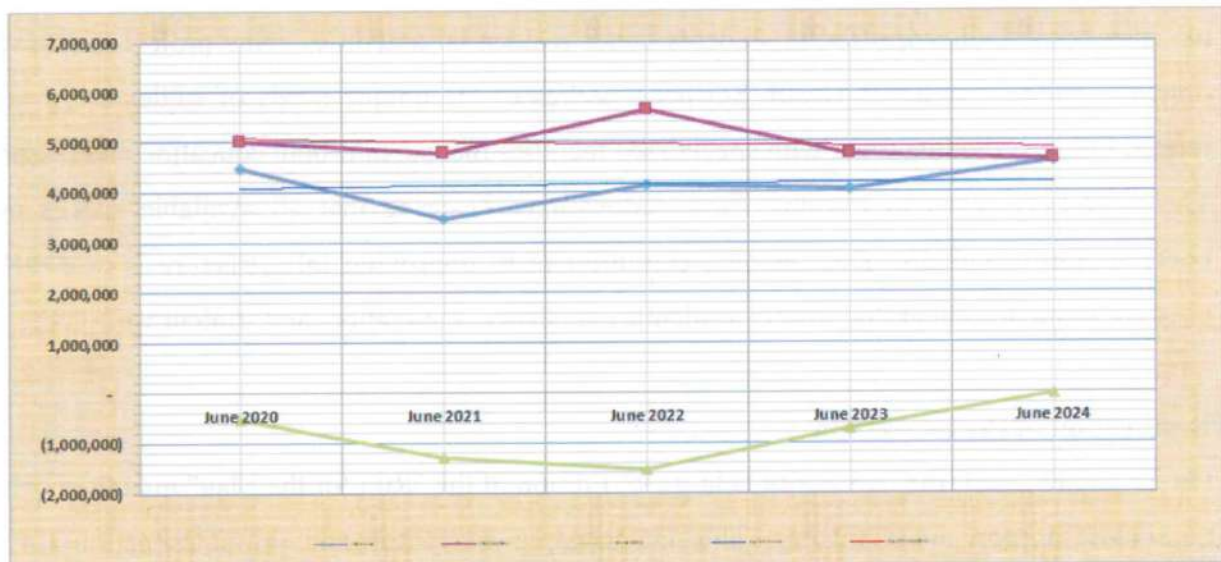
Financial Performance

Over the last five years the following are the trends of surpluses (deficits) realised by the end of each financial year:

Five-year Surplus/Deficit Trends

INCOME AND EXPENDITURE TRENDS OVER THE LAST FIVE YEARS

Income/Expenditure (Kshs 000's)	June 2020	June 2021	June 2022	June 2023	June 2024
Total Income	4,473,798	3,476,063	4,120,139	4,039,691	4,608,550
Total Expenditure	4,998,525	4,775,539	5,648,042	4,746,275	4,627,280
Surplus/(Deficit)	(524,726)	(1,299,476)	(1,527,902)	(706,584)	(18,729)
Exp as a %tage of income	112%	137%	137%	117%	100%



Five-year Surplus/Deficit Trends

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Revenue has been declining from the year 2016 to date. The rise in the FY 2023/2024 was due the change of the New Funding Model.

During the year ended 30th June 2024, the University realized an operating deficit of **Kshs 18.7 million**. This is a result of austerity measures instituted by management, introduction of the New Funding Model (NFM) and additional **Ksh. 269.4 million** in GOK recurrent capitation.

The University is therefore taking drastic steps to diversify its revenue sources away from reliance on students. The new focus is on Income Generating Units of the University like the farm, the hotel among others. A Directorate has been created for the smooth operations of these units. At the same time the University is implementing austerity measures at all times and embracing automation so as to cut operating expenses in the coming years.



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor

7. STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2023/2024

Egerton University has 5 Strategic Goals within the current Strategic Plan for the year 2023-2027. These strategic goals are as follows:

Strategic Goal 1: Provide Quality University Education and Training

Strategic Goal 2: Engage Research, Extension and Outreach

Strategic Goal 3: Enhance Governance and Resource Mobilization

Strategic Goal 4: Expand ICT and the Digital Economy

Strategic Goal 5: Enhance Infrastructure and the Environment

The University develops its annual work plans based on the above 5 Strategic Goals. Assessment of the Board's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2023/2024 period for its five Strategic Goals as indicated in the diagram below:

Strategic Goal	Objectives	Key Performance Indicators	Activities	Targets	Achievements
Strategic Goal 1	Students Completion Rate	%	1. Improve Students Completion Rate from 52.3% to 80%	80	74
	Proportion of Academic Staff with PhD Degree	%	1. Increase the proportion of Academic staff with PhD from 63% to 65%	65	66.5
	Students on Continuing Education Programme	Number	1. Number of Self sponsored undergraduate students enrolled in academic year 2. Number of Post graduate students enrolled in academic year	250	419

	Cultural Events Undertaken	Number	1. Hold one (1) Culture Week event	1	2
	Academic Programmes Reviewed	Number	1. Review at least ten (10) academic programmes	10	10
	Students Mentored	Number	1. Two mentorship programmes	2	3
Strategic Goal 2	CBC Readiness	%	1. Training of Trainers for CBC Awareness 2. Hold one (1) sensitization session on CBC for University Managers 3. Hold two(2) sensitization session on CBC for teaching staff	100	100
	University Niching	%	1. Prepare one policy brief 2. Hold one (1) National Forum for agricultural stakeholders	100	100
	Agro-Based Science Park Enhanced	%	1. Raise Ksh. 3.0M for development of Agro Based Science Park facilities and activities 2. Commercialization of one of the newly developed varieties of beans 3. Develop a machine for value addition of ground nuts in collaboration with industry.	100	100
	Science Technology and Innovation (STI)	%	1. Implement the institutional STI Mainstreaming Strategy using the template provided on	100	100

Mainstreaming		<p>NACOSTI's website.</p> <p>2. Develop STI Mainstreaming Annual Work Plan for institutional STI Mainstreaming</p> <p>3. Implement the institutional STI Mainstreaming work plan</p> <p>4. Submit quarterly and annual reports online to NACOSTI using the STI mainstreaming template provided on NACOSTI website</p>		
Research Outputs Disseminated	Number	<ol style="list-style-type: none"> 1. Hold one (1) International Research Conference. 2. Hold one post graduate research dissemination workshop 3. Hold one farmers field day 	3	3
Community Outreach Programmes	Number	<ol style="list-style-type: none"> 1. Transfer one water purification technology to the community 2. Transfer of technology on Aloe herbal extract for poultry disease control 	2	2
Researchers Incentivized		<ol style="list-style-type: none"> 1. Hold two (2) Sensitization sessions for staff on the incentives in Research Policies 2. Reward researchers who have won proposals as per the Research Policy 	100	100

	Research on Dry land Food and Feed Resources Enhanced	%	<ol style="list-style-type: none"> 1. Prepare and submit one (1) research proposal on dry land resources management 2. Construction of one beehive house at Chemeron Dry Land Research Training & Ecotourism Centre 3. Raise two thousand (2000) fodder tree seedlings at the Chemeron DRTEC Tree Nursery for dryland rehabilitation at the Centre and the surrounding Chemeron Community 4. Conduct trial on two (2) dry land legumes under irrigation and establish a demonstration site for cassava production 	100	100
	University-Industry Linkages Established	Number	1. Partnership with one (1) firm for incubation of innovations	1	1
	Patents Registered	Number	1. Patent one innovation	1	1
	Innovations Commercialized	Number	1. Commercialization of one (1) cow pea variety	1	1
Strategic Goal 3	Implementation of Citizens' Service Delivery Charter	%	1. Display the Citizens' Service Delivery Charter prominently at the point of entry/service delivery points in both English and Kiswahili using the prescribed format;	100	90

			<ol style="list-style-type: none"> 2. Customize the charter to unique needs and convenient access of the customers by translating the Charter to Braille, providing mechanisms for sign language, providing audio recordings and uploading the Charter on the MDA's online platforms; 3. Sensitize staff on the Citizens' Service Delivery Charter; 4. Ensure conformity with commitments and standards in the Charter by establishing compliance mechanisms including maintaining records on service delivery. 		
<p>Innovative Financing Options Explored</p>	<p>Report</p>		<ol style="list-style-type: none"> 1. Hold one (1) fundraising for endowment fund 2. Reach out to two (2) Agro-based Companies to in kind support the University 	<p>100</p>	<p>1</p>
<p>Resolution of Public Complaints</p>	<p>%</p>		<ol style="list-style-type: none"> 1. Resolution of all complaints received 2. Access to information – Reactive Disclosure 3. Awareness creation on the complaints handling mechanisms 	<p>100</p>	<p>100</p>

Strategic Plan Developed	%	1. Develop Strategic Plan	100	90
	Productivity Mainstreaming	%	<ol style="list-style-type: none"> 1. Develop Productivity Metrics 2. Collect productivity measurement data 3. Compute Productivity Index 4. Develop workplace productivity improvement strategy 5. Submit quarterly performance reports to National Productivity and Competitiveness Centre (NPCC) using the prescribed format 	100
Compliance with Government Circulars	%	<ol style="list-style-type: none"> 1. Undertake a compliance audit of all Public Service committee circulars and SRC advisories 2. Submit a report to the Cabinet Secretary Ministry of Education 	100	100
	Asset Management	%	<ol style="list-style-type: none"> 1. Maintain and update Assets Registers using the prescribed reporting templates issued by the National Treasury. 2. Disposal of Idle Assets - Ensure disposal of unserviceable, obsolete and surplus assets by way of sale, transfer to other public institutions, 	100

			destruction, donation or other authorized methods of disposal and in all cases in full conformity to the existing legal requirements		
Competence Development	%		<ol style="list-style-type: none"> 1. Undertake institutional Skills Gap Analysis. 2. Undertake Staff Training Needs Assessment. 3. Execute interventions to address the identified skills gaps and training needs through, recruitment, outsourcing, capacity building/training, coaching, mentoring. 4. Employee Performance Management - this refers to the assessment of individual employee's performance. It is based on the negotiated and agreed performance targets that are drawn from the University's annual work plan and the PC. University is required to undertake the following: i) Set individual employees annual targets and complete the Staff Performance Appraisal using the prescribed format by 31st July (10%); ii) Undertake Staff Performance Appraisal for all employees and compile the appraisal report for the previous year (15%); and iii) Implement 	100	85

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			<p>recommendations emanating from the staff appraisal reports (15%).</p>		
National Values and Principles of Governance	%		<ol style="list-style-type: none"> 1. Fast track implementation of programmes, projects and activities for the realization of the "Big Four" Agenda; 2. Leverage on and enhance use of Information and Communications Technology (ICT) and other innovations in service delivery. 3. Continue to enhance the fight against corruption, dispensation of justice and observance of the rule of law. 4. Continue to implement measures to protect the environment, mitigate climate change, and improve the national forest cover. 5. Implement measures to promote inclusivity and representation of Kenya's diverse communities in the public service. 6. Submit in the prescribed format the Annual Report on measures taken and progress achieved in the realization of National Values and Principles of Governance. 	100	100

	Youth Internships/ Industrial Attachments/ Apprenticeships	Number	1. Youth Internships. 2. Industrial attachment	247	496
Strategic Goal 4	Digitalization of Government Services	%	1. Identify and prioritize citizen-facing and back-office services to be digitalized; 2. Re-engineer business processes for at least 25% of the prioritized services; 3. Digitalize at least 25% of the identified services; 4. On-board at least 25% of citizen-facing services to the e-citizen platform;	100	100
Strategic Goal 5	Project Completion Rate	%	1. Proposed Renovations of Lecture Theatres T1 & T2 2. Proposed Re-Roofing & Renovations Dean of Student Office 3. Proposed Re-Roofing & Renovations of Education Theatre II 4. Proposed Renovations of Kilimo Hall Floor 5. Electric Poles Replacement 6. Proposed Renovations of Faculty of Health Sciences Building 7. Proposed Renovations of Ruwenzori Hostels	100	70

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Njoro River Ecosystem Rehabilitated	%	8. GOK Funded International Centre for Genetic Engineering Biotech	100	100
Implementation of Presidential Directives	%	<ol style="list-style-type: none"> 1. Develop a tool for assessing the implementation of the University's climate change actions 2. Collect data on the University's climate change actions 3. Submit a report to the National Climate change Secretariat <ol style="list-style-type: none"> 1. Grow a minimum of 30 trees per year per staff 2. The Ministry will mobilize key stakeholders in liaison with the State Department for Forestry to conduct three tree planting/growing events in a year. 3. Submit half yearly (for each rain season) and annual reports to the State Department for Forestry on the number of trees grown 	100	85

8. CORPORATE GOVERNANCE STATEMENT

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education for ensuring that the University complies with the Universities Act 2012, Egerton University Statutes (2013) and adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the University Council Charter.

Roles and Functions of the Council

The Council consists of eight members- the Chairman four (4) Independent members, representative of the Permanent Secretary, The National Treasury, the Representative of the Principal Secretary, State Department for University Education and Research, Ministry of Education, and the Vice Chancellor as ex-officio member and Secretary to the council. The members of the Council have been shown on pages 11 - 14. The functions of the Council are:

- a) Employ staff; (appoint Professors & Senior Staff in Grades XV & above); appoint the Vice Chancellor & Deputy Vice-Chancellors in consultation with the Cabinet Secretary responsible for University Education after a competitive process conducted by Public Service Commission; consider disciplinary matters for Principals, Deputy Vice Chancellors & Vice Chancellor).
- b) Approve the statutes of the University and cause them to be published in the Kenya Gazette;
- c) Approve the policies of the University;
- d) Approve the budget;
- e) Manage, supervise and administer the assets of the University in such a manner as best promotes the purpose for which the University is established;
- f) Determine the provisions to be made for capital and recurrent expenditure and for reserves of the University;
- g) Receive any grants, donations or endowments on behalf of the University and make legitimate disbursements there from;
- h) Enter into association, collaboration or linkages with other bodies or organizations within or outside Kenya as the University may consider desirable or appropriate and in furtherance of the purpose for which the University is established;
- i) Open a banking account or accounts for the funds of the University;
- j) Undertake other functions set out under this Act and the Charter.

Committees of the Council

The Committees of the Council have delegated authority to assist the Council effectively carry out its obligations. The University Council and its Committees are supported by the University Management Board which consists of nine members.

The Council has four Committees namely:

1. Audit, Governance and Risk Management Committee
2. Finance, Human Resources and General Purposes Committee
3. Planning, Development & Grievances Committee
4. Academic and Research Committee

The Terms of Reference for the Committees of Council are:

1. Audit, Governance and Risk Management Committee

The Committee ensures compliance to internal control processes, accurate preparation of financial reporting of results, operations and statements in compliance with legal and statutory requirements and standards, ensures the University complies with internal and external audits, develop risk management strategies, monitor institutional governance, and monitor compliance of the performance contract, and quality assurance.

2. Finance, Human Resources and General Purposes Committee

The Committee recommends to the Council for its approval the annual report and financial statements, annual estimates and expenditure, recommend policies on finance and human resource to Council for approval, decide on disciplinary matters for staff in Grade XIII-XV, and shall pay due regard to the necessity to refer matters of major importance to the Council for final approval.

3. Planning, Development & Grievances Committee

The Committee mobilizes financial resources for the development of the University, take charge for all arrangements for planning and development of the University and construction of new buildings, advocate on behalf of the University and enhance the marketing of the University locally and internationally, provide advice and assistance to Deputy Vice-Chancellor (Administration, Planning and Development) with respect to corporate sponsorship and private

source fund raising activities, determine staff, students and other stakeholder's grievances, determine staff and students appeal against disciplinary action and pay due regard to the necessity to refer matters of major importance to the Council for final approval.

4. Academic and Research Committee

The Committee advises on the development and implementation of academic and research programmes and policies; make recommendations for the sourcing, administration and distribution of scholarships; oversee a reward scheme for excellence in teaching, research and extension; receive regular reports from and provide advice to the Deputy Vice-Chancellor (Academic Affairs) and the Deputy Vice-Chancellor (Research and Extension) on the development of policy and procedures relating to academic and research; approve the Tegemeo Institute's annual budget, business plans and policies; ensure good management and identify risk and internal controls in the Tegemeo Institute; promote and integrate good corporate governance at the leadership management and in all levels of the Tegemeo Institute; strategize on the Tegemeo Institute's development and sustainability; and consider and report any matter referred to it by the Council and Senate.

Council Meetings Attendance Financial Year 2023/2024

The board meetings are restricted to a minimum of four (4) as provided in the State Corporations Act and capped at a maximum six (6) for each financial year and same principle apply to respective Committees. As guided under Mwongozo, the code of governance for State Corporations, a Board may establish not more than four (4) Committees. The number of members to any Committees should be no more than one third (1/3) of the full Board to obviate the risk of a committee conducting its business within the framework of a full Board structure. Further, members can only sit in a maximum of two committees with any exception with a written approval of the respective Cabinet Secretary in consultation with SCAC. Where a Board does not have appropriate skills within its membership for purposes of effectively discharging its mandate, it may with approval of SCAC, co-opt members on a need basis for a specified duration. Below is the summary of attendance of Board members in various meetings held in the financial year ending 30th June 2024.

a. Attendance Board One – July 2023 to August 2023

Council Member	AG&RM 11/7/23	A&R 12/7/23	PDG 13.7.2023	FHR&GP 14/7/23	CM 28/7/23	ACM 10/8/2023	ACM 10/8/2023	SCM 25/8/23
1 Dr. L.H. Wario					X			X
2 Dr. Wilson K Ronno	X		X		X			X
3 Dr. Paul Kangira		X	X	X	X	X	X	X
4 Esther M. Wabuge			X	X	X	X	X	X
5 Dr. John Nyakawa Ondari		X		X	X	X	X	X
6 Joshua Nyangidi Otieno	X		X		X			X
7 Dr. Charity C. Nyaga	X	X			X			X
8 Julius Mutua	X			X	X	X	X	X
9 Prof. Isaac O. Kibwage			X	X	X			X

b. Attendance Board One – July 2023 to October 2023

Council Member	SAG&RM 19/9/23	FHR&GP 19/9/23	CMC&CC 5/09/2023	AG&RMC 9/10/2023	A&RCCM 11/10/23	PD&GC 12/10/23	FHR&GPC 13/10/23	PC&E 16/10/23	ADHOC 17/10/23	UCH 19/10/23	GC 27/10/23
1 Dr. L.H. Wario			X					X		X	
2 Dr. Wilson K Ronno	X		X	X		X				X	
3 Dr. Paul Kangira		X	X		X	X	X		X	X	X
4 Esther M. Wabuge		X	X			X	X		X	X	X
5 Dr. John Nyakawa Ondari		X	X		X		X	X	X	X	X
6 Joshua Nyangidi Otieno	X		X	X		X				X	X
7 Dr. Charity C. Nyaga	X		X	X	X						X
8 Julius Mutua	X	X	X	X			X		X		X
9 Prof. Isaac O. Kibwage		X	X		X			X		X	

c. Attendance Board Two – November 2023 to February 2024

Council Member	IWBMS&CC 29/11/23	IWBMS&CC 30/11/23	IWBMS&C C 31/11/23	SCM 31/01/24	CI&M 28/02/24	C&O 29/02/24	SC&M 29/02/24	C&O 1/03/24	MEUC&C 2/03/24
1 Dr. L.H. Wario				X	X	X	X	X	X
2 Julius Mutua				X	X	X	X	X	
3 Mr. Paul Maina Mwangi						X	X	X	X
4 Hon. Gideon Kimutai Koske	X	X	X	X	X	X	X	X	
5 Ms. Brenda Lubisia	X	X	X	X	X	X	X	X	
6 Mr Charles Ngugi Njenga	X	X	X	X		X	X	X	
7 Eng. Christopher O. Oanda	X	X	X	X	X	X	X	X	
8 Prof. Isaac O. Kibwage				X	X	X	X		

d. Attendance Board Two – March 2023 to June 2024

Council Member	A GR&M 8/4/2024	A&RCC 9/4/24	FHR&M 11/4/24	PD&GCC 12/4/24	UCM 26/4/24	MTCC 10/6/24	MTCC 11/6/24	MTCC 12/6/24
1 Dr. L.H. Wario						X	X	X
2 Julius Mutua	X		X		X	X	X	X
3 Mr. Paul Maina Mwangi		X		X	X	X	X	X
4 Hon. Gideon Kimutai Koske		X	X		X	X	X	X
5 Ms. Brenda Lubisia	X	X			X	X	X	X
6 Mr Charles Ngugi Njenga	X			X	X	X	X	X
7 Eng. Christopher O. Oanda			X		X	X	X	X
8 Prof. Isaac O. Kibwage		X	X	X	X	X		

