

REPUBLIC OF KENYA



*Enhancing Accountability*

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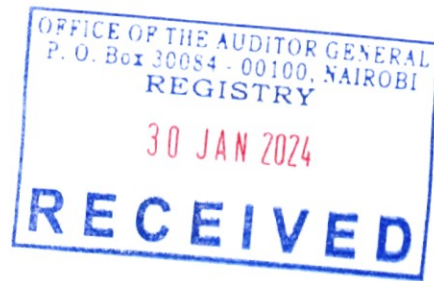
**THE AUDITOR-GENERAL**

**ON**

**UNIVERSITY OF NAIROBI**

**FOR THE YEAR ENDED  
30 JUNE, 2023**





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# UNIVERSITY OF NAIROBI

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30<sup>TH</sup> JUNE 2023

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



UNIVERSITY OF NAIROBI  
*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*



**UNIVERSITY OF NAIROBI**  
*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

**TABLE OF CONTENTS**

1.	ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS.....	ii
2.	KEY UNIVERSITY INFORMATION AND EXECUTIVE BOARD.....	iii
3.	THE UNIVERSITY OF NAIROBI COUNCIL.....	vii
4.	THE UNIVERSITY OF NAIROBI KEY MANAGEMENT.....	xii
5.	CHAIRPERSON'S STATEMENT.....	xiv
6.	REPORT OF THE VICE CHANCELLOR.....	xvi
7.	STATEMENT OF THE UNIVERSITY'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2022/2023.....	xviii
8.	CORPORATE GOVERNANCE STATEMENT.....	xxi
9.	MANAGEMENT DISCUSSION AND ANALYSIS.....	xxiv
10.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING.....	xxvi
11.	REPORT OF THE UNIVERSITY COUNCIL.....	xxix
12.	STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES.....	xxx
13.	REPORT OF THE AUDITOR GENERAL FOR THE FINANCIAL STATEMENT OF THE UNIVERSITY OF NAIROBI.....	xxxii
14.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023.....	1
15.	STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023.....	2
16.	STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023.....	3
17.	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023.....	4
18.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023.....	5
19.	NOTES TO THE FINANCIAL STATEMENTS.....	8
20.	APPENDICES.....	37



## 1. ACRONYMS, ABBREVIATIONS AND GLOSSARY OF TERMS

### A: Acronyms and Abbreviations

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
MD	Medical Doctor
OAG	Office of the Auditor General
PFM	Public Finance Management
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
VC	Vice Chancellor
DSP	Direct Service Providers
ICT	Information Communication & Technology
CUE	Commission of Universities Education
UEB	University Executive Board
MOU	Memoranda of Understanding
IGU	Income Generating Unit
IGA	Income Generating Activities
UON	University of Nairobi
CBA	Collective Bargaining Agreement
EPMIS	E- Procurement Management Information System
KUCCPS	Kenya Universities and Colleges Central Placement Service
CSR	Corporate Social Responsibility

### B: Glossary of Terms

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization.

**Comparative Year-** Means the prior period.



# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

## **2. KEY UNIVERSITY INFORMATION AND EXECUTIVE BOARD**

### **a) Background information**

The inception of the University of Nairobi is traced back to 1956, with the establishment of the Royal Technical College. On 20th May 1964, the Royal College Nairobi was renamed University College Nairobi as a constituent college of inter-territorial, Federal University of East Africa. In 1970, the University College Nairobi transformed into the first National University in Kenya and was renamed the University of Nairobi. Following the enactment of the Universities Act, 2012, the University of Nairobi was awarded its charter on 1st March 2013. The University of Nairobi is domiciled in Kenya.

The University of Nairobi is the oldest University in Kenya, and the largest university in the East and Central Africa Region. From its humble beginnings with 215 students in 1956 (64 years ago) when it started as the Royal Technical College, it has an enrolment of over 65,000 students today. It offers a wide range of academic programmes in its ten faculties namely; Faculty of Education in Kikuyu Campus, Faculty of Health Sciences in Kenyatta Hospital, Faculty of Agriculture, Faculty of Veterinary Medicine in Upper Kabete Campus, Faculty of Arts & Social Sciences, Faculty of Engineering, Faculty of Built Environment & Design in Main Campus, Faculty of Science & Technology in Chiromo Campus, Faculty of Law in Parklands Campus, and Faculty of Business & Management Sciences in Lower Kabete Campus. The University has campus also in Mombasa and Kisumu offering courses which cut across different faculties

The programmes fall under the broad areas of humanities and social sciences, natural sciences and mathematics, engineering and the built environment, arts and design, computing and informatics, law and business, medicine and health sciences, agriculture and food sciences, veterinary and animal sciences, and education.

The University currently has the largest concentration of scholars and about 50% of all the professors in the country. It has continued to be a center of intellectual life, a locus of research activity extending the frontiers of knowledge, a resource for professional development, and a key player in the growing global network of scholarship.

The overall performance of the University has been good, since its score in the government performance contract evaluation has been consistently rated as excellent. On the whole, the University has maintained a leadership position nationally and regionally.

The operational environment for the Higher Education sector in the country is highly dynamic such that the University needs to understand and align itself to changes taking place in the University sub sector for it to adequately cope with the new environmental realities. These changes are captured in the Legal Framework with the implementation of the Constitution of Kenya 2010, the enactment of the Universities Act. No. 42 in 2012, the establishment of the Commission for University Education and the award of charters to 75 private and public universities, which have led to increased competition among universities.

Even as it operates in this environment, the University has a duty to maintain its leadership position and grow it further. It has to continue to be the best and retain its leadership position in the higher education sector. Further, it has to embrace quality, retain the best staff and mobilize additional resources to maintain this leadership position.

### **b) Principal Activities**

The Mandate of the University of Nairobi is Teaching and Learning, Research and Innovation, Consultancy and Community Service. The objectives and functions of the



**UNIVERSITY OF NAIROBI**  
*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

University are given in detail in the University of Nairobi Charter 2013.

**Our Vision**

A world-Class University Committed to scholarly excellence

**Our Mission**

To provide quality university education and training and to embody the aspirations of the Kenyan people and the global community through creation, preservation, integration, transmission and utilization of knowledge

**Motto**

The motto of the University is: In Unity and Work

**Our Core Values**

The University shall be bound by the National Values and Principles of Governance in Articles 10 and 232 of the Constitution. The University shall be further guided by the following core values:

- **Freedom of thought and expression:** We shall promote and defend freedom of thought and expression in all our academic inquiry and activities.
- **Innovativeness:** We shall be innovative in solving our day-to-day problems and carry out our activities in order to deliver new value to our customers.
- **Commitment:** We are committed to the mission of the University and always act in the best interests of the University.
- **Trust:** We trust the good intentions of others, view conflicts as positive and resolve them creatively and effectively to meet the vision and mission of the University.
- **Care:** We foster a leadership culture that cares, is people-focused, that connects to and is responsive to the needs of internal and external customers, and promotes stewardship over University resources.
- **Teamwork:** We work together as a team to realize the collective results that the University wishes to achieve.

**c) University of Nairobi Key Management**

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

NO	NAME	DESIGNATION
1.	Prof. Amukowa Anangwe	Chairperson of Council
2.	Mr. Ahamed Sheikh Abdullahi	Member of council
3.	Dr. Parmain Ole Narikae	Member of council
4.	Ms. Caren K. Omwenga	Member of council
5.	Dr. Sally Toroitich	Member of council
6.	Mr. Samuel Kiiru	Rep. PS. The National Treasury
7.	Dr. Beatrice Inyangala	PS. Ministry of Education
8.	Prof. Stephen Gitahi Kiama	Secretary to the Council and Vice-Chancellor
9.	Prof. Julius. A. Ogeng'o	Deputy Vice-Chancellor (Academic Affairs)
10.	Prof. Margaret. J. Hutchinson	Deputy Vice-Chancellor (Research, Innovation and Enterprise)
11.	Mr. Brian O. Ouma	Chief Operations Officer (Ag)



**UNIVERSITY OF NAIROBI**  
*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

**d) University of Nairobi Fiduciary Management**

The key management personnel who held office during the financial year ended 30 June 2023 and who had direct fiduciary responsibility were:

No.	Name	Designation
1.	Prof. Stephen Gitahi Kiama	Vice-Chancellor
2.	Prof. Julius. A. Ogeng'o	Deputy Vice-Chancellor (Academic Affairs)
3.	Prof. Margaret. J. Hutchinson	Deputy Vice-Chancellor (Research, Innovation and Enterprise)
4.	Mr. Brian O. Ouma	Chief Operations Officer (Ag)
5.	Mr. Bernard D. Njuguna	Registrar Administration (Ag)
6.	Mr. Stephen K. Kimeli	Director Finance (Ag)
7.	Mr. Seith O. Abeka	Managing Director, UNES Ltd
8.	Mr. John A. O. Orindi	Director Corporate Affairs
9.	Mr. Paul N. Kariuki	Director ICT

**e) Fiduciary Oversight Arrangement**

- Finance and Strategy Committee of the council
- Audit and Risk Management Committee of the council
- Human Resource and Administration Committee of the council
- Commission for University Education
- Ministry of Education
- The National Treasury
- Office of the Auditor General
- Office of the Controller of Budgets
- The Universities Funding Board

**f) University of Nairobi Headquarters**

Harry Thuku Road  
P.O. Box 30197-00100  
Main Campus  
Nairobi, Kenya

**g) University of Nairobi Contacts**

Telephone: (254)020-491 000  
E-mail:vc@uonbi.ac.ke, dvcaf@uonbi.ac.ke, fo@uonbi.ac.ke  
Website: [www.uonbi.ac.ke](http://www.uonbi.ac.ke)

**h) University of Nairobi Bankers**

**ABSA Bank Kenya PLC**  
Market Branch  
P.O Box 30018-00100  
Nairobi, Kenya

**Kenya Commercial Bank**  
University Way Branch  
P.O. Box 7206-00300  
Nairobi, Kenya

**Standard Chartered Bank**  
P.O Box 30003-00100  
Nairobi, Kenya

**UNIVERSITY OF NAIROBI**  
*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

**i) Independent Auditor**

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


**j) Principal Legal Adviser**

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

# UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023



## 3. THE UNIVERSITY OF NAIROBI COUNCIL

Council Member Name	Profile
 <p data-bbox="217 913 624 981"><b>Prof. Amukowa Anangwe</b> BA, MA, PhD (Political Science)</p>	<p data-bbox="737 394 1449 427"><b>Prof. Amukowa Anangwe, Chairman of Council</b></p> <p data-bbox="737 427 1532 696">Prof. Anangwe is an independent member of the council. Born in 1952, Prof. Anangwe holds a PhD in Political Science from the University of Manchester, United Kingdom. He also obtained a Masters degree in Public Policy Analysis from the Institute of Social Studies, Erasmus University-Rotterdam, and Bachelor of Arts in Government from the University of Nairobi. He has also undergone specialized training in management of technical assistance and public sector management.</p> <p data-bbox="737 696 1532 1211">Prof. Anangwe is a scholar of international repute and has also proven experience in high-level and strategic leadership and management of public institutions, having served as a Cabinet Minister of the Republic of Kenya in three different portfolios, namely, Minister of Cooperatives Development, Minister of State, Office of President and Minister of Medical Services. He has worked for most part of his career in the academia rising from Lecturer and Senior Lecturer in the Department of Political Science, University of Nairobi, and later Associate Professor and Professor, Department of Political Science and Public Administration, The University of Dodoma, Tanzania. He is currently an international consultant in multidisciplinary policy research, and has undertaken several assignments for the World Bank/IDA, UNDP, UNFPA, EEC, African Union, IGAD, East African Community, Governments and bilateral agencies.</p> <p data-bbox="737 1211 1532 1514">Prof. Anangwe is a holder of the Elder of the Order of Golden Heart (EGH) which is a Presidential commendation of the second highest honour of the Government of Kenya awarded for exemplary qualities, leadership, achievements of heroism and patriotism. He is also a member of professional societies, namely, Fellow, Economic Development Institute, The World Bank (Washington), member, Society for International Development (Rome), and member, International Political Science Association.</p>





# UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

Council Member Name	Profile
 <p data-bbox="225 667 501 734"><b>Ms. Caren Omwenga</b> MEd</p>	<p data-bbox="746 275 1289 309"><b>Ms. Caren Omwenga, member of Council</b></p> <p data-bbox="746 309 1538 376">Ms. Caren Omwenga is an independent member of the council and chairs the audit and risk committee.</p> <p data-bbox="746 376 1538 689">Born in 1957, Ms. Carren K. Omwenga holds a Master of Education Degree from Kenyatta University, She has 12 Years of Teaching and Training experience and over 15 years' experience in development work spanning the public, NGOs, Private sector and the United Nations both as a Program Office and a Consultant. She is currently specialized in Capacity Building, Project Planning and Management, Gender Training and Programming, Food and Water Security Assessment, and Human Resources Development and Management.</p>
 <p data-bbox="225 1133 624 1227"><b>Dr. Parmain ole Narikae, PhD,</b> Bsc. MBA, PhD(Business Administration)</p>	<p data-bbox="746 745 1401 779"><b>Dr. Parmain ole Narikae, PhD, member of Council</b></p> <p data-bbox="746 779 1538 880">Dr. Parmain is an independent member, the chairperson of the human resource and administration committee and a member of the finance and strategy committee of the University of Nairobi.</p> <p data-bbox="746 880 1538 1081">Dr. Parmain ole Narikae is the Managing Director, Kenya Industrial Estates. He holds Doctorate in Business Administration. He also holds MBA and Bachelor of Science Degree in Business Administration (First Class Honors) from United States International University. He is a graduate of the European Institute of</p> <p data-bbox="746 1081 1538 1429">Business Administration (INSEAD), as well as the Strathmore Business School and IESE Spain, Advanced Management Programme. He has wide experience as a career banker having served in senior leadership position as Chief Manager, General Manager and Executive Director in Co-operative Bank and Chase Bank. He has Served as Chair and Director in various Board of State Corporations. These include: Vice Chair &amp; Council member Maasai Mara University; Chair, Water Service Trust Fund; Director, Unclaimed Financial Assets Authority. He is a member of the Institute of Directors.</p> <p data-bbox="746 1429 1538 1561">Dr. Narikae has also served as adjunct faculty at the United States International University Africa. Dr. Narikae was awarded the Moran of the Burning Spear (MBS) by H.E the President of Republic of Kenya for his contribution to the Nation.</p>

