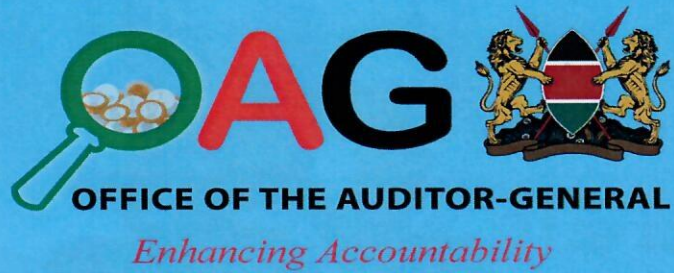


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

KENYATTA UNIVERSITY

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



KENYATTA UNIVERSITY

Annual Report & Financial Statements

for the Year Ended

30 June 2022

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

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Corporate Philosophies

Our Vision

To be a dynamic, an inclusive and a competitive centre of excellence in teaching, learning and service to Humanity.

Our Mission

To provide quality education and training, promote scholarship, service, innovation and creativity and inculcate moral values for sustainable individual and societal development.

Our Identity

A community of scholars committed to the generation of knowledge and cultivation of wisdom for the welfare of society.

Our Philosophy

Sensitivity and responsiveness to societal needs and the right of every person to knowledge.

KEY UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background Information

Kenyatta University is an international Public University based in Nairobi, Kenya. Its main campus is located 23 kilometers from the City Centre along Nairobi-Thika Super Highway. It is set on 1,105 acres of land providing a quiet and serene environment conducive to learning, research and intellectual growth.

Kenyatta University began its long journey to the attainment of University status in 1965 when the British Government handed over the Templer Barracks to the Government of Kenya. These were converted into an institution of higher learning known as Kenyatta College. Following the Act of Parliament of 1970, Kenyatta College became a constituent College of the University of Nairobi. Consequently, the name changed from Kenyatta College to Kenyatta University College. Kenyatta University College admitted its first batch of 200 students in 1972 to pursue studies leading to the award of the Bachelor of Education of the University of Nairobi.

In July 1978, the Faculty of Education of the University of Nairobi was transferred to Kenyatta University College. As a result, the College became the only institution training teachers at both undergraduate and postgraduate levels at that time. The University status was achieved on August 23, 1985, when the Kenyatta University Act received presidential assent making the institution a full-fledged University. The Act became operational on September 1, 1985 and the University was inaugurated on December 17, 1985.

In December 2012, the Government of Kenya brought the governance and Management of all Universities under one umbrella through the enactment of the Universities Act 2012, which repealed the individual public University's Acts including the Kenyatta University Act 1985. Under the new Universities Act 2012, Kenyatta University was granted Charter on 1st march 2013.

Kenyatta University has over the years established new schools and constituent Colleges. In this pursuit, Jomo Kenyatta University College of Agriculture and Technology became a constituent College of Kenyatta University in 1988 and in 1998 a full-fledged University, Jomo Kenyatta University of Agriculture and Technology (JKUAT). In 2007, Pwani University College in Kilifi was established as a Constituent College. It became Pwani University, a full-fledged University in January 2013. Machakos University College established in 2009 became a full-fledged University, Machakos University in 2016. Mama Ngina University College established in 2017.

(a) Background Information (continued)

The University has 19 schools, these are;

1. School of Agriculture & Enterprise Development
2. School of Hospitality and Tourism
3. School of Engineering & Technology
4. School of Economics
5. School of Applied Human Sciences
6. School of Humanities & Social Sciences
7. School of Environmental Studies
8. School of Education
9. School of Business
10. School of Law
11. School of Pure & Applied Sciences
12. School of Medicine
13. School of Public Health
14. School of Visual & performing Arts
15. Digital School of Virtual & Open Learning
16. Graduate School
17. School of Architecture & the Built Environment
18. School of Creative, Film & Media Studies
19. School of Security, Diplomacy & Peace Studies

The University has established campuses at;

Ruiru (2004),

Parklands (2004),

KEY UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background Information (continued)

Mombasa (2007),
Nairobi City Centre (2010),
Nakuru (2010) and
Daadab (2014).

In Addition to the above campuses, Kenyatta University established Open Distance and e-Learning centres' in Mombasa, Embu, Parklands, Nakuru, Kisumu, Garissa, Marsabit and Kericho.

(b) Principal Activities

The principal activity/mission of the University is to provide quality education and training, promote scholarship, service, innovation and creativity and inculcate moral values for sustainable individual and societal development.

(c) Key Management

The University's day to day management is under the following organs:

- Vice-Chancellor
- Deputy Vice-Chancellors
- Registrars
- Chief Finance Officer

KEY UNIVERSITY INFORMATION AND MANAGEMENT

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2021 are as listed below;

No. Designation	Name
1. Vice-Chancellor	Prof. Paul K. Wainaina
2. Deputy Vice-Chancellor (Administration)	Prof. James Kung'u
3. Ag. Deputy Vice-Chancellor (Academic)	Prof. Paul Okemo Owour
4. Deputy Vice-Chancellor (Finance and Development)	Prof. Godfrey Mse
5. Deputy Vice-Chancellor (Research, Innovation and Outreach)	Prof. Fredrick Q. Gravenir.
6. Ag.Registrar (Administration)	Mr. N.Gikaria
7. Ag. Registrar (Academic)	Dr. Bernard Kivunge
8. Registrar (Finance and Development)	Dr. Paul Gachanja
9. Registrar (Research, Innovation and Outreach)	Prof. Vincent O. Onyvera
10. Ag. Registrar (Corporate Affairs)	Prof. Grace Bunyi
11. Chief Finance Officer	Mr. Mwai Samuel

(e) Fiduciary Oversight Arrangements

The governing organs of the University are:

The University Council;

The Council shall exercise prudent leadership, innovative enterprise, and good judgment in directing the University and shall always charter in the best interest of the University.

The Council shall ensure that a proper management structure is in place and make sure that the structure, functions to maintain corporate integrity, reputation and responsibility.

The Council shall monitor and evaluate the implementation of strategies, policies and management criteria and plans of the University.

KEY UNIVERSITY INFORMATION AND MANAGEMENT

The council shall review the viability and financial sustainability of the University, and shall do so at least once every year.

The Council shall ensure that the University complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.

The Senate of the University;

The Senate shall have the following powers and duties:-

To satisfy itself regarding the content and academic standard of any course of study in respect of any degree, diploma, certificate or other award of the University;

To propose regulations to be made by the Council regarding the eligibility of persons for admission to degree, diploma and certificate programmes;

To propose regulations to be made by the Council regarding the standard of proficiency to be gained in each examination for a degree, diploma, certificate or other awards of the University;

To decide which person has attained such standard of proficiency and are otherwise fit to be granted a degree, diploma, certificate or other awards of the University;

To make regulations governing such other matters as are within its powers in accordance with the charter or the statutes.

The University Management Board:

The University Management Board shall assist the Vice-Chancellor in;

The management of urgent day-to-day academic, administrative, research, developmental and outreach issues;

The efficient management of the human, physical, and financial resources of the University;

Coordination of University and colleges strategic and development plans;

Make proposal to Senate and Council on issues that have University-wide application;

Receive proposals from different sectors of the University for recommendation for Council consideration;

The implementation of Council and Senate approved policies;
Any other matters related to the management of the University.

KEY UNIVERSITY INFORMATION AND MANAGEMENT

(f) University Headquarters

Kenyatta University
Thika Road, Nairobi
P. O. Box 43844- 00100
Nairobi.

(g) University Contacts

Telephone: +254 020 8710901-19
Fax: +254 020 8711573
Telex 25483 KenUnKen
Website: <http://www.ku.ac.ke>

(h) University Bankers

Co-operative Bank of Kenya Ltd.
P.O. Box 48231 – 00100
Nairobi

National Bank of Kenya Ltd.
P. O. Box 41862 – 00100
Nairobi.

Kenya Commercial Bank Ltd
P. O. Box 30081
Nairobi.

Standard Chartered Bank Ltd.
P. O. Box 64355 - 00620
Nairobi.

Equity Bank Ltd
P.O. Box 75104 – 00200
Nairobi

Family Bank Ltd
P.O. Box 74145-00200
Nairobi

KEY UNIVERSITY INFORMATION AND MANAGEMENT

(i) Independent Auditors

Auditor General
Anniversary Towers
P.O. Box 30084 - 00100
GPO, Nairobi.

(j) Principal Legal Adviser

Lawrence Mungai and Advocates
P. O. Box 10130 - 00100
Nairobi.

MEMBERS OF THE UNIVERSITY COUNCIL

Chairman of the University Council

Prof. Shem E. Migot-Adholla Ph.D.,

B.A. (University of East Africa), M.A., Ph.D. (Michigan State University)



Prof. Adholla (79) is the Chairman of Council of Kenyatta University having been appointed to the council on 14th March 2017. He is a private consultant based in Nairobi, Kenya and works on issues including agriculture and rural development, migration, land policy reform, environmental management and rural health issues. He is currently a member of the Board of Directors of Equity Bank, Kenya and serves as Chairman of Equity Bank subsidiary in South Sudan.

Previously he held various positions including the Chairman of the Centre for Corporate Governance, Nairobi, served as

Vice-Chairman of the Board of Directors of the Kenya Wildlife Trust (KWT), the Lead Specialist on Land Policy and Administration for Africa Region at the World Bank Headquarters, Washington, DC, and served (on secondment) as Permanent Secretary, Ministry of Agriculture and Rural Development, Government of Kenya. Earlier, he taught at the University of Nairobi, where he provided leadership in the Department of Sociology and was involved in research activities at the Institute for Development Studies (IDS).

Vice-Chancellor

Prof. Paul K Wainaina Ph.D.,

B.Ed., M.A. Ed. (Nairobi), Ph.D. (Alberta)



Prof. Wainaina (70) is the Vice-Chancellor Kenyatta University, and is an ex-officio member of the University Council, having been appointed as the Vice-Chancellor on 26th January 2018. He is also Professor of Philosophy of Education, Kenyatta University. Prior to his appointment he held various positions including Deputy Vice-Chancellor (Administration) Kenyatta University, Professor of Philosophy of Education, University of Namibia, Professor of Philosophy of Education, Moi University among others.

He is an alumni of University of Alberta, Canada

Member

Amb. Simon Nabukwesi B.Ed, M. Ed., M.A, Ph.D

Amb. Simon Nabukwesi is a member of Kenyatta University Council by virtue of being the Principal Secretary, State Department of Science and Technology in the Ministry of Education, Science and Technology. Previously, he has also served as Kenya's High Commissioner to Canada and Ambassador Plenipotentiary and Extra-ordinary to Cuba. Chairperson of the Association of directors of Foreign Service Academies from the IGAD Region from 2016 to 2019. Head of Europe and Commonwealth Directorate in the Ministry of Foreign Affairs.

He holds B.Ed, M. Ed. in Education Planning and Management and MA in International Project Management. He has a Diploma Level training in Institutional Management at Hiroshima University, Japan and a Pre-university Training at the National Youth Service (1986).



MEMBERS OF THE UNIVERSITY COUNCIL

Member

Dr. Julius Muia

PhD CPA (K), CPS (K), AKIB, ACI Arb's

Dr. Julius Muia is a member of Kenyatta University Council by virtue of being the Principal Secretary at The National Treasury. Prior to this, he was the Principal Secretary at the State Department for Planning - The National Treasury and Planning. Previously, he was the Director General, Vision 2030 Delivery Secretariat to facilitate the implementation of Vision 2030.



Between April 2008 and October 2016, Dr. Muia served as the Secretary, National Economic and Social Council, Office of the President. He is an alumnus of the University of Nairobi with a First Class Honours Degree in Accounting; Master Degree and PhD in Finance. His professional qualifications include: Certified Public Accountant (CPA-K); Certified Public Secretary (CPS-K), Associate Kenya Institute of Bankers; Associate

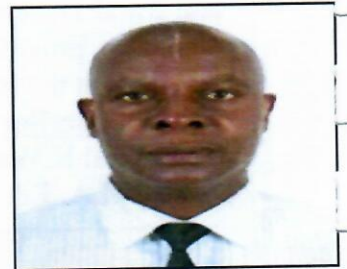
Chartered Institute of Arbitrators; and Certified Coach.

Member

Mr. Eric K. Sila, B. Com., MBA (University of Nairobi)

Mr Sila (53) is a member of Kenyatta University Council having been Appointed on 14th March 2017. He is currently Head of Rehabilitation & Recoveries (Personal & Business Banking) in Stanbic Bank Kenya Ltd.

Mr. Sila is a professional banker with leadership Skills in credit risk Management, credit administration and operational risk amongst others. Previously he was Deputy Director, Credit Risk at NIC Bank Kenya, prior to he was that Head of Business Support and Corporate Recoveries (Corporate Credit) at Barclays Bank of Kenya. He has international leadership experience having led teams in Corporate Credit and Business Support and Recoveries in Zambia, Uganda and Tanzania. He holds Master Degree in Business Administration (Strategic Management) and a Bachelor Degree in Commerce (Finance) from the University of Nairobi.



Member

Mr. Narry P. Onaya-Odeck, B.Ed., PGDip., M.C.,(Nairobi)



Mr. Onaya-Odeck (71) holds a Master Degree in Project Planning and Management and a Bachelor Degree in Education from the University of Nairobi. He is a professional administrator with vast leadership skills in administration and human resource management among others. Mr. Onaya joined the University of Nairobi Administration in the year 1979 as a senior administrative assistant and moved through the ranks working in various departments before becoming the University Registrar in charge of Administration and Human Resource Management in the year 2009. Mr. Onaya has also served as a Member

in various Boards including Sangalo Institute of Science and Technology Board

MEMBERS OF THE UNIVERSITY COUNCIL

Member

Mrs. Gertrude Muthoni Namu B.Ed., M.Ed. (Kenyatta)



Mrs. Gertrude Muthoni Namu (68) holds a Master Degree in Education (Library and Information Science) and a Bachelor Degree in Education from Kenyatta University. She is an accomplished leader who has vast knowledge and experience in curriculum and programmes development. She has provided strategic and policy direction in various institutions in addition to spearheading and managing relationships, collaboration and accreditation. Mrs. Namu has previously worked in various institutions of higher learning including Kenya School of Professional Studies and Kenyatta University. Mrs. Namu has also served as a Member of Council, Masinde Muliro University of Science and Technology and as a Board Member of Embu College.

Member

Ms. Mary Mugo B.Ed (UON),M.A(Kenyatta)



Ms. Mary Mugo (53) is a member of Kenyatta University Council having been appointed on 10th March 2020. She is a Country Director at Edukans Kenya, a Netherlands founded program. She holds a master's degree in Counseling Psychology from Kenyatta University and a Bachelor of Education from the University of Nairobi. She has vast knowledge and experience in Education and leadership gained from working in Government and in NGOs. Besides her current position, Mary has worked as Country Director - Build Africa Kenya, Associate Director and National Education Coordinator at World Vision Kenya, Senior Principal Education Administration Officer at Teachers Service Commission, Senior Education Officer at the Ministry of Education, Government Chief Counselor at the Office of the President-Ministry of State for Public Service, Graduate High School Teacher and Counselor at Tala High School among others. Additionally, Mary is a mentor for young people and women through community and faith based platforms.

CHANCELLOR & PRINCIPAL OFFICERS OF THE UNIVERSITY

Chancellor

Mr. BENSON WAIREGI, E.B.S.,

B. Com. (Accounting), MBA (Nairobi), CPA (K.)

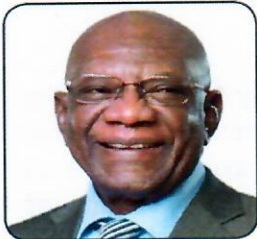


The Chancellor performs such functions and enjoys such powers, rights and privileges as provided for under section 38 of the Act and the statutes. The Chancellor, from time to time, gives advice to the Council which the Chancellor considers necessary for the betterment of the University. The Chancellor has the right to take part in the formal and informal activities of the University.

Chairman of the University Council

PROF. SHEM E. MIGOT-ADHOLLA Ph.D.,

B.A. (University of East Africa), M.A., Ph.D. (Michigan State University)



The Chairperson of Council chairs Council meetings and exercises the powers and privileges as provided for in the Universities Act, Kenyatta University Charter and the Statutes.

Vice – Chancellor

PROF. PAUL K. WAINAINA, Ph.D.,

B.Ed., M.A. Ed. (Nairobi), Ph.D. (Alberta)



The Vice-Chancellor is the Chief Executive Officer of the University having the following powers and function:

- Is the academic, administrative and financial head of the University;
 - Have the overall responsibility for the direction, organization, administration and programmes of the University;
- Is the accounting officer of the University.

CHANCELLOR & PRINCIPAL OFFICERS OF THE UNIVERSITY

Ag. Deputy Vice-Chancellor (Administration)

PROF. JAMES KUNG'U,



B.Sc, (Moi), M.sc., Ph.D. (University of the Philippines at Los Baños)

The Deputy Vice-Chancellor (Administration) is responsible to the Vice-Chancellor for all administration affairs including:

- Personnel issues in the University;
- Security issues;
- Catering services;
- Staff houses and accommodation;
- Legal issues;
- Health services;
- Transport services.



Ag. Deputy Vice Chancellor (Academic)

**PROF. PAUL OKEMO OWUOR, B.Sc, M.Sc (Wyoming),
Ph.d(Kenyatta)**

The Deputy Vice-Chancellor (Academic) is the head of the Academic Division of the University and is responsible to the Vice-Chancellor and offers leadership, direction, organisation and administration of programmes of the Division.

Deputy Vice-Chancellor (Finance & Development)

PROF. GODFREY MSE, B.Ed. (Nairobi), M.Ed., Ph.D. (Kenyatta)

The Deputy Vice-Chancellor (Finance and Development) is the head of the Finance and Development Division of the University with the following duties and functions:

- Preparation of estimates, allocation of funds, control of expenditure and financial accounting;
- Physical developments;
- Grounds and estates management;
- Procurement services.



CHANCELLOR & PRINCIPAL OFFICERS OF THE UNIVERSITY

Deputy Vice-Chancellor (Research, Innovation & Outreach)

PROF. FREDERICK. Q. GRAVENIR, M.A. Ph.D. (Prague)



The Deputy Vice-Chancellor (Research, Innovation and Outreach) duties and functions include:

- Driving the University's research agenda in line with Country's Vision;
- Encourage research culture in the University;
- Institutionalise networking, collaboration research and outreach in the University;
- Encourage innovation and handle issues to do with intellectual property rights;
- Ensure dissemination of research findings.