	Key	Description
1	AG&RM	Audit, Governance & Risk Management Committee
2	CM	Full Council meeting
3	EMCC	Egerton Mau Cross country
4	FHR&GP	Finance, Human Resources & General Purposes Committee of Council Meeting
5	GC	Graduation Ceremony
6	GHA	Grievances Handling & Appeals Committee
7	PCN	Performance Contract Negotiation
8	PDG	Planning Developments & Grievances Committee
9	SCM	Special Council Meeting
10	SHDC	Sealing and Honorary Degree Committee
11	TA&R	Tegemeo, Academic & Research Committee
12	EOPC	Evaluation of Performance Contract
13	SFHR&GP	Special Finance Human Resources & General Purpose Committee of Council Meeting
14	VPC	Vetting of Performance Contract
15	I/RP	Interviews/Reviews for Professors Grade 15
16	RSL	Review for the Post of Senior Lecturer Grade 13
17	IDR	Interview for Post of Deputy Registrar Grade 14
18	IS	Interview for Staff in Grade 13
19	GC	Graduation Ceremony
20	CTM	Consultative Meeting

Appointment, Removal from Office and Succession Plan

The Chair of Council is appointed by the Head of State of the Republic of Kenya and Council members are appointed by the Cabinet Secretary, Ministry of Education. The following Council Members were appointed as independent members and gazetted with effect from 15th December, 2023 for a period of three (3) years:

- (i) Eng. Christopher O. Oanda - Member
- (ii) Hon. Gideon Koske - Member
- (iii) Mr Charles N. Njenga - Member
- (iv) Ms Brenda Lubisia - Member

Dr Paul M. Mwangi was appointed with effect from 13th March, 2024 as the representative of the Principal Secretary, State Department for Higher Education and Research, Ministry of Education.

The members' appointment can be revoked by the Cabinet Secretary, Ministry of Education. Members may also resign or be removed when they fail to attend three consecutive meetings.

Council Remuneration

Council members are remunerated as per guidelines set out by the Office of the President (State Corporations Advisory Committee), circulars and the National Treasury and Economic Planning directives in respect to sitting allowances, mileage and accommodation costs. These expenses have been shown under Note 15 to the Financial Statements.

Induction and Training

Council Members attended an induction workshop at Lake Naivasha Resort, Naivasha where they were trained by the State Corporations Advisory Committee in collaboration with the Institute of Certified Secretaries, on corporate governance. The training took place between 29th January and 31st January, 2024.

Council and Member Performance

The members did self-evaluation on 27th August, 2024 for the Financial Year, 2023/2024 and the results will be released by Officers of the State Corporations Advisory Committee.

Conflict of Interest

A register of conflict of interest is availed to members in every meeting for them to declare their interest.

Conduct of Conduct and Ethics

Members signed a Code of Conduct and Ethics on appointment.

9. MANAGEMENT DISCUSSION AND ANALYSIS

ANALYSIS OF OPERATIONAL AND FINANCIAL PERFORMANCE

i. Revenue

The revenues of the University have been as shown in table 1 and figure 1 below over the last five years:

Table 1: Five-year Revenue trend

Income Type	June 2020	June 2021	June 2022	June 2023	June 2024
Revenue from Exchange Transactions	1,345,088	720,523	1,148,745	1,024,821	1,682,798
Revenue from Non-Exchange Transactions	3,134,823	2,755,540	2,971,394	3,014,871	2,925,753
Total Income	4,479,911	3,476,063	3,476,063	4,039,691	4,608,550

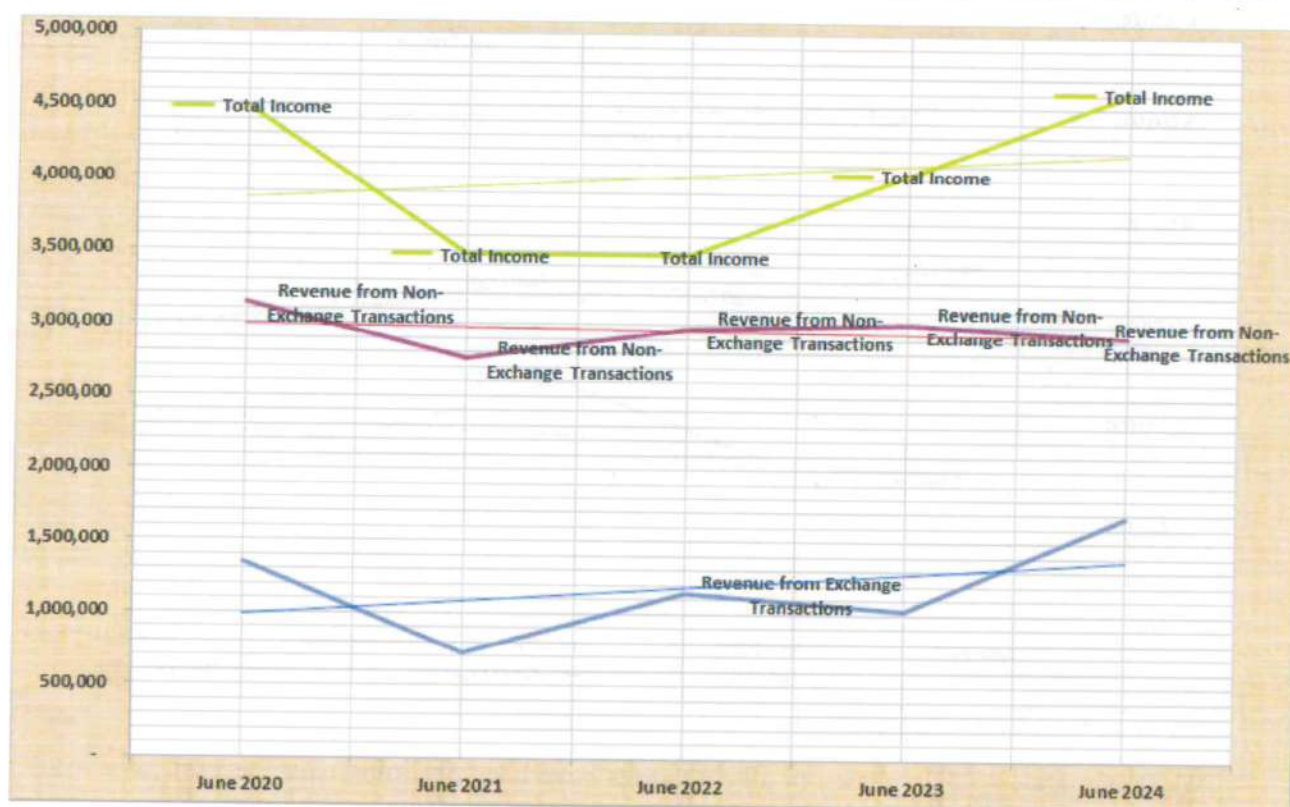


Figure 1: The trend of Revenue over the last five years

The University's revenue has consistently declined over the years. However, GoK and other donors (Revenue from Non-exchange transactions) remained the biggest source of income over the last five years averaging 74% (2023-73%) of all revenue. This is lower than the five-year average, meaning with the introduction of the New Funding Model, the University is becoming more dependent on A-i-A, which is not very desirable. The external sources of funding accounted for 63% of all revenue for the year ended 30th June 2024.

ii. Expenses

Notwithstanding the shortfalls in revenue as shown above, expenses remained largely constant especially those expenses that do not depend on level of activity in the University such as Staff costs.

The Management instituted austerity measures aimed at containing expenditure to the best extent possible. The following table 2 and figure 2 indicate the expenditure trends over time:

Table 2: Five-year expenditure trends

Expenditure Type	June 2020	June 2021	June 2022	June 2023	June 2024
Staff Costs	3,552,270	3,189,990	3,319,707	3,021,255	2,785,960
Other Expenses	1,452,368	1,585,548	2,328,355	1,725,020	1,841,320
Total Expenses	5,004,638	4,775,539	5,648,062	4,746,275	4,627,280

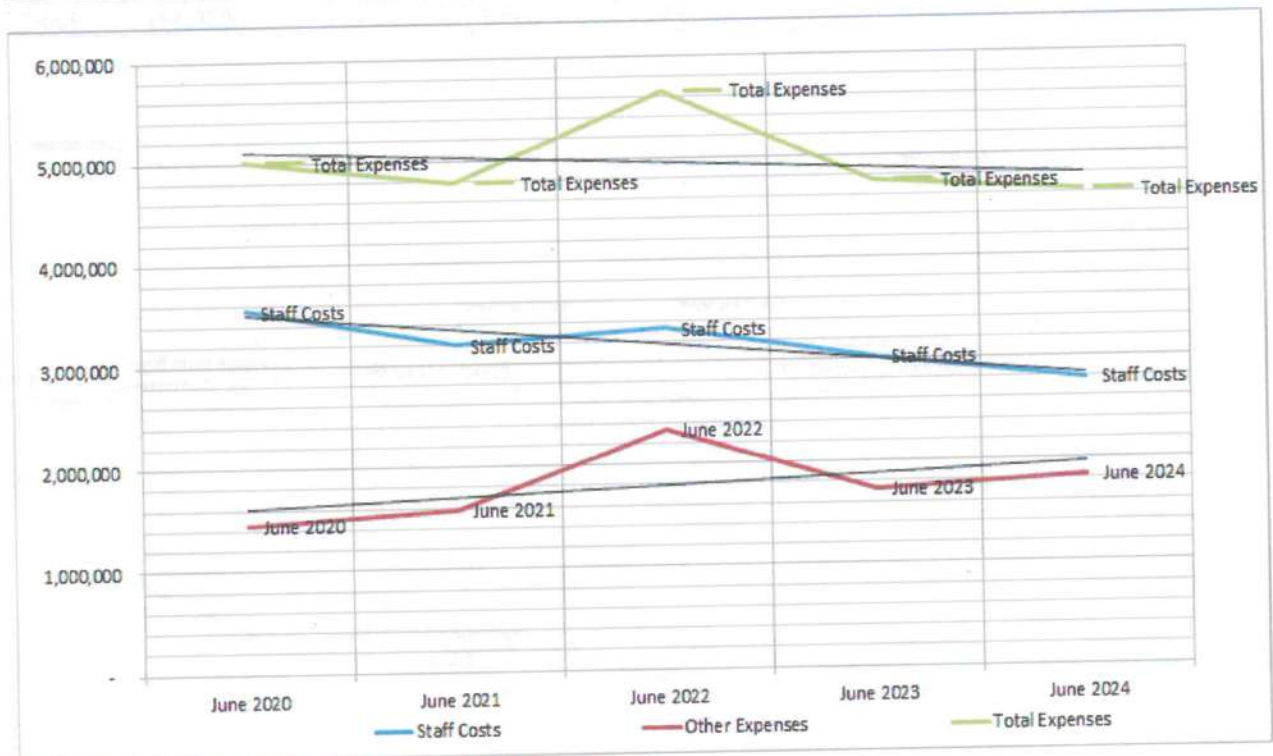


Figure 2: The trend of Expenditure over the last seven years

As shown above, the expenses of all categories have been declining over the years as a result of austerity measures instituted by management.

Staff cost constitute the highest proportion of expenses with a five-year average being 64% (2024-60%).

The legal and bank charges went up due to the financial challenges faced by the university during the year which caused many financial and legal challenges.

Table 4: Five-year Net Working Capital figures (Ksh “000”)

Current Assets	June 2020	June 2021	June 2022	June 2023	June 2024
Total Current Assets	2,047,092	2,047,092	1,697,072	1,815,729	2,532,691
Total Current Liabilities	4,729,574	4,729,574	8,570,106	9,464,484	9,994,817
Net Working Capital	(2,682,482)	(2,682,482)	(6,873,034)	(7,648,754)	(7,462,126)

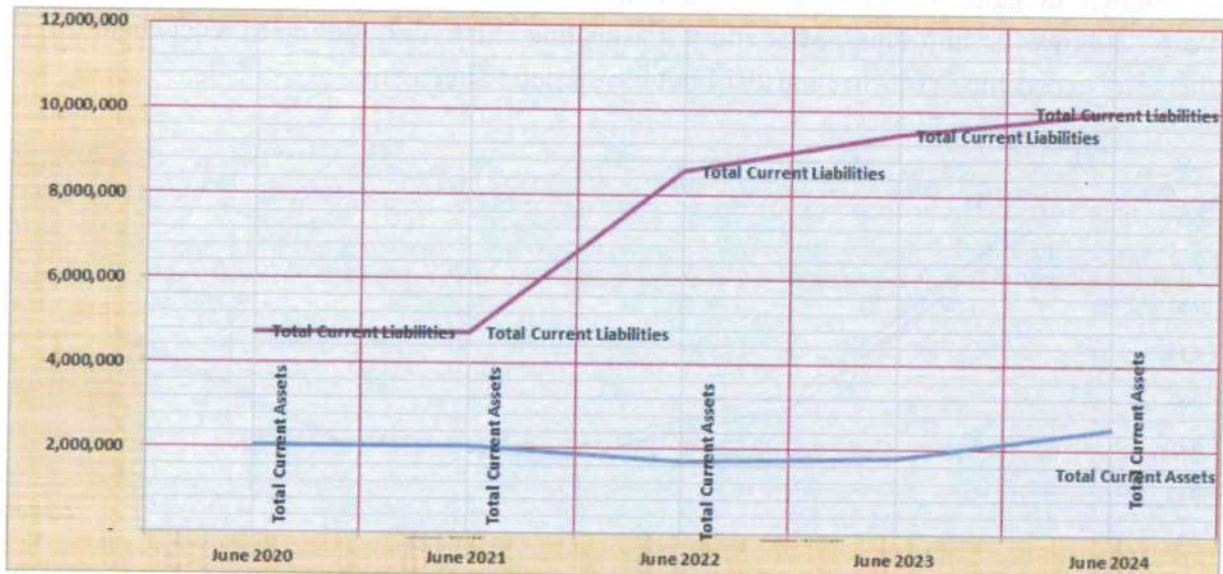


Figure 4: The trend of Net Working Capital over the five-year period (Ksh 000”)

Net Working Capital Trend

The Net working capital remained positive until 2016 but dipped to negative territory in the last eight financial years; 2018, 2019, 2020, 2021, 2022, 2023 and 2024. This can be explained by the fact that, since 2016 the university has been accumulating pending bills at an increasing rate and current stand at **Ksh 9.4 billion** as at 30th June 2024.

Notwithstanding the above, the University remains constrained in terms of cash flows and is experiencing difficulties in meeting its short-term financial obligations as and when they fall due. This difficulty is exemplified by the ratios indicated here below:

Current and quick ratios

Current ratio (current assets/current liabilities) and quick ratio (Current Assets-Inventory)/Current liabilities) has continued to decline over the eight-year period, the ratios were only healthy at more than 1:1 in the year ended June 2016. In the year ended June 2024, they ratios have fallen to 0.30 (0.19 June 2023) quick ratio and 0.31 (0.20 June 2023) current ratio as shown in **Table 5** below.

Table 5: Five-year trend of Current and Quick Ratios

Current Assets	June 2020	June 2021	June 2022	June 2023	June 2024
Current ratio	0.44	0.26	0.19	0.20	0.31
Quick ratio	0.43	0.24	0.18	0.19	0.30

The optimal quick ratio is 1:1 or higher, but the University's ratio in June 2023 is 0.30 which means that current liabilities cannot be met from current assets without the need to sell inventory and agricultural assets. This is a challenge since the University inventories are not for sale, but rather for use in the processes of service delivery-hence may not be sold. The trend in the ratios explain why the university has been accumulating pending bills over the years. As shown in table 5 and figure 5, both ratios have declined steadily over the last six years. It however still remained at above 1:1 up June 2016; only falling to levels below 1.1 in the years ended June 2019 to June 2024 but has started rising again.

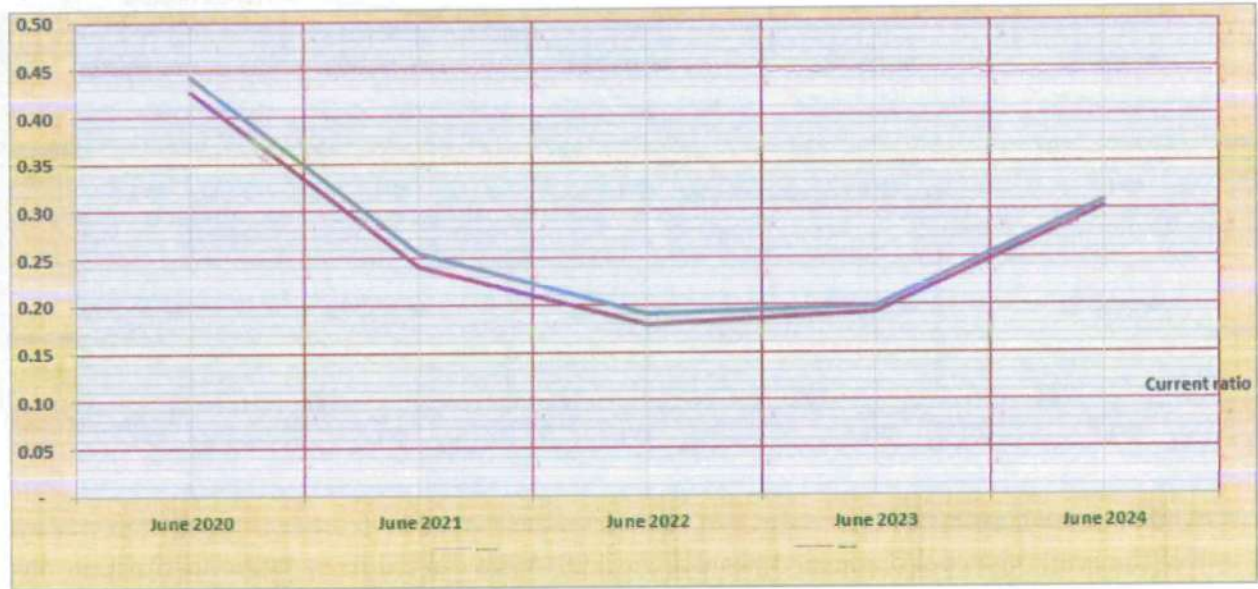


Figure 5: The trend of Current and Quick ratios over the five-year period

The pending bills as at 30th June 2024 stood at **Kshs. 9.4 billion**, with the largest component being the payroll payables at **Kshs. 7.6 billion**.