UNIVERSITY OF NAIROBI



Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

Council Member Name	Profile
 <p><b>Dr. Sally Toroitich</b> Bcom, MBA, PhD(Strategic Management)</p>	<p><b>Dr. Sally Toroitich, member of Council</b> Dr. Toroitich is an independent member of council and chairs the finance and strategy committee. Born in 1970, Dr. Sally Toroitich holds Doctor of philosophy in strategic management degree and has done all the finance course work, Masters in Business Administration Finance option, from Moi University and an undergraduate degree in finance and accounting option from Kenya Methodist University, Dr Toroitich also holds a diploma in business management from Kenya Institute of management. Dr. Toroitich has been teaching on part time basis in various universities; University of Eldoret, Moi university, Nazarene university, Mt. Kenya University, Elgon view college in the areas of strategic Management, Finance and Accounting, Human resource, Entrepreneurship, purchasing and procurement, she has also worked on a part time basis as a board member for a period of six years in the county Assembly of Elgeyo Marakwet. Dr, Toroitich has been a member of Board of management in several Institutions including Paul Boit secondary school, Kessup mixed day secondary school, Muno secondary, Tugen Estate secondary school, Mindililwo special school. In addition, Dr Toroitich is a certified mediator after receiving some training from Serein Mediation Centre. Furthermore Dr Toroitich is an accredited mediator in the High Court of Eldoret. Dr, Toroitich has gone through a strategic leadership course and a training on conduct of meeting and Minute writing course from Kenya school of Government. Dr, Toroitich does farming in Elgeyo marakwet, and business services in Uasin Gishu County.</p>
 <p><b>Mr. Ahamed Sheikh Abdullahi</b> Dip, Msc</p>	<p><b>Mr. Ahamed Sheikh Abdullahi, member of Council</b> Mr. Ahamed is an independent member of council and a member of the human resource and administration, and audit and risk committee. Born in 1969, Mr. Ahamed S. Abdullahi holds Msc Health Informatics as Swansea University, UK, Diploma in Health Records and informatics technology at the KMTC, Nairobi. He has trained in population and health informatics with over 15 years senior management experience with Kenya Government and Humanitarian and development Organization in the horn of Africa. As a senior manager he provided leadership management and strategic direction for arid programs including USAID, DfiD and UN funded programs in Kenya and Somalia. This included overseeing financial management and administrative activities as well as ensuring overall compliance with donor rules and relations, financial management, international and local personnel recruitment and management subcontractor management and project start up and close out.</p>



UNIVERSITY OF NAIROBI


Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

Council Member Name	Profile
 <p data-bbox="225 622 496 689"><b>Mr. Samuel Kiiru</b> BA(Econ), MA(Econ)</p>	<p data-bbox="746 271 1374 304"><b>Mr. Samuel Kiiru, Alternate member of Council</b></p> <p data-bbox="746 309 1536 510">Born in 1969, Mr. Samuel Kiiru is a member of Council representing the Principal Secretary, The National Treasury. He is the Director Planning and Head of Budget Policy at the National Treasury. He holds a Master Degree in Economics from the Carleton University, Ottawa, Canada and a Bachelor Degree in Economics from the University of Nairobi.</p>
 <p data-bbox="220 1144 515 1211"><b>Dr. Beatrice Inyangala</b> B.Ed, MA, PhD</p>	<p data-bbox="746 741 1310 775"><b>Dr. Beatrice Inyangala, member of Council</b></p> <p data-bbox="746 779 1536 1899">Dr. Muganda is an executive member of the council. Dr Beatrice Muganda Inyangala is the Principal Secretary, State Department for Higher Education and Research, Ministry of Education, Kenya Government. Her areas of expertise are public policy, gender inclusivity, quality assurance, teaching methodology, governance and fundraising. Prior to her current appointment, she served as the Deputy Executive Director and the Director of Higher Education at the Partnership for African Social and Governance Research (PASGR). Dr Muganda led the Pedagogical Leadership in Africa (PedaL) project, working closely with multiple partners in distinct contexts to drive sustainable change in the delivery of university programmes to strengthen graduate competencies. She oversaw the training of more than 1000 teaching staff in 60 universities on the African continent in innovative pedagogies. Dr Muganda is an accomplished educationist with programme planning, design and implementation expertise. She has facilitated formal partnerships among African universities, with Northern partner universities and international knowledge networks around innovative projects that promote excellence, relevance and access in higher education at both masters and doctoral levels. Dr Muganda has extensive knowledge of issues, challenges and opportunities in African higher education and has proactively engaged various policy actors in higher education transformation. She has also been involved in education policy debates globally: EU-Africa policy dialogues, Wilton Park dialogues, The Africa-America Institute, London School of Economics Africa Summit, Africa Sciedev, University World News, Guardian Global Development Professionals Network, and the Association of African Universities. She has contributed to Kenya’s national policy documents such as the Medium Term Framework on Education and Training for Vision 2030, and the</p>








## UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

Council Member Name	Profile
	<p>National Manpower Survey. She holds a B.Ed and M. Phil in Planning and Economics of Education from Moi University, a PhD from the University of Athens, and has received further training at the International Institute of Educational Planning in Paris.</p>
 <p><b>Prof. Stephen Gitahi Kiama, PhD,</b> BVM, MSC, PhD (Structural Biology)</p>	<p><b>Prof. Stephen Gitahi Kiama, VC and Secretary to the Council</b> Prof. Kiama serves as the secretary to the council. Born in 1964. He is currently the Vice Chancellor. He is a Professor of Structural Biology from University of Bern in Switzerland. He was the Deputy Vice-Chancellor, Human Resource and Administration and the Acting Deputy Vice Chancellor in-charge of Finance, Planning and Development, a position he held till his appointment as the Vice Chancellor. Previously he served as the Principal, College of Agriculture and Veterinary Sciences from 2016 to 2019, Director of Wangari Maathai Institute for Peace and Environmental Studies from 2010 to 2016, Chairman of the Department of Veterinary Anatomy and Physiology from 2005 to 2010, Acting dean of the Faculty of Veterinary Medicine in 2014 and Associate Dean of the Faculty of Veterinary Medicine from 2003 to 2010.</p>





The University does not have a company secretary. The Vice Chancellor is the secretary of the council. Legal matters of the University are handled through the Director Legal Service who is a member of ICS.

**4. THE UNIVERSITY OF NAIROBI KEY MANAGEMENT**

	Name	Details
1.	 <p><i>Prof. Stephen G. Kiama</i> Bachelor degree in Veterinary Medicine, Master in Veterinary Anatomy (Nairobi), Doctor of Philosophy degree in Structural Biology, (Bern)</p>	<b>Vice-Chancellor</b>
2.	 <p><i>Prof. Julius A. Ogeng'o</i> Bachelor of Science Anatomy, Bachelor of Medicine and Bachelor of Surgery degrees, PhD, MD, (Nairobi)</p>	<b>Deputy Vice-Chancellor (Academic Affairs)</b>
3.	 <p><i>Prof. Margaret J. Hutchinson</i> Bachelor of Science in Agriculture. Master of Science in Agronomy, (Nairobi), PhD in Horticulture (Guelph)</p>	<b>Deputy Vice-Chancellor (Research, Innovation and Enterprise)</b>
4.	 <p><i>Mr. Brian O. Ouma</i> Master of business Administration, Strategic Management (Nairobi)</p>	<b>Chief Operations Officer (Ag)</b>
5.	 <p><i>Mr. Benard D. Njuguna</i> Bachelor of Arts, Postgraduate Diploma in Mass Communication, Master of Arts in Communication Studies, (Nairobi)</p>	<b>Registrar, Administration (Ag)</b>

UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

Name	Details
<p>6.</p>  <p><i>Mr. Stephen K. Kimeli</i> Bachelor of Commerce, Master of Business Administration, (Kabarak University), Certified Public Accountants of Kenya</p>	<p><b>Director, Finance (Ag)</b></p>
<p>7.</p>  <p><i>Mr. Seith O. Abeka</i> Bachelor of Economics, Master of Arts Gender and Dev. Studies (Nairobi)</p>	<p><b>Managing Director, UNES Ltd</b></p>
<p>8.</p>  <p><i>Mr. John A.O. Orindi</i> Bachelor of Arts, Master of Arts-International Relations (Nairobi)</p>	<p><b>Director Corporate Affairs</b></p>
<p>9.</p>  <p><i>Mr. Paul .N. Kariuki</i> Bachelor of Science in Computer Science, Masters in applied Computer Science. (Nairobi)</p>	<p><b>Director ICT</b></p>

The University does not have a company secretary. Legal matters of the University are handled through the Director Legal Services who is a member of ICS.



## **CHAIRPERSON'S STATEMENT**

The Annual Report and Financial Statements for the year ended 30 June 2023 reflect major strides made by the University against many odds and indicate that the ongoing reforms in key functional areas are a step in the right direction. The University of Nairobi Council is committed to offer the required support aimed at strengthening the reform agenda and accelerating the transformation culture sweeping across the institution. The Council will promote policies that offer an enabling environment for the University to thrive especially given the prevailing situation of shrinking government capitation against an increasing need for resources to grow and develop the university towards world-class excellence. The University also needs to sustain measures that will enable it to stay ahead in a competitive higher education sector. The achievement of these goals will need strict financial discipline with the resources that we have at our disposal supported by more



aggressive measures to raise additional revenue. The financial statements offer evidence of some of the initiatives that have been put in place under the two broad areas. I would like to commend the management, led by the Vice-Chancellor, for demonstrating such foresight by instituting changes in the financial management of the university and the governance structures which are already beginning to bear fruit. The emphasis on consolidating data on crucial functions of the university gives a strong basis for accurate decision-making based on past trends and future projections.

On efforts to raise funds to support university activities, I would like to commend the Chancellor, Dr Vijoo Rattansi, whose stewardship saw the registration and launch of the University of Nairobi Foundation. The Foundation will be used as a vehicle to mobilise funds to support the core functions of the University.

### **Financial Performance**

During the financial year 2022/2023 the University registered a deficit of Ksh. 986 billion compared to Ksh. 2.1 billion in the previous year owing to an increase in revenue from Ksh. 10.16 billion to Ksh. 11.6 billion. The University has recorded fair improvement in its financial performance as we inovate revenue generating activities and employing prudent financial measures to reduce expenditure.

### **Strategic Direction**

The University has continued to be guided by the Strategic Plan 2018-2023, which emphasises the development of key functional areas of teaching and learning, research and innovation, community outreach. The activities undertaken in these areas are aimed at enhancing the University's visibility and competitiveness both locally and internationally. The University is also cognisant of the ever-present need to remain relevant to the needs of society and has always sought to integrate with the wider Kenyan public by paying attention to the national development agenda. The successful implementation of the 2022/2023 performance contract with the government is an example of the University's commitment to the national obligation.

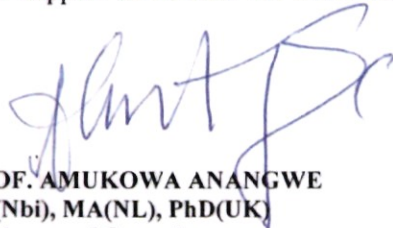
## UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

### **Future Outlook**

The University will continue to revamp its core income generating activities with a view to enhancing and sustaining its financial base. Going forward, the University of Nairobi Foundation will be enabled as the main vehicle for attracting funds. A raft of other proposals are also under consideration and will receive the support of Council as and when they are presented. I would like to congratulate the management for these efforts.

Finally, I would like to thank the Government for the support it has continued to give towards the realisation of the University's mandate. In the year ended 30 June 2023 the government of Kenya remitted to the University a total of Ksh. 5.61 billion as capitation. Allow me also to take this opportunity to thank our research partners, alumni, industry, and other stakeholders for their support as we steer the University to greatness.



**PROF. AMUKOWA ANANGWE**  
**BA(Nbi), MA(NL), PhD(UK)**  
**Chairman of Council**  
**26 January 2024**



## 6. REPORT OF THE VICE CHANCELLOR



I am pleased to present the Annual Report and Financial Statements of the University of Nairobi for the year ended 30 June 2023.

The University's financial performance during the reference year was influenced by many internal factors and a number of unavoidable events on the national and global scenes. The eruption of the war in Europe was also a major global economic challenge. At the national level, the effect of the anticipated general elections also created some degree of uncertainty within the business environment. In the higher education sector, the University had to contend with challenges like dwindling capitation from the exchequer, high competition for students, and declining enrolment of self-sponsored students among other issues.