Ag. Registrar Administration

MR. N. GIKARIA B.Ed. (Kenyatta), M.B.A., MSc. (Nairobi)

The Registrar (Administration) is the principal assistant to the Deputy Vice-Chancellor (Administration), and performs duties delegated or assigned to him by the Vice-Chancellor and/or by the Deputy Vice-chancellor (Administration).



Ag. Registrar Academic

DR. BERNARD KIVUNGE, B.Ed., M.Sc. (Kenyatta), Ph.D. (Iowa State University)

The Registrar (Academic) is the principal assistant to the Deputy Vice-Chancellor (Academic), and performs duties delegated or assigned to him by the Vice-Chancellor and/or by the Deputy Vice-chancellor (Academic).



Registrar (Finance and Development)

DR. PAUL GACHANJA B.A., M.A., Ph.D.(Kenyatta)

The Registrar (Finance and Development) is the principal assistant to the Deputy Vice-Chancellor (Finance and Development), and performs duties delegated or assigned to him by the Vice-Chancellor and/or by the Deputy Vice-chancellor (Finance and Development).



CHANCELLOR & PRINCIPAL OFFICERS OF THE UNIVERSITY

Registrar (Research, Innovation & Outreach)

DR. VINCENT ONYWERA, B.Ed., M.Ed., Ph.D. (Kenyatta), ISAK 2



The Registrar (Research, Innovation and Outreach) is the principal assistant to the Deputy Vice-Chancellor (Research, Innovation and Outreach), and performs duties delegated or assigned to him by the Vice-Chancellor and/or by the Deputy Vice-chancellor (Research, Innovation and Outreach).

Ag. Registrar (Corporate Affairs)

PROF. GRACE BUNYI,

B.Ed., M.Ed. (Kenyatta), Ph.D. University of Toronto (Canada).

The Registrar (Corporate Affairs) is responsible to the Vice-Chancellor and performs duties delegated or assigned to her by the Vice-Chancellor.



Chief Finance Officer

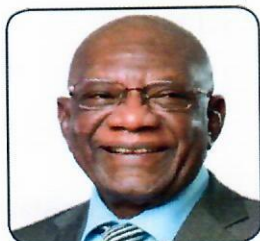
CPA. MWAI SAMUEL, B.Ed., MBA (Nairobi), CPA (K.)



The Chief Finance Officer is the head of Finance Department and the technical officer responsible for financial strategy and policy matters. He is responsible to the Deputy Vice-Chancellor (Finance and Development) and work closely with the Vice-Chancellor as the Chief Accounting Officer of the University.

The Chief Finance Officer superintends and manages the finances and financial reporting obligations, and performs such other duties delegated or assigned to him by the Vice-Chancellor and Deputy Vice-Chancellor (Finance and Development).

CHAIRMAN'S STATEMENT



It is my Privilege to present the Annual Report and Financial Statement for the year ended 30 June 2022 for this great University.

During the year under review the University remained focused on its mission to provide quality education and training, promote scholarship, service, innovation and creativity and inculcate moral values for sustainable individual and societal development.

I would wish to highlight that in the year 2021/2022, the University reported a deficit of Kshs 1,856,957,558 (One billion, eight hundred and fifty six million, nine hundred and fifty seven thousand, five hundred and fifty eight shillings) which is lower than the one reported in the year 2020/2021 of Kshs 2,129,630,290. This can be attributed to the full re-opening of the University after the two year interruption due to Covid -19 pandemic.

The University held its 49th graduation ceremony in the month of July 2021 and its 50th Graduation Ceremony in the month of December 2021 at the main campus. The events saw 6,712 and 6,025 graduands respectively conferred with various certificates, Diplomas and Degrees in respective disciplines.

On infrastructure;

The Kenya Education Network Trust (KENET) is rolling out the first Africa Open Wi-Fi network. The Wi-Fi network will provide connectivity for over 65,000 students and staff at Kenyatta University among other institutions. The KENET Open Wi-Fi network will be delivered and deployed by Kenyan Cloud and integration services provider Atlancis Technologies, a leading Kenyan firm specializing in enterprise ICT solutions together with ecosystem partners NetExperience and IO Networks by Himachal Futuristic Communications Ltd (HFCL), an Indian telecom firm

Achievements

Kenyatta University won the bid for 'Accreditation of Service Providers for Teacher Professional Development (TPD) Programme for Registered Teachers in Kenya' by Teachers Service Commission (TSC) alongside three (3) other institutions. The programme seeks to offer Professional Teacher Development (TPD) training to all the registered teachers in primary and secondary schools, as well as colleges in Kenya. The training requires teachers to be taken through the Teacher Professional Development programme in order to continue practicing, as is done in other professions, by sharpening their professional skills. Teachers will be equipped with skills to become better teachers in pedagogy, content delivery and management skills of both the learners and resources. The School of Education has the requisite capacity and structures in place to undertake the Teacher Professional Development programme at the national level and beyond. In

In addition, the Kenyatta University's efficient Learning Management System (LMS) will enable it to offer the TPD training through a blended modular approach that allows for flexible, focused, independent and innovative learning with an equally reliable evaluation process designed to enhance learning outcomes.

The ninth intake of cadets training at the Kenya Military Academy was commissioned on 26th November 2021 in a colorful Pass-out Parade. The students began their training in October 2018 and graduated in the 50th Kenyatta University' Graduation Ceremony on 17th December 2021 having completed the B.Sc. (Military and Security Studies) programme offered the by Kenyatta University through the School of Security, Diplomacy and Peace Studies. The group was the first to undergo training under a revamped programme revised to reflect the current theater of war. The programme aims at equipping military cadets with both hard and soft skills for preparedness, critical evaluation, planning, problem solving, teamwork, flexibility, communication, discipline, integrity and technical capabilities. These skills are critical assets for the present day military officer faced with an ever changing and increasingly complex war and defense landscape.

In conclusion, Kenyatta University is amongst the leading Universities in provision of quality training and also aligning the outcomes to Kenya's Big Four Agenda. The University's infrastructural capacity, achieved over the recent years has served much needed capacity for quality training and research as well as service.

We will continue to work closely with the Government and other Collaborating partners to provide highly competitive and versatile graduates which the Country and Region need for sustainable development.

I take this opportunity to thank the Government of Kenya and all collaborating partners, both internal and external for their continued support.

Lastly I want to thank my fellow members of council, members of staff, and students for their tireless effort, team work and for achievements made in the year ended 30th June 2022.

Prof. Crispus Makau Kiamba, Ph.D., CBS, MBS
Chairman-Kenyatta University Council

VICE-CHANCELLOR'S REPORT



I am delighted to present the University's results for the year ended 30 June 2022.

During the year under review the University remained on course in implementation of 2016-2026 Strategic Vision Plan; guided by the theme "Enhancing Higher Education, Transforming Lives". The theme is grounded on the principles of inclusiveness and participation, good governance, equity, environmental consciousness and respect for diversity.

During the year, the University put in place the necessary Internal Controls on resources to ensure that we meet the targets of revenue collection and cost control.

The University held its 49th graduation ceremony in the month of July 2021 and its 50th Graduation Ceremony in the month of December 2021 at the main campus. The events saw 6,712 and 6,025 graduands respectively conferred with various certificates, Diplomas and Degrees in respective disciplines.

Kenyatta University registered over 8,000 new students in the year 2021/2022 who were admitted to study at the Main Campus and other University Campuses.

Education, Training and Research

The World Teachers' Day 2021, under the theme Teachers at the Heart of Education Recovery, was colorfully celebrated on 5th October 2021. The event was held at Kenyatta University. UNESCO collaborated with the Kenya National Commission for UNESCO and the School of Education, Kenyatta University to organize the event at the premises of the university. It was organized as part of an International Conference on Education and Lifelong Learning that was held on 6th and 7th October 2021. I attended the conference which was also attended by representatives of teachers and learners at the basic education level, university teacher trainees and education faculty staff.

The conference was preceded by the World Teachers' Day celebration which was marked by a walk within the University. The two events were preceded by preconference activities where representatives of KU, UNESCO and KNATCOM appeared on KUTV. The walk was flagged off by the Chief Guest, Prof. Hubert Gijzen, the Regional Director, UNESCO Regional Office for Eastern Africa and I accompanied them. Prof Hubert Gijzen also officially opened the conference virtually as a Chief Guest on 6th October 2021. His brief speech delved into how the world turned digital during the lockdown and the challenges occasioned by the lockdown especially in Africa.

The School of Business held its 3rd International Business Research and Industrial Conference (IBRIC) virtually on 26th and 27th August, 2021. The conference sought to inculcate scholarly

VICE-CHANCELLOR'S REPORT

attitude and creativity amongst all participants and aimed at fostering a multidisciplinary approach to research by delving into key priority areas of interest for industry players, practitioners, researchers, government and academicians globally.

A total of 89 paper presentations were made with 270 participants, drawn from academia and industry – local and international, attending the conference. I opened the virtual conference, with Amb. Peter Kaberia (CBS), Principal Secretary, State Department for Industrialization, delivering the Key Note address.

The 4th national economics students' symposium was held at Kenyatta University's Amphitheatre on 9th March 2022 under the theme Building business resilience and sustainability during economic recession and pandemics for the achievement of Vision 2030. The fourth edition of the annual event attracted an audience from 24 Universities and Campuses across the country including two Universities from Uganda. Dr. Patrick Njoroge, Governor of the Central Bank of Kenya, in the Keynote address challenged the participants on the need for each one to be part of the Vision 2030 and work towards realizing the goals.

The School of Environmental Studies through the Department of Environmental Studies and Community Development hosted the Nairobi Summer School on Climate Justice (NSSCJ) under the theme: 'Sustaining Momentum on Climate action in the Pandemic Era' at the Kenyatta University Conference Centre from August 29th to September 11th 2021. The NSSCJ's core objective was to build new bridges and bring the voices of frontline communities into the international arena. Additionally, the School sought to bridge the conversation gap between prominent scholars, communities and other stakeholders on climate justice in the Global North and those in the Global South, while providing an opportunity to explore diverse possibilities on climate justice

Achievements

Kenyatta University School of Law beat thirty eight African law schools to emerge winners of the 30th Edition of the prestigious African Human Rights Moot Court Competition in September 2021. The Competition was held on 20th - 25th September 2021 and was organized jointly by the Centre for Human Rights, University of Pretoria and Stellenbosch University. It was hosted by the Faculty of Law, Stellenbosch University in South Africa. The Competition was held under the theme "Responsiveness of the African Human Rights System to Sexual and Gender Based Violence". Thirty (38) teams representing African law schools including, the Stellenbosch University, University of Western Cape, University of Ghana, Kabarak University, African Nazarene University, Makerere University, Eduardo Mondlane University and University of Johannesburg participated in the Competition

Dr. Eric Ndombi of the Department of Pathology, School of Medicine was awarded an R01 Research Grant (International Research in Infectious Diseases) by the United States of America's

National Institute of Health (NIH). The US\$ 785,622 grant will run for 5 years and is anchored in the US National Institute of Allergy and Infectious Diseases (NIAID).

NIH is the largest public funder of biomedical research in the world, investing more than \$32 billion a year to enhance life, and reduce illness and disability. The collaborative study that titled ‘Characterization of drug resistance in field collected schistosomes’ involves the Kenya Medical Research Institute’s Centre for Global Health Research (KEMRI-CGHR), Kisumu and Texas Biomedical Research Institute, USA, with Dr. Ndombi as the principal investigator.

Dr. John P. Oyore, of the Department of Community Health and Epidemiology was awarded a research grant of Kshs 18,156,000 by the National Research Fund (NRF) Kenya for a research study titled, ‘Optimizing parameters for the proper use of face masks to reduce severity of underlying infections for enhanced tolerance to COVID-19’. Dr. Oyore is leading a team of multidisciplinary researchers to conduct the study that aims at investigating possible natural protectants that can be used to coat face mask surfaces to reduce microbial contamination due to prolonged use.

Other Activities

The 28th Edition of the Kenyatta University Culture Week Festivals was held between 23rd and 29th October 2021. In adherence to the COVID19 protocols, the festival was a hybrid event where some few groups performed at the University Amphitheatre and live streaming of the celebrations was done virtually through KUTV and social media platforms. The theme of this year’s festivals; ‘Culture: Rising above the Pandemic’ was a true testament of the resilience witnessed given the devastating effects of the COVID-19 pandemic. The Celebrations began on 1st October 2021 the permanent Culture Week logo and Culture Week website were officially launched. This auspicious occasion was graced by the Vice-chancellor, Prof. Paul Wainaina when he also commissioned the KU Cultural Ambassadors.

On 25th March 2022, at BSSC room 14, I was , represented by the Deputy Vice-chancellor (Academic) Prof. Waceke Wanjohi, steered the University community in celebrating the 12th Disability Awareness Day whose theme was “Inclusion Through Sports”. An annual event in the University’s calendar, the 12th Disability Awareness Day, whose organizing committee was chaired by Dr. Anne Hinga, was held in partnership with Inclusive Cycling International, Stepwise Incorporated, the US Embassy, Kenya, and Positive Exposure Kenya.

The function highlighted the importance of providing individuals with disabilities respect, dignity, value, and belonging in sporting activities whether they are athletes, coaches, officials, administrators, or spectators. The Deputy Vice-Chancellor (Academic), Prof. Waceke Wanjohi, delivered my speech that stressed the importance of deliberately engaging persons with disabilities in meaningful ways in sports. In this manner sports not only becomes a means to

expression but also a forum for building inclusive bridges with persons with disabilities

Cultural Affairs Officer, Public Diplomacy Section, US Embassy Kenya, Ms. Laura Chite, Chief Commercial Officer, Stepwise Incorporated, Ms. Jane Waithera, Mandela Washington Fellow 2015 and Founder Positive Exposure Kenya, and Ms. Esther Wamae, Principal of Kenya Centre for Community Learning, among others.

Appreciation

In conclusion, I take this opportunity to convey my appreciation and gratitude to the University Council, Management and all members of staff for their commitment to work and their timeliness and splendid effort that have seen Kenyatta University move towards its goal of becoming a world-class University.

Finally, I would like to thank the Government, Local and International Donors, Suppliers and Service providers for their trust, guidance and continued co-operation.



Prof. Waceke Wanjohi Ph.D, FRSB, FKNAS
Ag. VICE-CHANCELLOR

CORPORATE GOVERNANCE STATEMENT

Introduction

The statement outlines the key aspects of the University's corporate governance framework. Corporate governance is the process by which the University is directed, controlled and held to account. It provides the structure through which the strategic objectives of the University are set, and the means of attaining them as well as monitoring performance. Corporate Governance dictates the engagement between the University Council, Senate, Management Board, Regulators and all Stakeholders.

The University in its decision-making processes observes the highest ethical standards and benchmarks on global best practices in compliance with the applicable legal principles, its vision, mission, and core values for sustainability of the University.

The governing organs of the University are:

- (i) The University Council;
- (ii) The Senate of the University;
- (iii) The University Management Board.

(i) The University Council

Council Charter

The Council is guided by the Council Charter which defines the governance guidelines within which the Council exists and operates. It clearly states the respective roles, responsibilities and authorities of the Council and its Committees.

Council Appointment and Composition

In accordance with the Universities Act No. 42 of 2012, clause 36(1) the Council consists of nine persons appointed by the Cabinet Secretary for a period of three years and who are eligible for re-appointment for a further one term. The persons are as follows:

- The Chairperson
- Principal Secretary, Ministry for the time being responsible for the University Education
- Principal Secretary, Ministry for the time being responsible for Finance and The National Treasury
- Five members appointed by the Cabinet Secretary, Ministry for the time being responsible for University Education
- The Vice-Chancellor who is an ex-officio member of the Council.

The University Charter (Clause 17) requires that the members of the Council at the first meeting after their appointment determine by lot which of their number shall vacate office after a period of three and four years respectively.

Council Diversity

The Council members possess a broad range of skills, expertise, experience and knowledge essential to undertake the University's mandate. The areas of expertise of the current Council members include Sociology, Finance, Counseling Psychology, Information Science, Business Administration, among others as indicated on pages 9 to 11 of this Annual Report.

The University endeavors to and remains compliant with the one third (1/3) gender balance.

Separation of Powers and Duties

The Chairman of Council's responsibilities include the operation, leadership and governance of the Council, ensuring its effectiveness and setting its agenda. The Vice-Chancellor's role and responsibilities include the day-to-day management of the University's business and overseeing the implementation of strategies and policies approved by the Council. This is clearly stipulated in the University Statutes.

Powers and Functions of the Council

The powers and functions of the Council include:

- To make new or additional Statutes, alter, amend or revoke existing Statutes in consultation with the Senate;
- To establish such standing or other committees with membership and with such terms of reference as it may deem fit;
- To make regulations in accordance with the Charter for any purpose in respect of which regulations may be made, provided that no regulations shall be made until Senate has had an opportunity of reporting thereon;
- To provide the land, building, premises, furniture and equipment, including specialized scientific equipments, vehicles, machinery, facilities and other means required for carrying out the work of the University;
- To determine method of recruitment, appointment and promotion of all staff of the University;
- To make the appointments authorized by the Charter and the Statutes and to determine the terms and conditions of service for all staff of the University;
- To provide for the welfare of every person in the employment of the University;
- To establish, confirm, abolish or hold in suspense any professorship, lectureship or other academic, as well as other senior administrative posts in consultation with the Senate;
- To confer, after report from Senate, the title of Professor Emeritus, Adjunct Professor, Adjunct Faculty and other senior staff;
- To receive, consider and approve from University Management Board estimates of expenditure required to carry out the work of the University and to provide the requisite in so far as the estimates are approved and accepted by the Council;
- To provide control and regulate the finances of the University as the Council may provide in the Statutes or Regulations from time to time;
- To control, manage and regulate accounts, investment property and all the business affairs of the University and for that purpose appoint bankers, auditors, lawyers or any other agent as the Council may deem necessary from time to time;
- To promote and make financial provisions and facilities for research within the University;
- To determine, after considering the recommendations of Senate, all fees payable to the University;
- To invest any moneys belonging to the University including any unapplied income, in such stocks, funds, fully paid shares or securities as Council may from time to time think fit, in accordance with the general law for the investment of trust moneys or in the purchase of freehold or leasehold properties, including rent and subject to the Charter

CORPORATE GOVERNANCE STATEMENT

- With the power of varying such investment from time to time by sale or re-investment or otherwise;
- To sell, buy, exchange, lease, grants or take on lease moveable and immovable property on behalf of the University, pursuant to section 17 of the Charter;
 - To borrow money on behalf of the University, and for that purpose and subject to the Charter, to mortgage or charge all or any part of the property unless the conditions of the property so held provide otherwise, and to give such other security whether upon moveable property or otherwise as the Council may deem fit;
 - To enter into, vary, carry out or terminate contracts on behalf of the University;
 - To select a Seal, Arms and Mace for the University and to have the sole custody and use of the Seal;
 - To provide by Statutes for the creation of new Colleges, Campuses, Schools, Departments, Directorates, Institutes, Centres or other bodies of learning and research in the University and for the abolition from time to time of any such bodies, and to approve the establishment, abolition or sub-division of any such bodies on the recommendation of Senate;
 - To institute, on the recommendation of Senate, donors' fellowships, studentships, exhibitions, bursaries, prizes and other aids to study and research where appropriate and upon conditions acceptable to the Council;
 - To determine the terms and conditions upon which Internal and External Examiners shall be appointed by the Senate;
 - To consider and give effect to reports from Senate on those matters upon which Senate is authorized or required to make by the Statute;
 - To exercise powers of removal from office for good cause of any officer or staff member and other disciplinary controls in the University;
 - May empower any of its committee to act jointly with any committee appointed by the Senate, provided that the Council shall not delegate to the Chairperson or to a committee the powers to approve without further reference to the Council the annual Estimates of Expenditure;
 - May refer any financial matters affecting the academic policy of the University to the Senate for advice;
 - Shall determine the method and condition of appointment and promotion, terms of service and remuneration of all staff of the University;
 - Shall authorize or control the establishment and disestablishment of Campuses, Colleges, Schools, Departments, Directorates, Institutes, Bureau, Units and Centres;
 - Shall authorize or control the establishment and disestablishment of academic, library, administrative, technical, secretarial and all other posts in the University necessary for the proper functioning of the University;
 - Shall control the appointment of any other persons working for the University, pay honoraria, fees and other remuneration as the Council may determine from time to time.