Compliance with Budget

The University operated within the budget in the FY 2023/2024.

Illiquidity and inability to meet short term financial obligations

The statement of financial position indicates that the university is in serious financial difficulty and may not be able to meet its short-term financial obligations as and when they fall due. This is shown by the poor ratios of Current Assets to Current Liabilities of 0.31 compared to June 2023 of 0.20 a slight improvement. The ratio means that the university cannot meet its short-term financial obligations by collecting/liquidating its current assets without the risk of having to dispose of non-current assets i.e., the university is extremely illiquid. The ratio of Current Assets/Current liabilities should always be 1 and above, ideally 1.5.

Material Uncertainty Related to Sustainability of Services

During the FY 2023/2024, the university reported operation deficit of **Ksh. 18.7 million** down from **Ksh. 706.6 million** in the previous year. The university has been facing serious financial challenges since the year 2016 that has resulted in overall negative net assets which was **Ksh. Ksh. 2.4 billion** as at the end of FY. The outstanding liabilities have risen to a level beyond both current and non-current assets value. This can be termed as total bankruptcy i.e., a situation in which all assets of the university (current and non-current) are insufficient to meet its outstanding financial obligations. The management has put the following mitigation measures: -

Interventions by the university to improve financial situation.

From the year 2020 to the present, the university has taken aggressive steps to deal with this situation by instituting strict austerity measures which have resulted in annual savings in excess of Ksh 100 million. Some of the measures include:

- The reductions in the payroll cost, through the non-replacement of staff who leave and the non-renewal of contracts for non-core staff, resulting in reduction in staff numbers by 424 from 1,952 in June 2017 to 1,528 in June 2022. As explained above, the cost savings arising from this reduction in numbers have been reversed by the payroll increases due to unfunded CBAs.
- The university increased teaching load for academic staff, which has saved the university a total of **Ksh 69 M** annually, from September 2021, in part time teaching costs.
- Reduction in rented spaces in Nakuru town has saved the university up to **Ksh 32.4 M** per year in rent expenses. This strategy is ongoing and by July 2023, the university plans to completely out of all rented spaces.
- Through the suspension of staff tuition waivers, the university raised an additional **Ksh 14.3 M** annually in revenue from 2020.
- Revamping of other income sources has helped to enhance revenue for the university by up to **Ksh 8.4 M** annually so far and effort continues to be put toward enhancing revenue from all sources.

Further to the above measures, the university is currently implementing reforms to its operating and administrative structures aimed at making operations more efficient and cost-effective.

The reported deficit has been on reducing trend over the last three years as indicated below: -

Financial Year	2023/2024	2022/2023	2021/2022
Deficit (in Ksh.)	(18,729,138)	(706,583,686)	(1,527,902,227)

The above trend is an indication that the university will become fully sustainable in the near future.

With the introduction of the New Funding Model (NFM) in the FY 2022/2023 it is expected that when all the students under old model are phased out, the university will begin posting positive returns

COMPLIANCE WITH STATUTORY REQUIREMENTS

The University has endeavoured to comply with all statutory requirements during the period under review. However due to financial constraints the University had not remitted **Ksh.91.2 million** relating to staff pension schemes employer contributions for the year ended June 2024.

KEY PROJECTS AND INVESTMENT DECISIONS

The University did not have any key project and investment decisions during the year however there was construction of three classrooms at Kokeb land to enable the University move out of rented spaces into the future.

MAJOR RISKS FACING THE ENTITY

The Egerton University Council is responsible for ensuring that risks across all university departments are identified, assessed, and appropriately mitigated. Effective risk management is essential for the University to set and achieve its strategic objectives, comply with legal and policy obligations, improve decision-making, and allocate resources efficiently. The risk management system is designed to be fully integrated into Egerton University's governance structure and decision-making processes.

An effective Enterprise Risk Management Framework (ERMF) is vital for the University as it addresses uncertainties that impact its operations. This framework sets the context for developing policies, standards, and best practices across all university divisions and departments.

Risk management processes are embedded in all university systems and procedures, ensuring that responses to risks remain current and dynamic. The University is committed to developing monitoring and evaluation approaches and implementing contingencies and control measures to manage identified risks and maintain competitiveness.

A robust risk management framework ensures the University's sustainability and success. It also provides assurance to the University Council, stakeholders, and management that, risks are well understood, effective mitigation steps are in place, and that systems are operating efficiently. To ensure the effectiveness of the Risk Management Framework, the University adopts the "Three Lines of Defense" model to guide the division and execution of responsibilities.

Every individual within the University plays a crucial role in being risk-aware, as everyone is affected by risks when participating in university activities. The University aims to foster a risk-

aware culture, where collective efforts are directed towards promoting positive risk management practices.

The Internal Audit Department provides assurance of the risk management process, while the Risk Officer coordinates risk management activities within the University, with quarterly reporting to the Audit and Risk Committee of the University Council. The department adds value by ensuring that risk management and internal control processes are effective.

The University classifies risks into the following categories: a) Financial Risks b) Operational Risks c) Compliance Risks d) Strategic Risks e) Reputational Risks

The following risk exposures were identified during the year:

1. Financial Sustainability Risk

- **Risk Description:** In recent years, funding for university education has consistently fallen short of requirements, pressuring management to raise additional resources. The current cost of living in the country also affects students' ability to afford tuition, textbooks, and other educational expenses, potentially impacting the University's retention sustainability.
- **Risk Mitigation Measures:**
 - Engaging with the Government of Kenya (GoK) to enhance university capitation and address unremitted statutory deductions resulting from the implementation of CBA 2013-2017 and CBA 2017-2021.
 - Implementing a range of reforms and cost management initiatives to ensure strategic expenditure.
 - Adopting sound financial management policies to ensure proper budgeting and resource utilization, and establishing the Public Finance Standing Committee.
 - Enhancing the University's competitiveness and image to attract new students through competitive pricing, especially under the new funding model.
 - Expanding program offerings through market surveys and industry partnerships, and delivering academic programs using alternative modes to boost competitiveness.

2. Cybersecurity Threats and Data Privacy

- **Risk Description:** Increased cybersecurity threats could result in data breaches, data loss, financial loss, and reputational damage to the University.
- **Risk Mitigation Measures:**
 - Ensuring robust cybersecurity controls are in place to detect and prevent security breaches.
 - Maintaining business continuity and disaster recovery plans.

3. Regulatory and Compliance Risk

- **Risk Description:** Egerton University operates in a regulated environment requiring adherence to standards set by the Ministry of Education, the Commission of University Education, and various professional boards for programs like Engineering, Law, and Medicine. Compliance with these regulations often involves substantial capital expenditure, straining the University's budget. Non-compliance could lead to financial penalties and reputational damage.
- **Risk Mitigation Measures:**
 - Allocating budgetary resources for compliance with regulations from the Ministry of Education and the Commission of University Education.
 - Ensuring adherence to all regulatory requirements.

4. Health and Safety Risk

- **Risk Description:** Increased mental health issues among students and staff can lead to decreased performance and productivity.
- **Risk Mitigation Measures:**
 - Implementing health and safety protocols and encouraging hygiene and safety among staff, students, and stakeholders.
 - Prioritizing mental health by providing resources such as wellness coordinators, psychologists, counselors, and mentors to improve stakeholders' mental wellness.

5. Reputational Risks

- **Risk Description:** Reputational risks can damage the University's brand, affecting its ability to attract students, faculty, and staff. Misconduct or negative press can quickly spread in today's digital age.
- **Risk Mitigation Measures:**
 - Maintaining high academic standards and preventing issues like plagiarism, academic fraud, or misconduct that could harm the University's reputation and brand.
 - Proactively communicating with stakeholders.
 - Developing a crisis communication plan to respond effectively to negative incidents.
 - Conducting comprehensive media monitoring and analysis across all platforms.

6. Academic and Research Risks

- **Risk Description:** Academic and research excellence are central to the University's mission. To remain competitive, the University must continuously innovate and invest in research, teaching, and technological infrastructure. The global rise of online education and new entrants has intensified competition among universities.
- **Risk Mitigation Measures:**
 - Forming consultancy and research teams to access open grant opportunities.
 - Providing training on grant and proposal writing.
 - Continuously evaluating and expanding program offerings through market surveys and industry partnerships, and delivering academic programs via alternative methods to enhance competitiveness.

Material Arrears in Statutory/Financial Obligations

At the close of the year, the University had staff deferred salaries and other unremitted payroll deductions amounting to **Kshs. 7.6 billion**.

Financial Probity and Serious Governance Issues

The University has no major financial improbity as reported by internal audit/Council audit committee, external auditors, or other National Government Agencies.

Review of the Sector

Several economic factors are poised to significantly impact future financial planning. Firstly, government budget allocations are crucial, with potential cuts in direct funding from the Government of Kenya (GoK) and the implementation of a new funding model for universities. Secondly, labor market trends, such as the high youth unemployment rate in Kenya, could influence the demand for programs at Egerton University. Thirdly, market competition presents a major challenge, as the university's viability is heavily dependent on student enrollment. The growing competition from an increasing number of universities and Technical and Vocational Education and Training (TVET) institutions offering similar programs adds to the strategic difficulties faced by Egerton University.

Furthermore, the state of physical infrastructure is another key consideration, with aging facilities requiring significant capital investment for modernization, a challenge exacerbated by declining financial resources. Lastly, evolving trends in education, particularly those introduced by the Competency-Based Curriculum (CBC), will impact university enrollment due to new government requirements and the need to realign programs accordingly.

c. Future developments and any other information

Egerton University serves a diverse and dynamic customer base, mainly comprising students from different educational backgrounds and regions. To address the evolving demographics and preferences of its students, the university plans to introduce flexible learning options, specialized programs, and enhanced facilities and support services. Significant growth opportunities exist in targeting underserved groups, including working professionals, international students, and lifelong learners. By recognizing and adapting to these market dynamics, Egerton University will reinforce its standing as a leading institution in higher education, furthering its mission to provide quality education and drive economic and social progress.

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Egerton University exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is an outline of the University's policies and activities that promote sustainability.

i) Sustainability strategy and profile

The university has been facing financial difficulties in recent years leading to a situation in which the university is unable to meet its financial obligations as and when they fall due.

The factors leading to this unfortunate situation are declining annual GoK Capitation, declining fees from students, unfunded Pension Component of the 2010-2013 & 2013/2017 CBAs and increase in payroll costs due to CBAs with no corresponding increase in funding, the university has an accumulated pending bill including staff salaries of **Kshs.9.4 billion** as at 30th June 2024.

The university has taken steps to deal with the situation by closing its campuses in Baringo and Nairobi City, and shrinking operations in Nakuru Town Campus College in order to cut down on costs.

To help reduce staff costs, the university has not been replacing staff who are exiting service by natural attrition, especially administrative and support staff. However, the impact of the new CBA 2017-2021 is reversed these gains made in reducing the payroll cost, given the associated shortfall explained above.

The university has implemented and continues to implement strict austerity measures, all in a bid to cut down on costs. This has led to reduction in costs in the financial year under review.

The university in its efforts to enhance its internal revenue generation capacity, has prepared business plans for implementation in a bid to bolster the profitability of its income generating units. This is expected to bear fruit in the coming financial year.

The university is working on reforms to its operating and administrative structures aimed at making operations more effective and cost-effective. Some of these reforms include:

- Reviewing academic programs with the aim of eliminating programs that are not attractive sufficient numbers of students.
- Investing more on e-learning. Under this mode, few lecturers are able to teach more students, it is averse to the covid-19 pandemic among other benefits.
- Reviewing the administrative units in the university e.g. Directorates, Faculties, Departments etc. with the aim of enhancing efficiency and effectiveness.

ii) Environmental Performance.

The University is at the forefront to enhance environmental sustainability and stewardship. From the rehabilitation and handover of the Njoro River to innovative initiatives such as launching plastics banning and organizing the renowned Run for the Mau Marathon, Egerton's commitment to environmental stewardship has continued to grow.

Activities undertaken to enhance environmental sustainability include the following:

Tree planting activities are being undertaken by staff, students and the surrounding communities and seedlings are distributed to surrounding communities. The university has embarked on tree growing as opposed to tree planting to ensure that the tree seedlings grown are nurtured to maturity. The university has adopted the Jazamiti app and training was attended to understand how to use it. Information on the trees grown and their location is fed into the system in order to give an indication on how the university is contributing towards the 15-billion tree growing initiative.

During the year the Vice-Chancellor launched the "Adopt a Forest" initiative to support the Presidential initiative to grow a 15-billion tree cover by 2030. It has garnered support from numerous partners such as the office of the Prime Secretary, Kenya Commercial Bank (KCB) Group, the National Defence University of Kenya, the Co-operative Bank, the Kenya Agricultural and Livestock Research Organisation (KALRO), and the Kenya Forest Service (KFS).

Various environmental clubs in the university have been active in tree growing. In 2023, our students through the "Egerton Green Action Club" participated in planting 15 thousand mangrove seedlings in Mombasa and 100 in Narok County. The Egerton University Environmental Association

has participated in the Nakuru County tree growing initiatives during the World Environment days and other events. Below is a picture indicating one such event



Tree Seedling growing has been enhanced by the existing nurseries in the university. In this regard, the university has partnered with KEFRI to harness a diverse tree species. On 30th April, 2024, tree seeds were collected from KEFRI Muguga and delivered to the Agroforestry tree nursery run by the Department of Natural Resources. Below is the distribution of seeds by species:

Partnerships for enhancement of environmental sustainability is done through various strategies. Egerton University has been organizing the annual Mau-Egerton University Cross Country since 2014 to raise awareness and funds for the rehabilitation activities. Through this initiative, over 50,000 tree seedlings have been planted. The Project has achieved significant milestones such as improved waste management, diversification of community incomes through tree nurseries, increased forest cover, and increased community awareness on environmental conservation. Faith Kipyegon is one of the brand ambassadors for the Mau Egerton University cross country. Below is one of the pictures taken during one of such events:



Under the Njoro River Rehabilitation Project, Egerton University has been working tirelessly to restore the river since 2012 in partnership with various organizations such as the KCB Bank Group, County Governments of Nakuru and Narok, Kenya Forest Service, and the Kenya Water Towers Agency. The project has made significant strides in improving the health of the river and its surrounding ecosystem. Egerton University, in collaboration with the Narok Court Users Committee and the local community, has shown that it is possible to achieve environmental restoration through partnerships, community involvement, and sustained efforts. The picture below shows one such initiative in Narok



Waste management initiatives in and around the University are necessary, since waste management is a big challenge. Students have undertaken an initiative to raise awareness and participate in awareness creation. Advocacy has been active in and around the university, especially by students

and staff from Faculty of Environment and Resources Development. The photo below highlights some of the activities undertaken



Annual Environmental awareness week is an activity undertaken by the University every year in the month of April, to raise awareness about environmental stewardship and mobilize staff, students and the surrounding communities to champion environmental sustainability. Students from surrounding schools are involved in activities that raise awareness through creative arts including poems and songs. The climax culminates in grand celebration with tree planting and speeches, song and dance. The picture below represents one of such events



"Transforming Lives Through Quality Education"

iii. Employee welfare

The University takes into account the gender ratio, stakeholder engagement through public participation. It manages staff careers, appraisal and reward system during Founder's Days, Mau X-Country among others guided by the following policies:

1. EU- Human Resource Policies and Procedures Manual, 2023
2. Training Policy,
3. Gender Policy
4. OSHA Policy
5. EU – Staff Training and Development Policy, 2017

The University adheres to the Occupational Safety & Health Act, 2007 (OSHA) through an established Committee. These policies are reviewed from time to time on need basis.

iv. Market place practices

a) Responsible competition

Egerton University's vision is to be a world class university for the advancement of humanity. Its vision and its commitment to excellence, integrity, social fairness and professionalism cannot be realized unless it operates in a transparent corruption free atmosphere. As an institution, Egerton University is fully committed to waging war against corruption in all its manifestations within the University and in all its decisions, actions and practice aiming at zero tolerance on corruption and achievement of Corruption-Free Zone status.

The University has set in place posters in strategic places of the University written on 'Egerton University is a Corruption Free Zone'.

The University has set up the mechanisms to handle cases of corruption and poor delivery of services within its mandate.

The University has institutional Structures in place to detect, prevent and sanction bribery; corruption and unethical conduct. These include Corruption Prevention Committee (CPC) and Integrity Promotion Committee (IPC) which is secretariat to CPC.

The CPC is an established committee which spearheads Anti-Corruption and Integrity Initiatives in the University.

During the 2023-2024 PC year, the University through CPC and IPC ensured responsible competition practice on matters Anti-Corruption by undertaking the following activities/practices:

- 1) Coordinated functional areas (Directorates, Faculties, and other departments) in the University to continue with the implementation process of Bribery and Corruption Mitigation Strategies/Measures emanating from the Corruption Risk Mitigation Plan/Strategies as per the implementation matrix for EACC.
- 2) Collated and prepared three Quarterly Progress Reports and one fourth quarter comprehensive report from Directorates, Faculties and Departments on the implementation of corruption prevention plans developed using the prescribed reporting format and submitted to EACC with evidence attached.
- 3) Held four quarterly meetings to consider Corruption allegations/complaints reports brought to its attention by IPC, deliberate, consolidate and make recommendations before submission to the Commission of Ethics and Anti-Corruption (EACC). During the quarterly CPC meetings, members are sensitized on matters Corruption and encouraged to be proactive in prevention of the same.
- 4) Sensitization was done to first year students (2022 cohort) during their orientation (31st August 2023 & 1st September, 2023) after joining University, on Corruption and mechanisms for prevention, Promotion of Integrity and Ethical issues and Complaint Handling & Resolution in the University. During orientation, the students were also notified of the existence of corruption and complaint reporting boxes in strategic places in the university.
- 5) Reviewed the Anti-Corruption Policy which is currently at its final stage
- 6) Staff and students were reminded via emails to be conversant with matters integrity, complaint handling/resolution infrastructure, service delivery in the university as per the documents available on the University website.

b) Responsible supply chain and supplier relations

The procurement of Goods and Services in the University is guided by the Public Procurement Public Procurement Assets and Disposal Act 2015 and Public Procurement Regulations 2020.

The available Procurement opportunities were advertised and Published on the University Website and Public Procurement Information Portal for Public to access and participate.

During the period under consideration the 30% of Procurement opportunities available for Youth, Women and Persons with Disabilities Totalling Kshs. 154,886,980 was considered.

Most of the Suppliers whom they supplied goods and services to the University were paid on time despite the fact that University was facing financial challenges.

c) Responsible marketing and advertisement.

Egerton University established the Directorate of Marketing and Resource (DMRM), which is committed to upholding ethical marketing practices that reflect our core values of integrity, transparency and accountability. Below are ways we adhere:

1. **Accurate Programme Information:** We ensure that all advertisements and promotional materials, including those shared on our website (www.egerton.ac.ke) social media platforms, provide accurate information about our academic programmes.
2. **Respect for Privacy and Consent:** Before taking any photos for marketing purposes, we seek consent from those involved. The form is available in hard copies at DMRM Offices. This practice ensures we are within the law and that people's rights are respected.
3. **Social Media Transparency:** Our social media accounts (X:@egertonunikenya & Facebook/Instagram: Egerton University) are critical in enhancing the visibility of our programmes and activities, and we ensure that all information shared is accurate and reliable.

d) Product stewardship

Egerton University successfully conducted the Teaching Effectiveness Evaluations (TEE) for semester I and Semester II AY 2023-2024 aimed at enhancing teaching quality leading to continuous improvements in instructional practices and quality of programmes.