On a more positive note, however, the University recorded a number of improvements as a result of the deepening of the Vice-Chancellor's reform agenda that focused on the aspects of governance, financial discipline, and data management. The new efforts led to positive changes such as cost reduction and a reduced budgetary deficit. The adjustments to the governance system in order to do away with redundant structures greatly reduced the cost of running the numerous offices that we had in place and released and in the process released some funds towards the improvement of services and the fulfilment of other priority financial obligations. The financial discipline introduced through activities like the use of vehicle tracking systems, better enforcement of the fuel card, and the continued use of virtual meetings and holding key university events virtually, such as graduation, translated to more savings. We were also able to transfer to a cashless system and this introduced greater efficiency and accountability in our transactions. Through data reforms, whose emphasis is evidence-based decision making, the University is in a position to more accurately project its revenue and match the same with the work that needs to be done. Through some of these measures, the University was able to reduce its debt burden. I am happy to report that we are up to date with the remittance of statutory deductions as we continue to work on reducing the arrears. The University has also fully implemented the CBAs (2017-2022).

### **A look at the figures**

During the FY 2022/2023, the University registered a deficit of Kshs 986 billion compared to a deficit of Kshs 2.1 billion registered in FY 2021/2022. Total revenue amounted to Kshs 11.6 billion compared to Kshs 10.16 billion the previous year, whereas total expenditure amounted to Kshs 12.85 billion compared to Kshs 12.27 billion in FY 2021/2022.

### **Going forward**

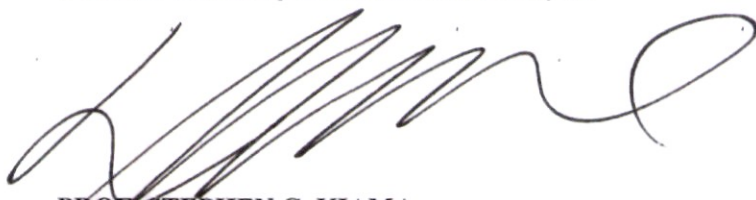
The University will sustain the financial reforms as we continue to pursue new avenues to achieve an even better financial outlook in the next financial year. We shall target more strategic partnerships, expansion of the grants portfolio, higher rate of international students, and investment in science, technology and engineering including bringing on board industry partners. The University will also continue to strengthen links with the Alumni Association and also grow the University of Nairobi Foundation which was launched at the end of the year. The UoN Foundation will support our fundraising activities in a targeted manner. The University will also implement people reforms in order to effectively drive the planned improvements in all areas. We are also planning to invest in the refurbishment of the University's aging infrastructure whose repair and maintenance costs are taking up resources that could be put to other uses.



UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

I will conclude by thanking the University staff, students, and other stakeholders for their support and cooperation which made it possible to make the strides being reported here. We look forward to a better financial performance in the next year



**PROF. STEPHEN G. KIAMA,**  
**BVM, MSC(Nbi), PhD(Bern)KNAS**  
**Vice Chancellor & Secretary to Council**  
**26 January 2024**

## 7. STATEMENT OF THE UNIVERSITY'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2022/2023

The University of Nairobi had 2 strategic pillars and objectives within the current Strategic Plan for the FY 2022/2023. These strategic pillars were as follows:

Pillar 1: Teaching & Learning

Pillar 2: Research Innovation & Enterprise

The University of Nairobi developed its annual work plan based on the above 2 pillars/Themes/Issues. Assessment of the Board's performance against its annual work plan was done on a quarterly basis. The University achieved its performance targets set for the FY 2022/2023 period for the 2 strategic pillars, as indicated in the table below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Teaching and Learning	To produce 40 quality graduates in specialized areas	Number of Graduates	To design and implement relevant and innovative teaching and learning programmes	78 graduates in specialized areas produced.
Research, Innovation and Enterprise	To mount 13 proactive research/training collaborative engagements	Number of collaborative engagements mounted	Write proposals Engage Research Partners Sign Memorandum of understanding	32 proactive research/collaborative engagements achieved
Research, Innovation and Enterprise	To conduct 8 webinars on Covid-19	Number of webinars mounted	Create awareness on the facts of Covid-19	25 Covid-19 webinars mounted
Research, Innovation and Enterprise	To have one Covid-19 research project mounted	Successful mounting of research project.	1. Create proposals to attract funding  2. Implement research modalities	5 covid-19 Research Projects mounted

### **The five 5-point Reform Agenda aimed at transforming the University into:-**

“A vibrant, relevant and Sustainable University”

To inspire and achieve these aspirations, there was need to institute comprehensive reforms at the University of Nairobi. The planned reforms will advance the University onto the trajectory to excellence and foster an entrepreneurial and innovation culture.

The reforms will be guided by the University of Nairobi Philosophy and the following Principles



# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

- Alignment to the core mandate of the University
- Efficiency and accountability
- Impact on society
- Sustainability
- Value for money

The University is guided by the Philosophy for the need to inspire and connect with the Kenyan community, to provide leadership and stewardship, and to give hope and faith to the Kenyan society that it can excel in whatever it chooses to do with passion, moral responsibility and a strong sense of patriotism.

The University of Nairobi will be:

The destination of choice for outstanding local and international students, scholars, innovators, and industry.

The preferred knowledge partner for government, private sector, development partners, and society in general on ideas, solutions, critique, and policy directions.

The trusted resource in thought leadership and impact on the society culturally, politically, socially, and economically.

## **Agenda Number 1: Data-driven management reforms**

We shall invest our energies and resources towards setting up a comprehensive and integrated data management system. This will entail reengineering our business processes and enhancing and embedding the use of technology in:

Curriculum content delivery

Student management including the administration of exams and timetabling.

Human resource management

Financial management

Data will change how decisions are made, optimize the deployment of resources, and improve overall systemic output.

## **Agenda number 2 - Governance Reforms**

University has over the years grown in size and complexity. To stay in step with the needs of the university, there is a compelling need to refresh our management, administrative, oversight, and governance structures.

This will entail:

- Elimination of redundant and overlapping systems, processes, structures, and reporting centres.
- In-building of the flow of authority, resources, responsibility, and accountability to the lowest levels
- Sharing and devolution of power to enhance accountability, efficiency, and effectiveness
- Institutionalization of efficient decision, policy-making, and implementation at every level
- Refocusing our human, financial and institutional resources to the core mandate of the University.

## **Agenda number 3- Curricula**

Embark on the path of fit-for-purpose training.

To do this, we will:

- Review the courses offered at the University of Nairobi with a view to assess the overall cost of implementation of each program and the level to which they respond to market, industry,

# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

societal, and government needs.

- Weed out redundant and overlapping courses and programs
- Interrogate the depth of substance coverage in the delivery of curricula and inculcation of appropriate practical skills and entrepreneurial spirit and culture.
- Recalibrate our metrics of world class-talent and make a deliberate effort towards the internationalization of the University.

## **Agenda number 4- The financial reforms.**

Currently, the University is operating under a huge financial deficit. This impedes its path to world class status. Consequently, these reforms are geared towards institutionalizing prudent financial management and controls to put the University back to positive financial health and path to sustainability.

Specifically, this reform agenda will address:

- Efficient and participatory budget formulation mechanisms, fiscal and budgetary discipline
- Efficient payment and banking services
- Review Systems to stop revenue leakage, wastage, and optimize utilization of resources
- Re-engineer grants management to effectively support research
- Commercialization of our intangible assets.

An efficient and optimal internal financial ecosystem will allow the university to move with confidence towards scaling external resource mobilization with a high level of confidence that any cent received will render 100% value for money and eliminate the fiscal deficit.

## **Agenda number 5- People-focused reforms**

The University students, staff, partners and our collaborators are the foundation of the success of the University. The university will therefore proactively take deliberate steps to brand itself and to add value to its staff and students.

This reform agenda aims to:

- Identify and celebrate the talents and achievements of our staff and students,
- Exploit intangible assets and promote research and technology transfer ecosystem
- Ensure that the University attracts, recruits, supports, and retains outstanding staff and students
- Provide a diverse, inclusive, fair, and open work environment where our people give their best to their work and feel valued Internationalize both faculty and students



## UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

### 8. CORPORATE GOVERNANCE STATEMENT

The University of Nairobi Council is responsible for the overall management and governance of the institution and is accountable to the stake-holders for ensuring that the institution complies with the law and the best practices in Educational Governance and Business Ethics. The Council members are committed to the need to conduct the business and operations of the University with integrity and in accordance with Generally Accepted Standards and endorse the internationally developed principles of good governance.

#### COUNCIL MEMBERS

The Council is appointed in accordance with the Universities Act, 2012 (No. 42 of 2012) by the Cabinet Secretary as follows— (a) Chairperson; (b) the Principal Secretary in the Ministry for the time being responsible for the university education; (c) the Principal Secretary in the Ministry for the time being responsible for Finance; (d) five members appointed by the Cabinet Secretary through an open process; and (e) the Vice-Chancellor who shall be an ex officio member and secretary of the Council. The full Council met five times in the year. The members receive all information relevant to the discharge of their obligations in an accurate, timely and clear manner so that they can guide and maintain full and effective control over strategic, financial, operational and compliance issues. Except for direction and guidance on general policy, the Council has delegated authority for conduct of day- to-day business to the Vice Chancellor and the University Executive Board (UEB).The Council nonetheless retains responsibility for establishing and maintaining the institution’s overall control of financial, operational and compliance issues as well as implementing strategies for the long term success of the University.

<b>Board Member (Names)</b>	<b>No. of Council meetings attended</b>	<b>Council</b>
Prof. Miriam Were	4	Former Council Chair
Ms. Alison Kariuki	4	Former council Member
Mr Charles Orony Ogalo	4	Former council Member
Mr. Samuel Kiiru	4	Former council Member
Ms. Flora M.M Maghanga	4	Former council Member
Eng. Kariuki Muchemi	4	Former council Member
Mr. Darius Mogaka Ogutu	4	Former council Member
Mr. Hassan A. Mohamud	4	Former council Member
Prof. Amukowe Anangwe	1	Current council Chair
Ms. Caren Omwenga	1	Current council member
Dr. Sally Toroitich	1	Current council member
Mr. Ahmed Abdullai	1	Current council member
Dr. Parmain Narikae	1	Current council member

## **COMMITTEES OF THE COUNCIL**

The main standing committees of the Council include;

### **Finance and Strategy Committee**

Terms of Reference:

- i. To review, evaluate and recommend for approval, the budget, financial forecasts and procurement plans.
- ii. To review, evaluate and recommend for approval major resource allocations and capital investments for execution of the functions of the University.
- iii. To review, evaluate and recommend for approval the operating and financial results and to ensure effective, accurate, timely and transparent disclosure of pertinent information on operations and performance.
- iv. To review on a quarterly basis the attainment of targets and objectives set out in the finance, procurement, planning and development, legal, performance contracting functions on the agreed performance measurement framework.
- v. To review and recommend for approval rules and procedures for control of expenditure and administration of financial matters.
- vi. To exercise such other functions as the Council may confer from time to time.

### **The Audit and Risk Committee.**

Terms of Reference:

- i. Assist the Vice-chancellor in enhancing internal controls, governance and compliance in order to improve efficiency, transparency and accountability
- ii. Review audit issues raised by both internal and external auditors.
- iii. Resolve unsettled and unimplemented Public Accounts and Investment Committees (PAC/PIC) recommendations.
- iv. Enhance communication between management, internal and external audit and fostering effective internal functions.
- v. Evaluate adequacy of management procedures with regard to issues relating to risk management, control and governance.
- vi. Review and approve the audit charter where applicable, and internal audit work plan.
- vii. Review the internal and external audit findings and recommendations and proposing corrective and preventive actions where necessary.
- viii. Review the systems established to ensure financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics.
- ix. To exercise such other functions as the Council may confer from time to time.

### **Human Resource and Administration Committee**

Terms of Reference:

- i. To review and recommend the method and processes of recruitment, appointment, promotion and discipline of all staff.
- ii. To review, evaluate and make recommendations on the overall University structure, staff establishment, remuneration structure, terms and conditions of service, and to provide for the welfare of staff as and when necessary from time to time.
- iii. To review, evaluate and make recommendations for approval matters touching and relating to academic programmes, student affairs, policies, statutes, procedures and processes.
- iv. To exercise such other functions as the Council may confer from time to time.



## UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

### **INTERNAL CONTROLS**

The University has defined procedures and financial controls to ensure the reporting of complete and accurate accounting information. These cover systems for obtaining authority for major transactions and for ensuring compliance with laws and regulations that have significant financial implications. Procedures are also in place to ensure that assets are subject to proper physical controls and that the institution remains structured to ensure appropriate segregation of duties.

The University is exposed to a variety of risks that can have financial, operational and compliance impacts on our performance, reputation and legitimacy to operate.

The effective management of risk is therefore critical to supporting the delivery of the University's strategic objectives.

The University's approach to risk management is aimed at embedding a risk-aware culture in all decision-making, and a commitment to managing risk in a proactive and effective manner. This includes the early identification and evaluation of risks, the management and mitigation of risks before they materialize, and dealing with them effectively in the event they do materialize. Major risks such as natural disasters, which cannot be managed using internal controls, are transferred to third parties in the insurance markets, to the extent considered appropriate or possible.

The design, implementation and monitoring of the process of risk management is the responsibility of the University. In this regard, management is accountable to the University Council.

An Internal Audit Department headed by the Chief Internal Auditor and the Audit Committee, chaired by a council member, evaluates and coordinates the management of identified strategic risks, financial and non-financial, faced by the University. Risk management processes are reviewed regularly for continuing relevance and effectiveness. The Strategic Internal Audit Department reports to the Vice Chancellor and the Audit Committee. The Audit Committee reports to the Council.