CORPORATE GOVERNANCE STATEMENT

Meetings of the Council

While the Council is responsible for its agenda, it is the responsibility of the Chairperson and the Council Secretariat working closely with the Vice-Chancellor, to come up with the Annual Council Work Plan and Agenda for the Council meetings.

The Council Work Plan together with the calendar of meetings for the Financial Year 2020/2021 was fixed in advance and provided to all Council members. The agenda and supporting papers were distributed in advance to all members of the Council and its Committee's.

Unless the Council otherwise determines, meetings of the Council are held at least four times in each calendar year at such a place and time as the Chairperson may determine.

At all meetings of the Council, a quorum is the nearest whole number above half the membership of the Council.

Where consensus is not achieved, decisions of the Council may be by a simple majority vote of those present and voting, provided that the Chairperson of the council shall have a casting vote in case of an equality of votes.

The Chairperson may at any time call a meeting of the Council within twenty eight (28) days of receiving request for that purpose addressed to him and signed by at least a half of the membership of Council.

Councils' Effectiveness

In order to ensure that the Council members are effective in their contribution to the management of the University, it is important that they develop good understanding of the University and its operations.

Council members undergo regular training to enable them to fulfill their responsibilities. The University has also developed a comprehensive induction program and inducts all new board members.

Evaluation

The Council has put in place evaluation system to ensure that the Council achieves its objective. Council evaluation is scheduled to take place in the year 2022/2023.

Council Committees

The University has a total of four committees and five boards whose chairperson reports to the main Council and assists in executing the mandate of the Council and by extension, the University.

CORPORATE GOVERNANCE STATEMENT

A) Council Committees

- 1) Finance and Strategy Committee
- 2) Terms of Service and Conditions Committee
- 3) Audit Committee
- 4) Governance, Risk and Compliance Committee

B) Boards

- 1) Staff Appeals Board
- 2) Appointment and Promotions Board (*For Professors, Associate Professors & Equivalent Grades*)
- 3) Disciplinary Board for Senior Staff (*Grade A-F, Graduate Assistants to Professor & Equivalent Grades*)
- 4) Honorary Degree Board
- 5) Sealing Board

Composition of Committees and Boards of the 10th Kenyatta University Council and their Terms of Reference

1. Finance and Strategy Committee

a) Membership

- 1) Council Member - Chairperson
- 2) Vice-Chancellor
- 3) Principal Secretary in the Ministry for the time being responsible for Education
- 4) Principal Secretary in the Ministry for the time being responsible for Finance
- 5) One Council Member

b) In Attendance

1. Deputy Vice-Chancellor (Finance & Development)
2. Registrar (Finance and Development)
3. Registrar (Planning and Strategy)
4. The Chief Finance Officer
5. Director ICT
6. Council Secretary

c) Quorum Rules

One person above half the number of Members

CORPORATE GOVERNANCE STATEMENT

c) Terms of Reference

i) Finance

The Committee advises the Council on:

- Financial and investment projections of the University.
- Making provision for the examination of all the bills and accounts and for the discharge of liabilities incurred by the University
- Fees and other rates to be paid by Students

The Committee is responsible on the delegated authority of the Council for:

- Preparing of University Development Plans for an approved period and submit to Council
- Keeping under review approved development programmers and to ascertain that the objectives of the University are being achieved and to make recommendations thereon to Council
- Considering the annual report and financial statement and make recommendation to Council
- Receiving, considering and submitting the proposed budget estimates from the relevant sectors for approval by Council
- Ensuring that there are adequate controls in place for prudent management of financial resources
- Reviewing the endowment and donations policy to ensure adequate monitoring and control
- Exercising such powers as Council may from time to time delegate to the Committee

ii) Strategy

The Committee advises the Council on:

- The vision, core values and the strategic direction of the University
- The status of the implementation of the University Strategic and Vision Plan

The Committee is responsible for the delegated authority of the Council for:

- Reviewing annually the University financial and investment strategy to ensure that it is sustainable and supports the University Strategic and Vision Plan
- Overseeing the development, implementation and integration of the Universities information technology strategy into learning, teaching and research and in the performance monitoring of the University
- Overseeing the implementation of ICT Policy.

CORPORATE GOVERNANCE STATEMENT

2. Terms of Service and Conditions Committee

a) Membership

1. Council Member - Chairperson
2. Principal Secretary in the Ministry for the time being responsible for University Education
3. Principal Secretary in the Ministry for the time being responsible for Finance
4. One Council Member
5. Vice-Chancellor

b) In Attendance

1. Deputy Vice-Chancellor (Administration)
2. Registrar (Corporate Affairs)
3. Registrar (Administration)
4. The Chief Finance officer
5. Human Resource Manager
6. Council Secretary

c) Quorum Rules

One person above half the number of Members

d) Terms of Reference

The Committee advises the Council on:

- Terms and conditions of service of all staff in the University

The Committee is responsible on the delegated authority of the Council for:

- Considering proposals of terms and conditions of service made by staff unions through the University Management Board

3. Governance, Risk Compliance Committee

a) Membership

1. Council Member - Chairperson
2. Principal Secretary in the Ministry for the time being responsible for Finance
3. One Council Member
4. Vice-Chancellor

b) In Attendance

Governance, Risk and Compliance

1. Deputy Vice-Chancellor (Administration)
2. Registrar (Planning & Strategy)
3. Chief Finance Officer
4. Chief Legal Officer

CORPORATE GOVERNANCE STATEMENT

5. Officer in Charge of Risk and Compliance
6. Council Secretary

c) Quorum Rules

One person above half the number of Members

d) Terms of Reference

i) Governance

The Committee advises the Council on:

- The roles and operations of the Council based on best practice in corporate governance
- Regulations and procedures for Council and Council Committees
- Membership, powers and duties of Committees of Council

The Committee is responsible on the delegated authority of the Council for:

- Monitoring the performance of Council Committees
- Receiving reports on effectiveness of Council and its Committees
- Considering and recommending to the Council changes to governance framework (Charter, Statutes, and policies)

ii) Risk

The Committee advises the Council on:

- The adequacy and effectiveness of the risk management framework
- Major risks which may impact on the reputation of the University and the associated risk mitigation mechanism

The Committee is responsible on the delegated authority of the Council for:

- Receiving reports and providing oversight on the implementation of the risk management policy
- Receiving regular audit reports on the Risk function and report to Council on any matters that require their consideration
- Reviewing the implementation of the risk management framework on a quarterly basis

iii) Compliance

The Committee advises the Council on:

- All issues relating to external and internal compliance

The Committee is responsible on the delegated authority of the Council for:

- Monitoring the effectiveness of the University's processes for ensuring compliance with relevant laws, rules, regulations, and standards
- Receiving reports on legal compliance audit and recommend on strategies to manage any breaches and risks effectively

4. Audit Committee

a) Membership

1. Council Member - Chairperson
2. Principal Secretary in the Ministry for the time being responsible for University Education
3. One Council Member

b) In Attendance

1. Deputy Vice-Chancellor (Finance & Development)
2. Chief Finance Officer
3. Chief Internal Auditor
4. Council Secretary

c) Quorum Rules

One person above half the number of Members

d) Terms of Reference

The Committee advises the Council on:

- The adequacy and effectiveness of management procedures with regard to issues relating to risk management, control and governance

The Committee is responsible on the delegated authority of the Council for:

- Reviewing and approving the audit charter where applicable and internal audit annual work plans
- Reviewing internal and external audit findings and recommendations and proposing corrective and preventive action where necessary
- Reviewing the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics
- Initiating special audits/ investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Accounting Officer/Chief Executive Officer.

CORPORATE GOVERNANCE STATEMENT

University Boards

1. Staff Appeals Board

a) Membership

1. Chairman of Council - **Chairperson**
2. Independent Council Member
3. Independent Council Member

b) In Attendance

1. Vice Chancellor
2. The relevant Dean/Head of the Department/Section concerned
3. Registrar (Administration)
4. Human Resource Manager
5. Chief Legal Officer
6. Council Secretary

c) Quorum Rules

One person above half the number of members

d) Terms of Reference

The Board is responsible on the delegated authority of the Council for:

- Considering and determining appeals from individual members of staff against decisions in relation to their discipline from both the Junior and the Senior Board of discipline.

2. Appointments and Promotions Board (For Professors, Associate Professors and Equivalent Grades)

a) Membership

1. Chairman of Council - **Chairperson**
2. One (1) Council Member
3. Vice-Chancellor

b) In Attendance

1. Deputy Vice – Chancellor (Administration)
2. Principal of the College Concerned

3. Dean of the School concerned
4. Head of the Department/Section concerned
5. Registrar (Administration)
6. Human Resource Manager
7. Council Secretary

c) Quorum Rules

One person above half the number of Members

d) Terms of Reference

The Board shall be responsible to the Council for the appointment and promotions of Associate Professors, Professors and Equivalent Grades as may be determined by the Council.

3. Disciplinary Board for Senior Staff (Grades A-F, Graduate Assistants to Professor and Equivalent Grades)

a) Membership

1. Vice-Chancellor
2. One (1) Council Member

b) In Attendance

1. Deputy Vice – Chancellor (Administration)
2. The relevant Dean/Director/Head of the Department/Section concerned
3. Relevant Staff Union representative
4. Registrar (Administration)
5. Human Resource Manager
6. Chief Legal Officer
7. Council Secretary

c) Quorum Rules

One person above half the number of members

d) Terms of Reference

Shall be responsible to the Council for the discipline, suspension and removal from Service of all senior staff (Grades A-F, Graduate Assistants to Professor and Equivalent Grades) as may be determined by the Council.

CORPORATE GOVERNANCE STATEMENT

4. Honorary Degrees Board

a) Membership

1. Vice-Chancellor - **Chairperson**
2. Chairman of Council
3. One (1) Council Member

b) In Attendance

1. Deputy Vice – Chancellor (Academic)
2. Principal of the College concerned for Honorary Degree(s)
3. Dean of the School concerned for Honorary Degree(s)
4. Registrar Corporate Affairs
5. Registrar (Academic)
6. Council Secretary

c) Quorum Rules

One person above half the number of members

d) Terms of Reference

- 1) To receive and consider nomination (s) from the various boards of Schools and Institutes for the award (s) of honorary degrees and fellowships
- 2) To recommend to the senate persons deemed fit for the award of honorary degrees

5. Sealing Board

a) Membership

1. Chairperson of Council - **Chairperson**
2. Vice-Chancellor
3. One (1) Council Member

b) In Attendance

1. Deputy Vice – Chancellor (Academic)
2. Registrar (Academic)
3. Head, Transcript, Graduation and Certificates
4. Council Secretary

CORPORATE GOVERNANCE STATEMENT

c) One person above half the number of Members

d) **Terms of Reference**

To receive, verify and seal certificates before they are issued to graduands

Council Remuneration

The University Non-Executive Council Members are paid a sitting allowance for every meeting attended. They are not eligible for pension scheme membership. However the Chairman of Council receives honoraria on a monthly basis as indicated in Note 10 of the Financial Statements. Council allowances are based on approved rates and guidance provided in Government Circulars

Conflict of Interest

The Council members are obligated to fully disclose to the Council any real or potential conflict of interest, which comes to any Council member's attention, whether direct or indirect. At any meeting the Council members are expected to make a declaration of any interest they may have in the business under discussion. In the financial year under review, there were no transactions with any of the Council members or their related parties.

Code of Conduct and Ethics

The University has a code of conduct and ethics policy that binds the Council members, management and employees. When joining the University, every employee is provided with a copy of the code of conduct and ethics policy and must commit to abide by its requirements as part of the employment contract with the University.

Whistle Blowing Policy

This is provided for in Kenyatta University Anti-Corruption Policy Clause 17, which states that the University undertakes to protect the identity of persons making corruption disclosures, and the information provided therein shall be handled in utmost confidentiality. Allegations that are false and made with malicious intent are discouraged. Where such malicious or allegations are discovered, the person who made the allegation shall be subjected to disciplinary action.

Risk Management and Internal Controls

The University Council is responsible for the University system of risk management and internal control, which is designed to identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/curb the risk.

The Council has delegated responsibility for the ongoing monitoring of the effectiveness of this system to the Audit Committee. Details in relation to the Audit Committee's work in this regard are set out in the University Statutes.

CORPORATE GOVERNANCE STATEMENT

The Vice-Chancellor is responsible for implementing the system, including a system of internal controls and audits, to identify and manage risks that are material to the University. Independent review of the risk management framework is carried out through the University Internal Audit function that carries out risk based internal audit on regular basis.

The University has an in-house legal officer and has appointed advocates to advice on litigation risks. The identification and management of risk is a continuous process linked to the achievement of the University's objectives. The University Council through its Audit Committee receives regular reports during the year on internal controls and risks.

The University's Key Risks include;

1. Strategic/Commercial Risks
2. Economical/Financial/Market Risks
3. Legal and Regulatory Risks
4. Organization/Management/Human Factor Risks
5. Political Risks
6. Environmental Risks
7. Technical/Operational/Infrastructure Risks

Compliance

The Council operates in a manner reflecting the University's values and in accordance with the Corporate Guidance, the University Act, and University Charter, University Statutes, Council Charter, Mwongozo and all other applicable regulations.

The Council is committed to ensuring that it complies with all applicable laws and regulations

Governance Audit

The University did not conduct governance audit this year but the same will be conducted in the year 2020/2021.

Stakeholders

Stakeholders may be categorized, on the basis of location, into internal and external. Internal stakeholders include those inside the University. These include students and employees. On the other hand, external stakeholders are based outside the University, but have implications for survival of the University. These include customers, suppliers, government agencies, development partners, local communities, alumni, external examiners and trade unions.

Going Concern

The Council is committed to ensuring that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

CORPORATE GOVERNANCE STATEMENT

Conclusion

The Council recognizes that practices and procedures can always be improved. Accordingly, the corporate governance framework of the University is kept under review to take account of changing standards and regulations.

Number of Full Council, Committees and Board Meetings held During the Year 2021/2022.

S.N	NAME OF THE COMMITTEE	NO OF TIMES MEETINGS WERE HELD
1.	Full Council	10
2.	Finance And Development Committee	5
3.	Academic, Governance & Strategy Committee	6
4.	Human Resource Management Committee	2
5.	Audit, Risk & Compliance Committee	3
6.	Staff Appeals Board	3
7.	Sealing Board	2
8.	Honorary Degree Board	0
9.	Appointment & Promotions Board	0
10.	Disciplinary Board for Senior Staff	6

CORPORATE GOVERNANCE STATEMENT

(i) The Senate of the University

The membership of the Senate shall be:-

- The Vice-Chancellor, who shall be the Chairperson;
- The Deputy Vice-Chancellors;
- The Principals of each Constituent College;
- The Principals of each College within the University;
- Registrars;
- Executive Deans;
- Directors of Campuses;
- Chairpersons of Departments;
- One Professor representing each College;
- The Chief University Librarian;
- The Chief Finance Officer;
- Director of Student Affairs;
- Director Information, Communication and Technology Services (ICT);
- Two members elected by the students' organization, who shall be entitled to attend
- deliberations of the Senate on matters which are considered by the Chairperson of the Senate to be confidential of which relate to examinations, the general discipline of students, and other related matters; and
- Such other member as Council may determine in accordance with the Statute

The Deputy Vice-Chancellor in charge of Academic affairs shall be secretary to the senate.

The Senate shall have the following powers and duties:-

- 1) To satisfy itself regarding the content and academic standard of any course of study in respect to any degree, diploma, certificate or other award of the University;
- 2) To propose regulations to be made by the Council regarding the eligibility of persons for admission to degree, diploma and certificate programmes;
- 3) To propose regulations to be made by the Council regarding the standard of proficiency to be gained in each examination for a degree, diploma, certificate or other awards of the University;
- 4) To decide which person has attained such standard of proficiency and are otherwise fit to be granted a degree, diploma, certificate or other awards of the University;
- 5) To make regulations governing such other matters as are within its powers in accordance with this Charter or the Statutes.

The Senate may, subject to the Act, the Charter, Statutes and Regulations, establish committees consisting of such members of the Senate or any other persons as it may deem fit and may delegate any of its powers or duties to the Chairperson or any of its committee (s).

CORPORATE GOVERNANCE STATEMENT

(ii) The University Management Board

Members of the University Management Board shall be;

- The Vice-chancellor, who shall be the Chairperson;
- The Deputy Vice-Chancellors;
- Registrars;
- Chief Finance Officer
- Chief Legal Officer
- Such other member of senior management as the Council may determine and as provided for in the statutes.