The analysis of the External Examiners' reports for Semester I and II AY 2022/2023 was completed and a summary report was prepared for submission. The report was discussed in the Deans' Committee and further follow-up was conducted to obtain the implementation quality plans of the recommendations therein from the departments.

The University academic programmes accredited by Commission for University Education (CUE) were 186 comprising of 69 undergraduate and 117 postgraduate programs. Additionally, two programs, Master of Science in Animal Nutrition and Master of Science in Food Science and Technology received international accreditation through ASIIN, a German-based accreditation agency. Moreover, the Master of Science in Pharmacology and Toxicology, Bachelor of Science in Civil Engineering, Bachelor of Science in Mechanical and Manufacturing Engineering, Master of Science in Computer Science and Post Graduate Diploma in Education programs were successfully submitted to CUE for accreditation. Furthermore, Bachelor of Education (Science), Bachelor of Education (Arts) and Bachelor of Science in Agricultural Education and Extension underwent programme curricula reviews and submitted to CUE for review to ensure compliance with Competency-Based Education and Training (CBET) standards.

The University carried out a Graduate Tracer Study in the Faculty of Science in February 2024 to assess the effectiveness of 6 programmes programs and the quality of its graduates. In addition, a Student Exit Survey was conducted in December, 2023 to evaluate the impact of university programs on graduates' career outcomes, students' satisfaction with academic experiences and support services and their preparedness levels for the job market. The efforts collectively demonstrated University commitment to Quality Management System.

v. Corporate social responsibility/ community engagement.

The following are the activities carried out in the first quarter of the financial year 2023/2024.

1. TAGDev organized its 5th National Forum for Universities, TVETs' and Agricultural stakeholders held at Egerton University on 20th-21st July 2023. The theme was Promoting Entrepreneurship and Innovation for Youth Empowerment and National Development. It attracted various stakeholders including farmers.
2. TAGDev held Farmers Day Nakuru School of Agriculture, Soilo on 28th August 2023 where 12 TAGDev students attended. The Farmers's Day event brought together students, organizations, and companies in dynamic platforms where the focus was on promoting sustainable agricultural practices.



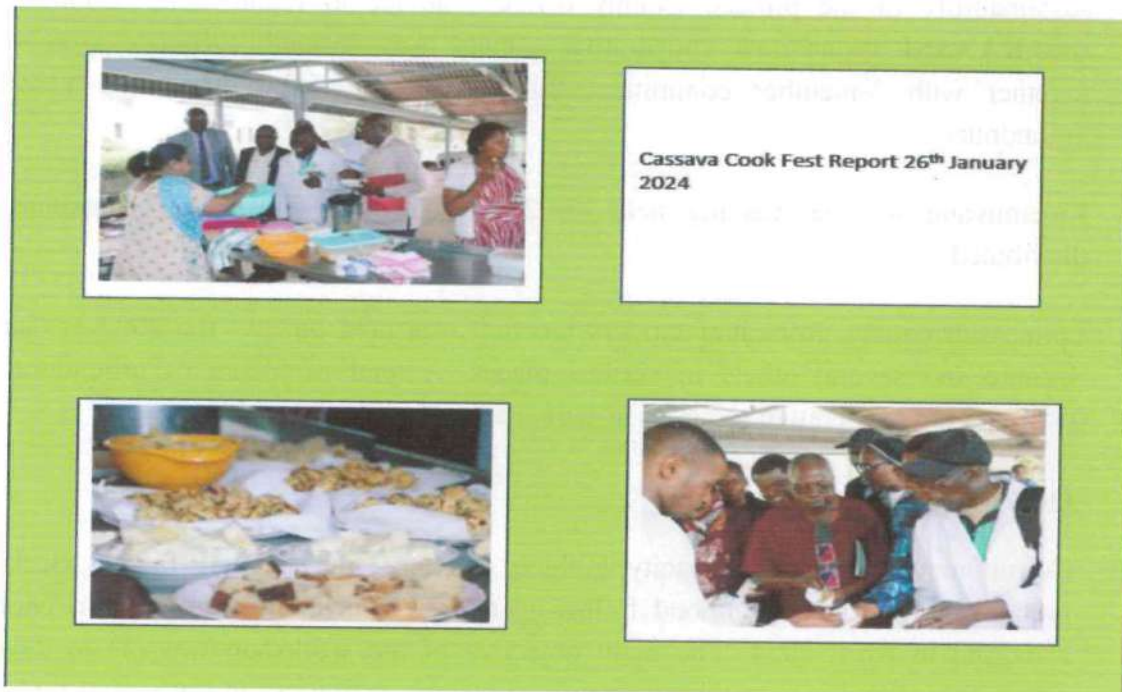
3. RUFORUM participated as an exhibitor at the Annual Baraka Agriculture College Open Day held on 13th -15th September 2023. The Open Day aimed at bringing together rural development stakeholders to share information and experiences geared towards enhancing sustainable livelihoods in rural areas..
4. Monday 13th November 2023 was declared a Tree Planting Public holiday where all staff engaged in tree planting within the compound from 9.00 am to 12.00 pm

Quarter 2

1. The Trainer of Trainers for Community based facilitators and Agricultural officers was done at Lokichar **Another chance hotel on 14th and 15th December 2023** by the Egerton project implementing team(Agro-Science Park) in collaboration with FAO technical team. The meeting also served as a sensitization meeting for the county team of experts including the CEC Agriculture, the CO Agriculture, and the directors of cooperative, Agriculture and social services. The groups that were trained were the three Sub County Agricultural Officers, WAOs, county staff and the three research assistants. Training topics; Overview of the project – FAO Team, Groundnuts agronomy and good agricultural practices-Egerton team, Groundnuts pests and diseases –Egerton team, Post -harvest management and Aflatoxins management-Egerton team, Community seed system- Egerton team.
2. Turkana South Agro-Science Park held a meeting in Turkana South on 19/02/2023
The Agenda of the meeting was to educate the farmers on the importance of the producer's organization and community seed system, the election of the officials, and the distribution seeds.
3. National tree growing day. The university planted 5,000 trees on Monday 13th November 2023 at main campus Njoro

Quarter 3

1. The Cassava Value Chain CARP project held a cassava cook fest on 26th January 2024 aimed at creating awareness of the various cassava research programmes at Egerton University, promoting cassava consumption by introducing new products from the crop, and educating farmers/youth and the wider community in Nakuru County on the importance of cassava as a food security crop.



2. Cowpea variety which was developed in collaboration with Egerton University and KARLO Katumani and seed was sourced for commercial multiplication to get certified seed in Agropark.
3. The Education and Training for Sustainable Agriculture and Nutrition in East Africa interdisciplinary research project held a stakeholders' workshop in Busia from 14th – 15th March 2024. The main objective of the project was to develop more sustainable farming practices, improve the diets of households, and establish value chains for nutrition-sensitive crops in Teso South Sub County, Kenya, and Kapchorwa in Uganda.
4. CESAAM organized a farmers training in Siaya County for 5 days from 18th – 24th February 2024. Farmers from all ecological representations of Kenya's agricultural zones, ensuring a diverse representation of farming practices and challenges, The training sessions were conducted in an interactive and participatory manner, encouraging active

engagement from the participants. Key sessions were as follows; Feed formulation, Agripreneurship, Cassava value Addition, insect rearing for Livestock feed and soil nutrition and health.

5. Agro-Science Park held a meeting in Turkana South on 19/02/2024. The Agenda of the meeting was to educate the farmers on importance of the producer's organization and community seed system, election of the officials and to distribute seed. Egerton team insisted on the objective of the project, importance of aggregation centers and sustainability of the project. County officials advice to retain some groundnuts for seed. **KANASI** groundnuts cooperative society was formed. Officials were elected together with 3-member committee (**200 members**). They distributed 1175Kg of groundnuts.
6. Kalemuyang scheme meeting held on 21/02/2024 and 660Kg of groundnuts were distributed.
7. Loima sub county groundnut farmers meeting was held on 20th feb 2024 at Kangalita Scheme and several others in various places. A total of 985kg of groundnuts were distributed to cooperative societies in Turkana South.

Quarter 4

1. Consultancy- contracted capacity building services for NARIGP-funded Beekeeping groups for improved livelihood follow-up and Exit meetings were held in Njoro and Naivasha in April 2024. The main objective of the workshop was (1) to develop a sustainable action plan outlining specific strategies, activities, and proposed budgets for implementing sustainability measures (2) To establish monitoring and evaluation mechanisms to track progress and identify challenges. And adjust strategies as needed. (3) To develop institutional manuals e.g. Human Resources, Resource Mobilization, and financial management among others.
2. Basic tractor operation and maintenance training organized by CIWAB was held from 15th to 16th April 2024 at Egerton University.
3. Centre of Excellence in Sustainable Agriculture and Agribusiness Management organized a program for social safeguards Training at th KALRO, Naivasha (May19-22, May 2024).
4. International Day of Potato- National Potato conference and trade fair was held on 30th-31st May 2024 at KALRO research field in Oljoro-orok Nyandarua County, the event's theme was "Harvesting Diversity; Feeding the future". Highlighted topics included; -
 - Regulatory environment and Potato policy
 - Enhancing potato production through digitization

- Postharvest handling, value addition, reducing postharvest losses and improving profitability
 - Climate resilience and digital solutions
 - Youth entrepreneurship and financing
5. Following a directive by the Principal Secretary of Higher Education that all Universities engage in tree planting activities on Friday 24th May 2024 the staff at the directorate took the initiative of growing 30 trees each to achieve the set goal for the year.
 6. Under the leadership of Prof. Kimurto and a team of experts (Dr. Charimbu- Agronomist and Hillary Chelel- Agribusiness) from Agrosience Park engaged in a lively dialogue with the 31 rice farmers and uses of vermicompost from West Kano. The insights shared during the discussion were nothing short of enlightening as each farmer provided valuable perspectives on their experiences with vermicompost. From cost-effectiveness to soil replenishment, the benefits were vividly expressed. However, challenges such as bulkiness, quantity limitations and maintenance concerns also came to face. The Visit and Focus Discussion Groups were conducted under the support of the R4ICSA Project, collaborative project spearheaded by Kilimo Trustin co-operation with Egerton University.
 7. Farmers Training Programme was conducted at DTI Naivasha from June 12th to 14th, 2024. The training aimed to enhance the knowledge and skills of farmers in various



aspects of agriculture, including crop management, value addition, feed formulation, and entrepreneurship. The programme was organized by CESAAM, and several esteemed professors and experts facilitated the sessions. Farmers from 12 different counties were represented, ensuring a diverse and comprehensive exchange of knowledge and experiences.

The training was well-received, and the farmers expressed gratitude for the valuable knowledge and skills they acquired. They were particularly appreciative of the practical farm visits and hands-on sessions. The representation of farmers from 12 different counties ensured a rich exchange of diverse agricultural practices and challenges. Going forward, it is recommended to:

“Transforming Lives Through Quality Education”

- Continue offering such training programs to keep farmers updated with the latest agricultural practices.
 - Increase the duration of practical sessions to allow more hands-on experience.
 - Provide follow-up support to ensure the implementation of learned techniques.
8. CESAAM participate in the Multisectoral Conference on Science, Technology and Innovation (MS-COSTI) on 7th- 10th May 2024 at Safari Park. It's a yearly conference which aims to facilitate a multifaceted forum of national and international discourse to deliberate, network, partner, share experiences and resolve on how best to infuse or deploy Science, Technology and Innovation for prosperity of humanity as well as for public good, safety and security. The Conference accentuate on a technology-driven and innovation-led inclusive sustainable development agenda. They provide a platform for showcasing cutting-edge research, innovative technologies, and groundbreaking projects that drive scientific and technological advancements. Participants, including researchers, industry experts, and policymakers, have the opportunity to network, discuss emerging trends, and explore potential partnerships. This environment stimulates creativity and problem-solving, encourages the dissemination of best practices, and ultimately contributes to the advancement of science and technology for societal benefit.
9. CESAAM organized for an exchange program with Florida A &M University International Agriculture Programs (FAMU) from May to June 2024. Egerton University through CESAAM and FAMU has ongoing collaboration under the UMES sub-awarded Project, focused on "Strengthening Learning, Discovery, and Engagement in Global Food Security and Defense in East/Southern Africa through a Regional Cluster of 1890 Universities,". This report highlights the successful implementation of the student exchange program between Egerton University and Florida Agricultural and Mechanical University (FAMU) In line with our commitment to enhancing educational opportunities and fostering global perspectives in agriculture, six students from FAMU were matched with six students from Egerton University for a transformative academic exchange. This initiative aimed not only to broaden the academic horizons of participating students but also to promote cross-cultural understanding and collaborative research in agriculture and food sciences.

10. TURKANA SOUTH KATILU SITE (Nawapetoo and katilu)

Achievements

1.1 tonnes of seed distributed by the end of APRIL2024

- 47 acres of land under groundnuts production currently
- Harvested 1.1 unshelled groundnut that was harvested in the previous season and sold

- More than 100 farmers have been recruited into groundnut production

Challenges

- During rainy season overflow causes flood hence the farms became water logged

Lesson learnt

- The farmers have been able to learn about good agronomic practices of groundnuts production and implement them
- The farmers have been able to learn about the importance community seed system and even form an aggregation center where the seeds are to be stored
- The farmers were taught on importance of forming a cooperative and in a process of forming one

Success stories

A feature story was document and its available on social media

LOIMA SUB-COUNY

KALEMUYANG SITE

Achievements

- 660 kgs of seed distributed by the end of APRIL2024
- More than 25 acres of land under groundnuts production currently
- Harvested 2 tones unshelled groundnut that was harvested in the previous season and sold
- More than 120 farmers have been recruited into groundnut production

Challenges

- Siltation of the water canals often hence reducing the water levels reaching the basins

Lesson learnt

- The farmers have been able to learn about good agronomic practices of groundnuts production and implement them
- The farmers have been able to learn about the importance community seed system and even form an aggregation center where the seeds are to be stored
- The farmers were taught on importance of forming a cooperative and in a process of forming one

Success stories

A feature story was document and its available on social media

NANYEE SCHEME

Achievements

- 400 kgs of seed distributed by the end of APRIL2024
- More than 16 acres of land under groundnuts production currently
- Harvested 4 tones unshelled groundnut that was harvested in the previous season and sold
- More than 130 farmers have been recruited into groundnut production

Challenges

- Siltation of the water canals often hence reducing the water levels reaching the basins
- Reduction of water levels during drought hence affecting amount of water reaching the farms

Lesson learnt

- The farmers have been able to learn about good agronomic practices of groundnuts production and implement them
- The farmers have been able to learn about the importance community seed system and even form an aggregation center where the seeds are to be stored
- The farmers were taught on importance of forming a cooperative and in a process of forming one

Success stories

A feature story was document and its available on social media

KANGALITA SCHEME

Achievements

- 400 kgs of seed distributed by the end of APRIL 2024
- More than 16 acres of land under groundnuts production currently
- Harvested 4 tones unshelled groundnut that was harvested in the previous season and sold
- More than 130 farmers have been recruited into groundnut production

Challenges

- Siltation of the water canals often hence reducing the water levels reaching the basins
- Reduction of water levels during drought hence affecting amount of water reaching the farms

Lesson learnt

- The farmers have been able to learn about good agronomic practices of groundnuts production and implement them
- The farmers have been able to learn about the importance community seed system and even form an aggregation center where the seeds are to be stored
- The farmers were taught on importance of forming a cooperative and in a process of forming one advance stages

TURKANA WEST

CHORO FARM

ACHIEVEMENTS

- 160 kgs of seed distributed by the end of APRIL 2024
- More than 6 acres of land under groundnuts production currently
- More than 50 farmers have been recruited into groundnut production

Challenges

- Water for irrigation is limited

Lesson learnt

- The farmers have been able to learn about good agronomic practices of groundnuts production and implement them
- The farmers have been able to learn about the importance community seed system and even form an aggregation center where the seeds are to be stored
- Already have a registered cooperative with a certificate

KALOBYEI FARM ACHIEVEMENTS

- 450 kgs of seed distributed by the end of APRIL2024
- More than 16 acres of land under groundnuts production currently
- More than 192 farmers have been recruited into groundnut production

Challenges

- Water for irrigation is limited
- Pipes that were used to supply water to the farm were broken water

Lesson learnt

- The farmers have been able to learn about good agronomic practices of groundnuts production and implement them
- The farmers have been able to learn about the importance community seed system and even form an aggregation center where the seeds are to be stored
- The farmers were taught on importance of forming a cooperative and in a process of forming one advance stages

FACILITATE ACCESS TO POST HARVEST HANDLING AND VALUE ADDITION EQUIPMENTS AND INFRASTRUCTURE FOR COLLECTION, STORAGE AND TRANSPORT

The meeting was held at St. Teresa Pastoral center in Lodwar town on 27TH May 2024. Members present were

FAO team

Egerton University (PIT)

Turkana county staff

County Director of Agriculture

County executive committee member

Groundnut's farmers

Media

The equipment that was handed over to farmers include

Generator (1)

Peanut butter pressing machine (4)

The farmers were grateful for the machines it will help them in commercialization of groundnuts value added products

TURKANA SOUTH HANDING OVER OF THE VALUE-ADDED MACHINES

Members present were

Groundnut's farmers

Ward agricultural officer

Pit team

Katilu groundnuts farmers were handed over peanut butter pressing machines. The CBF Mr. Joseph expressed their gratitude and thank FAO for assisting them to acquire the machine.

**LOIMA SUB COUNTY HANDING OVER OF VALUE-ADDED MACHINES
KALEMUYANG SCHEME**

Members present were

Groundnut's farmers

Pit team

Kalemuyang groundnuts farmers were handed over peanut butter pressing machines. The CBF Mrs. Agnes expressed their gratitude and thank FAO for assisting them to acquire the machine

KANGALITA SCHEME

Members present were

Groundnut's farmers

Pit team

Kangalita groundnuts farmers were handed over peanut butter pressing machines. The CBF Mr. Yohana expressed their gratitude and thank FAO for assisting them to acquire the machine

NANYEE SCHEME

Members present were Groundnut's farmers Pit team

Nanyee groundnuts farmers were handed over peanut butter pressing machines. The CBF Mr. Moses expressed their gratitude and thank FAO for assisting them to acquire the machine

Members present were; Kalobeyei Groundnuts farmers, PI & team and FAO representative Kalobeyei groundnuts farmers were handed over peanut butter pressing machines. The CBF Mrs. Grace expressed their gratitude and thank FAO for assisting them to acquire the machine.

11. REPORT OF THE COUNCIL

The Council submits their report together with the financial statements for the year ended June 30, 2024 which show the state of the University's financial affairs.

Principal activities

The principal activities of the University are shown on pages v- vi.

Results

The results of the University for the Year ended June 30th, 2024 are set out on pages 1 – 5.

Council

The members of the University Council who served during the year are shown on page xii - xv. The Council member remained the same during the year as there were no new appointments.