A report on the risk management process that is being followed, as well as a summary of the risk register and appropriate risk treatment plans, is presented to the Audit and Risk Management Committee and to the Council of the University on a regular basis.

### **COUNCIL MEMBERS EMOLUMENTS**

The Council Members are paid sitting, mileage and Lunch allowance according to Government regulations which is included in the Council expenses in the Annual Report and Financial Statements.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS

### SECTION A

#### i. University's Operational and Financial Performance

During the period ended 30 June 2023, the University registered a deficit of Ksh 986 million compared to a deficit of Ksh. 2.1 billion registered in the similar period ended 30 June 2022. The improvement in performance was due to a reduction in expenditure on the University's operations during the current financial year owing to continuous implementation of University reforms.

Total revenues increased in the period ended 30 June 2023 by Ksh. 1.49 billion in comparison to a similar period ended 30 June 2022.

#### a) Revenues

##### Government Capitation

The University of Nairobi being a Government owned entity is supposed to be allocated Recurrent and Development Capitation to finance its operations each year.

As in other years, Government funding in the FY 2022/2023 was insufficient to finance university activities and only catered for 32% of the budget, and covers only 62% of the payroll costs. In the period ended 30 June 2023, the capitation accounted for 36% of the total revenue.

The capitation grant received was Ksh. 5.6 billion in the period ended 30 June 2023.

##### Tuition Fees

These comprise of fees from Government sponsored students (Module I) and Self-sponsored Students (Module II) which accounted for 28% of the total revenue and 25% of the budget.

##### Other Incomes

Other incomes include income from grants administrative fees, students' accommodation and catering, staff house rent and other miscellaneous sources. This formed 5% of total revenue in the period ended 30 June 2023 and financed 5% of the budget.

##### Research Grants Portfolio

The University has a vibrant Research culture, providing leadership in creativity and innovation. The University continues to attract Research grants and currently has a high grant portfolio. In the period ended 30 June 2023 we received Research grants amounting to Ksh. 4.8 billion.

#### b) Expenses

##### Staff Costs

In the period ended 30 June 2023, the staff costs accounted for 50% of the total expenditure and 52% of budget. Capitation from Government financed about 62% of the payroll costs.

##### Operating and Administrative Expenses

This accounts for about 8% of the total expenditure.

Included under this category are:

- i. Teaching and Office running expenses.
- ii. Transport and travel
- iii. ICT expenditure
- iv. Medical expense
- v. Utilities

The University has formulated and implemented robust financial reforms that have resulted in reduction of operating expenses.

The reforms include, efficient and participatory budget formulation mechanisms, fiscal and budgetary discipline, efficient payment and banking services, systems to stop revenue leakage, wastage and optimize utilization of resources, review of financial viability of income generating units, re-engineering grants management to effectively support research, and reforming



## UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

procurement functions to maximize efficiency, increase transparency and accountability and deliver value for money.

Operations and administrative expenditure has remained comparatively low due to increased use of online platform where necessary. The university also continues to put in place financial reforms which contributed to the reduction of operation expense.

### **c) Assets Base**

The Campuses of the University are strategically located within the City of Nairobi and in the Satellite locations. The University boasts of a well-developed state of the art physical infrastructure which is organized into campuses that include the University Towers lecture halls and offices, teaching and research laboratories in Chiromo Campus, Lower and Upper Kabete Campuses, and Faculty of Health Sciences, student amenities as well as sports and health facilities.

Non-Current Assets have been maintained at Ksh. 207 billion.

### **ii. Current Strategic Direction**

In order to address the above challenges, the University in its 2018-2023 Strategic Plan has purposed to pursue the following strategic objectives;

1. To design and implement relevant and innovative teaching and learning programs.
2. To be a leading Institution in scholarly, research and creative productivity in Africa.
3. To improve student welfare services through development and implementation of appropriate minimum standards.
4. To build a sustainable resource base.
5. To enhance the competitiveness and image of the University.
6. To institutionalize governance mechanisms and leadership culture that facilitates the realization of the University's vision and mission.

## **10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

The University of Nairobi is guided by its Service charter, the Act and the University statutes. In dealing with its strategic direction, the University focused on five pillars that place the customer/citizen first, delivery of relevant goods, products and services is next, and then improving operational excellence is third. Below is a brief highlight of our achievements on each pillar.

### **1. Sustainability strategy and profile**

The university is in a perpetual quest for sustainability. For many years UoN was the only higher education institution in Kenya, where its main focus was to meet the training needs of Nairobi's workforce. Later, it grew and developed specialist programs in sciences, applied sciences, social sciences, technology, humanities and the arts.

UoN has an alumni network of 184,000 with politicians, cabinet ministers and heads of state among them. The university claims strengths in the areas of teaching, research, development, consultancy and professional excellence. It has also produced more trained graduates in human resources than any other higher education institution in the country.

In order to survive, the University embraced its base as that of knowledge and wealth creation. The knowledge industry is a multi-billion industry that highlights the need for communities to enhance their level of knowledge in the creation of wealth for sustainable development.

The role of the University of Nairobi, in embracing knowledge across county boundaries and disciplines for the benefit of the nation has been guided by its 2018-2023 strategic plan, which envisions the University working closely with different organizations to support initiatives aimed at uplifting the standards of living by focusing on areas that create avenues for development. In this regard, the university continually identifies and supports noble causes in the areas of education, community development, the environment, health, safety and food security.

### **2. Environmental Performance**

The university put into practice the commitment to environmental protection and sustainability by planting over 7,000 tree seedlings to mark the Annual Tree Planting Day observed on 13 May 2022. This activity also drew the participation of the Loresho community and partners of the University such as Equity Group Foundation, County Government of Nairobi, the National Government, Shamba Café and Association of Green Champions. Further, the research week and Nairobi innovation week also captured environmental concerns through themes, papers, and projects that emphasized the importance of environmentally sustainable solutions.

### **3. Employee welfare**

The recruitment of staff into the University of Nairobi is guided by the University of Nairobi Recruitment Policy, the Public Service Commission Human Resource and Procedures Manual, Collective Bargaining Agreements (CBAs) with the respective staff unions, and the Employment Act. The University also observes gender parity and non-discrimination in the recruitment process through adherence to the relevant policies and advertisements for vacancies.

University policies on employees take into account the views of key stakeholders including the Ministry of Education, Ministry of Labour, Salaries and Remuneration Commission, the Kenya Federation of Employers (FKE) and the three staff Unions representing the interests of university employees. The management has always consulted staff directly for feedback and sensitizations on various actions including policy development. The University human resource policies are



# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

reviewed every five years or as is deemed appropriate to make them relevant to the prevailing employment environment. During the year under review, the University introduced two policies on employee welfare namely Workplace Policy on Gender-Based Violence and Policy on Gender and Development 2022.

The Training and Development Policy covers staff development issues, career progression and training. The policy takes into account the schemes of service for the various cadres of staff and also the CBAs with the respective unions. Staff who wish to advance in their careers are always reminded to apply for support under the Staff Training and Development Fund (STDF). Those undertaking their PhD programs in the University benefit from fee waivers. The University further supports staff in their career development by granting study leave and paid leave to attend conferences as well as opportunities for staff exchange with leading universities in the world. Staff are continuously sensitized to enhance their knowledge and skills for career development and progression. The Staff Performance Appraisal is conducted every year for all staff and is implemented alongside the Sanction and Reward Framework. The University implements the relevant provisions of the Occupational Safety and Health Act, 2007 (OSHA).

## **4. Market place practices**

### **a) Responsible competition practice**

The University applies for and is allocated government-sponsored students by the KUCCPS under the laid down procedures. Under the self-sponsored programme, the university has an elaborate marketing plan that lays out comprehensive strategies for (including anti-corruption, fair competition, responsible political involvement, and respect for competitors)

### **b) Responsible supply chain and supplier relations**

The University supply chain operations are streamlined to prevent undesirable conduct from internal and external sources. Some of the measures that were implemented to achieve best practices in supply chain operations were as follows: 1) Transparency of operations through open competitive bidding, uploading of procurement opportunities on the UON website and public procurement information portal and use of the Electronic Procurement Management Information System (EPMIS); 2) a supplier rotation policy to cover a wide supplier base; 3) minimizing bid rigging vices; 4) use of generic specifications rather than brand names; 5) observing reasonable timelines in the procurement of goods and services; and 6) conducting regular market surveys so that the award of tenders is in line with prevailing market conditions.

The University policy on payment of suppliers is based on the first in, first out principle with a commitment to pay within sixty days subject to the successful delivery and acceptance of goods/services. The procurement of goods and services by any department in the University is strictly tied to the availability of funds and confirmation of the same by the Finance Department. In case of a delay in paying suppliers due to unavoidable circumstances resulting to pending bills, these become the first charge before undertaking new procurement obligations.

### **c) Responsible marketing and advertisement**

The University of Nairobi Marketing Plan (2018-2023) contains comprehensive strategies for marketing and advertising to achieve the objectives of enhancing visibility and brand awareness, increasing the number of students applying to join the university, and enhancing customer experience. The plan outlines the nature of academic programs to be marketed, to whom, the avenues to use for marketing and advertising, and how the planned activities will be financed. The marketing plan is also aimed at ensuring that the marketing of academic programs is aligned to the draft policy on marketing, other university policies, and provisions by external regulators such as the Commission for University Education (Standards and Guidelines) among others.

### **d) Product stewardship**

The rights and interests of consumers are safeguarded by providing accurate, comprehensive, and



# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

easily available information about all the University programs and the use of open communication channels online or in person in the event that more information is required.

## **5. Community Engagements**

The University, through the College of Education and External Studies organized a community outreach activity at the Kinoo Primary and Secondary school in Kiambu County. The collaboration involved the University of Nairobi Alumni Association, the Brookhouse School, Primehold Supplies

The initiative was part of the Universities efforts to empower the youth to thrive, A CSR activity coordinated by the two schools of education of the university. During the activity, sanitary towels, story books, novels and balls for various ball games.

Part of the initiative is to emphasis digital wellness. The idea is that all work and not play is unhealthy, therefore even while seeking to encourage student to join university, the university has the onus to encourage youth to engage in other curricular activities to cultivate their talents, balance and competence.

### **Corporate Social Responsibility**

Corporate Social Responsibility (CSR) was an important component of the activities of the University during the year under review. The Directorate of Corporate Affairs oversaw the implementation of CSR activities by students and staff of the University in conjunction with partners. A free medical camp was held to commemorate Annual Mental Health Awareness Day under the theme “Making mental health and well-being for all a global priority.” on 7 October 2022. The UoN held a Tree Planting Day on November 2022 during which 11,000 trees were planted with the support of partners including: Qwetu student residences, Platinum Credit Limited, Heard of Green, Kenya Forest Service (KFS), Kenya Forest Research Institute (KEFRI), National Environmental Management Authority of Kenya (NEMA), and Primary Schools neighboring the Upper Kabete campus.

A Free Medical Camp was held during the University Annual Sports Day conducted on 14-15 October 2022 and also a 16 Days of Activism against gender based violence (WOSWA) targeting children was held at the Lower Kabete Rehabilitation Centre on December 2022 As a way to assist the needy students a Compassion Day was held on 7 December 2022 to mobilize resources to support needy students.



## UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

### **11. REPORT OF THE UNIVERSITY COUNCIL**

The University Council submits its report together with the financial statements for the year ended 30 June 2023, which show the state of the University's affairs.

#### **Core business of the University of Nairobi**

The Core business of the University is provided for in the Universities Act, 2012. The functions and objects of the University are:

- a. To provide directly or in collaboration with other institutions of higher learning, facilities for University education, including technological and professional, education and for research;
- b. To participate in the discovery, transmission and preservation of knowledge and to stimulate the intellectual life and cultural development of Kenya;
- c. To conduct examinations for and to grant such academic awards as may be provided for in statutes;
- d. Subject to the Universities Act, to cooperate with the Government in planned development of university education and, in particular, to examine and approve proposals for new faculties, new departments, new degree courses, or new subjects of study submitted to it by any constituent college or other post-secondary institution; and
- e. To determine who may teach and what may be taught and how it may be taught in the University.

#### **Results**

The results for the year ended 30 June, 2023 are set out on pages 1 to 37.

#### **Council Members**

The members of the University Council who served during the year are shown on page viii.

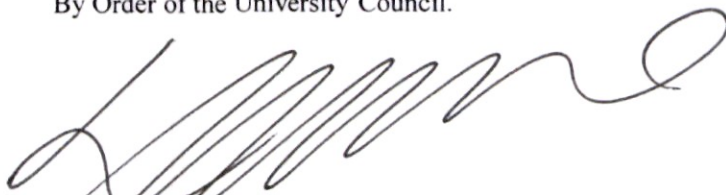
#### **Dividends/Surplus remission**

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The University made a deficit during the year 2022/2023 and hence no remittance to the Consolidated Fund.

#### **Auditors**

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

By Order of the University Council.



**PROF. STEPHEN G. KIAMA,**  
**BVM, MSC(Nbi), PhD(Bern)KNAS**  
**Vice Chancellor & Secretary to Council**  
**26 January 2024**

## 12. STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 83 of The Public Finance Management Act 2012 require the directors to prepare quarterly financial statement in respect of the entity, which give a true and fair view of the state of affairs of the entity at the end of the financial period and the operating result of that entity for that period. The directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The directors are also responsible for safeguarding the assets of the entity.