The University Management Board shall assist the Vice-Chancellor in;

- 1) The Management of urgent day-to-day academic, administrative, research, development and outreach issues;
- 2) The efficient management of the human, physical, and financial resources of the University;
- 3) Coordination of University and colleges strategic and development plans;
- 4) Make proposals to Senate and Council on issues that have University-wide application;
- 5) Receive proposals from different sectors of the University for recommendation for Council consideration;
- 6) The implementation of Council and Senate approved policies;
- 7) Any other matters related to the management of the University.

MANAGEMENT DISCUSSION AND ANALYSIS

The University’s Management discussion and analysis, provides an overview of the University’s financial activities for the fiscal year ended 30th June 2022. Since this information is designed to focus on the current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the University’s financial statements and Notes to the Financial Statements following this section.

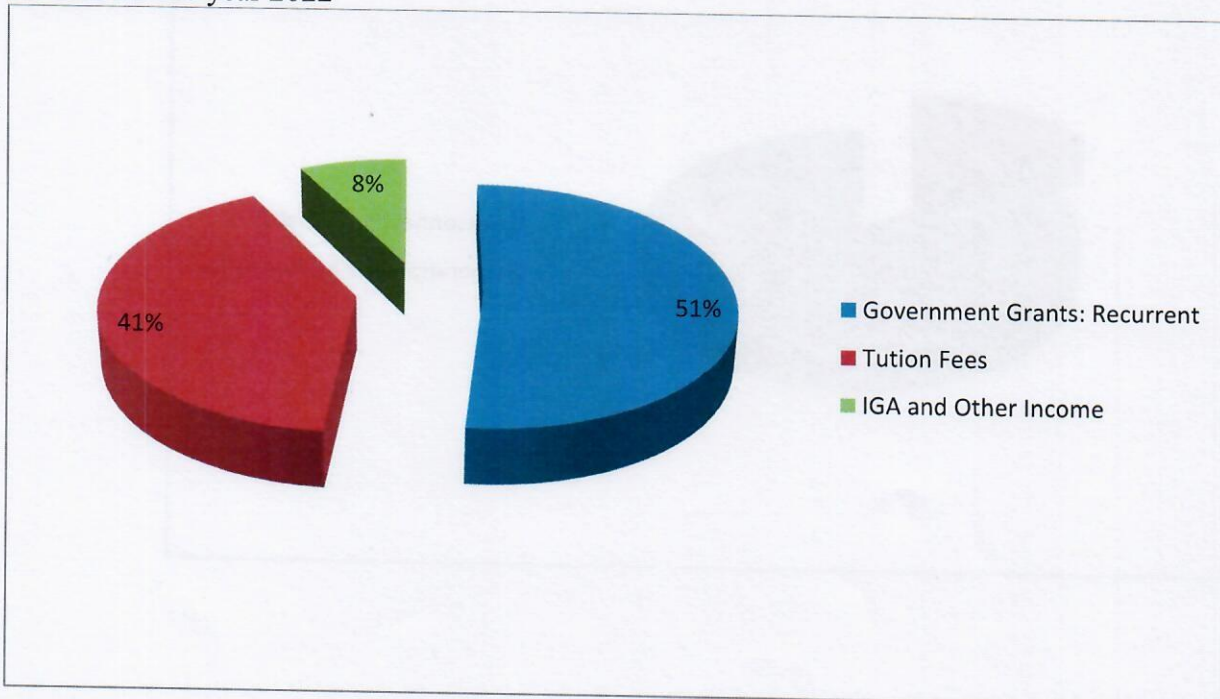
A. University Performance

University Sources of Funds

1. Government Grants – Recurrent and Development
2. Internally generated funds- Tuition and other income generating activities.
3. Externally sourced funds- Donations and grants from private sector, loans and overdrafts

In the year 2021/2022 the University received Kshs 3,567,722,802, Government Grants, Kshs 2,777,506,454 Tuition and other fees and Kshs. 523,714,437 from Income Generating Activities and other incomes.

Income for the year 2022



MANAGEMENT DISCUSSION AND ANALYSIS

University Expenditure

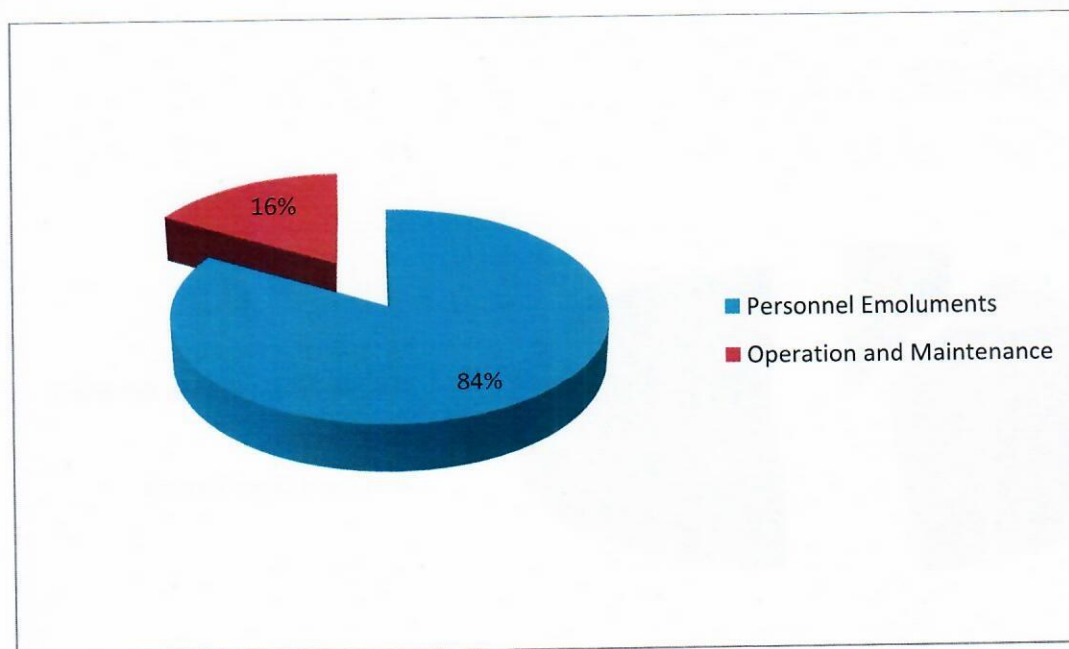
University Expenditures are composed of Personnel Emoluments, Operations and Maintenance.

The University's expenditure increased from Kshs 7,983,004,644 in the year 2021 to Kshs, 8,725,901,251 in the year 2022 because the university resumed full operations after the Covid-19 Pandemic.

In the year 2022, the University's expenditures under the two categories were as follows;

Particulars	Amount in Kshs
1. Personnel Emoluments	6,361,441,601
2. Operation and Maintenance	1,565,699,211

Expenditures for the year 2022



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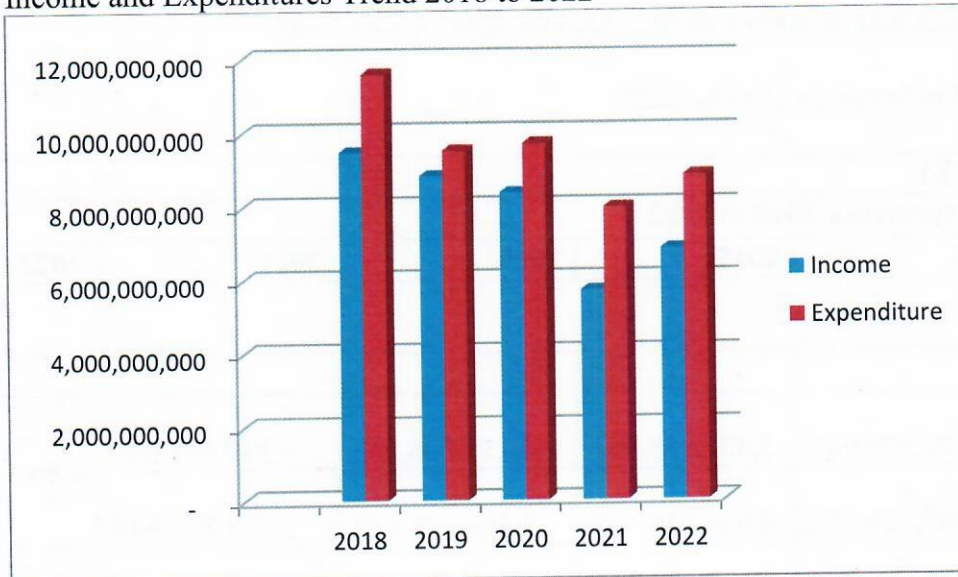
MANAGEMENT DISCUSSION AND ANALYSIS

Five Years Financial Performance 2018 to 2022

KENYATTA UNIVERSITY					
Five Years Financial Performance 2018 to 2022					
	2018	2019	2020	2021	2022
PARTICULARS					
INCOME					
Government Grants: Recurrent	4,148,305,985	3,421,558,999	4,117,206,233	3,299,993,296	3,567,722,800
Tuition Fees	4,347,821,552	4,635,730,730	3,384,128,879	2,319,770,645	2,77,506,450
IGA and Other Income	1,008,916,433	803,498,917	641,395,721	233,610,413	523,714,430
Total Income	9,505,043,970	8,860,788,646	8,142,730,833	5,853,374,354	6,868,943,690
EXPENDITURE					
Personal Emoluments	7,726,090,829	6,666,580,038	6,843,958,196	6,011,916,820	6,361,441,600
Operation and Maintenance	3,873,125,325	2,872,012,365	2,627,949,562	1,971,087,824	2,364,459,640
Total Expenditure	11,599,216,154	9,538,592,403	9,471,907,758	7,983,004,644	8,725,901,250
Deficit/Surplus	(2,094,172,184)	(677,803,757)	(1,329,176,925)	(2,129,630,290)	(1,856,957,558)

MANAGEMENT DISCUSSION AND ANALYSIS

Income and Expenditures Trend 2018 to 2022



University Net Assets

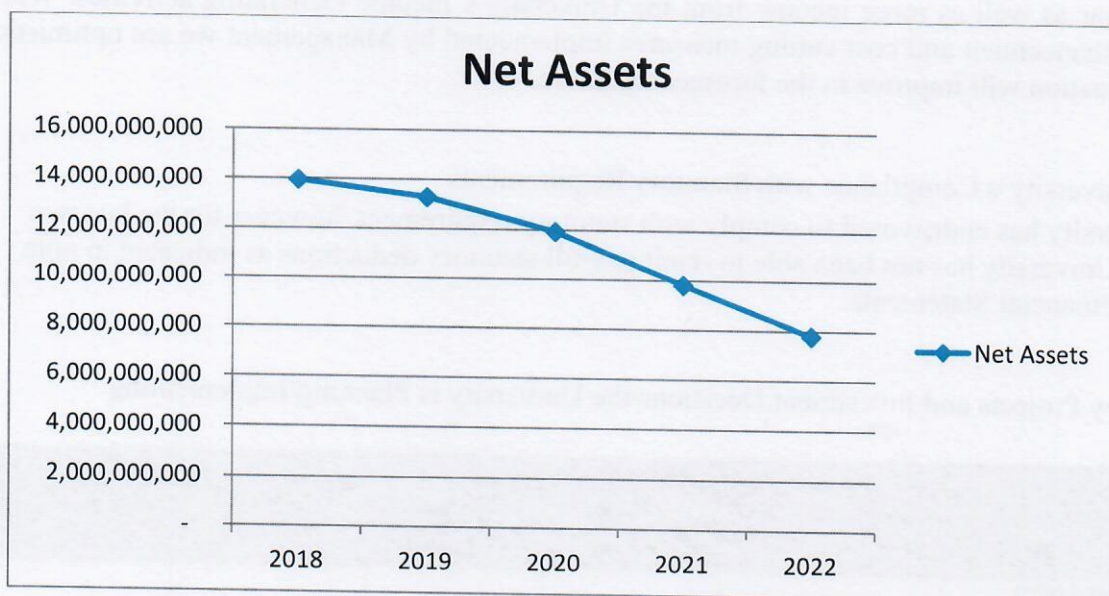
The University Net Assets are composed of;

1. Revaluation Reserves
2. Accumulated Surplus
3. Capital Fund (Government Capital Grants)

The University's Net Asset for the year 2022 is composed of Kshs. 4,399,292,064 Revaluation Reserves, Kshs.367, 761,114 Revenue Reserves and Kshs. 3,023,932,178 Capital Fund.

MANAGEMENT DISCUSSION AND ANALYSIS

University's Net Assets for the year 2018 to 2022.



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MANAGEMENT DISCUSSION AND ANALYSIS

Conclusion:

The University reported deficit in the last two years, with its revenue increasing from Kshs5, 853,374,354 in the year 2021 to Kshs.6, 846,866,521 in the year 2021. In particular tuition and other fees which is a major component of the University revenue increased from Kshs 2,319,770,645 in the year 2021 to Kshs 2,779,192,206 in the year 2022. The University expenditure increased from Kshs 7, 983,004,644 in the year 2021 to Kshs.8, 865,462,721 in the year 2022. The increase in anticipated revenues is full resumption of the University academic calende year as well as more income from the University’s Income Generating activities. With revenue enhancement and cost cutting measures implemented by Management we are optimistic that the situation will improve in the foreseeable future.

B. University’s Compliance with Statutory Requirements

The University has endeavored to comply with statutory requirement, however for the last two years the University has not been able to remit payroll statutory deductions as indicated in note 23 of the Financial Statements.

C. Key Projects and Investment Decisions the University is Planning/Implementing

SN	PROJECT NAME	COMMENCEMENT DATE	EXPECTED COMPLETION DATES	% OF COMPLETION	ESTIMATED PROJECT COST	COST INCURRED TO DATE	PROGRESS REPORT
3	Mama Ngina University College (Phase 1)	April 2019	April 2020	Inception Stage	377M	118M	Ongoing
4	REC Centre	July, 2015	December, 2018	20%	300M	56M	on hold
5	School of Business	July, 2015	December, 2018	19%	300M	81M	on hold
6	Kenyatta University Children Hospital	July, 2014	December, 2019	28%	2B	201.6M	on hold

D. Major Risks facing the University

The University has identified the following Key Risks;

1. Financial Risk-the University is unable to meet its obligations as and when they fall due
2. Commercial Risk-the University has experienced drastic reduced number of self-sponsored students.
3. Infrastructural Risk-there is a number of stalled projects due to lack of funds.

E. Material Arrears in Statutory/Financial Obligations

The University has not been in a position to meet its expenditures as and when they fall due. At the end of the financial year 2021/2022 the University had not paid its obligations as per note 23 of the Financial Statement.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

Introduction

Kenyatta University commits itself to engaging in robust corporate social responsibility (CSR) programmes that demonstrate its good citizenship based on the triple bottom line: people, planet and revenue. Increased revenue in form of profits is put into programs that benefit people in the communities around the University. This is achieved by focusing on the following categories:

1. **Philanthropy:** With the resources the University has, social responsibility is practiced by making donations in form of products, money and services to social causes and nonprofits to benefit charities and local community programs.
2. **Environmental efforts:** At the heart of Kenyatta University's focus of CSR is the environment. The University reduces the large carbon footprints to levels that are considered favourable and beneficial to both the organization and the community.
3. **Ethical labour practices:** Kenyatta University is committed to treating its employees fairly and ethically by ensuring both governing and international labour laws are operationalized.
4. **Volunteering:** The University tackles various community issues by engaging the community with its staff and students in activities and deeds that do not expect any form of return.

For the University to implement and accomplish these key areas of focus, the University initiated the Directorate of Community Outreach and Extension Programmes (COEP) in August 2007. The main objective of the Directorate was to reach out to communities by extending knowledge, skills and other resources to improve their quality of life. The Directorate further helps communities identify, mobilize and utilize their resources that are available to them not only for their own development but for empowerment.

Kenyatta University is endowed with human, financial, tangible and information resources. Because of its diversity in areas of training, research and experiences, the Directorate of COEP gives both staff and students an opportunity to extend its services to communities in any part of this nation and beyond. It is this gesture that KU draws inspiration from- Service to humanity.

CSR Programmes

Driven by inclusivity; enhancing natural capacities and networks; coordination; need-driven and holistic, reflective and evaluative; socially, collaboratively and democratic; and celebratory, as the seven guiding principles, the Directorate of COEP achieves the University's CSR objective through the following programmes:

1. **Community Need Based (CNB) programmes:** These are programmes that involve participatory identification of specific needs within a community and using that information to develop and implement interventions. Activities in these programmes are further divided into:
 - i) **Training need based:** These activities involve teaching and training a particular community in areas of focus to the development of the community.
 - ii) **Philanthropy based:** These activities involve giving products and services to a community that is in need with an objective of improving their lives.
2. **Response to National Crises (RNC) programmes:** These are programmes that ensure a prompt address to occurrences that lead to disruption of normal living conditions affecting the entire section of the population based on the affected people's needs.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

CSR Activities

Activities run by the Directorate are determined by the Government's Performance Contracts to the University or those that are initiated by the Directorate as a unit.

Notably in the year 2021/2022, Kenyatta University opened up its health Unit facility as a Covid Vaccination point in order to reach out to the neighboring community as well as be partner's with the government in vaccinating the Kenyan population.

Besides CSR activities, the University acknowledges partnerships, collaborations and associations geared towards attainment of its objective as far as corporate social responsibility is concerned. Some of the partnerships drawn to the Directorate of COEP include:

- i) Navigators Economic Projects Transformational Facility (EPTF), Kenya
- ii) United Cultural Empowerment and Social Community Organization (UCESCO)
- iii) University of Hungary

Achievements of the CSR activities

Kenyatta University through the Directorate of COEP has ensured that the CSR activities are integrated into its economic, social, societal and environmental objectives to create a socially responsible work environment. By so doing, the following has been achieved:

- i) Generation of a positive publicity and reputation
- ii) Increased patronage and consumer appeal
- iii) Talent attraction and Employee satisfaction and retention
- iv) Strong client and community relations
- v) Triple bottom line effect towards people, planet and revenue

STATEMENT OF PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2021/22

Kenyatta University is guided by the following objectives;

- i. Advancement of knowledge through quality teaching , scholarly research and scientific investigations
- ii. Promotion of learning in the student body and society in general
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- iv. Promotion of equalization for persons with disabilities, minorities and other marginalized groups
- v. Promotion of cultural and social life of society
- vi. Dissemination of research findings to the general community
- vii. Facilitation of life-long learning through provision of adult and continuing education
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- ix. Promotion of gender balance and equality of opportunity among students and employees

Kenyatta University has 5 Strategic pillars and objectives within the current Strategic plan for the FY 2016 - 2026. These strategic pillars are as follows;

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Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Excellence in Education and Training	To provide Quality Education and promote scholarship by transforming learners from being mere consumers of information to	Number of graduates	Revising the curriculum, embracing new modes of teaching and learning and strengthening quality assurance processes	Independent, self-reliant graduates

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	producers of knowledge and creators of employment			
Research, Innovation and Outreach for Sustainable Development	To enhance capacity, skills and competences for research and innovation	Strengthen the Directorate of Research Support and Dissemination	Investing heavily in research in terms of capacity building for research and infrastructure to support research activities	Strengthened directorate
Corporate Governance and Management	To abide by the principles of good governance, sound management and inspirational and transformative leadership	Use instruments to monitoring corporate governance practices	Corporate participation, consensus, accountability, transparency, responsiveness, inclusiveness, equity and respect for rule of law	Good governance
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Resource Mobilization and Financial Sustainability	To improve on the University's financial base	Increased funding from external and internal sources	Explore alternative sources of generating funds	Increased fee collection

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1. Environmental and Sustainability Reporting

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

i) Sustainability strategy and profile

The University management is committed to raise Kenyatta University to a higher level of excellence as a world class institution. The University is committed to aligning her programmes and activities to make them contribute to the realization of the Sustainable Development Goals. Political issues emanating from national events like the general elections have not affected the running of the University, However, effects of COVID – 19 in the country that led to the closure of the university in 2020 are still felt financially.