Auditors

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

By order of the Council



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor/Secretary to The Council

27th September 2024
Date

12. STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITY

Section 81 of the Public Finance Management Act, 2012 and Section 47 of the Universities Act, 2012 require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

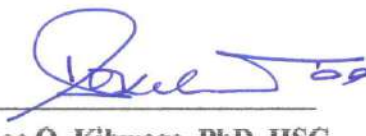
The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the Public Finance Management (PFM) Act, 2012. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2024, and of the University's financial position as at that date. The council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

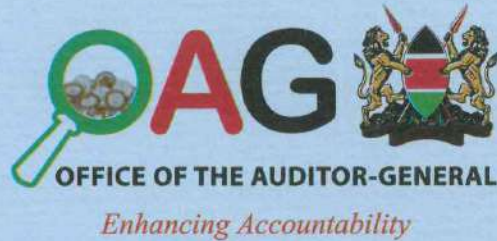
The University's financial statements were approved by the Council on 27th September 2024 and signed on its behalf by:


Eng. Christopher O. Oanda
Ag. Chairman, Egerton University Council


Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor

REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

REPORT OF THE AUDITOR-GENERAL ON EGERTON UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2024

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 Egerton University set out on pages 1 to 58, which comprise the statement of financial position as at 30 June, 2024 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Egerton University as at 30 June, 2024 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 Public Finance Management Act, 2012 and the University Act, 2012.

Basis for Qualified Opinion

1. Material Uncertainty Related to Sustainability of Services

The statement financial position reflects current assets and current liabilities balances of Kshs.2,532,690,615 and Kshs.9,994,817,018 respectively, resulting in a negative working capital of Kshs.7,462,126,403. Further, the University recorded a deficit of Kshs.18,729,138 for the year and accumulated deficit amount of Kshs.7,472,369,528. However, Management did not make any disclosure on the face of the financial statements or in the Notes to the financial statements of the material fact that the University may not continue to sustain its services in the foreseeable future and the mitigating measures put in place to reverse the above situation. The University is therefore, technically insolvent and may face financial challenges in settling liabilities as and when they fall due.

In the circumstances, the continued survival and ability of the University to continue to sustain services is dependent on the continued Government support and its creditors.

2. Unsupported Rendering of Service - Tuition and Related Fees

The statement of financial performance reflects an amount of Kshs.1,554,367,401 in respect to tuition and related fees and as disclosed in Note 12 to the financial statements. However, the University did not reconcile its enrolment data for the year with the billed

data/income ledgers for the year. It was not possible to match the revenues with the number of students at any given time.

Further, review of one of the fees collection bank account statements revealed that receipts amounting to Kshs.8,359,950 from students and other sponsors had not been recorded to the respective student's accounts. This resulted in a negative cash balance for the account of Kshs.6,688,642 as reflected under Note 26c to the financial statements. Management has not demonstrated any efforts in identifying the students and clearing the unreceipted amount.

In the circumstances, the accuracy and completeness of the tuition fees amount of Kshs.1,554,367,401 could not be confirmed.

3. Receivable from Exchange Transactions

The statement of financial position and Note 27(a) to the financial statements reflects receivables from exchange transactions balance of Kshs.1,009,383,175. The following anomalies were noted: -

i. Long Outstanding Imprest

Included in the balance is long outstanding imprest balance of Kshs.99,481,752. Management has not demonstrated effort to recover this amount.

ii. Incomplete Imprests Register

Review of the general and research imprests register maintained by Management revealed that critical details on the due date of surrender of imprests issued have been omitted from the register.

iii. Un-surrendered Imprest

Included in the outstanding imprest amount is un-surrendered imprests amounting to Kshs.92,779,273. However, no recoveries have been made from the salaries of the defaulting officers contrary to Regulation 92 of the Public Finance Management (National Government) Regulations, 2015 requires a holder of a temporary imprest shall account or surrender the imprest within 7 working days after returning to duty station. Further, no interest has been levied on the outstanding imprest pursuant to the provisions of the Regulations 92.

iv. Imprest Due for Former Staff

Further review of the surrendered amounts showed that imprests worth Kshs.11,326,826 was due from staffs who are no longer working with the University with some dating far

back to 1994. No action has been taken to write off these imprests whose recoverability is doubtful.

v. Long Outstanding Student Debtors

The statement of financial position reflects a net balance of Kshs.973,124,643 in respect of receivables from exchange transactions, as disclosed in Note 26b to the financial statements which includes an amount of Kshs.886,782,528 relating to student debtors. Verification of the student debtor's ledger provided revealed that only debtors amounting to Kshs.65,103,316 are current while the balance of Kshs.821,679,210 were old debtors. Further, out of these amounts, debtors amounting to Kshs.812,405,568 were indicated to be over five (5) years out of which debtors of Kshs.363,500,278 was due from students who have left the university. No explanation was provided for the failure to recover the old outstanding student debtors.

In the circumstances, the collectability of the long outstanding debtors balance of Kshs.821,679,210.95 as at 30 June, 2024 remain doubtful.

4. Unsupported Receivables- Others

The statement of financial position reflects a net balance of Kshs.973,124,643 in respect of receivables from exchange transactions, as disclosed in Note 26 (b) to the financial statements which includes a total amount of Kshs.3,985,424 for other debtors whose supporting schedules were not provided for audit.

In the circumstances the accuracy, recoverability and completeness of receivables from exchange transactions balance of Kshs.973,124,643 could not be confirmed

5. Irregularities in Assets Management

Management did not undertake a comprehensive verification and condition assessment of all assets controlled or used by the entity during the financial year under review.

In the circumstances, the valuation and existence and completeness of property, plants and equipment balance of Kshs.4,907,108,380 could not be confirmed.

6. Unsupported Payables and Unallocated Refundable Deposits

Note 32 on the statements of financial position reflects trade and other payables balance of Kshs.8,752,682,482.

The following anomalies were noted;

- i. Prepayments amounting to Kshs.443,936,378 due to students included an amount of Kshs.207,684,419 which were outstanding for more than five (5) years with no clear way forward on how the long outstanding prepayments will be dealt with.
- ii. An amount of Kshs.10,593,198 given by Constituency Development Funds was not allocated with no communication to the various Constituency Development Funds.
- iii. An amount of Kshs.25,290,176 from Higher Education Loans Board (HELB) was not allocated to specific students with no communication to HELB on the way forward on the funds.
- iv. An amount of Kshs.25,427,539 from other sponsors was not allocated to beneficiary students.
- v. An amount of Kshs.18,246,020 was a result of direct deposit that was not allocated to any student and no evidence of follow-up has been done to ensure the cash is allocated.
- vi. An amount of Kshs.116,690,680 from caution money that has not been refunded to students no communication on the way forward.

In the circumstances, the accuracy and completeness of the payables balance of Kshs.8,752,682,482 could not be confirmed.

7. Irregular Security Expenses

The statement of financial performance and as disclosed in Note 16 to the financial statements reflects an expenditure amount of Kshs.482,781,193 in respect to administrative and central services expenses. Included in the balance are payments for security expenses totalling Kshs.36,570,351, out of which an amount of Kshs.4,355,770 was paid directly to police officers deployed to the institution. This was contrary to Section 104(3) of the National Police Service Act, 2011 which provides that monies paid for the private use of the police as specified in the Act shall be paid to The National Treasury.

In addition, proof of deployment letters, personal numbers, and approved daily rates or monthly rates payable to each officer were not provided for audit review.

In the circumstances, the regularity of security expenses amounting to Kshs.4,355,770 for the period could not be confirmed.

8. Irregular Legal Charges

The statement of financial performance and as disclosed in Note 16 to the financial statements reflects administration and central services expenses amounting to Kshs.482,781,193. The amount includes legal charges amount of Kshs.47,135,741.

Review of documentation of pending legal proceedings against the University that may, if successful, have significant financial impact on the operations of the University reveals that a number of external legal representatives other than the University's designated legal officer took part without prior approval of the Attorney General.

The external legal representatives were awarded contracts in November, 2022 and were paid a total of Kshs.5,515,607 in the year under review.

In addition, it was observed that legal services were procured using two-year framework contracts. Requests for quotations were not issued on need basis and award based on lowest evaluated bidder in line with charges as per advocates remuneration Act thus the procurement process was not competitive.

In the circumstances, the regularity of legal expenditure of Kshs.47,135,741 could not be confirmed.

9. Unaccounted for Fuel Amounting

Included in the statement of financial performance and as disclosed in Note 17 to the financial statement is an amount of Kshs.88,132,002 as expenditure on repairs and maintenance out of which an amount of Kshs.23,211,255 was incurred towards motor-vehicle fuel oil and lubricants.

However, a review of work tickets for the fifty-five (55) University vehicles that were operational during the year under review revealed that these vehicles drew 111,385 liters of fuel amounting to Kshs.20,160,685 resulting to unexplained fuel expenditure amount of Kshs.3,050,570. In addition, invoices and surrenders by the transport officer are not supported by statements of fuel drawn, fuel register and the reconciliation there of.

In the circumstances, the regularity and accuracy on fuel, oil and lubricants expenditure amount of Kshs.3,050,570 could not be confirmed.

10. Unsupported and Unremitted Staff Statutory Deductions

The statement of financial position reflects trade and other payables balance of Kshs.8,752,682,482 as disclosed in Note 32(a) to the financial statements. Included in the balance is payroll payables comprising of salary arrears and deductions and pension contributions totalling Kshs.7,584,827,568, internal creditors amount of Kshs.26,360,706, withholding tax amount of Kshs.15,687,420, VAT Kshs.30,344,751 and HELB Kshs.25,290,176 which had not been remitted to the statutory entities contrary to the Section 37(1) of the Income Tax Act which states that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed. The payroll payables were also not supported by way of detailed listing of the staff from whom the deductions were made and the respective amounts.

In the circumstances, the accuracy and completeness of the deductions amounts of Kshs.8,752,682,482 could not be confirmed and Management was in breach of the law.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Egerton 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.

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 matters described in the Basis for Qualified Opinion Section of my report, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Prior Year Unresolved Issues

In the audit report of the previous year, several issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance which have remained unresolved as at 30 June, 2024.

Other Information

The Management is responsible for the other information set out on page V to IXXVI which comprise of Key Entity Information and Management, The University Council, University Management Board, Report of the Vice Chancellor, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Council, Statement of Council Responsibilities, Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effects of the 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. Procurement and Budget Irregularity

a) Expenses not in the Procurement Plan

The procurement plan had no legal expenditure for the year under review. However, legal expenses were procured and paid for amounting to Kshs.47,135,741. Therefore, occasioning unplanned legal expense amount of Kshs.47,137,741 against the provisions of the law.

b) Receipts of Good Before Local Purchase Order (LPO) Validity Period

The statement of financial performance reflects administration and central services expense amount of Kshs.482,781,193 which includes advertising expense amount of Kshs.1,140,394. Review of documents in support of the expenses showed that Local Service Orders (LSOs) for provision of advertising services were prepared after the advertisements were done thus it is not clear how the procurements were initiated and funds committed.

In the circumstances, Management was in breach of law.

2. Staff in Long-Acting Positions

The Statement of financial performance reflects staff costs amount of Kshs.2,785,960,054. Note 14(a) and (b) to the financial statement shows acting allowances amount of Kshs.601,603 and Kshs.1,768,913 paid in respect of Key Management personnel and other staff personnel remunerations respectively.

Examination of payroll records for Key Management personnel revealed that a total of four (4) officers had been paid acting allowances during the financial year. Review of their personal files revealed that they have been serving in acting capacity for more than six (6) months contrary to Section 34(3) of the Public Service Commission Act, 2017 that states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months. There was no evidence provided to indicate that management had plans for recruitment for these positions or confirming officers who have been holding the positions.

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

3. Irregular Use of University Land by Undisclosed Private Investors

Review of 196th Special Council meeting minutes held on Thursday 29 February, 2024 on the Provision of Land to Enhance National Food Security, it was reported that communication was made to the Cabinet Secretary, Ministry of Education through a letter dated 29 February, 2024 informing him that the Council had resolved to avail 2,000 acres of land for maize cultivation to enhance National food security, to the mutual benefit of Egerton University and partners. Resolutions of the Council meeting required that a letter to the Cabinet Secretary, Ministry of Education giving further guidance on the 1,500 acres of the land set aside for National food safety be done. Secondly, it was resolved that CCTV footage of the visitors from a local Company who visited the University on 12 and 15 March, 2024 be retrieved.

However, as at the time of audit no correspondence from the Cabinet Secretary and or Ministry of Education giving guidance towards the controversial land was provided for audit verification. No evidence of committees having been set to facilitate management of the asset were provided as required by legislation. Moreover, all acquisitions or assignment of immovable property requires notification to the National or County Treasury in consultation with National Land Commission and or the Ministry responsible for Lands for approval, all which were not provided for audit verification. The exact acreage of land set aside whether 1,500 or 2,000 acres as per the Council minutes. Field verification of the land in question confirmed that the land was under wheat plantation as opposed to the initial plan of maize cultivation, and it was not clear who the beneficiary of the harvested crop would be. Lastly, no land lease agreements between the University and the private investor were provided for audit review.

In the circumstances, there is a risk of losing this parcel to illegal parties.

4. Expired Contracts on Rent & Rates

The statement of Performance and Note 16 reflects administrative & central services amount of Kshs.482,781,193 which includes rent & rates amount of Kshs.16,595,034 as reflected in Note 16 to the financial statements. A total amount of Kshs.4,814,000 was paid to landlord for rental services without a valid contract. The contract period was from 1 January, 2020 to 31 December, 2022. Further, rent amount of Kshs.1,560,000 was paid

to another landlord without a valid contract. The Contract period was from to 1 March, 2023.

In the circumstances, the propriety of the rent expenditure amount of Kshs.6,374,000 could not be confirmed.

5. Stalled Projects

Reported in the previous year and current year report and included in the work-in-progress balance of Kshs.947,929,452 reflected in the statement of financial position and Note 30(b) to the financial statements are seven (7) stalled projects valued at Kshs.435,545,277 after the contractors pulled out due to non-payments.

In the circumstances, the propriety of the expenditure of Kshs.435,545,277 on stalled projects could not be confirmed.

6. Payroll Payables

Trade and other payables balance of Kshs.8,752,682,482 as reflected in Note 32(a) to the financial statements includes Kshs.7,584,827,568 being payroll creditors or unpaid salaries. The University is paying 70% of the salaries leaving the balance of 30% unpaid which is accumulating liability. Management has not disclosed on how they will payout the remaining salaries

In the circumstances, payment of the accumulating 30% of the unpaid employees' salaries is doubtful.

7. Unauthorized Bank Overdraft

The statement of financial position under current liabilities reflects bank overdraft (negative cash balances) amount of Kshs.6,688,642. Review of the records provided revealed that the University's accounts were overdrawn to the tune of an amount of Kshs.6,688,642 without authority from the National Treasury contrary to the provisions of Regulation 82(7) of the Public Finance Management (National Government) Regulations, 2015 which requires that no official Government bank account shall be overdrawn, nor shall any advance or loan be obtained from a bank account for official purposes beyond the limit, authorized by the National Treasury. Management indicated that the bank overdraft was approved by the University Council.

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 Management and the University Council

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

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

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

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

The 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 for 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

31 December, 2024

14. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

Particulars	Notes	Period ended 30 June 2024 Kshs.	Audited 30 June 2023 Kshs.
Revenue from Non-Exchange Transactions			
GoK Recurrent Capitation Grant	6 (a)	2,042,756,248	2,228,358,479
Research & Extension Income	7	471,204,720	355,963,169
CESAAM ACE 2 Income	8	109,075,995	104,866,303
MCF TAGDEV Income	9	87,759,567	130,562,502
Tegemeo Income	10	210,125,714	192,174,078
Other Revenue from Non-Exchange Transactions	11	4,830,466	2,946,030
Total Revenue from Non-Exchange Transactions		2,925,752,711	3,014,870,559
Revenue from Exchange Transactions			
Tuition and Related Fees	12	1,554,367,401	845,899,696
IGUs Incomes	13 (a)	137,477,889	130,188,304
Other Services Rendered	13 (b)	33,729,399	34,095,618
		1,725,574,689	1,010,183,618
Total Revenue		4,651,327,401	4,025,054,177
Expenditure			
Staff Costs	14	2,785,960,054	3,021,255,204
Council Expenses	15	13,157,942	18,386,723
Administrative and Central Services	16	482,781,193	496,713,975
Repairs and Maintenance Expenses	17	88,132,002	79,507,513
Academic Departments Expenses	18	148,432,819	142,456,451
Research & Extension Expenses	19	477,738,611	361,871,395
CESAAM ACE 2 Expenses	20	109,075,995	104,866,303
MCF TAGDEV Expenses	21	87,762,412	130,562,502
Tegemeo Expenses	22	209,735,959	191,606,624
IGU Expenses	23	83,472,788	81,578,462
Depreciation Expenses	24	141,029,810	117,469,906
		4,627,279,586	4,746,275,058
Other Gains/(Losses)			
Gain/(Loss) on Shares		(1,915)	(148,799)
(Decrease)/increase in Provision for bad debts		(1,405,110)	(546,048)
Gain on Foreign Exchange	25	(40,933,068)	23,768,178
Gain/(Loss) on biological Assets		(436,859)	(8,436,136)
		(42,776,952)	14,637,194
Deficit for the Period		(18,729,138)	(706,583,686)
Attributable to:			
Owners of the controlling entity		(18,729,138)	(706,583,686)

The notes set out on pages 6 to 51 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 Were signed on behalf of the University Council by:

 Prof. Isaac O. Kibwage, PhD, HSC Vice Chancellor

 Charles K. Wanjohi, CPA(K) Ag. Chief Finance Officer

 ICPAK M/No: 8804

 Eng. Christopher O. Oanda

 Ag. Chairman, University Council

Date 27/9/24

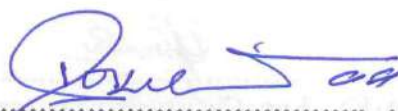

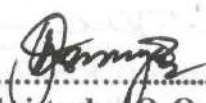
Date 27/09/2024

Date 27/09/2024

15. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Particulars	Notes	Period ended 30 June 2024 Kshs.	Audited 2022-2023 Kshs.
ASSETS			
Current Assets			
Cash in Bank and in Hand	26 (a)	1,042,024,566	806,398,269
Contingent Deposit	26 (b)	50,000,000	50,000,000
Receivables from Exchange Transactions	b	973,124,643	908,580,546
Receivables from Non-Exchange Transactions	27 (c)	417,179,686	-
Inventories	28	38,148,230	38,100,317
Agricultural Assets	29	12,213,490	12,650,349
Total Current Assets		2,532,690,615	1,815,729,482
Non Current Assets			
Property, Plant & Equipment	30 (a)	3,959,178,929	4,063,512,991
Work in Progress (WIP)	30 (b)	947,929,452	973,951,881
Investments	31	150,170,145	149,971,060
Total Non - Current Assets		5,057,278,526	5,187,435,932
Total Assets (A)		7,589,969,141	7,003,165,414
LIABILITIES			
Current Liabilities			
Negative Cash Balances	26 (c)	6,688,642	115,893,607
Trade and Other Payables	32 (a)	8,752,682,482	8,263,428,954
Provisions and Accruals	32 (b)	678,038,827	650,047,461
Deferred Income	32 (c)	557,407,067	435,113,632
Total Current Liabilities		9,994,817,018	9,464,483,654
Total Liabilities (B)		9,994,817,018	9,464,483,654
Net Assets (A-B)		(2,404,847,877)	(2,461,318,240)
Represented by:			
General fund		5,067,521,651	4,992,521,651
Accumulated Surplus(Deficit)		(7,472,369,528)	(7,453,839,891)
Net Assets		(2,404,847,877)	(2,461,318,240)

The Financial Statements set out on pages 1 to 5 Were signed on behalf of the University Council by:

 Prof. Isaac O. Kibwage, PhD, HSC Vice Chancellor Charles K. Wanjohi, CPA(K) Ag. Chief Finance Officer ICPAK M/No: 8804 Eng. Christopher O. Oanda Ag. Chairman, University Council

Date 27/9/24

Date 27/09/2024

Date 27/09/2024

16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024.