The directors are responsible for the preparation and presentation of the entity's financial statements, which give true and fair view of the state of affairs of the entity for and as at the end of the financial period ended 30 June 2023. This responsibility includes:

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

The directors accept responsibility for the entity's financial statement, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by PFM Act 2012 and the Universities Act No. 42 of 2012. The directors are of the opinion that the entity's financial statements give a true and fair view of the state of the entity's transactions during the financial period, and of the entity's financial position as at 30 June 2023. The directors further confirm the completeness of the accounting records maintained for the entity which have been relied upon in the preparation of the entity's financial statement as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the council to indicate that the entity will not remain a going concern for at least the next 12 months from the date of this statement.

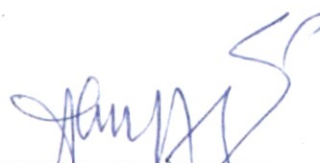
### **Approval of the financial statements**

The University of Nairobi financial statement were approved by the council on and signed on its behalf by:

10<sup>th</sup> January 2024



.....  
**PROF. STEPHEN G. KIAMA,**  
BVM, MSC(Nbi), PhD(Bern)KNAS  
Vice Chancellor & Secretary to Council  
26 January 2024

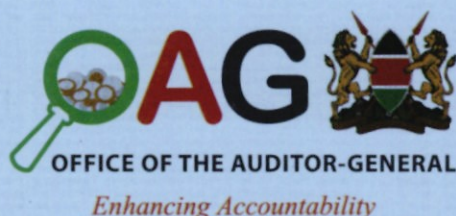


.....  
**PROF. AMUKOWA ANANGWE**  
BA(Nbi), MA(NL), PhD(UK)  
Chairman of Council  
26 January 2024



# REPUBLIC OF KENYA

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Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF NAIROBI FOR THE YEAR ENDED 30 JUNE, 2023

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### 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 the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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 University of Nairobi set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2023, 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 the University of Nairobi as at 30 June, 2023 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

## **Basis for Qualified Opinion**

### **1. Un-Accounted for Rental Revenue**

The statement of financial performance reflects rental income amounting to Kshs.243,718,706. The amount includes rent from facilities totalling Kshs.87,581,186 as disclosed in Note 9 to the financial statements. Review of records and physical verification carried out on 4 December, 2023 revealed that a property on Gatundu Road Kileleshwa was rented out to a Car Dealer. However, the lease agreement was not provided and the revenue from the property has not been disclosed.

In the circumstances, the accuracy and completeness of the incomes from rental facilities amounting to Kshs.87,581,186 could not be confirmed.

### **2. Anomalies in the Collection of Fees from Students**

The statement of financial performance reflects tuition fees and other related charges amounting to Kshs.4,323,093,673 as further disclosed in Note 7 to the financial statements. Review of records revealed that eight hundred and forty-four (844) students with previous year outstanding balances amounting to Kshs.80,990,019 were invoiced before clearing their fees arrears. This was contrary to the Fees Policy which requires a student to clear fees balance five (5) weeks before the start of a new semester or within 13 weeks in case of installments.

Further, receipt data from the Student Management Information System (SMIS) for financial year 2022/2023 revealed two thousand eight hundred and eighty-eight (2,888) gaps in the receipt number sequence in the system generated reports.

In addition, invoice data from the SMIS for the financial year 2022/2023 for Module I and II students revealed several gaps in the invoice ID.

In the circumstances, the accuracy and completeness of tuition fees and other related charges amounting to Kshs.4,323,093,673 could not be confirmed.

### **3. Unsupported Work in Progress**

The statement of financial position reflects property, plant and equipment amounting to Kshs.207,153,149,310. The amount includes work in progress totalling Kshs.222,396,577



as disclosed in Note 29 to the financial statements. However, the work in progress was not supported by list of projects, interim certificates and the projects implementation status report.

Further, work in progress on buildings amounting to Kshs.20,272,854 was capitalized in the year under review. However, certificates of practical completion and journal entries in the support of the capitalization were not provided.

In the circumstances, the accuracy and completeness of the work in progress amounting to Kshs.222,396,577 could not be confirmed.

#### **4. Long Outstanding Receivables**

The statement of financial position reflects receivables from exchange transactions amounting to Kshs.1,921,478,514 as further disclosed in Note 27 to the financial statements. The amount includes student debtors totalling Kshs.1,020,374,928 which have remained outstanding for more than 3 years, out of which student debtors amounting to Kshs.112,147,674 dates back to 1988 academic year. Management has not made any efforts to recover the long outstanding debts.

In the circumstances, the accuracy and recoverability of receivables from exchange transactions amounting to of Kshs.1,020,374,928 could not be confirmed.

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

##### **1. Material Uncertainty in Relation to Sustainability of Services**

The statement of financial position reflects current assets totalling Kshs.5,306,494,796 against current liabilities totalling Kshs.14,735,207,374 resulting in a negative working capital amounting to Kshs.9,428,712,578.

In the circumstance, the University is technically insolvent and may not be able to meet its current obligations as and when they fall due.

##### **2. Loss Making Income Generating Units**

The statement of financial performance reflects University of Nairobi (UON) subsidiaries income amounting to Kshs.871,162,419. The amount includes revenue from Income Generating Units (IGUs) held by University of Nairobi Enterprises and Services Limited (UNES) totalling Kshs.77,595,419 as disclosed in Note 11 to the financial statements. However, the Income Generating Units (IGUs) continued to make losses in the year under review as shown below:

IGU	Receipts (Kshs)	Expenditure (Kshs)	Deficit Kshs.
Faculty of Arts and Social Sciences	214,856	2,829,870	(2,615,014)
Faculty of Health Science	1,776,0754	37,156,392	(19,395,639)
Faculty of Science and Technology	6,964,987	11,064,651	(4,099,664)
Diagnostic Radiology	2,704,300	2,787,690	(83,390)
Eye Centre	5,919,860	6,710,933	(791,073)

Management has not explained measures that are being put in place to reverse the trend and ensure sustainability of the Income Generating Units (IGUs).

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

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

### **Other Matter**

#### **Unresolved Prior Year Audit Matters**

In the audit report of 2021/2022 financial year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources, and Report on Effectiveness of Internal Controls, Risk Management and Governance which have remained unresolved.

#### **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. Irregularities in Compensation of Employees**

##### **1.1 Lack of Approved Organisation Structure and Staff Establishment**

The statement of financial performance reflects employee cost amounting to Kshs.9,015,969,238. Review of records revealed that the University has three thousand nine hundred and thirty (3930) employees. However, the approved operating organisation structure, staff establishment and grading structures were not provided for audit.



## **1.2 Non-Adherence to the One-Third Basic Salary Rule**

Review of payroll revealed that several employees were paid net salaries that were less than a third (1/3) of their basic pay. This was contrary to Section 19(3) of the Employment Act, 2007 which states that the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages or such additional or other amount as may be prescribed by the Minister.

## **1.3 Irregular Payment of Acting Allowances**

Review of records revealed that twenty-one (21) employees were paid acting allowances amounting to Kshs.7,034,470 during the financial year under review. The amount includes acting allowances totalling Kshs.3,593,221 paid for extended periods of more than six (6) months. This was contrary to Section C.14 (1) of the Public Service Commission Human Resource Policies and Procedures Manual for the Public Service, May 2016 which states 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/she is eligible for payment of acting allowance at the rate of twenty percent (20%) of his substantive basic salary. Acting allowance will not be payable to an officer for more than six (6) months.

Further, eight (8) officers were appointed to act and perform duties of posts that were more than two (2) grades higher than the officer's substantive grade. This was contrary to Section C.15 (3) of the Public Service Commission Human Resource Policies and Procedures Manual for the Public Service, May 2016 which states that officers shall not be called upon to perform duties of a post that is more than two (2) grades higher than the officer's substantive grade.

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

## **2. Overpricing of the Proposed Renovation Work at Vet Anatomy and Physiology Building**

Review of records revealed that the contract for renovation works to the Vet Anatomy and Physiology Building was awarded at a cost of Kshs.4,134,500. The contractor had been paid Kshs.2,149,576 to-date. However, physical verification of the building revealed that tiles laid in room 151,152,153 and along the corridors have loosened due to poor workmanship. Further, high window grills included in the bills of quantities had not been installed.

In addition, the contract price amounting to Kshs.4,134,500 was higher than the engineer's estimate of Kshs.3,357,220.

In the circumstances, value for money may not be obtained if the project is not completed and put to the intended use.

## **3. Irregular Splitting of Tenders**

Review of records revealed that the University procured furniture and equipment, computers and motor vehicles at a cost of Kshs.115,647,100, Kshs.94,145,859 and Kshs.39,667,728, respectively, using request for quotations method of procurement.



However, the procurement of each item was split and procured under different faculties to avoid open tendering. This was contrary to Regulation 43(1) of the Public Procurement and Asset Disposal Regulations, 2020 which provides that a procuring entity shall not split or structure its contracts for the purpose of avoiding the use of a procurement procedure.

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

#### **4. Irregularities in the Disposal of Assets**

Review of documents revealed that the University disposed motor vehicles, ICT equipment and furniture and fittings amounting to Kshs.85,971,557. However, the Heads of the User Departments did not submit the Disposal Plans to the Head of Procurement for consolidation. This was contrary to Section 163 of the Public Procurement and Asset Disposal Act, 2015 which provides that an Accounting Officer shall establish a disposal committee as and when prescribed for the purpose of disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.

Further, the Disposal Committee was appointed after the approval of the Disposal Plan on 11 August, 2022.

In addition, receipt vouchers in support of assets disposal income amounting to Kshs.76,648,657 were not provided.

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

#### **5. Irregular Leasing of Land**

Review of records revealed that the University leased a portion of land at Spring Valley to a Telecommunication Company to erect a communication booster. However, the lease agreement and the Council minutes authorizing the lease were not provided. This was contrary to Regulation 132(1) of the Public Finance Management Regulations, 2015 which provides that an Accounting Officer of a government entity take full responsibility and ensure that proper control systems exist for assets and that preventative mechanisms are in place to eliminate theft, security threats, losses, wastage and misuse, and that movement and conditions of assets can be tracked.

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

#### **6. Stalled Student Accommodation Hostels at Lower Kabete Campus**

As previously reported, the construction of a students' accommodation hostel comprising 500 bed hostels, kitchen and dining, and a common room at Lower Kabete Campus undertaken by a contractor in 1990 stalled in 1992 after the Government budgetary allocation ceased. The initial contract was mutually terminated in year 2000. At the time, the University owed the contractor an amount of Kshs.70,000,000 which was paid in the Month of July, 2022 through budgetary support from The National Treasury. Although the Management indicated that they had requested for funding amounting to Kshs.450,000,000 to finance completion of the stalled project, physical inspection of the project in November, 2023 revealed that the building is deteriorating due to roof leakages,



termites, visible cracks in the columns and beams, chemical and physical damage on the stalled building.

In the circumstances, value for money on the expenditure incurred so far on the project may not be realized.

## **7. Unutilized School of Pharmacy**

As previously reported, on 1 October, 2010, the University entered into a contract for the construction of the proposed School of Pharmacy Building at the College of Health Services at a cost of Kshs.152,903,393. The project period was set for ninety-seven (97) weeks with the expected completion date set in August, 2012. Construction had been carried out on the basement, ground and first floors and the building was 90% complete. However, the building could not be occupied as the sewerage system had not been connected due to lack of an appropriate way-leave. The Management explained that the sewer has since been connected to the Nairobi County's main sewer line following agreement with the Nairobi Hospice Management to have it pass through their plot.

Although, the project Architect gave a certificate of practical completion in 2017 for the works awarded and successfully completed, the building has not been occupied.

In the circumstances, value for money on Kshs.152,903,393 incurred on the project may not be realized if it is not put to the intended use.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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 comply, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE**

### **Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the 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 governance were not effective.

### **Basis for Conclusion**

#### **Failure to Update the Fixed Assets Register**

The statement of financial position reflects property, plant and equipment amounting to Kshs.207,153,149,310. However, five (5) motorcycles, five (5) tractors, twenty three (23) motor vehicles, and eight (8) parcels of land and a building have not been recorded in the fixed assets register.