Environmental performance

Kenyatta University has promoted good environmental practices while upholding proper waste and pollution management ideas. We are aim to reduce, reuse and recycle and continually build capacity for environmental governance and management. Use of bio-resources, harvesting of rainwater and treatment of wastewater, exploitation of solar energy resources and tree planting are priority areas.

ii) Employee welfare

The University is committed to attracting, retaining and developing a community of talented and diverse individuals in support of the realization of its excellence agenda. With focus shifting from Millennium Development Goals to Sustainable Development Goals, the University aligns its human resources to contribute towards the realization of these goals. The University aims to have a work force that will ensure inclusive and equitable quality education and promote lifelong learning opportunities for all for achievement of sustainable development. Some of the human resource development and management concerns that are being addressed include recruitment, promotion and retention of high caliber staff. The presence of staff development policy has helped address issues related to work load, staff-student ratio and efficient service delivery by non-teaching staff.

iii) Market place practices-

The organisation should outline its efforts to:

a) Responsible competition practice.

Kenyatta University remains to be the University of Choice in terms of attracting quality staff, students and financial support. This has been achieved through offering quality education and training, promoting scholarship and community service.

b) Responsible Supply chain and supplier relations

Kenyatta University has maintained good business relationships with its suppliers by honouring contracts and respecting payment practices.

c) Responsible marketing and advertisement

The University is committed to maintain ethical marketing practices by practicing transparency, responding to consumer concerns and marketing in local dailies and social media to reach a wide target.

d) Product stewardship

Outline efforts to safeguard consumer rights and interests.

- Providing contact details which are easily accessible
- Responding to customer complains promptly
- An updated website

iv) **Corporate Social Responsibility / Community Engagements**

In the FY 2021-2022, Kenyatta University undertook a number of community outreach projects as follows;

1. Legal aid awareness – 6th August 2021 – Lamu County.

The Legal Aid and Awareness and Sensitization Forum was conducted in conjunction with the Save Lamu, a non-governmental organization working on governance and human rights issues in Lamu County. The 1st Legal Aid Awareness and Sensitization Forum on Radio Lamu focused on the High Court decision in the Lamu LAPSSSET case and it was aimed at explaining and interpreting the High Court decision to Lamu residents including how to pursue the compensation awarded by the High Court.

The 2nd Forum was held at the Lamu Polytechnic and was attended by approximately thirty (30) persons representing women groups, mangrove cutters, farmers, fisher folk through the Beach Management Units, youth, cooperative unions and persons with disability. This Forum focused on: land and environment issues, minerals and extractives, compulsory acquisition of land by the Government and the constitutional framework on natural resources and benefit sharing between the national and county governments and also county citizens.

2. Legal aid awareness – 2nd & 3rd June 2022 – Kianyaga

Elimu Initiative and Kenyatta University Legal Aid Clinic (KULAC) and McGill University Faculty of Law partnered to offer legal aid to local people in Kianyaga in Kirinyaga County in the form of Virtual Legal Aid Clinics.

With the assistance of the Deputy County Commissioner, Gichugu County, the legal aid team attended a public meeting on 2nd June 2022 on the on-going Thiba Dam. The team was given a chance to address members of the public and offer law related information on land matters, child maintenance and custody matters, inheritance and succession matters, marriage and divorce and administrative justice.

3. Talk shows between 7th April 2022 and 26th May 2022 - on KUTV

Topics covered were

- Oral Health
- Malaria

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- Child Immunization
- Autism
- Health Work Safety
- Cancer

STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012, section 15 of the State corporation Act and section 47 of the University Act, 2012, require that the Council prepares financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year and the operating results of the University for that year. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University and is 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 ended on June 30, 2022. 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) Accrual, and in the manner required by the University Act, 2012 and Kenyatta University Charter. 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, 2022, 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.

The University Council is committed to have the University be and 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 Board and signed on its behalf by:

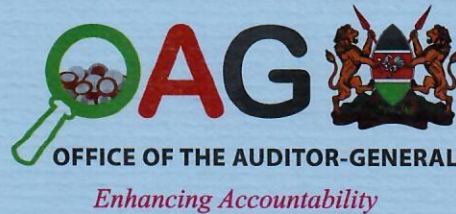
Prof. Waceke Wanjohi Ph.D, FRSB, FKNAS

Ag. VICE-CHANCELLOR

**Prof. Crispus Makau
Kiamba, Ph.D., CBS, MBS
CHAIRMAN OF COUNCIL**

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYATTA UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kenyatta University set out on pages 1 to 37, which comprise the statement of financial position as at 30 June, 2022, and the statement of financial performance, statement of changes in net assets,

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

In my opinion, 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 Kenyatta University as at 30 June, 2022 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the University Act, 2012.

Basis for Qualified Opinion

1.0 Property, Plant and Equipment

The statement of financial position and Note 22 to the financial statement reflects a balance of Kshs.16,768,650,449 in respect of property, plant and equipment. Review of the financial statements revealed several unsatisfactory issues as indicated below:

i. Unsupported and Ineligible Capital Work in Progress Balance

Included in the property, plant and equipment balance is Kshs.835,833,972 in respect of capital work-in-progress. The capital work-in-progress relates to fourteen (14) projects out of which only two (2) recorded movement during the year of Kshs.30,689,366. However, project implementation status reports for all the projects were not provided for audit verification. In addition, capital work-in-progress include a balance of Kshs.214,995,255 relating to Kenyatta University Teaching, Referral and Research Hospital (KUTRRH), a level six hospital. Information available indicates that the hospital is a state corporation, established under the State Corporations Act, Cap 446 through a Legal Notice number 4 of 2019 and as such its capital work-in-progress is therefore ineligible to be included in that of the University.

ii. Lack of Land Ownership Documents and Illegal Encroachment

Included in the balance of property, plant and equipment is Kshs.6,085,271,458 in respect of land. However, review of documents and as previously reported, indicate that the land includes a portion measuring 12.472 hectares valued at Kshs.123,281,555 that has been encroached by informal settlers. Although the University filed a case in Court against the encroachment and obtained a favourable ruling, no eviction has been enforced. Further, the land includes thirty-two hectares (32) allocated through the assistance of Lagdera Constituency Development Fund in Garissa County and for which the University paid registration fees of Kshs.880,000. However, ownership documents for the land were not provided for review. Similarly, the land includes a portion measuring 7.97 hectares on which a teaching, research and referral hospital is built which is a state corporation established under the State Corporations Act, Cap 446 through a Legal Notice number 4 of 2019 and was through a concessional loan agreement between Kenya Government

and Export-Import Bank of China amounting to Kshs.8,756,625,600. The ownership and compensation of the land on which the hospital is built has not been determined.

iii. Nugatory Expenditure on Closed Kigali Campus

Included in the capital work-in-progress balance of Kshs.835,833,972 and as disclosed in Note 26, is Rwanda Campus balance of Kshs.206,358,891 as a result of additions worth Kshs.28,847,273. As previously reported, the University incurred Kshs.420,749,207 to set up Kigali campus in Rwanda. However, the University closed down the campus due to operational challenges imposed by change in legislation by the Government of Rwanda. Although the University explained that all the due diligence was done before the decision to open up the campus, Management has not explained why this additional cost was spent on a closed campus.

iv. Stalled Projects

Included in the capital work-in-progress balance of Kshs.835,833,972 are twelve (12) stalled projects worth Kshs.556,578,214 and some of which have stalled since 2018. Physical verification revealed that all of the stalled projects had building materials worth millions of shillings lying idle on sites that are overgrown with bushes and perimeter walls around the sites had been vandalized.

v. Unaccounted for Assets

Included in the property, plant and equipment balance is fully depreciated furniture and equipment. However, revaluation has not been done to reflect realistic value of the assets. The balance also includes Kshs.11,399,320 in respect of computer hardware. However, actual existence of these assets could not be confirmed as majority were not tagged. In addition, the property, plant and equipment include assets worth Kshs.298,471,809 recorded in the main campus fixed assets register as having been deployed to the Kitui Campus. However, review of the fixed assets register at the Kitui Campus does not indicate corresponding receipts of assets indicated as having been deployed from the main campus. Further, Kitui Campus does not maintain a consolidated asset register for all its assets but instead have separate records of assets inventory kept at each section/department.

vi. Underutilized University Houses

Included in the property, plant and equipment balance is Kshs.9,827,323,729 in respect of buildings. Physical verification at Kitui campus revealed that there are sixty-two (62) staff houses out of which only twenty (20) are occupied. The rest including six (6) two-self-contained bedrooms and thirty-six (36) three-self-contained bedrooms were not occupied and appear dilapidated with the furniture and fittings subject to wear and tear.

In the circumstances, the accuracy and completeness of property, plant and equipment balance of Kshs.16,768,650,449 could not be confirmed.

2.0 Long Outstanding Fee Balances

The statement of financial position and Note 19a to the financial statements reflect receivables from exchange transactions balance of Kshs.226,686,924 in respect of student fee arrears, outstanding as indicated in the table below:

No.	No. of Days	No. of Students	Amount (Kshs.)
1.	1-365	2013	92,394,752
2.	366-730	700	53,154,164
3.	731-1095	519	63,165,521
4.	>1096	2	63,850
5.	No details	222	17,908,637
Total		3456	226,686,924

Out of the total number of students with fee balances, 3054 are active students. The University fees policy requires a student to have cleared fees balance and registration of units by the extended deadlines established by the University, otherwise student would be required to apply for semester-off.

In the circumstances, the accuracy of receivables from exchange transactions balance of Kshs.226,686,924 could not be confirmed and their recoverability appears doubtful.

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

Emphasis of Matter

Uncertainty Relating to Sustainability of Services

I draw your attention to the statement of financial performance which reflects a deficit of Kshs.1,856,957,558 and the statement of financial position which reflects total current assets balance of Kshs.1,118,690,886 and total current liabilities balance of Kshs.9,060,173,800, resulting in a negative working capital of Kshs.7,941,482,914.

In view of the deficit and the negative working capital, the ability of the University to continue to sustain its services is dependent on continued Government support.

My opinion is not qualified based on the above matter.

Key Audit Matters

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

Other Matter

1.0 Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final income budget and actual amounts on comparable basis of Kshs.6,858,664,570 and Kshs.6,868,943,693 respectively, resulting to over collection of Kshs.10,279,123 which has however been wrongly indicated in the statement as Kshs.9,641,323. The resultant variance of Kshs.637,800 was not explained. Similarly, the University expended Kshs.8,746,963,115 against an approved budgeted of Kshs.9,211,960,329 resulting to under expenditure of Kshs.464,997,214.

The under expenditure may have curtailed realization of planned activities and service delivery.

2.0 Unresolved Prior Year Matters

The audit report for the year ended 30 June, 2021 raised several unsatisfactory issues in regard to balances reflected in the financial statements, lawfulness and effectiveness in use of public resources and effectiveness of internal controls, risk management and governance. However, the issues remained unresolved as at 30 June, 2022. Management has not provided reasons for the delay in resolving the prior year audit issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Management of Imprest

Review of the imprests register and related records revealed a balance of Kshs.133,549,119 in respect of outstanding imprests. Included in this balance is Kshs.56,191,917.75 in respect of general imprests while the balance of Kshs.77,357,201.69 related to research imprests. Several unsatisfactory issues emerged from the review:

i. Irregular Issuance of Imprest

Review of research imprest register revealed that, various officers were issued with additional imprests before surrendering of the ones previously held contrary to Regulation 93(4)(b) of the Public Finance Management (National Government) Regulations, 2015 which provides that before issuing temporary imprests, the Accounting Officer shall ensure that the applicant has no outstanding imprests.

ii. Incomplete Imprest Register

Review of the general and research imprest registers maintained by Management reveals that critical details on the due date of surrender of imprests issued have been omitted in the registers.

iii. Long Outstanding imprest

Further review of the imprest records revealed that some of these outstanding imprests date back to 2007/2008 financial year contrary to Regulation 93(5), (6) and (7) of the Public Finance Management (National Government) Regulations, 2015 which provides that a holder of a temporary imprest shall account or surrender the imprest within seven (7) working days after returning to duty station and that in the event of the imprest holder failing to account for or surrender the imprest on the due date, the Accounting Officer shall take immediate action to recover the full amount from the salary of the defaulting officer with an interest at the prevailing Central Bank Rate. If the Accounting Officer does not recover the temporary imprest from the defaulting officer as provided for in this regulation, the Accounting Officer commits an offence as provided for under the Act.

iv. Irregular Use of Imprest on Procurement of Goods, Works and Services

During the year under review, Management approved issuance and use of imprests for procurement of goods, works and services totalling to Kshs.20,891,054 as detailed below, contrary to Regulation 93(3) of the Public Finance Management (National Government) Regulations, 2015 which provides that temporary imprests shall be issued mainly in respect of official journeys and are intended to provide officers with funds with which they can meet travelling, accommodation and incidental expenses.

Activity	Amount (Kshs)
Inter University Games	2,217,500
Fiftieth (50) Graduation Ceremony	9,300,000
Purchase of Library Books	864,713
Repairs and Painting Work at KU Limited Building (Kigali,Rwanda)	487,164
Animal Feeds and Teaching Materials	1,946,433
Animals for Kitui Campus	802,000
Air Tickets	3,104,424
Invigilation Expenses	2,168,820
Total	20,891,054

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

2.0 Long Outstanding Staff Debtors

Review of records provided for audit revealed that receivables from non-exchange transactions amounted to Kshs.6,027,864 mainly owed by members of staff. The balances have been outstanding for over a year out of which Kshs.1,421,445 relates to car loans due from four (4) officers who have since left the University. As previously

reported, the loans were issued by a local bank and guaranteed by the University but the staff defaulted in repayment after they left the University and the bank recovered the amounts owed together with accrued interest from the University's fixed deposit account. However, it was not explained why the logbooks used as collateral for the loans were released to the defaulters and why Management cleared the former members of staff before full recovery of the loans. Although Management has engaged the services of a debt collector, the debts have not been fully recovered.

In the circumstances, recoverability of the debts is doubtful.

3.0 Non-Compliance with Deduction and Remittance of Statutory Dues

The statement of financial position and Note 23a to the financial statements reflect trade and other payables from exchange transactions balance of Kshs.8,186,559,327 which includes general creditors amounting to Kshs.691,997,777, representing an increase of Kshs.186,299,627 from the opening balance of Kshs.505,698,150. Out of the total outstanding balance in this category, Kshs.700,500,878 as indicated in the table below has been long outstanding.

Name	Outstanding Balance (Over 120 Days) (Kshs.)
The Commissioner of VAT	95,298,725
Doctors	2,113,535
Drug Suppliers	6,210,931
Hospitals	24,219,678
General Creditors	546,622,832
Commissioner of Domestic Taxes	26,035,178
Total	700,500,878

Further, the University had not remitted PAYE amounting to Kshs.3,651,509,954 to Kenya Revenue Authority, an increase of Kshs.712,289,504 from the opening balance of Kshs.2,939,220,450, unremitted VAT of Kshs.98,748,442, an increase of Kshs.10,077,017 from the opening balance of Kshs.88,671,425 and unremitted pension payments of Kshs.2,576,713,316, an increase of Kshs.665,707,231 from the opening balance of Kshs.1,911,006,085. These unremitted statutory deductions have been long outstanding.

Other deductions from employee emoluments and which were not remitted were, cooperative deductions cooperative, insurance deductions, NHIF, NSSF, other salary deduction, staff loans deductions and welfare deductions of Kshs.233,703,998, Kshs.2,301,773, Kshs.1,908,735, Kshs.120,546, Kshs.57,958,211, Kshs.70,428,835 and Kshs.41,313,113 respectively totalling to Kshs.407,735,211.

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

4.0 Irregular Commitment of Funds

Review of records obtained revealed that several Local Purchase and Service Orders (LPOs and LSOs) amounting to Kshs.1,266,241 were committed past 31 May, 2022 for medical supplies without approval of the Accounting Officer contrary to Regulation 51(1) of the Public Finance Management (National Government) Regulations, 2015 which requires that all commitments for supply of goods or services shall be done not later than May 31 each year except with the express approval of the Accounting Officer in writing. The written approval by the accounting officer for the commitment of funds past the allowed date was not provided for audit review.

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

5.0 Irregular Splitting of Tenders

Review of procurement records revealed that the University procured stationery and office equipment from various suppliers during the year totalling to Kshs.2,999,707. A review of local purchase orders showed various contracts were split. Several contracts were also issued to suppliers under request for quotations contrary to Section 54(1) of Public Procurement and Assets Disposals Act, 2015 which provides that no procuring entity may structure procurement as two or more procurements for the purpose of avoiding the use of a procurement procedure except where prescribed. No explanation was provided as to why the Institution did not procure using open tendering or frame work contracting.

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

6.0 Irregular Payment of Subscriptions

A payment of Kshs.2,492,258 was made on 18 October, 2021 to a web services provider as subscriptions for hosting cloud services for Kusoma and Yali Learning Management Systems. Review of the supporting documents revealed that the payment was based on a Proforma Invoice dated 08 October, 2021, the Local Purchase Order (LPO) issued on 11 November, 2021 and requisition done on 10 December 2021, which was one month after the order was issued while the services were offered in January, 2022. The professional opinion was drawn on 01 September, 2021 by the Head of Procurement department but the process used to identify the company for the provision of the services to be rendered was not indicated. The cost of the service was estimated rather than based on actual deliverables. The contract between the University and the service provider was not provided for audit verification.