Particulars	Note	Capital Reserves	Revenue Reserves	Total
		Kshs.	Kshs.	Kshs.
At July 1, 2022		4,992,521,651	(6,624,709,168)	(1,632,187,517)
Capital Grants	6(b)	-	-	-
Deficit from operations			(706,583,686)	(706,583,686)
Prior year Adjustments			(122,547,037)	(122,547,037)
At June 30, 2023		4,992,521,651	(7,453,839,891)	(2,461,318,240)
At July 1, 2023		4,992,521,651	(7,453,839,891)	(2,461,318,240)
Capital Grants	6 (b)	75,000,000		75,000,000
Surplus from operations			(18,729,138)	(18,729,138)
Prior year Adjustments - others	30 (a)		199,500	199,500
At June 30, 2024		5,067,521,651	(7,472,369,528)	(2,404,847,877)

During the FY 2023/2024, the university received **Ksh 75 million** as GOK development grant towards establishment of Biotechnology Laboratory.

The **Ksh 199,500** relates to adjustment of non-current assets arising from reconciliation of fixed asset register.

17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024.

Particulars	Notes	Period ended 30 June 2024 Kshs.	Audited 2022-2023 Kshs.
Operating Activities			
Deficit for the year		(18,729,138)	(706,583,686)
Adjustments for			
Depreciation	24	141,029,810	117,469,906
Movement in Provisions for the year	32 (b)	27,991,366	40,665,247
Movement in Deffered Income for the year	32 (c)	122,293,435	76,476,467
Prior year adjustments		-	(122,547,037)
(Gain)/Loss on Revaluation of Shares	25	1,915	148,799
		272,587,388	(594,370,304)
Changes in Working Capital			
(Increase)/Decrease in Biological Assets	29	436,859	8,436,136
(Increase)/Decrease in Receivables	27 (a)	(481,723,783)	92,674,850
(Increase)/Decrease in Inventories	28	(47,913)	(7,625,978)
Increase/(Decrease) in Payables	32 (a)	489,253,529	922,943,119
		7,918,692	1,016,428,126
Cash Generated from Operations		280,506,079	422,057,822
Investing Activities			
Purchase of Property, Plant and Equipment	30 (a)	(10,473,818)	(64,208,107)
E.U Investment Company		(201,000)	-
Net Cash from Investing Activities		(10,674,818)	(64,208,107)
Financing Activities			
GoK Capital Grants	6 (b)	75,000,000	-
Net Cash from Financing Activities		75,000,000	-
Net Increase/(Decrease) in Cash and Cash Equivalents		344,831,261	357,849,715
Cash and Cash Equivalents at the start of the period		740,504,662	382,654,948
Cash and Cash Equivalents at the Close of theperiod	26 (d)	1,085,335,923	740,504,662

Reconciliation between Cash and bank balances as reported in statement of financial position and as reflected in cash flows statement

	Amounts in Ksh
Cash and bank balances as reflected in Statement of Financial Position	1,042,024,566
ADD: Contingent Deposits	50,000,000
	1,092,024,566
LESS: Negative Cash Balances	6,688,642
Cash and bank balances as reflected in Statement of Cash Flows	1,085,335,924

18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2024

Particulars	Note	Original Budget	Adjustments	Final Budget	Actual	Budget	% of
		2023/2024 Kshs.	2023/2024 Kshs.	2023/2024 Kshs.	July - June 2023/2024 Kshs.	Utilization Difference Kshs.	Utilization
Revenue from Non-Exchange Transactions							
GoK Recurrent Capitation Grant	6 (a)	1,773,356,250	300,000,000	2,073,356,250	2,042,756,248	30,600,002	99%
Research & Extension Income	7	183,032,678	-	183,032,678	471,204,720	(288,172,042)	257%
Other Revenue from Non-Exchange Transaction	11	-	-	-	4,830,466	(4,830,466)	0%
CESAAM ACE 2	8	90,000,000	-	90,000,000	109,075,995	(19,075,995)	121%
MCF TAGDEV	9	90,000,000	-	90,000,000	87,759,567	2,240,433	98%
Tegemeo Income	10	100,000,000	-	100,000,000	210,125,714	(110,125,714)	210%
Total Revenue from Non-Exchange Transactions		2,236,388,928	300,000,000	2,536,388,928	2,925,752,711	(389,363,783)	115%
Revenue from Exchange Transactions							
Tuition and Related Fees	12	1,074,584,122	756,824,438	1,831,408,560	1,554,367,401	277,041,159	85%
Other Services Rendered	13	244,733,200	-	244,733,200	171,207,288	73,525,912	70%
		1,319,317,322	756,824,438	2,076,141,760	1,725,574,689	350,567,071	83%
Total Revenue		3,555,706,250	1,056,824,438	4,612,530,688	4,651,327,401	(38,796,712)	101%
Expenditure							
Staff Costs	14	1,884,506,938	905,497,708	2,790,004,646	2,785,960,054	4,044,591	100%
Council Expenses	15	22,360,000	694,311	23,054,311	13,157,942	9,896,369	57%
Administrative and Central Services	16	550,959,634	42,132,419	593,092,053	482,781,193	110,310,860	81%
Repairs and Maintenance Expenses	17	102,860,000	17,000,000	119,860,000	88,132,002	31,727,998	74%
Academic Departments Expenses	18	288,287,000	(51,500,000)	236,787,000	148,432,819	88,354,181	63%
Research & Extension Expenses	19	200,032,678	-	200,032,678	477,738,611	(277,705,932)	239%
CESAAM ACE 2 Expenses	20	90,000,000	-	90,000,000	109,075,995	(19,075,995)	121%
MCF TAGDEV Expenses	21	90,000,000	-	90,000,000	87,762,412	2,237,588	98%
Tegemeo Expenses	22	100,000,000	-	100,000,000	209,735,959	(109,735,959)	210%
Expenses-IGU Inputs	23	135,700,000	-	135,700,000	83,472,788	52,227,212	62%
Depreciation Expenses	24	2,000,000	146,000,000	148,000,000	141,029,810	6,970,190	95%
Total Expenditure		3,466,706,250	1,059,824,438	4,526,530,688	4,627,279,586	(100,748,898)	102%
Other gains/(Losses)							
Gain on Revaluation Investment-Shares	25	-	-	-	(1,915)	1,915	
(Decrease)/increase in Provision for bad debts		-	-	-	(1,405,110)	1,405,110	
Gain on Foreign Exchange		-	-	-	(40,933,068)	40,933,068	
Gain/(Loss) on biological Assets		-	-	-	(436,859)	436,859	
Gain/(Loss) on Disposal of Assets		-	-	-	-	-	
		-	-	-	(42,776,952)	42,776,952	
Surplus/ (Deficit) from Recurrent Budget		89,000,000	(3,000,000)	86,000,000	(18,729,138)	104,729,138	
GoK Development Grant	6(b)	100,000,000	-	100,000,000	75,000,000	25,000,000	75%
Capital Expenditure	30 (a)	189,000,000	(3,000,000)	186,000,000	10,473,818	175,526,182	6%
Surplus/ (Deficit) for the Period		0	0	0	45,797,044	(45,797,044)	

During the FY 2023/2024, there was introduction of the New Funding Model (NFM) which resulted in the increase of the A-i-A raised from tuition fee collections from Cohort 2023. This resulted in the review of approved budget through Supplementary I budget.

The university also received additional GOK recurrent funding in the Supplementary II.

The two supplementary budgets necessitated the revision of the university budget upwards to allow university operate within the originally budgeted figures before the budget was rationalized downwards following the approval of the budget ceilings for the FY.

19. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Egerton University is established by and derives its authority and accountability from Universities Act No 42 of 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activities are outlined on pages 4-5.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University. The financial statements have been prepared in accordance with the Public Finance Management (PFM) Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

The Annual Report and Financial Statements for period ended 30th June 2024 for Centre of Excellence in Sustainable Agriculture and Agribusiness Management (CESAAM) have been presented separately for audit purpose. However, the same have been consolidated in these Financial Statements.

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. New and amended standards and interpretations in issue effective in the year ended 30th June 2024.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2023: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial

Standard	Effective date and impact:
	<p>statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ol style="list-style-type: none"> (a) The nature of such social benefits provided by the Entity. (b) The key features of the operation of those social benefit schemes; and

Standard	Effective date and impact:
	(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008). • <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS. • IPSAS 29: Financial instruments: Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.

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 2024.

Standard	Effective date and impact:
IPSAS 43	<p>Applicable 1st January 2025</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 cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<p>Applicable 1st January 2025</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>

- iii. **Early adoption of standards**

The University did not early – adopt any new or amended standards in year 2023/2024.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the University and the fair value of the asset can be measured reliably.

Transfers from other Government Entities

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

Rendering of Services & Fees

The University recognizes revenues from fees when the event occurs and the asset recognition criteria are met.

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

ii) Revenue from Exchange Transactions

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

Sale of Goods

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) Revenue from Exchange Transactions (Continued)

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget Information

Budget Information

The original budget for Financial Year 2023-2024 was approved by the National Assembly on 15th June 2023. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget.

The University's annual budget is prepared on the 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 or timing 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.

c) Taxes

The University is tax exempt as per the Income Tax Act, 2014.

d) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Property, Plant and Equipment (Continued)

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.

Land is not depreciated as it is deemed to have an infinite life. Depreciation on other property is charged so as to write off the assets during their estimated useful life, using the straight- line method. Assets acquired during the year attract full depreciation charge.

The annual rates used are: -

Buildings	-	2.5%
Machinery & equipment	-	20%
Furniture & fittings	-	12.5%
Dairy equipment / plant / tractors	-	10%
Motor vehicles	-	25%
Library books	-	20%
Computers and Appliances	-	33.3%

e) Intangible Assets

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

f) Research and Development Costs

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Research and Development Costs (Continued)

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

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

g) Financial Instruments

Financial Assets

Initial recognition and measurement

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

Loans and Receivables

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial Instruments (Continued)

Held-to-Maturity

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

Impairment of Financial Assets

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

Evidence of impairment may include the following indicators:

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

Financial Liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

i) Agricultural Assets

Agricultural activity is the management by the University of the biological transformation and harvest of biological assets. Biological Asset is a living animal or plant. There are three groups of agricultural assets: -

Agricultural Produce: Is the harvested product of the University's biological assets.

Bearer Biological Assets: Are those that are used repeatedly or continuously for more than one year in an agricultural activity e.g., breeding stocks (including fish and poultry), dairy animals, and sheep

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Agricultural Assets (Continued)

Consumable Biological Assets: Are those that are held for harvest as agricultural produce such as animals and plants for one-time use e.g., beef animals, fish in farms, crops such as maize and wheat.

Biological assets are measured on initial recognition and at each reporting date at its value less costs to sell except where fair value cannot be measured reliably. In such case the biological asset shall be measured at cost less any accumulated depreciation and any impairment loss as per IPSAS 27.

j) Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits

or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent Liabilities

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

Contingent Assets

The University does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the University in the notes to the financial

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Provisions

statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Provision for bad debts

A general provision for bad and doubtful debts is provided for at the year-end at 1% of outstanding general and student debtors.

k) Nature and purpose of reserves

The University has a capital reserve which represents the government's interest in the net assets/equity of the university and is a combination of contributed capital by the government and the aggregate of the University's accumulated surpluses or deficits and reserves that reflect the net assets/equity attributable to the University's operations.

l) Changes in Accounting Policies and Estimates

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.

m) Employee Benefits

Retirement Benefit Plans

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Employee Benefits (Continued)

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

The University also contributes to the National Social Security Fund (NSSF) for all its staff. The University's obligations currently is for both Tier I and Tier II. The University's obligation to staff retirement benefit schemes are charged to the statement of the financial performance in the year to which they relate.

n) Foreign Currency Transactions

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

o) Related Parties

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

p) Service Concession Arrangements

The University analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the University recognizes that asset

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Service Concession Arrangements (Continued)

when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement.

Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and Cash Equivalents

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

r) Comparative Figures

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

s) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2024.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The University based its assumptions and estimates on parameters available when the consolidated 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

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 27(b).

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 6 (a): - Income - GoK Recurrent Capitation Grants			
Date Received	Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
	GoK Capitation Grants		
10-Aug-2023	July	147,779,688	185,696,540
30-Aug-2023	August	147,779,688	185,696,540
12-Sep-2023	September	147,779,686	185,696,539
1-Nov-2023	October	147,779,688	185,696,540
13-Dec-2023	November	147,779,688	185,696,540
8-Jan-2024	December	147,779,687	185,696,540
12-Feb-2024	January	147,779,687	185,696,540
13-Mar-2024	February	147,779,687	185,696,540
12-Apr-2024	March	147,779,687	185,696,540
17-May-2024	April	147,779,688	185,696,540
12-Jun-2024	May	147,779,688	185,696,540
1-Jul-2024	June	147,779,688	185,696,540
10-Jul-2024	June	269,400,000	-
55-033-001	Total GoK Recurrent Grants	2,042,756,250	2,228,358,479
Note 6 (b) Income-GoK Development Grants			
Date Received	Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
28-Feb-2024	February	50,000,000	-
29-Feb-2024	March	25,000,000	-
55-033-002	Total GoK Development Grants	75,000,000	-

There was reduction in monthly GOK recurrent Capitation following the introduction of the New Funding Model that affected first years (Cohort 2023)

The University however received **Ksh. 269.4 million** from the **Ksh. 300 million** approved in Supplementary budget II to enable payment of staff salaries in the last half of FY 2023/2024.

The University also received **Ksh 75 million** as GOK development grant towards establishment of Biotechnology Laboratory.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 8 :- CESAAM ACE 2		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 CESAAM ACE 2	109,075,995	104,866,303
	109,075,995	104,866,303
Note 9 :- MCF TAGDEV		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 MCF TAGDEV	87,759,567	130,562,502
	87,759,567	130,562,502
Note 10a :- Tegemeo Institute Income (Not Matched)		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 TAPRA I Income	2,491	1,872
2 RFCCP Income	7,280	7,183
3 KBSP Income	3,060,511	1,486,402
4 TAPRA II Income	9,515,455	3,958,703
5 MLE Income	1,264	1,247
6 TAMPA II Income	13,915	36,356
	12,600,915	5,491,763
Note 10b :- Tegemeo Institute Income		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 PAM/KMDP Income	800,000	6,468,784
2 Dollar A/c Income	-	16,425,625
3 ReNAPRI Income	1,033,595	6,119,573
4 CI -TE05 Income	276,401	-
5 WFP Income	11,467,521	7,328,237
6 AGRI BENCHMARK Income	125,511	-
7 NML Income	64,260,470	-
8 IFPRI Income	429,669	2,781,816
9 BFAP Income	1,086,456	7,120,527
10 RTI Income	-	7,893,807
11 EXETER Income	5,000	-
12 KDB Income	-	5,513,547
13 NARIGP Income	-	21,817,952
14 GIZ Income	150,000	908,218
15 TEGEMEO ALLIN 1	9,546,389	21,625,977
16 LSSF Income	143,909	27,340,202
17 OXYGEN MARKETING Income	-	240,000
18 PIATA MATHEMAT Income	100,000	1,511,402
19 PEDL Income	6,869,863	11,278,376
20 SARA-KE Income	1,560	12,914,974
21 ALLIN 2 Income	8,846,632	17,308,347
22 DIME PROJECT	2,803,978	9,386,360
23 KCSAP Project	84,682,514	2,698,590
24 ALCORN PROJECT	175,857	-
25 PAR-GEAP-TE05	4,719,474	-
	197,524,799	186,682,315
Total: Note 10 :-Tegemeo Institute Income	210,125,714	192,174,078

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 11 : - Other Non-Exchange Income		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Mau Egerton Cross Country Income-MAIN	2,826,466	2,000,000
2 Mau Egerton Cross Country Income Noncash Spons	1,004,000	245,700
3 Partners Donations & Grants -Donations	1,000,000	-
4 Income - Run for Mau R&E	-	700,330
	4,830,466	2,946,030
Total Non-Exchange Income	882,996,463	786,512,080
Note 12 : - Income-Tuition and Related Fees		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Tuition Fee	1,134,175,021	447,386,704
2 Application Fee	1,054,335	1,026,516
3 Registration Fee	19,342,500	23,496,500
4 Student I/D	2,903,000	2,781,200
5 Activity Fees	17,765,500	17,902,500
6 Student medical fee	32,523,700	34,710,600
7 Examination Fee	52,193,837	54,299,670
8 Material Development	54,954,100	58,703,600
9 Graduation Fees	21,026,314	16,132,500
10 Library Fee	32,915,575	35,300,683
11 Student Supervision Fee	6,435,663	8,079,530
12 Field Attachment fee	19,435,000	19,212,640
13 Student Laboratory fee	18,340,500	19,254,000
14 Academic Trascripts	216,655	196,690
15 Certificate Storage Charges	623,200	1,038,000
16 Library Fine	284,561	209,913
17 Test & Vaccination- NTCC	-	32,500
18 Gowns Hire & Penalties	390,900	1,306,100
19 Credit Transfers	-	21,100
20 ICT Charges	49,967,347	40,807,500
21 Re-registration	3,516,500	3,498,000
22 Interfaculty Transfer Fee	791,000	801,000
23 Field Visits	29,385,000	14,800
24 Judicial Practice	1,087,500	492,500
25 Internal Attachment	1,677,500	875,000
26 Teaching Practice	11,260,700	12,446,420
27 Retake exam fees- Main	42,101,493	45,873,530
	1,554,367,401	845,899,696

The University received Ksh 1 million from Alumni Association for support of Endowment Fund
The tuition fee more than doubled during the year as a result of introduction of the New Funding Model

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 13 : -IGUs Income & Other Services Rendered		
Note 13a : - Income-IGUs Incomes		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Estates	272,651	1,129,792
2 Catering (Meals)	12,349,278	16,287,704
3 Accomodation Fees-Halls	66,601,899	65,590,331
4 Horticulture	144,718	41,740
5 NATURAL RESOURCES	577,062	658,620
6 Dairy Income	224,273	2,378,820
7 Income from Medical Department	15,457,311	13,597,951
8 Kenyatta Campus	822,270	469,625
9 Funeral Home Income	6,316,041	5,632,176
10 University Press Income	15,400,188	13,180,871
11 Minimart	674,169	-
12 TAP Income	3,144,628	2,208,466
13 Visiting Group Levy	4,137,482	4,080,051
14 Tailoring Income	721,673	933,990
15 IGUs -Overhead Accounts	10,238,022	2,962,114
16 Gift Shop Income	396,224	1,036,053
Total Income-IGUs Incomes	137,477,889	130,188,304
Note 13b : - Income- Other Services Rendered		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 House Rent	20,532,129	20,527,933
2 Student Damages Charges	37,286	302,186
3 Miscellaneous Income	-	855,600
4 Insurance Payroll deduction Commission	274,299	365,304
5 Insurance Refunds/Rebates	7,661,733	-
6 Water/Electricity Charges - Main	1,101,000	890,000
7 Manpower Development Income	1,289,480	6,450,988
8 Salary Refunds/lieu of notice	14,676	1,893,968
9 Fines/Penaltes on Trespassing	1,448,751	541,435
10 Interest on Imprest	1,053,648	1,908,380
11 Certificate Verification	316,396	359,825
Total Income-Other Services Rendered	33,729,399	34,095,618
Total -IGUs Income & Other Services Rendered	171,207,288	164,283,922