In the circumstances, the effectiveness of the fixed assets management systems employed by the University 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 those Charged with Governance**

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 which are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the University's ability to continue to 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 complies with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are 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 overall governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

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



or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal controls 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 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the 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 controls 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.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**19 April, 2024**



UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

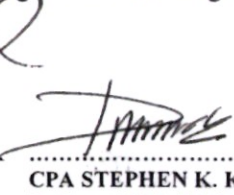
13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022/2023 Ksh.	2021/2022 Ksh.
<b>Revenue From Non-Exchange Transactions</b>			
Recurrent Capitation Grant	6	5,625,967,359	5,724,440,294
		<b>5,625,967,359</b>	<b>5,724,440,294</b>
<b>Revenue From Exchange Transactions</b>			
Tuition Fees and Other Related Charges	7	4,323,093,673	3,928,496,820
Accommodation and Catering Fees	8	170,525,141	135,128,354
Rental Income	9	243,718,706	196,321,184
Finance Income	10	15,981,000	17,795,138
UON Subsidiaries Incomes	11	871,162,419	242,000
Other Incomes	12	390,404,281	153,129,276
		<b>6,014,885,220</b>	<b>4,431,112,773</b>
<b>Total Revenue</b>		<b>11,640,852,579</b>	<b>10,155,553,067</b>
<b>Expenses</b>			
Employee Cost	13	9,015,969,238	9,369,905,576
Provision for Module II Direct Service Providers	14	743,891,328	596,827,201
Use of Goods and Services	15	1,171,477,952	1,268,406,982
Council Expense	16	6,241,156	6,825,160
Depreciation	17	582,221,059	614,553,223
Repairs and Maintenance	18	81,209,827	64,283,902
Contracted Services	19	196,507,713	210,847,513
Student Welfare Expense	20	103,769,143	67,081,327
UON Subsidiaries Expenses	21	875,010,538	-
Finance Cost	22	70,759,215	74,251,766
<b>Total Expenses</b>		<b>12,847,057,168</b>	<b>12,272,982,650</b>
<b>Other Gains/(Losses)</b>	23	220,310,703	13,965,628
		<b>220,310,703</b>	<b>13,965,628</b>
<b>Deficit For The Year</b>		<b>(985,893,886)</b>	<b>(2,103,463,954)</b>

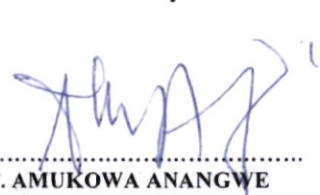
The notes set out on pages 8 to 36 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:



PROF. STEPHEN G. KIAMA,  
BVM, MSC(Nbi), PhD(Bern)KNAS  
Vice Chancellor & Secretary to Council  
26 January 2024



CPA STEPHEN K. KIMELI,  
B. Com, MBA (KabU), CPA(K)  
ICPAK Member No. 7128  
Ag. Director Finance  
26 January 2024



PROF. AMUKOWA ANANGWE  
BA(Nbi), MA(NL), PhD(UK)  
Chairman of Council  
26 January 2024

UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

ASSETS	Notes	2022/2023 Ksh.	2021/2022 Ksh.
<b>Current Assets</b>			
Cash and Cash Equivalents	24	1,792,375,784	1,441,751,480
Short Term Deposits	25	436,457	425,912
Receivables from non-exchange Transactions	26	1,356,307,765	1,422,807,765
Receivables from Exchange Transactions	27	1,921,478,514	2,060,863,938
Inventories	28	235,896,276	244,370,239
		<b>5,306,494,796</b>	<b>5,170,219,334</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	29	207,153,149,310	207,502,367,261
Investments	30	14,139,958	17,562,006
Intangible Assets	31	12,238,784	8,642,690
Funds Held by UNES Ltd	32	-	247,630,202
		<b>207,179,528,052</b>	<b>207,776,202,158</b>
<b>Total Assets</b>		<b>212,486,022,848</b>	<b>212,946,421,492</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	33	2,757,977,958	2,452,002,604
Statutory Payables	34	11,164,076,917	10,566,626,779
Current Provisions	35	813,152,499	767,357,951
		<b>14,735,207,374</b>	<b>13,785,987,335</b>
<b>Non-Current Liabilities</b>			
Barclays Bank Term Loan	36	527,777,777	633,333,332
UNES Ltd long term Liabilities	37	21,419,324	269,048,284
Special Accounts and Grants	38	2,002,646,615	2,070,756,728
Trust and Endowment funds	39	52,787,920	52,421,473
Endowment for General Purposes	40	16,181,338	16,181,338
		<b>2,620,812,975</b>	<b>3,041,741,154</b>
<b>Total Liabilities</b>		<b>17,356,020,349</b>	<b>16,827,728,489</b>
<b>Net assets</b>			
General Fund	41	16,162,447,216	16,063,746,013
Net funds from IGUs & UNES	42	-	(781,502,159)
Capital Reserves	43	189,548,316,615	189,651,113,705
Revenue Reserves	44	(10,580,761,332)	(8,814,664,556)
<b>Total Net Assets</b>		<b>195,130,002,499</b>	<b>196,118,693,003</b>
<b>Total Net Assets and Liabilities</b>		<b>212,486,022,848</b>	<b>212,946,421,492</b>

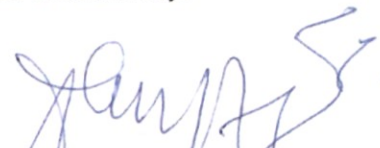
The financial statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:



.....  
**PROF. STEPHEN G. KIAMA,**  
BVM, MSC(Nbi), PhD(Bern)KNAS  
Vice Chancellor & Secretary to Council  
26 January 2024



.....  
**CPA STEPHEN K. KIMELI,**  
B. Com, MBA (KabU), CPA(K)  
ICPAK Member No. 7128  
Ag. Director Finance  
26 January 2024



.....  
**PROF. AMUKOWA ANANGWE**  
BA(Nbi), MA(NL), PhD(UK)  
Chairman of Council  
26 January 2024



UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**16. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023**

	Note	IGU'S and UNES Funds	General Fund	Special Capital Development Fund	Capital Reserve	Revenue Reserve	Total
		Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>Balance as at 1/07/2021</b>		<b>(770,203,802)</b>	<b>16,061,015,222</b>	<b>25,378,283</b>	<b>189,548,821,885</b>	<b>(6,753,855,907)</b>	<b>198,111,155,682</b>
Additional Grants Assets	41	-	50,684,972	-	-	-	50,684,972
Depreciation on Donated Assets	41	-	(23,434,575)	-	-	-	(23,434,575)
Depreciation on Research Grants Assets	41	-	(24,519,606)	-	-	-	(24,519,606)
Increase/(Decrease) in IGU Fund	42	38,186,286	-	-	-	-	38,186,286
UNES Reserves	42	(49,484,643)	-	-	-	-	(49,484,643)
Increase/(Decrease) in Revaluation	43	-	-	-	204,700,000	-	204,700,000
Incremental/ (Decrement) Depreciation on Buildings	43	-	-	-	(102,408,180)	102,408,180	-
Surplus/(Deficit) for the year	44	-	-	-	-	(2,103,463,954)	(2,103,463,954)
Prior Year adjustments	44	-	-	-	-	(59,752,875)	(59,752,875)
Recognition of Capital Expenditure	44	-	-	(25,378,283)	-	-	(25,378,283)
<b>Balance as at 30/06/2022</b>		<b>(781,502,159)</b>	<b>16,063,746,013</b>	<b>-</b>	<b>189,651,113,705</b>	<b>(8,814,664,556)</b>	<b>196,118,693,003</b>
<b>Balance as at 1/07/2022</b>		<b>(781,502,159)</b>	<b>16,063,746,013</b>	<b>-</b>	<b>189,651,113,705</b>	<b>(8,814,664,556)</b>	<b>196,118,693,003</b>
Additional Grants Assets	41	-	161,696,571	-	-	-	161,696,571
Depreciation on Donated Assets	41	-	(23,434,575)	-	-	-	(23,434,575)
Depreciation on Research Grants Assets	42	-	(39,560,794)	-	-	-	(39,560,794)
Funds from IGUs	42	781,502,159	-	-	-	(781,502,159)	-
UNES Reserves	42	-	-	-	-	(69,193,165)	(69,193,165)
Incremental/ (Decrement) Depreciation on Buildings	43	-	-	-	(102,797,090)	102,408,180	(388,910)
Investment In Subsidiaries	44	-	-	-	-	(3,909,495)	(3,909,495)
Prior Year Adjustments	44	-	-	-	-	(28,006,250)	(28,006,250)
Surplus/(Deficit) for the year	44	-	-	-	-	(985,893,886)	(985,893,886)
<b>Balance as at 31/06/2023</b>		<b>-</b>	<b>16,162,447,216</b>	<b>-</b>	<b>189,548,316,615</b>	<b>(10,580,761,332)</b>	<b>195,130,002,499</b>

N/B: The IGU's and UNES funds were reclassified during the year under review from statement of position to statement of performance in accordance to IPSAS 9 on recognition of revenue.

### 17. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022/2023 Ksh.	2021/2022 Ksh.
<b>Cash Flow from Operating activities</b>			
Cash from non-exchange transaction	6	5,625,967,359	5,724,440,294
Cash from exchange transaction	7-12	6,010,989,452	4,431,112,773
External Research Grants Receipts	38	4,764,426,090	4,099,144,711
Decrease in Debtors	26-27	205,885,424	16,055,005
<b>Total Receipts from Exchange and non-exchange transactions</b>		<b>16,607,268,326</b>	<b>14,270,752,784</b>
Payments of Expenditures	13-22	(11,520,944,781)	(11,590,568,427)
External Research Grants Expenses	38	(4,832,536,203)	(4,174,906,411)
Increase in Pending bills	33-35	903,425,491	2,097,407,998
(Increase)/ Decrease in Inventory	28	(8,473,963)	35,886,449
<b>Total Payments from Exchange and non-exchange transactions</b>		<b>(15,458,529,455)</b>	<b>(13,632,180,390)</b>
<b>Total Cash Flows from Operating activities</b>		<b>1,148,738,870</b>	<b>638,572,394</b>
<b>Cash Flow From Investing Activities</b>			
Purchase of property, plant, equipment and intangible assets	29	(276,722,765)	(228,891,035)
Proceeds from sale of property, plant and Equipment	23	11,300,400	18,223,350
Other Gains/(Loss )	23	209,010,303	(4,257,722)
(Decrease)/Increase in Investment & Long-Term Liabilities	30&32	(251,052,249)	1,314,310
<b>Total Cash Flows from Investing activities</b>		<b>(307,464,311)</b>	<b>(213,611,097)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	36	(105,555,556)	(105,555,556)
Dividends Received		-	73,103
Increase in capital funds	41-44	(385,084,156)	(236,119,481)
<b>Total Cash Flows from Financing activities</b>		<b>(490,639,711)</b>	<b>(341,601,935)</b>
<b>Net Cash Flows</b>		<b>350,634,849</b>	<b>83,359,363</b>
<b>Cash Balance 1 July 2022</b>		<b>1,442,177,392</b>	<b>1,358,818,029</b>
<b>Cash Balance 30 June 2023</b>		<b>1,792,812,241</b>	<b>1,442,177,392</b>
<b>Analysis of Cash and Cash Equivalents</b>			
Cash in Hand and at Bank 30 June 2023	24	1,792,375,784	1,441,751,480
Short Term Deposits	25	436,457	425,912
<b>Cash and Cash Equivalents as at 30 June 2023</b>		<b>1,792,812,241</b>	<b>1,442,177,392</b>



UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**18. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023**

	Original Budget (2022/2023) Kshs	Adjustments Kshs	Final Budget (2022/2023) Kshs	Actual on Comparable Kshs	Performance Difference Kshs	% of Utilization Kshs
<b>Revenue</b>						
Internally Generated Academic Revenue	5,787,529,207	(24,586,418)	5,762,942,789	4,323,093,673	(1,439,849,116)	75%
Government Grants - Recurrent	6,298,000,000	(687,032,640)	5,610,967,360	5,610,967,359	(1)	100%
Government Grants - Development	1,237,629,954	(1,227,629,954)	10,000,000	15,000,000	5,000,000	150%
Development Grants (Devpt Partners)	-	550,000,000	550,000,000	-	(550,000,000)	0%
External Research Grants	2,852,720,000	1,943,422,515	4,796,142,515	4,764,426,090	(31,716,425)	99%
Other Incomes Recurrent (IGUs, Agency fees, Press, Rentals)	685,111,853	(5,499,952)	679,611,901	820,629,128	141,017,227	121%
<b>Total Revenue</b>	<b>16,860,991,014</b>	<b>548,673,551</b>	<b>17,409,664,565</b>	<b>15,534,116,251</b>	<b>(1,875,548,314)</b>	<b>89%</b>
<b>Expenses</b>						
Personnel Emoluments	9,840,076,143	(177,356,048)	9,662,720,095	9,015,969,238	646,750,857	93%
Direct Service Providers(DSP) Module II	700,456,200	108,118,189	808,574,389	743,891,328	64,683,060	92%
Other Recurrent Expenses -IGUs	87,901,456	82,098,544	170,000,000	156,585,873	13,414,127	92%
Boards Expenses	30,000,000	-	30,000,000	6,241,156	23,758,844	21%
Operating/ Administrative Expenses	1,912,037,734	(236,135,892)	1,675,901,842	1,346,426,371	329,475,471	80%
External Research Grants	2,424,812,000	1,639,530,986	4,064,342,986	4,832,536,203	(768,193,217)	119%
Buildings & Plant Repairs and Maintenance	91,000,000	(15,600,000)	75,400,000	49,952,390	25,447,610	66%
Finance charges	77,634,601	(2,596,018)	75,038,583	70,759,215	4,279,368	94%
Depreciation	-	-	-	582,221,059	(582,221,059)	0%
	<b>15,163,918,134</b>	<b>1,398,059,760</b>	<b>16,561,977,894</b>	<b>16,804,582,832</b>	<b>(242,604,938)</b>	<b>101%</b>
	<b>1,697,072,880</b>	<b>(849,386,209)</b>	<b>847,686,671</b>	<b>(1,270,466,581)</b>	<b>(1,632,943,377)</b>	<b>-150%</b>
<b>Capital Expenditure</b>						
ABSA Loan Facility	105,555,555	-	105,555,555	105,555,556	(1)	100%
Purchase of Motor Vehicles	6,365,120	(6,365,120)	-	-	-	0%
Purchase of Plant and Equipment	55,217,565	0	55,217,565	25,015,384	30,202,181	45%
Capital Development-WIP	1,279,129,954	(692,629,954)	586,500,000	-	586,500,000	0%
Purchase of Computers	250,804,686	(150,391,136)	100,413,550	62,748,732	37,664,818	62%
	<b>1,697,072,880</b>	<b>(849,386,209)</b>	<b>847,686,671</b>	<b>193,319,672</b>	<b>654,366,999</b>	<b>23%</b>



## 1. Commentary on Significant Underutilization and Overutilization

### Expenses

Actual total expenditure was above the target for the period ended 30 June 2023 by 1% due to the following;

#### i. Operating Expenses

The operating and administrative expenses budget was underutilized by 20% due to fund constraints for operations and scaling down on non-essential activities.