In the circumstances, the regularity of the expenditure of Kshs.2,492,258 could not be confirmed and Management was in breach of the law.

7.0 Irregular Payment of Commission

The statement of financial performance and Note 15 to the financial statements indicate that an expenditure of Kshs.16,990,943 was incurred on contracted professional services. Included in this expenditure is Kshs.131,898 being payment of commission to an

individual for referring National Government Constituencies Development Fund (NG-CDF), Nairobi to North Coast Beach Hotel. However, supporting documents including the proof of such reference as the basis for the payment was not provided for verification.

As a result, the regularity of the expenditure of Kshs.131,898 could not be confirmed and Management was in breach of the law.

8.0 Failure to Prepare and Submit for Audit Bank Reconciliation Statements

Review of records provided for audit revealed that the University has thirty-five (35) operational bank accounts. Management has however not prepared and submitted for audit the bank reconciliation statements for all the bank accounts contrary to Regulation 90(1) of the Public Finance Management (National Government) Regulations, 2015 which provides that Accounting Officers shall ensure bank accounts reconciliations are completed for each bank account held by that Accounting Officer, every month and submit a bank reconciliation statement not later than the 10th of the subsequent month to the National Treasury with a copy to the Auditor-General.

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

9.0 Personnel Emoluments

The statement of financial performance and Note 11 to the financial statements reflect personnel emoluments of Kshs.6,361,441,604. Review of personnel records and related documents revealed several issues as indicated below:

i. Irregular Payment of Salary and Other Benefits

Included in the personnel emolument's expenditure is Kshs.10,164,036 paid to a former Vice Chancellor whose tenure at the University ended in 2016 but who appears in the payroll as a member of the teaching staff. During the same period the officer was a member of Judicial Service Commission and the Chairperson of the Board of Directors of Kenyatta University Teaching, Referral and Research Hospital that draw resources from the Government.

ii. Non-Compliance with the One-Third of Basic Salary Rule

During the year ended 30 June, 2022, twenty-two (22) employees earned a net salary of less than a third (1/3) of their basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. Management has not provided reasons for the non-compliance with the law.

iii. Non-compliance with Minimum Requirements on Employee Ethnic Composition

Review of employee records for the University revealed that one thousand one hundred and eighty-five (1,185) or 42% out of two thousand eight hundred and forty-six (2,846) University's employees are from one ethnic community resulting to a 9 percentage points above the 33% threshold, while one thousand six hundred and sixty-one (1,661) are from

thirty-five (35) communities. In addition, Management recruited sixty-one (61) staff members during the year under review out of which twenty-five (25) or 41% were from one community while thirty-six are from nine (9) communities contrary to the provisions of National Cohesion and Integration Act, 2008 Section 7(1) and (2) which states that no public establishment shall have more than one third of its staff from the same ethnic community.

iv. Non-Compliance with Deduction and Remittance of Statutory Dues

The statement of financial position and Note 23a to the financial statements reflect trade and other payables from exchange transactions balance of Kshs.8,186,559,327. Review of creditors ledger provided for audit revealed that outstanding pension contribution amounted to Kshs.2,576,713,316 contrary to Section 19 of the Employment Act, 2012 on deduction of wages.

Further, although the University regularly filed monthly Pay As You Earn (PAYE) returns with Kenya Revenue Authority, the University had not remitted PAYE totalling to Kshs.3,651,509,954 contrary to Section 37 of the Income Tax Act, 2012 on deduction of tax from emoluments. In addition, the trade and other payables balance included Kshs.1,908,735 owing to National Hospital Insurance Fund (NHIF) contrary to Section 16 of the NHIF Act, 2021 on standard contributions. No explanation was provided for non-remittance of the statutory dues.

v. Members of Staff Working Beyond Mandatory Retirement Age

The University in the year under review had forty-eight (48) members of non-teaching staff who were working beyond the mandatory retirement age of sixty (60) years and ten (10) members of teaching staff who were beyond the mandatory retirement age of seventy-five (75) years, as at 30 May, 2022 and hence drawing salaries from the University's payroll contrary to Section D.21 of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which directs that all officers shall retire from the Service on attaining the mandatory retirement age of 60 years, 65 years for persons with disabilities and/or as may be prescribed by the Government from time to time.

vi. Irregular Payment of Acting Allowances

Included in the expenditure on personnel emoluments is Kshs.6,486,435 in respect of acting allowances. Review of records revealed that four (4) members of staff in acting capacities were paid acting allowances for periods of more than six (6) months contrary to Section C.14(1) of the Human Resource Policies and Procedures Manual for the Public Service, 2016 which directs that when an Officer is eligible for appointment to a higher post and is called upon to act in that post pending advertisement of the post, he is eligible for payment of acting allowance and the allowance will not be payable to an officer for more than six (6) months. As a result, the payment of acting allowance was irregular.

vii. Non-Compliance with Staff Establishment

The University has an approved staff establishment of one thousand five hundred and ninety-four (1,594) while the in-post and the actual staff in place are two thousand four

hundred and fifty-eight (2,458) resulting to an over establishment of eight hundred and sixty-four (864) members of staff above the approved number.

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

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Loss Making Operations

The statement of financial performance and Note 8 to the financial statements reflect surplus from the income generating activities of Kshs.122,314,164. However, revenue activities in respect of catering of Kshs.44,678,489 had corresponding expenses of Kshs.64,809,816, resulting to loss of Kshs.20,131,327. Management has not explained the measures that will be put in place to reverse the trend to ensure sustainability.

In the circumstances, the effectiveness of the University's risk management and governance could not be confirmed.

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

Responsibilities of Management and 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 overall governance.

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

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

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

The University Council is responsible for overseeing the 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

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal controls that

might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

12 May, 2023

KENYATTA UNIVERSITY

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KENYATTA UNIVERSITY STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Kshs.	2021 Kshs.
Revenue From Non-Exchange Transactions			
Government Grant	6	3,567,722,802	3,299,993,296
Revenue From Exchange Transactions			
Tuition & Other Fees	7	2,777,506,454	2,319,770,645
Income Generating Activities	8	133,756,776	28,464,788
		2,911,263,230	2,348,235,434
Other Incomes	9	389,957,661	205,145,625
Total Revenue		6,868,943,693	5,853,374,354
Expenses			
Telephone, Electricity and Water	10	233,097,036	192,322,466
Personnel Emoluments	11	6,361,441,604	6,011,916,820
Council Expenses	12	4,191,300	3,844,900
Depreciation	13	326,311,297	406,038,941
Repairs and Maintenance	14	127,915,428	93,370,089
Contracted Professional Services	15	16,990,943	18,311,382
Operation Expenses	16	1,565,699,211	1,184,572,550
Finance Cost	17	90,254,432	72,627,497
Total Expenses		8,725,901,251	7,983,004,644
DEFICIT FOR THE PERIOD		(1,856,957,558)	(2,129,630,290)

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STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Kshs.	2021 Kshs.
CURRENT ASSETS			
Cash and Bank Balances	18	573,572,427	428,660,058
Receivables from exchange transactions	19 a	226,686,924	175,614,602
Receivables from non-exchange transactions	19 b	241,655,452	175,848,463
Biological Assets	20	-	5,246,500
Inventories	20	60,102,017	42,182,627
Investments	21	16,674,066	16,125,790
		1,118,690,886	843,678,039
NON - CURRENT ASSETS			
Property, Plant and Equipments	22	16,768,650,449	17,058,496,957
			17,058,546,957
TOTAL ASSETS		17,887,341,336	17,896,928,497
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables from exchange transactions	23 a	8,219,186,294	6,674,121,498
Refundable deposits from customers	23 b	61,136,000	71,428,000
Payment received in advance	23 c	135,765,670	69,610,129
Current portion of borrowings	23 d	644,085,836	706,102,742
		9,060,173,800	7,521,262,369
NON-CURRENT LIABILITIES			
Borrowings	24 a	854,043,536	550,331,071
Deferred Income	24 b	20,500,000	21,000,000
		874,543,536	571,331,071
Total Liabilities		9,934,717,337	8,092,593,440
NET ASSETS			
Revaluation Reserve	25 c	4,399,292,064	4,394,045,564
Revenue Reserve	25 b	529,399,757	2,386,357,315
Capital Fund	25 a	3,023,932,178	3,023,932,178
TOTAL NET ASSETS AND LIABILITIES		7,952,623,999	9,804,335,057

The Financial Statements set out on pages 3 to 36 were signed on behalf of the University council members by:


Prof. Waceke Wanjohi Ph.D FRSB, FKNAS
Ag. Vice Chancellor


CPA Myai Samuel
Chief Finance Officer
ICPAK Member No.: 5257

Prof. Crispus Makau
Kiamba, Ph.D., CBS, MBS
Chairman of Council

Date: 30/9/2022

Date: 30/9/2022

Date:

KENYATTA UNIVERSITY

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 Kshs.	2021 Kshs.
Cash flow from operating expenses			
Deficit for the period		(1,856,957,558)	(2,129,630,290)
Non-Cash Movement			
Depreciation	13	326,311,297	406,038,941
Bad & Doubtful Debts	16	12,986,590	(819,513)
Loss of disposal	16	-	840,740
Bank Loan Interest	17	90,254,432	72,627,497
Interest Received	9	(554,277)	(887,263)
Amortisation of Deferred Income	9	(500,000)	(500,001)
		(1,428,459,516)	(1,652,329,889)
Increase in Inventories	20	(17,919,390)	16,003,771
Increase in Debtors & Receivables	19	(116,879,311)	686,184,012
Increase in Trade & Other Payables	23	2,031,533,146	869,795,772
CashFlow From Operating Activities		1,896,734,445	1,571,983,555
Net Cash from Operating Activities		468,274,928	(80,346,334)
Cash Flows From Investing Activities			
Property, Plant and Equipment	22	(78,136,318)	(96,612,985)
Interest Income Received	9	554,277	887,263
Net Cash Flow From Investing Activities		(77,582,041)	(95,725,722)
Cash Flow From Financing Activities			
Bank Loan Repaid	24a	(92,960,904)	(54,578,288)
Bank Loan Interest Paid	17	(90,254,432)	(72,627,497)
Net Cash Flow used in Financing Activities		(183,215,336)	(127,205,785)
Net Increase in Cash & Cash Equivalents		207,477,552	(303,277,841)
Net Cash & Cash Equivalents - Brought Forward		(261,316,895)	41,960,946
Cash and Cash Equivalent as at 30th June 2021		(53,839,343)	(261,316,895)
Analysis of Cash & Cash Equivalents			
Cash and Bank Balances	18	573,572,427	428,660,058
Short Term Deposits	21	16,674,066	16,125,790
Current portion of borrowings	23d	(644,085,836)	(706,102,742)
		(53,839,343)	(261,316,895)

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STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30TH JUNE 2022

	Revaluation Reserve Kshs.	Revenue Reserve Kshs.	Capital Fund Kshs.
Balance as at 30th June 2020	4,394,045,564	4,515,987,606	3,023,932,178
Revaluation of Biological Assets	5,246,500		
Government Grants			
(Deficit)/Surplus for the period		(2,129,630,290)	
Balance as at 30th June 2021	4,399,292,064	2,386,357,316	3,023,932,178
Government Grants			
(Deficit)/Surplus for the period			
Balance as at 30th June 2022	4,399,292,064	2,386,357,316	3,023,932,178

Note: Capital Funds are grants received from the government for development projects.

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	Original Budget	Adjustment	Final Budget	Actual on Comparable Basis	Performance Difference	Percentage Difference	Explanation for Material Difference between Budget and Actual
Revenue	2021-2022	2021-2022	2021-2022	2021-2022	2021-2022		
Government Grant	3,380,804,179	20,545,118	3,401,349,297	3,567,722,802	166,373,505	4.9	
Tuition & Other Fees	3,990,050,200	(1,796,197,951)	2,193,852,249	2,777,506,454	583,654,205	26.6	This is due to the resumption of academic activities leading to an increased number of students and therefore higher fee income.
Other Income (IGAs)	735,838,024	-	735,838,024	523,714,437	(212,123,587)	-28.8	Despite the resumption of academic activities, students are yet to recover fully from the economic downturn of the coronavirus period and
Other Income (External Research)	365,625,000	-	365,625,000	0	(365,625,000)		
Other Government Support Recurrent	6,954,636,038	(6,792,636,038)	162,000,000	0	(162,000,000)		
Total Income	15,426,953,441		6,858,664,570	6,868,943,693	10,279,123	0.1	
Expenses							
Telephone, Electricity and Water	283,400,000	-	283,400,000	233,097,036	(50,302,964)	-17.75	Cost cutting measures that include students not being allowed to cook in their
Personnel Emoluments	6,477,061,588	(772,565,724)	5,704,495,864	6,361,441,604	656,945,740	11.52	Resumption of academic of activities therefore higher costs to cater for students.
Council Allowances	8,000,000.00	-	8,000,000.00	4,191,300	-3,808,700	-47.61	Due to use of technology, there was reduction in physical meetings hence a reduction of mileage cost as part of the University's cost cutting measures.
Depreciation	174,814,515	-	174,814,515	326,311,297	151,496,782		
Repairs and Maintenance	309,856,700	-	309,856,700	127,915,428	(181,941,272)	-58.72	In continued cost cutting measures the university was able to reduce costs in the repairs and maintenance of University property.
Contracted Professional Services	37,000,000	-	37,000,000	16,990,943	(20,009,057)	-54.08	Cost cutting measures introduced by the
Operation Expenses	8,567,891,853	(6,013,498,603)	2,554,393,250	1,565,699,211	(988,694,039)	-38.71	Cost cutting measures introduced by the
Finance Cost	140,000,000	-	140,000,000	90,254,432	(49,745,568)	-35.53	Reduction in the bank loan hence a reduction in the bank loan interest.
Total Expenditure	15,998,024,656		9,211,960,329	8,725,901,251	(486,059,078)	-5.28	
(Deficit)/Surplus for the period	(571,071,215)		(2,353,295,759)	(1,856,957,558)			

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

NOTE 6: Government Grants

	2022 Kshs.	2021 Kshs.
A10001 Recurrent Grants:Kenyatta University	3,483,349,297	3,155,353,002
A10006 Mama Ngina (Gatundu) University College	84,373,505	144,640,294
	3,567,722,802	3,299,993,296

NOTE 7: Tuition & Other Fees

	2022 Kshs.	2021 Kshs.
A20001 Tuition Fees JAB	703,579,800	688,438,299
A20002 Tuition Fees SSP	1,052,979,787	1,028,482,070
A20003 Tuition Fees ICE	229,073,000	31,353,723
A20005 Tuition Fees Open Learning	245,388,800	30,130,500
A20007 Activity Fees	34,843,000	39,395,000
A20008 Examination Fees	129,401,000	153,165,000
A20009 Library Fees	29,857,500	36,746,983
A20010 Registration Fees	29,857,500	37,187,500
A20011 Identity Card	6,716,700	7,934,000
A20012 Medical Fees	69,686,000	76,698,000
A20013 Material Development Fee	41,038,800	57,717,000
A20015 Accommodation Fees JAB	55,901,462	11,968,100
A20016 Accommodation Fees SSP	3,888,895	5,784,970
A20017 Accommodation Fees I.C.E.	902,400	1,887,500
A20025 Tuition Fee - Chinese Language	5,019,810	292,000
A20026 Computer Fees	139,372,000	112,590,000
	2,777,506,454	2,319,770,645

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

NOTE 8: IGA

	2022	2021
IGA Income	Kshs.	Kshs.
A20020 Regional Centre for Capacity Development	246,552	
A30003-A30013 Catering	56,121,101	18,757,31
A30004-A30009 Cyber Café	6,386,459	3,054,85
A30003-A30017 KU Conference Centre	16,978,731	8,451,23
A30004-A40028 KU Funeral Home	59,341,716	58,698,30
A30003-A30017 North Coast Beach Hotel	154,840,648	33,262,02
A20021-A30016 Other IGAs	31,594,952	11,824,16
	325,510,159	134,047,89
	IGA Expenditure	
K19001-K19019 Regional Centre for Capacity Development	97,407	102,79
K19001-K19525 Catering	64,809,816	35,631,74
K19001-K19039 Cyber Café	1,048,372	374,30
K19001-K19019 KU Conference Centre	11,389,979	7,778,20
K19001-K19018 KU Funeral Home	5,732,116	6,259,76
K19001-J18011 North Coast Beach Hotel	104,370,310	50,135,85
K19001-K19019 Other IGAs	4,305,383	5,300,44
	191,753,383	105,583,10
	133,756,776	28,464,78
Surplus		

KENYATTA UNIVERSITY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

NOTE 9 : Other Income		2022	2021
		Kshs.	Kshs.
A20022	Consultancy & other Prof. Services	3,123,441	9,432,423
A20029	Ku Shuttle Transport Income	141,000	-
A20031	Affiliation Fees	513,110	96,357
A20034	Chandaria BIIC Income	-	30,000
A20035	Fine Art Dept Income	51,986	17,500
A20036	FASU Games Income 10th Editon 2020	14,126,718	-
A20037	COVID 19 Control Income	-	7,974,500
A20038	National Phytotherapeutics Research Centre Income	8,000	-
A20039	Summer Programme Income	745,495	-
A20040	Career Week Income	370,000	-
A20041	ICT Professional Training and Certification Centre Income	288,000	-
A20042	Teacher Professional Development Income	5,338,481	-
A20043	Global Tourism Resilience Income	9,265,500	-
A30012	Conferences & Seminars fees	2,689,853	2,647,071
A30017	Accomodation-Mombasa Campus Hostels	9,624,900	-
A30019	Hire of Hall & Conference Facilities	885,000	-
A40001	Convocation Fees	76,728,000	22,336,701
A40002	Hire of Gowns	46,800	55,901
A40007	Surcharge & Fines	179,000	29,000
A40009	Commission	4,781,335	4,555,657
A40011	Forex Gain	9,034,211	34,473,321
A40012	Interest Income	554,277	887,263
A40013	Sale Of Application Forms	14,687,709	14,211,093
A40014	Miscellaneous Income	60,373,105	13,601,141
A40015	Rent/Lease income	92,724,483	57,243,371
A40017	Sale Of Obsolete Items	1,603,102	355,430
A40018	Security Staff Charge	1,004,800	942,800
A40019	Water Staff Charge	73,000	-
A40020	Dustbin Staff Charge	1,500	1,750
A40027	Sale of Tender Documents	139,070	18,000
A40028	University Bookshop	7,887,145	3,647,631
A40030	Administrative Research Fees	22,972,169	19,992,221
A40034	Un Women Leadership Centre	1,418,927	28,500
A40036	Income Ethics Review Board	732,000	879,900
A40037	Income Student Academic Motivational Awards	139,500	-
A40038	Library Fines	972,654	590,190
A40040	Amortisation of Deferred Income	500,000	500,000
A40044	YALI Income	39,066,456	2,508,891
A40046	KU Health Service Reimbursement	7,166,934	8,089,001
		389,957,661	205,145,625