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 14 :- Staff Costs		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Basic Salary	1,456,267,559	1,606,013,413
2 House Allowance	556,152,448	606,562,836
3 Duty/Risk/Extraneous Allowance	5,373,319	5,937,074
4 Commuter Allowance	153,896,514	168,331,920
5 Medical Allowance	59,437,927	64,567,022
6 Hardship Allowance	1,583,352	1,358,981
7 Remunerative Allowance	28,376,263	28,844,338
8 Basic Salary Arrears	9,494,461	12,416,233
9 Non Practice Allowance	12,903,871	14,864,817
10 Entertainment Allowance	1,992,000	2,101,791
11 Acting Allowance	2,370,516	4,321,691
12 Professorial Allowance	6,460,228	6,711,473
13 Responsibility Allowance	5,196,000	5,223,781
14 Manpower	284,494	89,984
15 Leave Allowance	16,142,122	18,873,297
16 Special Duty Allowance	1,964,125	641,714
17 Uniform Allowance	140,000	160,000
18 Ambulance Allowance	58,500	54,000
19 Phone Allowance	1,810,190	1,835,683
20 Call Allowance	24,679,742	28,601,634
21 Book Journal/ICT Allowance	5,760,000	6,186,083
22 NSSF-Employer Contribution	23,402,164	8,632,140
23 Pension-Employer Contribution	231,475,870	267,424,702
24 Overtime Amount	-	6,623,560
25 Gratuities	67,171,648	69,979,825
26 Home Water & Electricity	996,000	1,034,925
27 Assistants Allowance	480,000	360,714
28 Medical Extraneous Allowance	30,035,070	33,215,032
29 Medical Risk Allowance	9,296,289	10,572,308
30 Veterinary Risk Allowance	1,528,714	1,375,710
31 Night Travel -Library staff	1,894,420	2,563,576
32 Pay in lieu of leave days	(0)	1,354,025
33 Consolidated Salary	22,338,332	12,530,669
34 Housing Levy Employer Contribution	24,933,346	-
35 Passage and Baggage	2,908,725	1,954,960
36 Staff Training Expenses	925,372	896,950
37 Graduate Scholarships	910,200	-
38 Staff Education Fund Expenses	-	6,600
39 Staff Fees Waiver	833,100	778,500
40 Staff Uniforms	450,000	269,760
41 NITA Charges	762,000	943,850
42 Pension Grade I-IV	2,000,000	1,920,000
43 Casual Labor Wages	9,975,172	11,715,760
	2,785,960,054	3,021,255,204

During the year there was introduction of the Housing Levy charged at 1.5 % of gross salaries The NSSF Tier 2 contribution increased from Ksh. 720 to Ksh 1,740 (Upper limit) while Tier 1 increased from Ksh 360 to Ksh 420 per staff per month. The reduction in staff cost in the FY 2023/2024 was as a result of exits through natural attrition.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 20 : - CESAAM ACE 2 Expenses			
Particulars	Period ended 30-Jun-24	Audited 2022-2023	
	Kshs.	Kshs.	
1 Recruitment & interviews of students	35,655	-	
2 Support continuing Ph.D. student	12,762,076	7,548,838	
3 Support continuing Msc. students	10,677,351	4,363,472	
4 Review of 1 Phd & 3 Msc Curriculum	-	1,015,420	
5 Short courses in Agric value chain	336,505	-	
6 Conduct short courses agric & agri business	6,879,289	3,516,230	
7 Establish knowledge center	-	204,650	
8 support staff & student presentation in int	5,772,299	1,032,759	
9 Staff exchange fellowship	4,075,180	3,497,935	
10 Ph.D. students exchange fellowship	657,535	1,568,575	
11 Staff supported in collaborated research projects	-	2,055,060	
12 Support publications on peer reviewed journal	290,680	237,236	
13 Facilitate presentation in international con	3,499,015	2,570,443	
14 Retooling workshop for staff	-	1,546,845	
15 Internship support for students	60,000	246,000	
16 MOU signing and consultations	58,825	654,840	
17 Accreditation of 1 Msc and 1 PhD Program	1,713,834	2,045,511	
18 Theses dissemination workshop	1,617,625	3,069,315	
19 Support teams develop proposals	2,832,752	1,609,235	
20 Procure equipments and ICT upgrading	-	1,375,500	
21 Procure animal nutrition lab equip	-	393,265	
22 One innovation Support Agro science park	-	1,030,135	
23 Marketing Cesaam Project and its programs	5,676,971	2,686,553	
24 Cesaam steering committee sub committees	-	2,021,725	
25 Cesaam Staff Salaries and wages	4,111,325	2,263,725	
26 Cesaam vehicle mtc & Travel, subs, costs	7,987,081	3,223,907	
27 CESAAM secretariat	2,850,212	1,013,675	
28 Audit conducted	880,805	-	
29 Renovation of post graduate and tatton demonstration	-	144,430	
30 ADB MOHEST- Dr Isaac Kariuki	575,955	1,786,764	
31 Cesaam Operational Expenses	21,726	559,654	
32 Inter-university Council for East Africa	4,195,200	-	

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33	NRF Project - Dr Meshack Obonyo	255,531	-
34	EGU-BOWIE USA EXCH - Prof. Ogendero	9,277,868	7,036,445
35	KCSAP Siaya Apiculture- Mr Stephen Kagio	2,011,869	3,421,654
36	UNEP Chinama Project - Prof Mulwa	690,330	1,545,370
37	KCSAP - Elick Onyango	-	1,273,934
38	KCSAP - Dr Meshack Obonyo	-	480,134
39	KCSAP - Dr. Ngeno Kiplangat	58,398	1,017,170
40	KCSAP - Prof Samuel Mwonga	8,522	2,647,236
41	KCSAP - Prof.Daudi Nyaanga	-	1,240,751
42	KCSAP - Prof Julius Kipkemboi	1,660	1,004,391
43	KCSAP Camel Milk - Prof. Joseph Matofari	34,000	493,000
44	KCSAP Dr. Maureen Cheserek	-	315,000
45	KCSAP Indigenous chicke - Prof. Charles Muleke	-	704,376
46	KCSAP pigeon pea proj- Prof Paul Kimurto	-	699,118
47	KCSAP - Prof A. Kibe	4,880	2,443,425
48	KCSAP - Prof Richard Mulwa	-	2,363,902
49	COUNTY KCSAP - Prof James Tuitoek	908,000	3,059,500
50	KCSAP Finger Millet Project - Prof Paul Kimurto	-	2,106,988
51	KCSAP FP02-5/1 KAJIADO - Stephene Kagio	-	533,750
52	KCSAP ACQUA-CULTURE - Dr. Kiplangat N'ger	-	1,592,576
53	KCSAP FLAVOURS IN TILAPIA DR Ong'onde	-	27,097
54	LASER PROJECT - Joseph Mwangi	-	2,092,200
55	POULTRY VALUE CHAIN- DR. JAMES ONDIE	2,082,000	-
56	NARIGP APICULRURE - STEPHENE KAGIO	1,760,944	389,664
57	BHEARD Project Dr Opiyo	249,900	2,152,535
58	NARIGP DAIRY VALUE CHAIN VIHIGA	-	3,285,500
59	NARIGP LOCAL VEGETABLE VALUE CHAIN	-	2,017,165
60	Bank Charges , Interest & Comm.-R&E	-	41,470
61	INCITIS -MSC/PHD STUDENTS SUPPORT	1,347,495	156,000
62	INCITIS-ADMINISTRATIVE SALARIES	114,000	252,000
63	INCITIS-SCIENTIST ALLOWANCE	1,561,490	752,710
64	INCITIS-WORKS,SERVICES & CONSUMABLE	2,810,373	20,000
65	INCITIS-WORKS,SERVICES & CONSUMABLE	121,490	-
66	INCITIS-TRAVEL & SUBSISTENCE	499,765	285,360
67	INDIGENOUS WILD FRUIT-DR O. INGASIA	2,863,469	-
68	CHANGE THE GAME ACADEMY-DR O. INGASIA	1,264,047	-
69	FOOD SAFETY FOR AFRICA- TRAVEL & SUB	157,725	-
70	International Finance Corporation - Prof. Owuor	3,424,345	6,134,185
		109,075,995	104,866,303

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 21 :- MCF TAGDEV Expenses		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Project Coordinator at Egerton University	6,164,477	5,450,370
2 Project Assistant at Egerton University	4,382,504	3,114,868
3 Faculty release time at Egerton University	2,556,769	3,014,506
4 Facilitation of linkages with industry and entrepr	1,990,343	-
5 Dissemination of curricula to the wider University	381,891	105,147
6 University meetings to disseminate project lessons	124,286	349,724
7 Monthly Seminars at the universities	228,465	292,798
8 Internships	24,494,631	15,598,318
9 Business incubation training	15,128,302	6,584,532
10 University fees for undergraduate students	-	583,537
11 University fees for postgraduate students	290,248	1,176,364
12 Service Fees for Undergraduate students	902,724	12,891,925
13 Service Fees for Postgraduate students	11,905,723	18,187,627
14 Student Welfare Costs	16,589,970	61,349,405
15 Expense - other	212,659	107,734
16 Program Delivery Fee	473,704	1,211,112
17 MCF Potato Seed Other Costs	45,169	30,423
18 MCF Cassava CARP+ - Prof.M.S.Mulwa	1,890,548	514,113
	87,762,412	130,562,502
Note 22 :- Tegemeo Institute Expenses		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 PAM/KMDP Expenses	-	483,780
2 TAPRA I Expenses	2,893	281
3 Dollar A/c Expenses	28,565	30,112
4 RFCCP Expenses	1,093	1,078
5 GISAMA Expenses	4,290	-
6 World Bank Expenses	219,714	-
7 KBSP Expenses	607,845	450,625
8 TAPRA II Expenses	9,764,513	4,294,678
9 MLE Expenses	190	187
10 ISSD Expenses	-	2,820,000
11 TAMPA II Expenses	118,614	113,979

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12	ReNAPRI Expenses	1,033,595	6,119,573
13	MMP Expenses	276,401	-
14	WFP Expenses	11,467,521	7,328,237
15	AGRI BENCHMARK Expenses	125,511	-
16	NML Expenses	64,260,470	-
17	IFPRI Expenses	429,669	3,278,082
18	BFAP Expenses	1,086,456	8,070,527
19	RTI Expenses	-	7,893,807
20	EXETER Expenses	5,000	-
21	KDB Expenses	-	6,963,547
22	NARIGP Expenses	-	21,345,168
23	GIZ Expenses	150,000	908,218
24	ALLIN 1 Expenses	9,546,389	21,625,977
25	PIATA MATHEMAT Expenses	100,000	1,511,402
26	PEDL Expenses	6,869,863	27,224,533
27	SARA-KE Expenses	1,560	12,914,974
28	ALLIN 2 Expenses	11,110,076	15,715,202
29	LSSF Expenses	143,909	29,937,706
30	OXYGEN MARKETING	-	240,000
31	DIME PROJECT	2,803,978	9,386,360
32	KCSAP ENDLINE PROJECT	84,682,514	2,698,590
33	PAR-GEAP	1,965,474	-
34	REPEAT	2,754,000	-
35	ALCORN PROJECT	175,857	250,000
		209,735,959	191,606,624

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 27 (a) :- Receivables from Exchange Transaction		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Outstanding Imprest	99,481,752	79,618,574
2 Salary Advance Staff	-	147,106
3 Student Debtors	886,782,528	835,152,974
4 General Debtors	4,756,668	6,430,728
5 Internal Debtors	3,071,977	13,825,336
6 Inter-bank Transfers	(0)	(2,418,836)
8 Receivables-Due from E-Citizen	11,304,827	-
9 Payroll Receivables	-	48,801
10 Revenue Receivable	-	308,161
11 Deposits E A O Cyliders	61,800	61,800
12 Deposits KPL CO Ltd	812,267	812,267
13 Rent Deposits	2,864,490	9,396,858
14 Deposits NAWASCO-NTCC	50,200	50,200
15 Prepayments Rent	196,667	-
	1,009,383,175	943,433,968
Note 27 (b) :- Provisions for Bad Debts		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Provisions Main Campus	23,992,385	22,667,647
2 Provisions Nairobi City Campus	4,957,435	4,894,131
3 Provisions IGUs	20,821	20,941
4 Provisions Nakuru Town Campus	6,344,258	6,364,598
5 Provisions Baringo Campus	194,211	194,211
6 Provisions Ecampus	749,422	711,894
	36,258,532	34,853,422
Net Receivables from Exchange Transaction	973,124,643	908,580,546
Note 27 (c) :- Receivables from Non-Exchange Transaction		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 DUE FROM GOVERNMENT(Capitation)	417,179,686	-
	417,179,686	-
Total Receivables	1,390,304,329	908,580,546

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 28 : - Inventories		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Inventories-Stocks Central & Substores	11,299,385	7,714,525
2 Inventories-Stocks Stationery	3,597,031	4,382,786
3 Inventories-Stocks Cleaning Materials	78,917	699,602
4 Inventories-Stocks Consumables	13,751,641	22,528,854
5 Inventories-Stocks Medical drugs	6,392,224	-
6 Inventories-Shop stock-Gift Shop	3,029,031	2,774,550
	38,148,230	38,100,317
Note 29:- Agricultural Assets		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Livestock-Livestock TAP-IGU	7,329,140	9,313,315
2 Livestock-Livestock Kenyatta Campus-IGU	611,400	280,664
3 Chemeron Field Station	2,857,200	2,346,700
4 Crops-Crops,Horticulture and Soil Science	1,341,650	404,650
5 Crops - Estates	42,200	223,720
6 Crops Chemeron Field Station	31,900	81,300
	12,213,490	12,650,349

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 30: Non Current Assets										
Note 30 (a) : - Property, Plant & Equipment										
Particulars	Land	Buildings	W.L.P	Dairy Equipments/Plant/ Tractors	Furniture, fittings	Other Equipments	Library Books	Motor Vehicles	Computer and Appliances	Totals
Cost or Valuation	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
As at 01/07/2022	1,186,094,800	3,966,029,614	912,668,913	80,650,918	175,245,329	602,157,584	171,300,312	195,051,981	410,290,704	7,699,490,154
Additions During the year	-	61,282,967	61,282,967	-	878,090	878,090	-	-	2,047,050	64,208,107
As at 30/06/2023	1,186,094,800	3,966,029,614	973,951,881	80,650,918	175,245,329	603,035,674	171,300,312	195,051,981	412,337,754	7,763,698,261
Adjustments	-	-	-	(3,500,000)	58,500	3,500,000	-	-	141,000	199,500
Additions During the year	-	29,899,001	3,876,572	-	28,000	1,568,980	-	-	5,000,266	40,372,819
WIP Transferred to Assets	-	-	(29,899,001)	-	-	-	-	-	-	(29,899,001)
As at 30/6/2024	1,186,094,800	3,995,928,615	947,929,452	77,150,918	175,331,829	608,104,654	171,300,312	195,051,981	417,479,020	7,774,571,580
Depreciation										
As at 01/07/2022	-	1,014,394,992	-	67,868,548	172,764,442	583,765,975	169,760,570	192,929,731	407,279,225	2,608,763,483
Charge for the year	-	99,150,690	-	3,094,124	2,070,969	7,538,209	1,144,151	2,122,250	2,329,513	117,469,906
As at 30/06/2023	-	1,113,545,683	-	70,962,672	174,835,411	\$91,324,184	170,904,722	195,051,981	409,608,738	2,726,233,390
Charge for the year	-	125,047,457	-	3,094,124	835,328,61	8,099,447	332,224	-	3,621,230	141,029,810
Year adjustments	-	-	-	-	(1,400,001)	1,268,920	-	-	131,080	0
As at 30/6/2024	-	1,238,593,140	-	74,056,795	174,270,739	600,692,551	171,236,946	195,051,981	413,361,048	2,867,263,200
NBV: 30 June 2024	1,186,094,800	2,757,335,475	947,929,452	3,094,123	1,061,090	7,412,104	63,366	(0)	4,117,972	4,907,108,380
NBV: 30 June 2023	1,186,094,800	2,852,463,931	973,951,881	9,688,247	409,918	11,711,490	395,590	(0)	2,729,015	5,037,464,872

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 30 (b) - Work-In-Progress						
Particulars	Period ended 30-Jun-24 Kshs.	2023-2024 Additions	2023-2024 Adjustments	2023-2024 Transfer to Asset Register	2022-2023 Kshs.	
1 Construction of Admin. Building	20,096,000	-	-		20,096,000	
2 Construction Of Agronomy & Horticulture	177,377,480	-	-		177,377,480	
3 Construction of ICT Infrastructure	87,892,307	-	(657,675)		88,549,982	
4 Faculty Of Law-NTCC	123,916,482	-	-		123,916,482	
5 NTCC Teaching Complex	110,105,947	-	-		110,105,947	
6 Renovation Of Buildings-Njoro	480,082	-	-		480,082	
7 Faculty of Veterinary Medicine	1,650,000	-	-		1,650,000	
8 Zoning of the University	1,919,286	-	-		1,919,286	
9 University Library	412,666,561		(17,286,567)		429,953,128	
10 WIP-KOKEB Buildings Renovation	3,099,292	13,094,799		(29,899,001)	19,903,494	
11 WIP-WIP- ERP SYSTEM	8,726,015	8,726,015			-	
Total	947,929,452	21,820,815	(17,944,242)	(29,899,001)	973,951,880	

During FY 2023/2024 there was vendor reconciliations that resulted in corrections of bills that were not supported that affected ICT infrastructure **Ksh. 657,675** and University Library **Ksh. 17,944,242**.