#### ii. Expenditure on External Research Grants

The expenditure on external research grants was over utilized by 19% which is following the absorption policy for research funds that were above the budget. The project expenditure depends on the funding by the donor and the work plan as per the signed MOUs and donor budget.

#### iii. Board Expenses

Council expense was underutilized by 79% which was attributed to various cost cutting measures that were implemented during the year due to constraints of funds.

#### iv. Capital Expenditure

Capital expenditure was underutilized by 77% due to the lack of remittance of capital development funds from the government and adequate A.I.A funds to finance capital expenses during the year. Purchase of equipment, capital development and purchase of computers all fell below the budget by 55%, 100% and 38% respectively.

## 2. Explanation of Changes between Original and Final Budget

### Revenue

1. Internally generated academic revenue was adjusted downwards due to decrease in the projected revenue owing to a drop in module II student registration. The University received less number of new Module II students than anticipated.
2. Government Grants for recurrent capitation was rationalized in accordance with the Ministry of Education Science and Technology approved budget.
3. Grants from development partners were rationalized in accordance with the Ministry of Education Science and Technology approved budget.
4. External Research Grants were revised upwards to accommodate the newly signed M.O.Us received during the year.
5. Budget for Other incomes were revised downwards in anticipation of lower returns due to low activity on campus during the recess period.

### Expenditure

1. Personnel cost budget was adjusted downward to accommodate the People reform agenda implementation.
2. The budget for direct service providers (DSP) was adjusted to match the anticipated expense in accordance to the DSP policy manual.
3. Budget relating to recurrent IGUs expense was revised to accommodate the increased activities during the year.
4. Operating expense budget were revised downwards due to constrain in cash flow available to run the day-to-day activities.
5. External research grants budget was rationalized to accommodate the signed M.O.Us during the year.
6. The budget for buildings, plant and machinery were revised downwards due to constrain in cash flow available to run the day-to-day activities.
7. The budget for work plan expenses were revised downwards due to constrain in cash flow



# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

available to run the day-to-day activities.

8. Capital expense budgets was revised downwards due to constrain in cash flow available for capital development.

### 3. Reconciliation of the Statement of Comparison of Budget and Actual Amount and the Statement of Financial Performance

	Note	2022/2023 Ksh.	2021/2022 Ksh.
<b>Revenue</b>			
Total Revenue as per Statement of Financial Performance	6-12	11,640,852,579	10,155,553,067
Less: Income from Subsidiaries	11	(871,162,419)	-
ADD Revenues accounted for under Funds			
External Research Grants Receipts	38	4,764,426,090	4,099,144,711
Faculty Based IGA -Incomes	42	-	128,390,066
		<b>3,893,263,672</b>	<b>4,227,534,777</b>
<b>Total Revenue as per Statement of Comparison of Budget and Actual Amount</b>		<b>15,534,116,251</b>	<b>14,383,087,844</b>
<b>Expenses</b>			
Total Expenses as per Statement of Financial Performance	13-22	12,847,057,168	12,272,982,650
Less: Expenses from Subsidiaries	21	(875,010,538)	-
ADD Development Expenditure			
External Research Grants Expenses	38	4,832,536,203	4,174,906,411
Faculty Based IGA -Expenses	42	-	85,201,892
ABSA Loan Facility	36	105,555,556	105,555,556
Purchase of Plant and Equipment	46	25,015,384	20,712,000
Purchase of Computers	46	62,748,732	45,708,000
		<b>4,150,845,336</b>	<b>4,432,083,859</b>
<b>Total Expenditure as per Statement of Comparison of Budget and Actual Amount</b>		<b>16,997,902,504</b>	<b>16,705,066,509</b>

## 19. NOTES TO THE FINANCIAL STATEMENTS

### 1. General Information

The University of Nairobi is established by and derives its authority and accountability from the Universities Act 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is to provide University Education and training in addition to participation in discovery, transmission and preservation of knowledge.

In the FY2021/2022 the University restructured its operations which necessitated changes in presentation of its financial statements. In compliance with the National Treasury structure, the University adopted the reporting by nature of activities, a deviation from the previous presentation on functional basis. The comparative year has been reclassified where practically possible to match the current structure.

### 2. Statement of Compliance and Basis of Preparation

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

The financial statements have been prepared and presented in Kenya Shillings which is the functional and reporting currency of the University of Nairobi rounded to the nearest Ksh.

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

The cash flow statement is prepared using the direct method.

### 3. Adoption of New and Revised Standards

#### i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p><b>Applicable: 1<sup>st</sup> January 2023:</b></p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> <li>• Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;</li> </ul>



UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

Standard	Effective date and impact:
	<ul style="list-style-type: none"> <li>• Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</li> <li>• Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity’s risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</li> </ul> <p><i>(This standard does not have any effect on our financial statement)</i></p>
<p><b>IPSAS 42: Social Benefits</b></p>	<p><b>Applicable: 1<sup>st</sup> January 2023</b></p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> <li>(a) The nature of such social benefits provided by the Entity.</li> <li>(b) The key features of the operation of those social benefit schemes; and</li> <li>(c) The impact of such social benefits provided on the Entity’s financial performance, financial position and cash flows.</li> </ul> <p><i>(This standard does not have any effect on our financial statement)</i></p>
<p>Amendments to Other IPSAS resulting from <b>IPSAS 41: Financial Instruments</b></p>	<p><b>Applicable: 1st January 2023:</b></p> <ul style="list-style-type: none"> <li>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</li> <li>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</li> <li>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</li> <li>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</li> </ul> <p><i>(This standard does not have any effect on our financial statement)</i></p>
<p>Other improvements to</p>	<p><b>Applicable 1<sup>st</sup> January 2023</b></p>

UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

Standard	Effective date and impact:
IPSAS	<ul style="list-style-type: none"> <li>• <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</li> <li>• <i>IPSAS 39: Employee Benefits.</i> Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</li> <li>• <b>IPSAS 29: Financial instruments: Recognition and Measurement.</b> Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1<sup>st</sup> January 2023.</li> </ul> <p><i>(This standard does not have any effect on our financial statement)</i></p>

ii. **New and amended standards and interpretations issued but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>(This standard does not have any effect on our financial statement)</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1<sup>st</sup> January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>(This standard does not have any effect on our financial statement)</i></p>

iii. **Early adoption of standards**

The University did not early adopt any new or amended standards in year 2022/2023.



# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

## NOTES TO THE FINANCIAL STATEMENTS Cont'd

### 4. Summary of Significant Accounting Policies

#### i. Changes in accounting policies and estimates

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

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information. These accounting policies have been applied consistently to all years presented in these financial statements.

When presentation or classification of items in the financial statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current year unless it is impracticable to do so.

#### ii. Revenue recognition

##### a. Revenue from non-exchange transactions

Revenue from non-exchange transactions are mainly Government of Kenya grants for both the recurrent and development expenditure. Revenue is recognized when it becomes due and the transfers are free from conditions and it is probable that the economic benefits or service potential related to the asset will flow the University and can be measured reliably.

##### b. Revenue from exchange transactions

###### Students Fees

Income derived from rendering services includes fees from graduate and undergraduate programs, mandatory students' fees, fees from accommodation and catering services.

Tuition revenue is recognized over the course of the semester for which it is earned, regardless of when it is received.

Mandatory fees such as registration fees, Lab fees, Activity fees, UNSA fees and Computer fees relate to services provided by the University over the Course of the semester and similar to tuition, are recognized over the course of semester to which they apply.

Accommodation and Catering services Revenue is recognized during the year in which the students reside on campus and make use of campus residences and dining facilities.

Students' Caution Monies are recognized as liability and separated under Current and Non-Current portions in the Statement of Financial Position.

###### Sales and Services of related Enterprises

Sales and Services of related enterprises such as UNES Ltd and UoN Press are limited to revenues directly from operations of the enterprises.

Sales and Services revenue is recognized when earned, that is, at the time goods or services are provided.

###### Research Grants

Payments received in advance from sponsors of research projects are reported as deferred income on the statement of financial position until such times as the revenue has been earned, which is when the expense is incurred.

###### Interest income

Interest Income is recognized when earned using the applicable rate.

###### Dividends

Dividends or a similar distribution from subsidiary company such as UNES Ltd is recognized when the University's right to receive payments is established.



**NOTES TO THE FINANCIAL STATEMENTS Cont'd**

**Rental income**

Rental income arising from staff houses and other University premises are recognized when earned arising from occupancy and on a pro rata basis.

**Disposal Gains and Losses**

Any gain or loss on disposal of property, plant and equipment is recognized at the date the control of the asset is passed on to the buyer and it is determined after deducting from the proceeds the net book value of the asset at the time of disposal.

**Revaluation gains and Surpluses**

Revaluation decreases are debited first against the revaluation surplus related to the same class of assets and any excess against surplus or deficit. When the revalued asset is disposed of, the revaluation surplus is transferred directly to accumulated surpluses or deficits.

**iii. Taxes**

The University is exempt from taxation under the PFM Act Regulation No.34, Section 219. This regulation requires corporations exempted from Income Tax to remit 90 percent of surplus to the National Treasury.

**iv. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost or revalued amount less cost of accumulated depreciation at the end of the year. The valuation is carried out after every five years. Valuation was last done in the year 2016/2017 by registered, licensed and practicing valuers from the Department of Real Estate and Construction Management of the University of Nairobi.

Revaluation is carried out for land and buildings to reflect the service potential or economic benefit obtained through control of the asset. Revaluation is based on the fair value of the asset, with changes reported by class of asset. Accumulated depreciation at revaluation date is eliminated against the gross carrying amount so that the carrying amount after revaluation equals the revalued amount. Upon disposal of an asset, the gain or loss in disposal is calculated by subtracting the net book value from the proceeds from sale of assets, where the net book value is calculated by subtracting the accumulated depreciation of the asset from the cost. Such assets will be derecognized from the books of accounts by removing the whole cost of purchase of the asset and the accumulated depreciation.

Revaluation decreases are debited first against the revaluation surplus related to the same class of assets and any excess against surplus or deficit. When the revalued asset is disposed off, the revaluation surplus is transferred directly to accumulated surpluses or deficits.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of item of property, plant, and equipment over its estimated useful life. The depreciation rate of different classes of property, plant, and equipment are as follows:

- Furniture and Equipment - 10% on straight line basis
- Motor Vehicles - 20% on straight line basis
- Academic gowns - 5% on straight line basis
- Buildings - 2% on straight line basis
- Computers and software development – 33.3% on straight line basis

**v. Leases**

The University has entered into several operating leases with owners of premises for provision of teaching spaces. Since these contracts do not transfer substantially all the risks and benefits incidental to ownership of the leased premises to the University, lease payments are recognized as



## UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

### **NOTES TO THE FINANCIAL STATEMENTS Cont'd**

an operating expense in the statement of performance on a straight-line basis over the lease term.

#### **vi. Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged to the statement of performance in the year in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets are amortized at 20% on a straight line basis.

#### **vii. Research Grants**

These are donor funds received for research purposes. The funds are accounted for in a separate special fund account.

The Deans Committee Research Grants are funds set aside from University revenue. The uncommitted balance on each research is carried forward until the related research project is completed.

#### **viii. Endowment and Trust Fund**

Endowment and Trust Fund are funds set-up through special donations, the principal amount being invested and the income accruing being applied to scholarships, academic research, and academic chairs.

The responsibility for accepting, preserving, and managing the funds entrusted to the University rests with the Council; however, the Council has delegated authority for investment decisions to the Investment Committee of the University. The Committee determines investment objectives and guidelines, including allocation of assets between classes of investments.

The University's investment objective for its endowment assets is to maximize total return within reasonable risk parameters. The achievement of favorable investment returns enables the University to distribute increasing amounts from the endowment over time so that present and future needs can be treated equitably. Diversification is a key component of the University's Standard for managing and investing endowment funds, and asset allocation targets are subject to ongoing reviews by the Investment Committee.

Investments are stated at market value in accordance with performance of securities in market and advice from relevant professionals.

#### **ix. Financial instruments**

##### **Financial assets and Liabilities**

##### **Initial recognition and measurement**

The University recognizes Receivables on the date when they are originated and derecognizes a financial asset when the contractual rights to the cash flows of the asset expire.

The University derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

##### **Financial assets**

##### **Receivables**

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these assets are measured at amortized cost.

**NOTES TO THE FINANCIAL STATEMENTS Cont'd**

**Impairment of financial assets**

At each reporting date the University assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the asset that can be

Estimated reliably. Objective evidence that financial assets including equity securities are impaired can include:

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

**Short-term deposits**

Short-term deposits are made for varying periods depending on the immediate cash requirements of the University. Interest rates are negotiated with the financial institutions to fetch the University the best available returns in the market. Interest earned thereof are recognized in the statement of financial performance.

**Financial liabilities**

**Initial recognition and measurement**

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

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

**Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

**x. Inventory Valuation**

Inventories are measured at the lower cost and net realizable value.

The cost of Library books is written off to expenditure as incurred. Cost of work in progress and finished goods includes raw materials and direct labor costs.

**xi. Employee benefits**

**Retirement Benefits**

The University currently operates a defined contribution scheme for its employees.

The University obligation to the scheme is the contribution of 20% of basic Salary whereas the employees contribute 10% of their basic Salary. The University also contributed to NSSF Kshs. 1,080 per employee per month for the year under review starting January 2023. The University's contributions to the above schemes are charged to the Statement of Financial Performance in the year to which they relate.