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NOTE 10: Telephone, Electricity and Water Expenses

	2022 Kshs.	2021 Kshs.
K19133 Telephone And Postage	8,982,967	5,824,978
K19134 Electricity Expenses	143,460,982	107,572,047
K19136 Water Reticulation & Sewerage	80,653,087	78,925,441
	233,097,036	192,322,466

NOTE 11: Personnel Emoluments

	2022 Kshs.	2021 Kshs.
J18001 Basic Pay	2,988,736,607	2,649,604,488
J18002 House Allowance	1,236,148,250	1,254,172,527
J18003 Entertainment Allowance	9,840,642	9,278,180
J18004 Headship/Directorship Allowance	121,437,321	128,208,194
J18005 Responsibility	55,207,297	63,006,901
J18006 Car Allowance	-	1,332,000
J18007 Domestic Servant Allowance Office	4,506,840	4,067,351
J18008 Commuting & Bus fare	501,663,716	515,627,500
J18009 Leave Travelling Allowance	47,305,849	44,394,997
J18010 Gratuity	129,738,345	144,690,186
J18011 Wages	161,156,417	112,606,483
J18012 Part Time Teaching	219,755,887	187,751,676
J18013 Bonus	26,100	-
J18014 Passage & Baggage	2,296,350	3,619,125
J18016 NSSF Employer Contributions	1,254,600	1,386,300
J18017 Telephone Allowance	12,485,063	14,386,331
J18018 Book & Computer Allowance	353,800	970,000
J18019 Exam Coordination Allowance	23,168,769	26,757,328
J18020 Acting Allowance	6,486,435	5,517,321
J18021 Electricity & Water Allowance	17,206,686	711,828
J18022 Overtime	7,911,285	4,016,757
J18023 Pensions Employer Contribution	529,567,532	448,350,125
J18024 Health Risk Allowance	32,361,823	72,053,711
J18025 Special Readers Allowance Special Education	21,411,244	1,240,000
J18026 Terminal Benefits	20,970,617	33,610,731
J18029 Emergency Call Allowance	72,322,711	164,400,594
J18030 Extraneous Allowance	137,861,418	120,156,185
J18031 Staff Uniform	260,000	-
	6,361,441,604	6,011,916,820

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NOTE 12: Council Expenses

	2022 Kshs.	2021 Kshs.
J18027 Sitting Allowance	2,740,000	2,540,000
J18001 Honoraria	1,044,000	1,044,000
K19139 Other Expenses	407,300	260,900
	4,191,300	3,844,900

NOTE 13: Depreciation

	2022 Kshs.	2021 Kshs.
K20152 Depreciation Of Buildings	257,959,995	257,959,995
K20153 Depreciation Of Motor Vehicles	3,473,438	3,473,438
K20156 Depreciation Of Computer Hardware	6,241,260	8,133,156.03
K20157 Depreciation Of Computer Software	-	-
K20158 Depreciation Of Furniture & Fittings	58,076,266	135,912,013
K20159 Depreciation Of Academic Gowns	560,339	560,339
	326,311,297	406,038,941

NOTE 14: Repairs and Maintenance

	2022 Kshs.	2021 Kshs.
K19029 Maintenance of Sports ground	3,200	-
K19157 Maintenance of Furniture & Equipment	24,652,164	8,294,671
K19158 Maintenance of Swimming Pool	-	24,012
K19159 Maintenance of Motor Vehicle	3,322,014	4,589,730
K19160 Minor Works & Alterations	55,865,484	53,450,069
K19161 Maintenance Of Hostels	3,964,481	1,408,813
K19162 Maintenance Of Residential Quarters	1,189,254	180,715
K19163 Maintenance Of Grounds & Roads Main Campus	9,352,831	7,558,704
K19164 Maintenance Of Building & Stations Main Campus	28,346,062	17,825,103
K19166 Repainting of University Building	1,219,938	38,272
K19169 Maintenance of Kitui Campus	-	-
	127,915,428	93,370,089

NOTE 15: Contracted Professional Services

	2022 Kshs.	2021 Kshs.
K19152 Audit Fees	9,000,000	3,000,000
K19153 Professional Contracted Services	7,990,943	15,311,382
	16,990,943	18,311,382

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

NOTE 16: Operations Expenses

	2022 Kshs.	2021 Kshs.
K19001 Stationery	53,166,419	41,695,306
19002 Staff Uniforms	3,507,561	6,262,604
19003 Photocopying & Printing	12,176,426	6,851,258
K19004 Cleaning Materials	2,136,100	1,906,288
K19005 Office Tea Expenses Office	4,760,393	3,645,019
19006 Departmental Meetings	5,712,922	631,262
K19007 Other Office Consumables Office	15,650,011	16,782,195
K19008 General Office Equipment Office	2,711,059	12,904,644
19009 Teaching Materials/Chemicals	11,083,946	4,303,494
19010 Field Courses	23,315,419	9,321,429
K19011 Laboratory Glassware	67,330	339,414
K19012 Tools & Apparatus	2,425,169	1,556,431
19015 Animal Feeds Sciences	411,055	441,274
19018 Travelling & Accommodation	18,830,233	15,840,591
K19019 Fuel & Gases	59,236	189,656
19021 Journal	120,000	61,750
19023 Regional Expenses Open Learning	35,222,806	35,139,692
K19025 Rent for Regional Centres Open Learning	145,904	854,642
K19027 Examination Stationery	34,710,585	20,636,219
19028 Research and Travel Grants	650,000	1,120,000
19121 Advertising and Publicity	19,329,676	12,479,581
K19123 Newspapers Magazines & Publications	3,790,714	1,810,122
19126 Culture Week Expenses	3,753,162	175,300
19127 Drugs Health Unit	20,393,860	17,955,696
K19129 Medical Reimbursement	6,566,821	6,920,996
K19130 Medical Insurance Inpatient Grades A and above	356,600,612	175,000,000
19132 Medical Referrals	2,280,276	77,183,601
19135 Sanitary Services	33,600	882,245
K19137 Land Rent & Rates	1,697,639	1,713,784
19138 Fumigation	260,572	45,000
19140 Public Celebrations	5,413,597	1,140,495
K19141 Bursary	4,550,932	
K19142 Graduation Expenses	17,219,504	7,829,677
19143 External Examiners Expenses	21,550,010	2,599,840
19141 Interuniversities VCs Meeting Main Campus	100,000	
K19145 Staff Development & Training	3,760,356	3,298,692
19146 Funeral Expenses	2,178,405	7,605,900
19147 Insurance Premiums	63,658,113	100,889,410
	760,000,423	598,013,505

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022(Continued)

NOTE 16: Operations Expenses

	2022 Kshs.	2021 Kshs.
K19148 Bank Charges	55,749,528	85,016,147
K19151 Provision for Bad & Doubtful Debts	12,986,590	(819,513)
K19154 Ex gratia Payments	4,015,218	6,881,683
K19155 Fees Commission Awards & Honoraria	1,778,977	4,908,286
K19156 Rental/Hire Of Premises Expenses	37,226,432	40,118,680
K19171 Medical Expenses Students	3,023,723	868,673
K19176 Contracted Cleaning Services	79,850,317	37,263,572
K19178 Curriculum Review Seminar	383,200	-
K19181 Medical Examination & Vaccination Staff & Students	363,170	372,000
K19183 International Collaborations Expenses	-	90,480
K19200 Computerisation & Networking	6,668,985	2,584,973
K19201 Motor Vehicle Fuel	44,736,016	18,288,152
K19204 Senate Affairs	656,600	138,800
K19207 Games & Tournament Other Campuses	5,611,019	1,935,495
K19208 Games & Tournaments Main Campus	10,486,612	3,711,080
K19209 E. A. University Games	-	132,000
K19210 Vice Chancellor's Committees	7,193,542	4,720,370
K19214 Foreign Exchange Loss	5,364,051	28,186,262
K19215 ISO Certification	174,000	1,045,875
K19216 Management Board Expenses	1,290,550	1,467,411
K19217 Hire Of Security	107,058,243	88,458,162
K19218 Hire of Sport Facilities	804,000	300,000
K19219 Clearing & Forwarding	413,576	840,801
K19220 Performance Contract	274,200	-
K19221 Board Room Supplies	135,498	264,064
K19222 Internet Connectivity	59,939,214	49,938,057
K19223 Sports Uniform	9,440	-
K19224 Light & Electrical Accessories	1,556,955	-
K19225 Career Week	2,284,970	261,879
K19227 Interuniversity Games	3,778,116	-
K19232 Online Teaching Odel centre	-	732,420
K19233 Academic Dress	433,550	-
K19236 Professional Boards Registration	1,326,000	170,000
K19237 Mentoring Activities	10,000	67,000
K19239 Hire of Tents	172,000	266,900
K19241 Needy Students Support KUSA Support	200,000	-
	455,954,292	378,209,708

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

NOTE 16: Operations Expenses

	2022 Kshs.	2021 Kshs.
K19246 Invigilation Expenses	3,668,390	2,654,875
F-9251 HEPESA Expenses	3,520,767	-
F 9252 Teacher Professional Development Expenses	6,000	-
K19253 ICT Professional Training and Certification Centre	69,844	-
F-9254 YALI Expenditure	300,000	-
F 9500 Conference Seminars & Workshops	7,605,287	2,803,561
K19501 External Travel & Accommodation	16,302,854	4,348,570
K19502 Local Passage & Baggage	379,405	-
F 9503 Subscriptions	43,060,805	31,740,884
K19504 Placement Board Expenses	-	9,448,500
K19506 Vc's Research Grants	10,399,060	2,710,823
F 9507 Admission Expenses	2,786,600	2,372,611
K19508 Teaching Practice	40,477,125	32,262,200
K19509 Library Books & Journals	9,743,132	7,327,921
F-9512 Student Amenities	6,251,704	237,100
F 9513 Practicum	36,588,050	15,130,035
K19517 Research Proposal & Development Main Campus	22,610	-
F-9518 University Staff Student Education Support	5,688,000	3,666,000
F 9519 Peer Counselling	141,640	1,089,000
K19520 Printing University Magazines	13,519,206	3,468,606
F-9523 OVS	7,747,396	14,614,820
F 9524 KUSA Expenses	17,367,493	574,637
K19526 Summer Programme	1,525,824	-
K19530 Kenya Military Collaboration	6,563,825	5,533,192
F 9537 Wellness Centre Conferences and Seminars	469,258	585,676
K19538 Farm Expenses Kitui	408,391	43,520
K19539 Somesha Mwenzako	1,400,000	-
F 9542 Incubation Centre Mentoring Activities	463,050	1,798,943
F19546 AIDS/HIV Awareness Activities	64,650	45,000
K19548 Un Women Leadership Centre	1,079,374	2,165,746
F-9551 Students Academic Motivation Awards Expenses	77,500	-
F 9557 Software Licences	29,320,939	10,987,520
K19558 KU Corporate Social Responsibility	71,000	2,227,161
F-9559 KU Smart Cards	1,774,900	640,000
F 9560 Courts Awards and Penalties	3,663,107	6,818,576
	272,527,186	165,295,475

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

NOTE 16: Operations Expenses

	2022 Kshs.	2021 Kshs.
≤19561 Consultancy Services Unit Training Expenses	2,264,880	14,830,923
≤19564 Mama Ngina (Gatundu) University Expenses	24,504,155	11,111,958
≤19566 Council Other expenses	942,200	350,735
≤19571 FASU Games 10th Edition 2020 Expenditure	45,438,842	
≤19572 COVID 19 Migation Expenses	3,661,233	15,909,205
≤19573 Students Hostel Accommodation Deposit Refunds	406,000	10,300
≤19575 Loss on Disposal	-	840,740
	77,217,310	43,053,862
	1,565,699,211	1,184,572,550

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

NOTE 17: Finance Cost

	2022 Kshs.	2021 Kshs.
19173 Bank Loan Interest	90,254,432	72,627,497
	90,254,432	72,627,497

NOTE 18: Cash and Bank Balances

	2022 Kshs.	2021 Kshs.
F15003 Equity Bank - TOWA Project	427	427
15005 Equity - North Coast Beach Hotel	7,612,412	
15006 Equity Community Outreach	265,543	265,543
F15010 NBK Fees A/C No. 0359150801	7,421,393	26,922,163
15011 Std Fees Collection A/C No. 2018814400	1,915,226	5,618,950
15012 Std Dollar A/C No. 8702018780000	54,288,271	29,583,926
F15013 NBK Payments A/C 0359002400	-	17,777,513
15014 NBK Tuition A/C No. 0359150800	3,101,564	5,930,216
15015 NBK Research A/C No. 2110781300	82,719,528	117,088,400
F15016 NBK Aicad A/C No. 2110781400	1,510,970	1,284,589
15017 NBK Harambee A/C 0310891603 (Capitation)	669,366	669,366
15018 KCB AVU	4,413,703	5,561,640
E15019 Co op Fees Collection A/C No. 0112962461400	11,347,232	21,967,123
15020 Std Pound A/C No. 2802018780000	10,593,017	15,324,414
15021 Cash In Hand	87,100	
E15022 Equity Fees Collection A/C No. 0290518859	2,813,961	
15025 KCB Fees Collection A/C No. 099 250 640 601	91,739	2,997,964
F15026 Standard Chartered Euro A/c 9302018780000	1,168,215	3,465,650
15027 Equity - NCBH Dollar	1,300,679	1,190,490
15028 Equity - NCBH Euro	58,958	58,959
F15031 KU Shuttle Bank A/c No. 1130296769655	62,693,590	104,472,228
15032 Equity KU Meals Bank A/c No. 1130296626107	214,448	937,701
15033 Equity KU Application Bank A/c No. 1130296626073	330,037	4,033,040
F15034 Equity KU Rental Income A/c No. 113029701357	162,114	6,125,712
15035 Equity Bank Referral Hosp. A/c 1130298198	195,780	2,289,348
15038 Equity Bank City Enterprises A/C 1130299385909	20,628	20,628
F15039 Equity Bank Rec Centre A/C 1130299618873	12,840	12,840
15040 Family Bank Collection A/C 04500023316	288,038,384	36,376,895
15041 MPESA Virtual Account	5,445,199	180,316
F15042 NBK USD 02020059150800	25,080,103	18,504,016
	573,572,427	428,660,058

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

NOTE 19: Receivables From Non-Exchange Transactions		2022	2021
		Kshs.	Kshs.
M21003	Guarantee Deposits	27,954,962	27,954,962
M21006	Staff Debtors	6,409,315	6,027,864
M21008	Sundry Debtors	111,196,783	94,443,269
M21010	Imprest Control	20,522,322	15,273,391
M21012	Imprest Research	55,955,380	33,026,176
M21023	Guarantee Deposit Letter of credit	16,512,032	16,512,032
M21027	Debtors-NCBH	55,142,700	21,488,070
	Total	293,693,494	214,899,915
	NOTE 19a: Receivables from Exchange Transactions		
	Student Fees Arrears	226,686,924	175,614,602
M21007	Total Receivables	520,380,418	390,514,517
B11014	Provision For Bad Debts	(52,038,042)	(39,051,452)
		468,342,376	351,463,065
	Total Receivables From Non-Exchange Transactions	293,693,494	214,899,915
	Provision For Bad Debts	(52,038,042)	(39,051,452)
	NOTE 19b: Net Receivables from Non-Exchange Transactions	241,655,452	175,848,463
	NOTE 20: Inventories		
		2022	2021
		Kshs.	Kshs.
H17002	Maintenance Store	2,922,663	2,987,927
H17003	Health Drugs Store	6,204,760	6,227,575
H17004	Petrol Stock	4,387,622	1,603,935
H17005	Food Stuff	3,102,737	1,803,066
H17006	Finance Store General	9,322,545	6,655,543
H17007	Accommodation	153,101	350,732
H17010	Ruiru Campus Maintenance Store	-	
H17012	Bookshop Store	27,960,089	22,553,849
H17050	Biological Assets	6,048,500	5,246,500
		60,102,017	42,182,627
	NOTE 21: Investments		
		2022	2021
		Kshs.	Kshs.
G16004	NBK Ruiru	16,674,066	16,125,790
		16,674,066	16,125,790

KENYATTA UNIVERSITY
PROPERTY PLANT AND EQUIPMENT
For The Year Ended 30th June 2022

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DEPRECIATION RATES COST / VALUATION	LAND	BUILDINGS	MOTOR	FURNITURE &	COMPUTER	COMPUTER	PATENT &	ACADEMIC	CAPITAL	TOTAL
	KSHS 0%	2%	VEHICLES KSHS 25%	EQUIPMENT KSHS 10%	HARDWARE KSHS 30%	SOFTWARE KSHS 30%	RIGHTS KSHS 20%	GOWNS KSHS 5%	WORK IN PROGRESS KSHS	KSHS
As at 30th June 2020	6,085,271,458	12,897,999,753	452,048,114	2,099,867,168	471,291,238	77,116,824	7,830,375	11,206,780	749,120,071	22,851,751,781
Additions		13,893,750		22,344,166	4,350,534				56,024,535	96,612,985
Disposal		(5,992,595)		(3,598,250)						(9,590,845)
As at 30th June 2021	6,085,271,458	12,897,999,753	465,175,864	2,116,218,739	472,043,522	77,116,824	7,830,375	11,206,780	805,144,606	22,938,773,921
Additions			43,925,452	3,521,500					30,689,366	78,136,318
As at 30th June 2022	6,085,271,458	12,897,999,753	465,175,864	2,160,144,191	475,565,022	77,116,824	7,830,375	11,206,780	835,833,972	23,016,910,239
Depreciation and Impairment										
As at 30th June 2020	-	2,554,756,034	452,048,113	1,929,636,240	453,389,536	77,116,824	7,830,375	8,211,007	-	5,482,988,130
Charge for the Year		257,959,995	3,473,438	135,912,013	8,133,156	-		560,339		406,038,940
Depreciation On disposal				(5,151,856)	(3,598,250)					(8,750,106)
As at 30th June 2021	2,812,716,029	2,812,716,029	455,521,551	2,060,396,397	457,924,442	77,116,824	7,830,375	8,771,346	-	5,880,276,964
Charge for the Year		257,959,995	3,473,438	99,747,795	6,241,260			560,339		367,982,826
As at 30th June 2022	3,070,676,024	3,070,676,024	458,994,988	2,160,144,192	464,165,702	77,116,824	7,830,375	9,331,685	-	6,248,259,790
NET BOOK VALUES										
As at 30th June 2022	6,085,271,458	9,827,323,729	6,180,876	(0)	11,399,320	(0)	-	1,875,095	835,833,972	16,768,650,449
As at 30th June 2021	6,085,271,458	10,085,283,724	10,420,313	55,822,343	14,119,080	(0)	-	2,435,434	805,144,606	17,058,496,957

KENYATTA UNIVERSITY

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022(Continued)

NOTE 23d: Current portion of borrowings

	2022 Kshs.	2021 Kshs.
F15005 Equity Bank North Coast Beach Hotel A/C No.0180293713910	-	6,193,083.78
F15013 NBK Payments A/c No.0359002400	9,925,917	
F15022 Equity Bank Fees Collection A/C 0290518859		7,429,091
F15023 Equity Bank Ruiru A/C No. 0291051982	627,048,771	689,625,765
F15033 Equity Bank Application A/c 1130296626073		-
F15037 Equity Bank A/C 1130199002464	7,111,148	2,854,803
	644,085,836	706,102,742

NOTE 24a: Long Term Liabilities

	2022 Kshs.	2021 Kshs.
L20017 Co-operative Bank Loan 2015 Repayment	497,004,440 (53,326,631)	604,909,358 (54,578,288)
	443,677,809	550,331,071
L20018 Equity Bank Loan 2022 Repayment	450,000,000 (39,634,273)	-
	410,365,727	
Loan Balance	854,043,536	550,331,071

Co-operative Bank Loan: This is a long term (non-current) loan granted for part finance development of a mall "Unicity" and to finance purchase of properties for satellite campuses. In the year 2015, repayable over a period of 15 years (180 months) at an interest rate of 14.25% per annum computed on reducing balance basis.