The three classes that whose construction began in the FY 2022/2023 at KOKEB as well as the perimeter wall got finalized and handed over by the contractors and were transferred to the asset register to a total cost of **Ksh. 29,899,001** in the FY 2023/2024.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 31:- Investments		
Particulars	Period ended 30-Jun-24 Kshs.	2022-2023 Kshs.
1 Kenya Airways- Ordinary Shares- 13117	50,238	52,153
2 Investment in E.U. Investment Company	150,119,907	149,918,907
	150,170,145	149,971,060
Note 32 (a) :- Trade and Other Payables		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Payroll Payables	7,584,827,568	7,078,121,090
2 Trade Creditors	223,579,901	343,952,098
3 Payable Clearing A/C	21,987,669	21,255,978
4 Internal Creditors-N	26,360,706	22,105,942
5 Taxes-Withholding Tax Payable	15,687,420	17,508,376
6 Taxes-Value Added Tax (VAT) Payable	30,344,751	30,638,435
7 Students Caution Money	116,690,680	108,082,680
8 Students Union Fees	3,603,368	8,436,783
9 Contractors' Retention Mo	129,225	129,225
10 CDF Clearing a/c	10,593,198	10,033,539
11 HELB Clearing a/c	25,290,176	17,815,485
12 Other Sponsors Clearing a	25,427,539	24,876,355
13 Alumni Fees-Main	23,221,530	23,120,530
14 Unidentified Bank Deposits - Main	18,246,020	17,687,487
15 CUE Charges	40,386,685	40,974,185
16 KUCCPS Charges	17,478,500	14,099,500
17 NTCC Teaching Complex Consultancy Fees	110,105,947	110,105,947
18 Due to KCB	1,592,894	2,866,921
19 Rent Deposit-Tegemeo	777,153	777,153
20 Casual Wages	717,668	6,950,944
21 GOK Scholarship Clearing a/c	9,128,544	-
22 Unclaimed Staff Imprests	2,568,960	4,872,816
23 students Prepayments	443,936,378	359,017,484
	8,752,682,482	8,263,428,954

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Note 32 (b) :- Accruals and Provisions		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 Accruals Njoro Main Campus	363,993,377	312,215,510
2 Accruals Nairobi City Campus	81,851,113	83,315,819
3 Accruals Nakuru Town Campus	230,730,337	253,052,132
4 Accruals ECampus	1,464,000	1,464,000
	678,038,827	650,047,461

Note 32 (c) :- Deferred Income		
Particulars	Period ended 30-Jun-24 Kshs.	Audited 2022-2023 Kshs.
1 AICAD Deferred Incomes R&E	2,611,052	2,617,105
2 EBR Project Deferred Incomes R&E	657,518	663,724
3 Dryland Farming Deferred Incomes R&E	242,539	248,592
4 Economic Dept Deferred Incomes R&E	4,683,007	4,600,241
5 Fingerponds Project Deferred Incomes R&E	6,530,610	944,281
6 Biochemistry Dept Deferred Incomes R&E	271,158	442,633
7 Globalite Project Deferred Incomes R&E	11,991,128	10,707,175
8 Greenhouses Project Deferred Incomes R&E	5,044,877	5,083,115
9 KAPP Deferred Incomes R&E	14,856,414	16,359,931
10 ADSP Deferred Incomes R&E	5,821,570	4,952,818
11 Noragric Project Deferred Incomes R&E	16,084,160	8,772,792
12 OSSREA Project Deferred Incomes R&E	22,412,598	31,115,814
13 Partic Rural Project Deferred Incomes R&E	1,087,904	3,472,516
14 ROSA Project Deferred Incomes R&E	10,520,417	2,913,095
15 TA MOU Deferred Incomes R&E	138,377	1,940,972
16 CESAAM ACE 2 Deferred Incomes R&E	96,172,424	63,693,254
17 Versitol Project Deferred Incomes R&E	7,652,319	6,428,965
18 OSSREA POS DOC Deferred Incomes R&E	1,807,813	4,413,313
19 Ecolive Project Deferred Incomes R&E	4,048,843	3,995,016
20 Limnology Project Deferred Incomes R&E	8,024,971	11,989,739
21 Wetland Ecosystem Deferred Incomes R&E	5,531,574	8,426,957
22 Ecohealth Deferred Incomes R&E	3,592,593	1,232,390
23 Confucius Institute Deferred Incomes R&E	13,246,309	11,840,816
24 US Dollar A/C Deferred Incomes R&E	14,719,920	1,649,170
25 EURO A/C Deferred Incomes R&E	30,786,603	56,276,711
26 MCF TAGDEV Deferred Incomes R&E	7,835,048	20,563,610
27 AGEK Dollar A/C Deferred Incomes R&E	-	3,782,002
28 AERC Project 2 Deferred Incomes R&E	15,302,737	9,583,907
29 PAM KMDP Deferred Incomes Tegemeo	378,714	378,714

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

30	Payables- Deferred Incomes Tegemeo ISSD	3,012,618	3,012,618
31	3ie Deferred Incomes Tegemeo	350,694	350,694
32	RENAPRI Deferred Incomes Tegemeo	18,928,035	6,637,445
33	Payables- Deferred Incomes Tegemeo CI Project	2,803,902	-
34	WFP Deferred Incomes Tegemeo	4,363,574	4,901,208
35	AFA Deferred Incomes Tegemeo	917,945	399,009
36	FAK - Deferred Incomes Tegemeo	1,536,400	-
37	AgriBenchmark - Deferred Incomes Tegemeo	97,328	-
38	LMP - Deferred Incomes Tegemeo	10,856,647	-
39	IFPRI Deferred Incomes Tegemeo	11,757,843	-
40	BFAP Deferred Incomes Tegemeo	5,857,100	3,242,722
41	RTI Deferred Incomes Tegemeo	5,228,395	5,228,395
42	EXETER Deferred Incomes Tegemeo	294,339	299,339
43	KDB Deferred Income - Tegemeo	4,252,384	93,875
44	NARIGP Deferred Income - Tegemeo	9,840,588	9,840,588
45	GIZ Deferred Income - Tegemeo	1,714,078	241,360
46	IDS Deferred Incomes-Tegemeo	722,556	722,556
47	PAMEFA Deferred Incomes Tegemeo	908,476	908,476
48	ALLIN 1- Deferred Incomes Tegemeo	14,045,289	23,591,678
49	F4APK PROJECT	3,668,492	3,668,492
50	PIATA/MATHEMATICA- Deferred Incomes-Tegemeo	8,337,961	8,437,961
51	PEDL Deferred Income - Tegemeo	14,472,370	21,342,233
52	SARA-KE- Deferred Incomes Tegemeo	25,946,084	12,606,037
53	NRAPSC Deferred Incomes Tegemeo	1,779,000	1,779,000
54	ALLIN 2- Deferred Incomes Tegemeo	9,679,492	4,869,853
55	OXYGEN MARKETIN - Deferred Incomes Tegemeo	923,977	923,977
56	DIME PROJECT - Deferred Incomes Tegemeo	8,017,997	6,948,475
57	KCSAP ENDLINE - Deferred Incomes Tegemeo	8,454,122	15,752,068
58	ALCORN PROJECT - Deferred Incomes Tegemeo	1,822,211	-
59	PAR-GEA - Deferred Incomes Tegemeo	3,175,659	-
60	REPEAT -TE05 - Deferred Incomes Tegemeo	2,874,678	-
61	INCATA -TE05 - Deferred Incomes Tegemeo	35,153,053	-
62	Deferred Incomes Tegemeo TE08	23,560,584	226,209
		557,407,067	435,113,632

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The deferred income movement is as follows:

Note 32 (d):- Deferred Income Movement							
No.	International funders	Balance brought forward (June 30, 2023)	Additions	Funds Transfer In	Transfers to income statement	Funds Transfer Out	Balance carried forward (June 30 2024)
1	AICAD Deferred Incomes R&E	2,617,105	-		(6,053)		2,611,052
2	EBR Project Deferred Incomes R&E	663,724	1,527,141		(1,533,348)		657,518
3	Dryland Farming Deferred Incomes R&E	248,592	-		(6,053)		242,539
4	Economic Dept Deferred Incomes R&E	4,600,241	138,819		(56,053)		4,683,007
5	Fingerponds Project Deferred Incomes R&E	944,281	23,394,201		(17,807,872)		6,530,610
6	Biochemistry Dept Deferred Incomes R&E	442,633	-		(171,475)		271,158
7	Globalite Project Deferred Incomes R&E	10,707,175	3,588,800		(2,304,846)		11,991,128
8	Greenhouses Project Deferred Incomes R&E	5,083,115	7,689,820		(7,728,058)		5,044,877
9	KAPP Deferred Incomes R&E	16,359,931	13,622,126		(15,125,643)		14,856,414
10	ADSP Deferred Incomes R&E	4,952,818	6,470,297		(5,601,544)		5,821,570
11	Noragric Project Deferred Incomes R&E	8,772,792	10,622,313		(3,310,945)		16,084,160
12	OSSREA Project Deferred Incomes R&E	31,115,814	400,000		(9,103,216)		22,412,598
13	Partic Rural Project Deferred Incomes R&E	3,472,516	5,592,197		(7,976,808)		1,087,904
14	Deferred Incomes R&E	2,913,095	12,723,697		(5,116,375)		10,520,417
15	TA MOU Deferred Incomes R&E	1,940,972	20,971,980		(22,774,574)		138,377
16	Deferred Incomes R&E	63,693,254	141,555,165		(109,075,995)		96,172,424
17	Versitol Project Deferred Incomes R&E	6,428,965	1,379,142		(155,788)		7,652,319
18	OSSREA POS DOC Project Deferred Incomes R&E	4,413,313	-		(2,605,500)		1,807,813
19	Ecolive Project Deferred Incomes R&E	3,995,016	60,000		(6,173)		4,048,843
20	Limnology Project Deferred Incomes R&E	11,989,739	9,447,083		(13,411,851)		8,024,971
21	Wetland Ecosystem Deferred Incomes R&E	8,426,957	12,885,285		(15,780,667)		5,531,574
22	Ecohealth Deferred Incomes R&E	1,232,390	2,366,255		(6,053)		3,592,593
23	Confucius Institute Deferred Incomes R&E	11,840,816	14,935,206		(13,529,712)		13,246,309
24	US Dollar A/C Deferred Incomes R&E	1,649,170	109,581,054	3,782,002	(100,292,306)		14,719,920
25	EURO A/C Deferred Incomes R&E	56,276,711	153,702,354		(179,192,463)		30,786,603
26	Deferred Incomes R&E	20,563,610	75,031,005		(87,759,567)		7,835,048
27	AGEC Dollar A/C Deferred Incomes R&E	3,782,002				(3,782,002)	-
28	AERC Project 2 Deferred Incomes R&E	9,583,907	5,718,830		-		15,302,737
29	Deferred Incomes Tegemeo PAM KMDP	378,714	800,000		(800,000)		378,714
30	Deferred Incomes Tegemeo ISSD	3,012,618	-		-		3,012,618

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. RELATED PARTY BALANCES (Continued)

Other related parties include:

- i) The National Government;
- ii) The Ministry of Education;
- iii) The University Council;
- iv) Key Management
- v) Egerton University Investment Company

	2023/2024	2022/2023
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government (Ministry of Education)		
Recurrent Grants	2,042,756,248	2,228,358,479
Development Grants	75,000,000	-
Total	2,117,756,248	2,228,358,479
b) Key management compensation		
Councils' emoluments	13,157,942	18,386,723
Compensation to key management	38,839,609	41,908,001
Total	51,997,551	60,294,724

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. CONTINGENT LIABILITIES

S.NO	CASE NO.	CASE	WHAT IS IT ABOUT (BRIEF HISTORY ABOUT)	AMOUNTS (KSH)
1	Nkr elrc 2 of 2024	Ann Koimur vs Egerton University	Claim of 14,669,961 for unremitted pension and loss of earnings	14,669,961
2	Nkr elrc no 14 of 2024	Kenneth Methu vs Egerton University	Claim of 4,935,519.04 for deferred pay, pension and bank loan	4,935,519
3	Nkr elrc no 4 of 2024	Joan Aoko vs Egerton Egerton University	Claim of 3,142,946.88 for deferred pay, pension and bank loan	3,142,947
4	Nkr CMEL no 2 of 2024	Samwel Mbugua	Claim of 649,803 for non remittance of insurance premiums that led to loss of bonuses	649,803
5	Nkr Elrc no 35 of 2023	Robert Karuru & 7 others	Claim of Ksh.2,500,000 part timer lecturer	8,600,000
6	Nkr elrc no. 16 of 2020	KUDHEHIA vs Egerton University	Claim of Ksh. 28,840,455 for wrongful termination of casual laborous	28,840,273
7	Nrb hcc 217 of 2003	ALICO vs Egerton	a claim of Ksh. 6,000,000 for discounted figures that they had given to cover the insurance period	6,842,397
8	Nkr Elrc 35 of 2023	Reuben Karuru & 5 others vs Egerton University	Claim of Ksh. 8,662,500 for part timers	8,662,500
9	Nkr elrc pet no. 3 of 2024	Wycliffe Oluoch vs Egerton	Claim of Ksh. 6,000,000 for constructive dismissal	6,000,000
			TOTAL	82,343,400

36. EVENTS AFTER THE REPORTING PERIOD

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

37. ULTIMATE AND HOLDING ENTITY

The University is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

38. MATERIAL BUDGET VARIANCES

i. Income Variances

Research incomes reported positive inflows than had been anticipated due to increased funding during the FY.

ii. Expenditures Variances

The actual expenditure for the year were overall within the budget. The research expenses were over the budget during the FY, this was as a result of increased funding and research activities during the year

39. CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

20. APPENDICES.

Appendix 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Ref No.	Issue / Observations from Auditor	Management comments	Basis for Qualified Opinion	Status	Timeframe
1	<p>Inaccurate Income from Non-Exchange Transactions</p>	<p>The university uses cash basis of accounting to account for the donors' funds as per the IPSAS 23 for recognition of income from non-exchange transactions. We recognize the income for each research project by matching it with the project expenses incurred during the year. Funds received during the year are recognized as deferred income (a liability). This treatment only applies to donor funds</p> <p>The Research & Extension – the division also hosts internal research projects monies funded by the university and others generated by some research activities these are not donor funds but are fully owned by the university. This explains the difference in the research and extension of 40,733,624 which is not accounted using the cash basis of accounting but they are closed out with the general reserves of the University.</p> <p>CESAAM ACE II Income - This is a World Bank funded project which also attracts other Donor funding. All the donor funds are accounted through the cash basis of accounting. During the financial year 2022/23, the Account attracted interest income charged for the outstanding Imprests. These are funds owned by the university and as such was not added to donor funds as deferred income.</p> <p>Tegemeo – The same case applies to Tegemeo income where the difference of Ksh 11,720,756 is the amount owned by the university and as such could not be accounted as donor funds.</p> <p>During the financial year 2022/23, the opening balances net changes and the closing balances for research projects are part of our notes of financial statement refer to note 32d.</p>		Not Resolved	FY 2024/2025

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
2	Unsupported Repairs and Maintenance	<p>The payment made for repairs and maintenance of Kshs. 8,945,956 paid to NOMIC Agency limited was for certificate number 10 that was split and paid in four instalments each at K.sh. 2,236,489 due to the financial challenges.</p> <p>The contract agreement, certificates of completion, and pre and post repair inspection reports were provided for audit as they were part of the payment voucher</p>	Not Resolved	FY 2024/2025
3	Legal Expenses	<p>The award of KShs. 116,259,925 relates to consultancy fee for capital project, Ultra-Modern Library and had been budget as so. The award was therefore disclosed and reported as work in progress University Library (Note 30B No.10 of the financial statement.</p> <p>The unpaid balance of KShs. 76,219,925 is not a contingent liability but a liability that is disclosed in the financial statement as a current liability under trade and other payable (note 32a Trade creditors of the financial statement).</p>	Not Resolved	FY 2024/2025
4	Cash in Bank and in Hand Balances	<p>These deposits were made by the students but could not be identified and allocated to specific students since they were either paid through Mpesa or did not provide sufficient details on the banking slips. These deposits are received once the students come forward with the support documents claiming ownership and the deposit slips verified. We have however noted the auditors concern and these matter will be dealt with conclusively.</p> <p>The difference of Kshs.56,893,607 between the cash and bank balance of Kshs. 806,398,269 reflected in the statement of financial position and Kshs.740,504,662 reflected in the statement of cash flow.</p>	Not Resolved	FY 2024/2025

Ref No.	Issue / Observations from Auditor	Management comments	Status	Timeframe
	<p>2 Budgetary Control and Performance</p>	<p>The initial proposed budget contained the full staff costs but after the university received approved budget ceilings that were far less than the actual budget expenses there was need to rationalize the budget downward. The variance was occasioned by the university operating the wage bill at 66% due to underfunding. However, the financial statements were prepared on accrual basis of accounting recognizing the payroll in full and resulting in deferred salary payment (unpaid salary) that is included in payroll payables. Further the excess receipt mainly came from research projects where more funding from existing and new projects were received during the year than expected.</p>	Not Resolved	FY 2024/2025
Other Matter				
	Prior Year Unresolved Issues	<p>The university management provided responses and gave explanations as well as documentations to the audit issues raised. We are looking forward that these pending issues will be resolved as per the Public Audit Act, 2015</p>	Not Resolved	FY 2024/2025
REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES				
Basis for Conclusion				
	<p>1 Unauthorized Bank Overdraft</p>	<p>The university got an approval in the 170th Council meeting held on the 27 July, 2022 of Kshs. 100 Million bank overdraft. The university has not overdrawn beyond the approved amount and always operate within the approved overdraft limit. The negative cashbook balances beyond the approved Ksh. 100 million is as a result of unreceipted deposits and not unrepresented cheques as observed by auditors. The statement of financial position is thus correctly stated and reported.</p>	Not Resolved	FY 2024/2025



RefNo.	Issue / Observations from Auditor	Management comments	Status	Time frame
2	Staff Costs			
2.1	Unremitted Staff Deductions	Some statutory deductions remain unremitted as required by law due to the financial challenges that the university is facing for the last seven years. The university has forwarded the outstanding statutory deductions to the Presidential pending bill committee for verification with a possibility of a bail-out. It is worth noting that, the university is remitting all the statutory dues as and when they get deducted and or payable	Not Resolved	FY 2024/2025
2.2	Payroll Payables	Some salaries remain unpaid due to the financial challenges that the university is facing for the last seven years. The university has forwarded the outstanding payroll payables to the Pending Bill Verification Committee for verification with a possibility of a bail-out. It is worth noting that, the university is currently paying the salaries at 100%.	Not Resolved	FY 2024/2025
3	Stalled Projects	The management did not write off the Ksh 1,004,122 in relation to the science complex. The Building was completed and has been in use and thus the total costs were transferred to fixed asset register in the past years. The Ksh 1,004,122 in question was repairs and maintenance costs that was posted to WIP after the project was recognized as an asset hence the amount was transferred to repairs and maintenance of stations. The University has a number of stalled projects and large sums of funds are indeed tied in the incomplete projects from which the institution does not derive value. There is also the risk that the amount required to complete the projects will increase. However, the University has consistently prioritized the completion of these stalled projects over the years and has succeeded in completing a number of them. In addition, the management has over the years been requesting the government to provide funds to complete these stalled projects in vain.	Not Resolved	FY 2024/2025
			Not Resolved	FY 2024/2025



Prof. Isaac O. Kibwage, PhD, HSC
Vice Chancellor

Date: 27th September 2024

Appendix 2: INTER-ENTITY TRANSFERS

ENTITY NAME: EGERTON UNIVERSITY			
Note 6 c. Break down of Transfers from the State Department of Education, Ministry of Education			
FY 2023/2024			
6a. Recurrent Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	10-Aug-2023	147,779,688	2023/2024
	30-Aug-2023	147,779,688	2023/2024
	12-Sep-2023	147,779,686	2023/2024
	1-Nov-2023	147,779,688	2023/2024
	13-Dec-2023	147,779,688	2023/2024
	8-Jan-2024	147,779,687	2023/2024
	12-Feb-2024	147,779,687	2023/2024
	13-Mar-2024	147,779,687	2023/2024
	12-Apr-2024	147,779,687	2023/2024
	17-May-2024	147,779,688	2023/2024
	12-Jun-2024	147,779,688	2023/2024
	1-Jul-2024	147,779,688	2023/2024
	10-Jul-2024	269,400,000	2023/2024
	Total	2,042,756,250	
6b. Development Grants			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	4-Mar-2024	50,000,000	2023/2024
	4-Mar-2024	25,000,000	2023/2024
	Total	75,000,000	
6c. Donor Receipts			
	Bank Statement Date	Amount (KShs)	Indicate the FY to which the amounts relate
	13-Dec-23	44,061,451	2023/2024
	9-May-24	60,439,532	2023/2024
	Total	104,500,983	
The above amounts have been communicated to and reconciled with the parent Ministry			
Chief Finance Officer Egerton University		Head of Accounting Unit State Department of Education Ministry of Education	
Sign		Sign	

**CHIEF FINANCE OFFICER
EGERTON UNIVERSITY**

AUG 2024