NOTE 24b: Deferred Income

	2022 Kshs.	2021 Kshs.
D13008 Balance as at 1st July 2021	21,000,000	21,500,000
A40040 Amortisation 2%	21,000,000	21,500,000
Balance as at 30th June 2022	500,000	500,000
	20,500,000	21,000,000

Donation from Chandaria Foundation for the construction of Chandaria Business Innovation and Incubation Centre. Recognised as deferred income and amortised at the rate of 2% per annum of the original value of Kshs 25,000,000.

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KENYATTA UNIVERSITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2022 (Continued)

	2022 Kshs.	2021 Kshs.
B11001 NOTE 25a: Capital Fund		
Balance as at 1st July 2020	3,023,932,178	3,023,932,178
Government Capital Grants		-
Balance as at 30th June 2021	3,023,932,178	3,023,932,178
	2022 Kshs.	2021 Kshs.
B11002 NOTE 25b: Revenue Reserve		
Balance as at 1st July 2020		4,515,987,606
Deficit for the Year		(2,129,630,290)
Revenue Reserve 2021	2,388,523,779	2,386,357,316
	2022 Kshs.	2021 Kshs.
B11004 NOTE 25c: Revaluation Reserve		
Balance as at 1st July 2020	4,399,292,064	4,394,045,564
Revaluation for the Year		5,246,500
Revaluation Reserve 2021	4,399,292,064	4,399,292,064
	2022 Kshs.	2021 Kshs.
Note 26: Capital Work in Progress		
N23029 Teaching & Referral Hospital	72,896,867	71,054,773
N23064 Recreation Centre	56,297,048	56,297,048
N23068 Children Hospital	201,644,139	201,644,139
N23070 School of Business	81,069,865	81,069,865
N23071 Perimeter Wall Referral Hospital	64,669,351	64,669,351
N23072 School of Architecture	10,620,712	10,620,712
N23073 Stadium Complex	9,814,400	9,814,401
N23079 Central Stores	20,456,693	20,456,693
N23081 Kitui Campus Boundary Wall	5,076,468	5,076,468
N23084 Rwanda Campus	206,358,891	177,511,618
N23086 International Languages and Cultural Centres	500,000	500,000
N23088 Underground Tank Kitui Campus	11,205,154	11,205,154
N23089 Water Tanks KUTeaching and Referral Hospital	77,429,037	77,429,037
N23090 Thika Road KU Access Road	17,795,347	17,795,347
	835,833,972	805,144,606

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2021 (Continued)

NOTE 27: Financial Risk Management

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

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

Credit risk

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

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

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables from exchange transactions	226,686,924	226,686,924		-
Receivables from non-exchange transactions	293,693,494	117,606,098	176,087,396	-
Bank Balances	573,572,427	573,572,427		
Total	1,093,952,845	917,865,449	176,087,396	-
At 30 June 2021				
Receivables from exchange transactions	175,614,602	175,614,602		-
Receivables from non-exchange transactions	214,899,915	100,471,133	114,428,782	-
Bank Balances	428,660,058	428,660,058		
Total	819,174,575	704,745,793	114,428,782	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The University's policy is payment on registration and thus students' receivables are categorised as either past due or impaired.

Past due amounts are those beyond the maximum established credit period of 30 days and represent slow but paying students. These receivables continue to be serviced even though this is not done on the contractual dates. The Students Finance Section is actively following these debts.

The overdue and impaired debt arises mainly from the students who have taken academic leave and the ones who have dropped out of school. These students have not completed their courses and the debt is payable whenever the student comes back to continue with studies. This debt has been fully provided for.

Concentration risk

Concentration risk is the risk posed to the University by any single or group of exposures which have the potential to produce losses large enough to threaten the ability of the University to continue operating as a going concern

The student receivables wholly relate to balances due from students, that are unrelated, and do not have the potential to produce large losses thus there is no concentration risk.

(i) Liquidity Risk Management

Liquidity risk is the risk that the University may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process.

Ultimate responsibility for liquidity risk management rests with the University management board, which has built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk by maintaining banking facilities and through continuous monitoring of forecasts and actual cash flows.

Prudent liquidity risk management includes maintaining sufficient cash to meet the University's Obligations. Senior management reviews the cash forecasts monthly and determines the University's cash requirement.

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The table below analyses the University's financial liabilities into relevant maturity based on the remaining period at the end of reporting period to the contractual maturity date.

The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2022				
Current Portion of Borrowing	483,064,377	-	161,021,559	644,085,836
Payment Received in advance	-	135,765,670	-	135,765,670
Borrowings	71,194,256	213,582,768	569,554,047	854,331,071
Trade and other payables	684,932,191	2,054,796,574	5,479,457,530	8,219,186,294
Refundable Deposits	-	-	61,136,000	61,136,000
Total	1,239,190,824	2,404,145,012	6,271,169,136	9,914,504,871
At 30 June 2021				
Current Portion of Borrowing	2,854,803	-	703,247,939	706,102,742
Payment Received in advance	-	69,610,129	-	69,610,129
Borrowings	4,581,149	13,743,446	532,006,475	550,331,071
Trade and other payables	556,176,792	1,668,530,375	4,449,414,331	6,674,121,498
Refundable Deposits	-	-	71,428,000	71,428,000
Total	563,612,744	1,751,883,950	5,756,096,746	8,071,593,440

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2021 (Continued)

(ii) Market risk

The Council has put in place an internal audit function to assist it in assessing the risk faced by the University on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the University's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

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

a) Foreign exchange risk

The University is exposed to foreign exchange risk because it has revenues and expenses denominated in foreign currency, primarily the US dollar. It also arises from exchange rate differences between when the currency is received from sponsors and when it is recognised in the books of accounts. The University also has various bank accounts denominated in other currencies other than the Kenya Shillings that is the Dollar, Euro and Pound.

Foreign currency denominated financial instruments solely consists of bank balances. The carrying amounts of the University's foreign currency denominated bank balances at the balance sheet date are as follows:

At 30 June 2022

	KSH	USD	EURO	GBP	Total
	Sh	Sh	Sh	Sh	Sh
Bank balances	-70,513,409	80,669,053	1,227,173	11,347,232	22,730,051
	=====	=====	=====	=====	=====

At 30 June 2021

Bank balance	-345,570,140	49,278,433	3,524,609	15,324,414	-286,442,684
	=====	=====	=====	=====	=====
	=	=	=	=	=

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2021 (Continued)

The University manages foreign exchange risk arising from future commercial transactions and recognised assets and liabilities by projecting for expected cash proceeds and matching the same with expected payments.

b) Interest rate risk

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

Management of interest rate risk

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

Fair Value of Financial Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the University takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Fair value of financial assets and liabilities

Level 1 input are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability

This note provides information about how the University determines fair values of various financial assets and liabilities.

Fair value of the University's financial assets and liabilities that are measured at fair value on a

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recurrent basis

Some of the University's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/liabilities	Fair value as at		Fair value hierarchy	Valuation technique (s) and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	30/06/2022 Sh	30/06/21 Sh				
Property and equipment	16,768,650,449	17,058,496,957	Level 3	Observable Inputs	N/A	N/A

Capital Risk Management

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

	2021-2022	2020-2021
	Kshs	Kshs
Revenue Reserve	529,399,757	2,386,357,315
Revaluation reserve	4,399,292,064	4,394,045,564
Capital Fund	3,023,932,178	3,023,932,178
Capital and Reserves	7,952,623,999	9,804,335,057
Total borrowings	854,043,536	550,331,071
Cash and cash equivalents	-53,839,343	-261,316,895
Net borrowings	907,882,879	811,647,966
Gearing (Net debt to equity ratio)	11.4%	8.0%

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APPENDIX I: 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. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe : (Put a date when you expect the issue to be resolved)
1.0	<p>Going Concern The University is operating under financial difficulties and currently it has resulted to financing its operations using costly short term borrowings which may further worsen the liquidity position. Therefore, the University is technically insolvent and if no urgent positive steps are taken to improve the financial position, it may not be able to meet its mandate in future. The financial statements have therefore been prepared on a going-concern basis on assumption that it will continue to receive financial support from Government, creditors and donors.</p>	The Management has put in place the following measures to address the going concern challenge;	Management	Not Resolved	5 years

		<ol style="list-style-type: none"> 1. Adoption of cost cutting measures that resulted to a saving of Kshs 720M per annum. 2. Management has appointed a committee to look on further cost cutting and revenues enhancement measures. 3. Management is looking into ways of possibly increasing student enrollment through KUCCPS 4. The University won bid to provide professional teacher development training to all existing teachers that will generate more revenue. 5. Negotiation with the Government to increase capitation. 		
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		<p>6. The Management has identified three properties (Rwanda campus, Meru Plot and Mavoko Land) for disposal and has obtained approval to dispose from The National Treasury</p> <p>7. The Management has sought for approval to restructure the existing overdraft facility to a term loan to reduce on high interest expenses paid every month. This will enable the University save up to Kshs 72 million per year in interest payable.</p> <p>8. Management has relocated the School of Agriculture to Kitui Campus to concentrate on dry land agriculture. The expected income from the schools</p>		
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		<p>activities is Kshs 150 million per year</p> <p>9. The University management has on several occasions negotiated with Kenya Revenue Authority, Retirement Benefit Authority and Commissioner of Cooperatives with a view to putting in place a payment plan.</p> <p>If the above measures are achieved, the management is optimistic that the University will be in a position to meet its obligation as and when they fall due.</p>			
2.0 2.1	Property Plant and Equipment Encroached Land by Squatters (Kamae)	<p>Land (Main campus) measuring 12.472 hectares valued at Ksh 123,281,555.00 which has been illegally encroached by the Kamae squatters. Among other measures taken, the university filed a case in a court of law against the illegal encroachment of the land and Management is happy to report that court ruling has been done in favour</p>	Management	Not Resolved	3 Years

		<p>of the university. The Judge concluded as follows;</p> <p>(a) That a mandatory permanent injunction is hereby issued restraining the defendants from continuing with occupation of the plaintiff's land.</p> <p>(b) That an order is hereby granted for recovery of possession of the suit property namely LR NO 11026/2 by the plaintiff.</p> <p>(c) That an order of eviction is hereby issued against the defendants and other trespassers from LR NO 11026/2.</p> <p><i>That a declaration is hereby issued that the occupation and user of a portion of LR NO 11026/2 by the</i></p>		
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		<i>defendants and other trespassers is illegal.</i>			
2.2	Land without ownership documents (Dadaab)	<p>The Land was allocated to the University by Lagdera Constituency Development fund in Garissa County is valued at Ksh 880,000. The amount was in respect of registration and other related charges.</p> <p>The University has at long last made some progress toward attainment of the ownership documents:</p> <p>1. The University has obtained Letter of No Objection from the County Government of Garissa in support of the allocation of the Dadaab campus- land by the then County Council of Garissa</p> <p>2. The County Government of Garissa (Physical Planning Office) has drawn and completed the Partial Development Plan (PDP) and advertisement of the Public Notice, in accordance with Physical Planning Act Cap 286 has been done via Gazette Notice No. 8526 dated 6th September 2019 and in the Daily Nation and Taifa Leo newspapers on 28th August 2019. The advert is supposed to remain open for the next 60days from the date of advertisement before submitting the PDP to the National Director of Physical Planning for</p>	Management	Not Resolved	3 Years

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		<p>approval to facilitate issue of Allotment Letter.</p> <p>The University has engaged the service of a consultant to fast track the exercise.</p> <p>Upon issuance of a title deed, the Management will engage a valuer to give value of the property.</p> <p>This is work in progress and management is optimistic that the University will have the letter of allotment before closure of the year 2021/2022</p>			
2.3	<p>Kenyatta University Teaching, Research and Referral Hospital</p> <p>The property, plant and equipment balance of as at 30th June, 2020 excludes the value of Kenyatta University Teaching, Research and Referral Hospital that stands on the Universities 7.97 hectares of land.</p>	<p>The Statement of Financial Position balance of Property, Plant and Equipment includes 7.97 hectares of land occupied by Kenyatta University Teaching, Research and Referral Hospital which is now established as a State Corporation. The current position is that the land belongs to Kenyatta University and the University currently has no control over the facilities developed there in following establishment of the hospital as a parastatal</p>	Management	Not Resolved	3 Years

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3.0	Receivable from Non-exchange Transaction:		University Legal Officer and Debtors Section	Not Resolved	2 Years
3.1/2	Car Loans and Outstanding Imprests	<p>Outstanding debts on Car Loans and Imprests are debts that have been outstanding for more than 12 years, and have been handed over to the University lawyer for follow up through legal channel. The University has also appointed debt collection firm to assist in collecting debts. The Management is monitoring progress of debt collection firm and upon receiving their report will explore possibility of seeking approval to write of unrecoverable debts.</p>			
4.0	Nugatory Expenditure- Closure of Kigali and Arusha Campus	<p>The University incurred Kshs 518,174,359, in the establishment of Kigali and Arusha campuses. Unfortunately, due to various challenges, the campuses were unable to start off and the University Council approved that they be wound up.</p> <p>I would wish to report that Arusha campus has already been closed and the moveable property brought to the main campus and distributed to various campuses for use by staff and students.</p>	Management	Not Resolved	2 Years

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		Approval has been granted by The National Treasury to dispose Kigali property and we are optimistic that the University will recover the cost incurred in establishing the campus.			
	<p>Budgetary Control And Performance</p> <p>The statement comparison of budget and actual amounts indicates that the University had an approved revenue budget of Kshs.9,707,504,284 against actual receipts of Kshs.8,143,292,233 to a deficit of Kshs.1,564,212,051. Similarly the University had an approved expenditure budget of Kshs.9,445,894,572 against actual expenditure of Kshs.9,471,907,759 resulting into an over-expenditure of Kshs.26,013,187.</p>	<p>In the last four years the University has experienced drastic turn on revenue caused by reduction in student numbers and implementation of the new Government policy on differentiated unit cost funding among other factors. This has resulted in a deficit of Kshs 1,564,212,051 in revenues and an over-expenditure of Kshs 26,013,187. Management is optimistic that with the various measures undertaken to reduce cost and enhance revenues the University will able to operate within its budget in the foreseeable future.</p>	Management	Not Resolved	5 Years
	<p>Ethnic Diversity</p> <p>A review of the University staff data as of 30th June, 2020 revealed that one ethnic community accounted for 40% of Council Members, 45.4% of senior management and 40.7% of permanent staff. This is contrary to</p>	<p>University Council: The University Council is composed of independent Council Members and representatives from the Ministry of Education and the Treasury. The University has no control over the appointment of these representatives of Government agencies.</p>	Management	Not Resolved	Progressively as need for additional staff arises.

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	<p>Section 7 (2) of the National Cohesion and Integration Act, 2008 which states that no public establishment shall have more than one third of its staff from same ethnic community.</p>	<p>They are appointed by the respective Principal Secretaries on need basis and they are occasionally changed for various reasons. The independent members of Council are appointed by the Cabinet Secretary, Ministry of Education</p> <p>The Management Board: The University has eleven (11) members. In the year 2020, three (3) out of the eleven (11) positions were vacant and only eight members were holding office substantively. The other three were held by officers on acting capacity. The ethnic group with the highest number had three (3) out of the eight substantive members.</p> <p>The ethnic composition of Other University Staff may not have been compliant with the National Cohesion and Integration Act, 2008 for various reasons, the main one being that support staff in Grade I – IV, who constitute 32.04% of the total population are mainly drawn from the locality. This is a common trend in all organizations. The University is geographically in Kiambu County and it happens that most support staff are drawn from the County.</p>			
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		The issue of ethnicity is historical as many employees were employed before the National Cohesion and Integration Act, 2008 was enacted. As stated earlier, the University is making deliberate efforts to reduce the imbalance.			
	Non-Compliance with one Third Basic Pay Rule	In the year 2019/2020, the University put in measures to ensure that this is eliminated. Management is happy to report that all employees are being paid net salary that is a third (1/3) or more of their basic salary. Kindly note, the University Management is committed to ensuring that Section C. 1(3) of the Human Resource Policies and Procedures Manual for the Public Service dated May, 2016 is observed.	Management	Resolved	Resolved



Prof. Waceke Wanjohi Ph.D, FRSB, FKNAS
Ag. VICE-CHANCELLOR

Prof. Crispus Makau Kiamba, Ph.D., CBS, MBS
CHAIRMAN OF COUNCIL



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