**NOTES TO THE FINANCIAL STATEMENTS Cont'd**

**xii. Foreign Currency Conversion**

Assets and Liabilities in foreign currencies are converted into Kenya shillings at the rates of exchange ruling at the Statement of Financial Position date. Conversion differences are accounted for in the appropriate fund accounts.

**xiii. Provisions**

**Bad Debt Provision**

Provision for bad debt has been made at 5% on sundry and student debtors which include sundry receivables and receivables arising from non-exchange transactions such as from GoK and other Public Institutions. In the year 2022/2023 the University management started to provide for bad debts on student debtors at 5%.

**Other liabilities and provisions**

Other liabilities and provisions are recognized for future expenditure of uncertain amount or timing. When there is a present obligation as a result of a past event and it is probable that an outflow of future economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**Contingent liabilities**

Contingent liabilities are recorded in the Financial Statements at the point at which the contingency is evident. Contingent liabilities are disclosed if the possibility that they will crystallize is not remote.

**Current employee obligations**

Employee benefits expected to be settled within 12 months are measured at nominal values based on accrued entitlements at current rates of pay.

These are accrued gratuities earned but not yet paid for staff on contractual terms of employment.

**Non-Current employee obligations**

Employee benefits expected to be settled beyond 12 months are measured at nominal values based on accrued entitlements at current rates of pay.

These are accrued gratuities earned but not yet paid for staff on contractual terms of employment

Employee benefits are calculated at thirty one percent of the basic pay for staff on contract and twenty seven days basic pay per year worked for members of staff on auxiliary grades.

**xiv. Nature and purpose of reserves**

The University creates and maintains reserves in terms of specific requirements. The following reserves are maintained University:

**IGU'S and UNES Funds**

The IGU's and UNES Fund are created out of revenue surpluses from the financial performance of the college based income generating activities and UNES limited. This fund represents the financing contribution of IGUs and UNES to the University. The IGU'S and UNES Limited surplus/ (deficit) is charged to this fund.

**General Fund**

The general fund caters for capital development receipts as well as capital grant donations in form of assets from government and development partners e.g. research projects. The depreciation of such donated assets is charged to this fund and expenditure incurred for the capital development receipts from government is transferred from this fund as deferred income to the statement of performance.



**NOTES TO THE FINANCIAL STATEMENTS Cont'd**

**Special Capital Development Fund**

This fund holds funds set aside for special capital development in the University.

**Capital Reserve**

The capital reserve was created to cater for the increases of the revaluations of property, plant and equipment carried out after every five years. The revaluation decreases and depreciation of the revalued property, plant and equipment are first charged to this reserve and any excess charged to the statement of financial performance.

**Revenue Reserve**

The Revenue reserve is created out of revenue surpluses, which arise out of the normal business activities of the University and is used to meet future expenses or deficits.

**xv. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value and any bank overdrafts that may have been acquired in the period. Bank account balances include amounts held at various commercial banks at the end of the financial year.

**xvi. Budget information**

The original budget for FY 2022/2023 was approved by the Ministry of Education on 24<sup>th</sup> June 2022. Subsequent revisions or additional appropriations were made to the approved budget in accordance with the specific approvals from the Ministry Education and the National Treasury. The revisions to appropriations are made to the original budget by the University upon receiving the respective approvals in order to conclude the final budget.

The University's budget is prepared on a different basis to the actual statement of performance disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the functions with nature of expenses disclosed for each functional unit in the statement of financial performance, whereas the budget is prepared on a commitment (cash) basis using nature of expenses. The amounts in the financial statements were recast from the accrual basis to the commitment (cash) basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented under 18 (3) of these financial statements.

**xvii. Comparative figures**

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

**xviii. Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30 June 2023.



**NOTES TO THE FINANCIAL STATEMENTS Cont'd**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions**

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

**Useful lives and residual values**

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

- The condition of the asset based on the assessment of experts employed by the University
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 4 (xiii).

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

UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**INCOME**

**6 Recurrent Capitation Grant**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Government Capitation	5,610,967,359	5,654,440,294
Special Capitation	-	70,000,000
Capital Development Grants	15,000,000	-
	<b>5,625,967,359</b>	<b>5,724,440,294</b>

The government capitation is meant to subsidize the government sponsored students and meet operational costs for the University. Capital development grants were funds for renovation of Wangari Mathai Institute.

**7 Tuition and Other Related Charges**

Description	2022/2023 Ksh.	2021/2022 Ksh.
<b>Tuition Fees and Other Related Charges</b>		
Faculty Of Agriculture	71,888,614	67,635,866
Faculty Of Arts & Social Sciences	469,441,924	440,565,558
Faculty Of Business And Management Science	513,410,203	498,218,390
Faculty Of Education	180,664,749	193,080,008
Faculty Of Engineering	202,814,220	233,253,188
Faculty Of Health Sciences	2,061,037,809	1,658,279,083
Faculty Of Law	306,947,325	271,353,550
Faculty Of Science And Technology	227,172,221	268,201,574
Faculty Of The Built Environment And Design	181,184,649	200,911,693
Faculty Of Veterinary Medicine	59,176,863	47,227,105
	<b>4,273,738,578</b>	<b>3,878,726,015</b>
Other Academic Charges	49,355,096	49,770,805
	<b>4,323,093,673</b>	<b>3,928,496,820</b>

These are revenues received from students for the teaching programs offered to them by the university. Other academic charges include application and graduation fees for the year.

**8 Accommodation and Catering Fees**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Students Accommodation	133,049,174	110,937,792
Catering and Other Charges	37,475,967	24,190,562
	<b>170,525,141</b>	<b>135,128,354</b>

Accommodation and catering revenues are fees charged to students for services offered.

**9 Rental Income**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Staff Housing	156,137,520	148,893,734
Rent From Facilities	87,581,186	47,427,451
	<b>243,718,706</b>	<b>196,321,184</b>

Rental Income is revenue from leasing facilities and rent from staff houses.



**UNIVERSITY OF NAIROBI**

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**10 Finance Income**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Bank Interest Income	15,981,000	17,795,138
	<b>15,981,000</b>	<b>17,795,138</b>

Finance Income is revenue received from interests on deposits.

**11 UON Subsidiaries Incomes**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Income from University of Nairobi Press	198,382	242,000
Revenue from UNES Ltd operations	793,368,147	-
Revenue from IGUs Held by UNES Ltd	77,595,890	-
	<b>871,162,419</b>	<b>242,000</b>

These are incomes from subsidiaries owned by the University. Subsidiaries incomes were reclassified from the statement of financial position to statement of financial performance in accordance with IPSAS 9 on revenue recognition. The reclassification did not affect the prior year.

**12 Other Incomes**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Research Administration Fees	200,336,709	134,365,638
Agency Fees (Insurance & Hire Purchase)	5,450,568	5,098,933
Sale Of Tender Documents	-	74,000
Investment Income	10,545	3,031,422
Miscellaneous Income	14,864,282	10,559,282
Incomes form UON IGUs	165,846,410	-
Decrease in Provision for Bad Debts	3,895,767	-
	<b>390,404,281</b>	<b>153,129,276</b>

Miscellaneous Income are incomes relating to late fee charges and other revenues from non-core activities. Incomes from IGUs were reclassified from previously stated in statement of financial position to statement of financial performance in accordance with IPSAS 9 on recognition of revenue.

**EXPENSES**

**13 Employee Cost**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Basic Pay	4,552,384,667	4,780,730,103
House Allowance	1,633,033,423	1,728,877,328
House To Office Allowance	649,097,715	696,079,998
Staff Gratuity	161,213,201	182,699,778
Staff Pension & Nssf Employer Contribution	839,554,489	871,498,376
Doctors/Clinical Allowance	707,512,273	716,063,303
Leave Allowance	223,958,288	97,502,506
Passage & Baggage Allowance	4,985,036	2,436,891
Other Personnel Allowances	244,230,147	294,017,293
	<b>9,015,969,238</b>	<b>9,369,905,576</b>

Other allowances include car, entertainment, furniture, acting and special allowance.

UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

	2022/2023	2021/2022
	Ksh.	Ksh.
<b>14 Provision for Module II Direct Service Providers</b>	<b>743,891,328</b>	<b>596,827,201</b>
This is a cost provision for Module II programs that have been undertaken in the year. The variance is due to increase in the cost of Module II programs revised during the year.		
<b>15 Use of Goods and Services</b>		
<b>Administration Expense</b>		
<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Ksh.</b>	<b>Ksh.</b>
Travelling and Transport.	10,393,021	8,391,283
Publishing and Printing	781,000	2,551,056
Purchase of Uniforms	447,600	1,120,896
Office Expense	25,476,941	28,997,987
Postal Expenses	40,137	-
Telephones	11,393,137	14,223,264
ICT, Internet service and licenses	96,943,378	131,574,216
Insurances	39,591,636	56,351,564
Bank Charges	15,174,998	15,532,027
Tender Expenses	-	392,872
Conference and Seminars	1,077,000	2,531,270
Membership Subscriptions	6,409,812	1,899,582
Provision for Audit Fees	4,640,000	4,640,000
Official Entertainment	100,000	18,410
Transport Operating Expenses	40,841,397	33,108,000
Funeral Expenses	1,496,000	1,417,050
Legal Fees	26,117,368	64,581,393
Performance Contracting activities & ISO Expenses	1,337,050	185,680
Public relations expenses	111,500	-
UEB Expense	327,280	972,254
Industrial Relations	1,535,950	3,042,650
Fixed Assets Tagging and Valuation Expenses	134,560	451,414
National Values and Cohesion	-	139,572
Placement Fees and CUE	9,292,500	47,345,000
Work plan Key Initiatives	372,800	-
Staff Development	7,342,200	1,647,100
Publicity and Corporate Image expense	3,789,385	6,558,040
Land Rents and Rates	9,631,484	6,658,512
Electricity	207,546,175	193,388,322
Water	62,013,386	66,926,996
Medical Expense	250,441,949	286,851,406
International Travel	8,851,618	4,872,241
Compliance Charges	-	534,100
Staff Performance Appraisal	154,640	371,978
Hire Of Transport Plant & Machinery	109,226	65,000



# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

## NOTES TO THE FINANCIAL STATEMENTS cont'd

Expenses from UON IGUs	156,585,873	-
Provision for Bad Debts	-	67,861,000
	<b>1,000,501,001</b>	<b>1,055,202,136</b>

### Academic Expense

Description	2022/2023 Ksh.	2021/2022 Ksh.
Field Work & Teaching Practice	58,438,482	71,832,283
Teaching Material Expenses	38,610,062	41,583,475
Travelling and Transport	2,454,721	1,912,714
Purchase of Exam Stationary	3,036,003	10,928,874
Books and Periodicals	24,861,152	16,786,769
ICT Consumables	234,361	361,379
External Examiners	14,447,126	20,586,079
Postgraduate Programs	14,516,475	23,213,558
Research and Publications	4,900,940	5,480,847
Senate Expenses	156,300	-
Graduation Expenses	4,205,704	8,153,213
Marketing of Academic Programs	2,587,825	2,807,997
M.O.U Programs	2,527,800	8,775,660
Expenditure from service units	-	170,000
Awards and Prizes	-	612,000
	<b>170,976,950</b>	<b>213,204,847</b>
<b>Total Operations Expense</b>	<b>1,171,477,952</b>	<b>1,268,406,982</b>

The reduction in use of goods and services expenditure in FY 2022/2023 was attributed to various initiatives such as sustained automation of payment process to minimize usage of paper, fleet control, monitoring and Reducing expenditure on utilities to the bare minimum, adopting usage of e-paper and negotiating contracted services downwards

	2022/2023 Ksh.	2021/2022 Ksh.
	<b>6,241,156</b>	<b>6,825,160</b>

### 16 Council Expense

Council expenses remained relatively the same. The reduction In expenses was attributed to lower travelling and office expenses during the year under review.

### 17 Depreciation

Description	2022/2023 Ksh.	2021/2022 Ksh.
Buildings	443,671,606	443,019,745
Intangible Assets	2,124,422	2,124,422
Motor Vehicle	51,929,546	46,044,733
Computers	53,147,890	45,356,969
Furniture and Equipment	91,120,563	122,951,534
Academic Attire	3,222,400	3,010,000
	<b>645,216,427</b>	<b>662,507,404</b>
Less: Grants Assets Depreciation	(62,995,368)	(47,954,180)
	<b>582,221,059</b>	<b>614,553,223</b>

Depreciation expense reduced due to increase in fully depreciated assets during the year under review.

UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**18 Repairs and Maintenance**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Maintenance of Buildings	29,486,598	37,932,479
Halls Expenses	21,710,365	-
Repair & Maintenance of Equipment	20,465,792	17,744,511
Repair & Maintenance of Motor Vehicles	9,547,072	8,606,911
	<b>81,209,827</b>	<b>64,283,902</b>

Repairs and Maintenance increased in the current year due to various expenses incurred in maintaining buildings, motor vehicle and equipment.

**19 Contracted Services**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Contracted Security Services	101,322,589	112,368,058
Cleaning & Waste Management(Environmental Management)	95,185,124	98,479,455
	<b>196,507,713</b>	<b>210,847,513</b>

Contracted Security services reduced during the year as result of the re-negotiated contract and also scaling down of work force during recess.

**20 Student Welfare Expense**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Sports and Games (Inter-University)	12,120,759	7,037,886
Purchase Of Food Stuff	26,629,693	18,590,970
Purchase Of Gas	6,572,394	5,041,569
Halls Expenses	-	5,021,212
Purchase Of Cutlery And Beddings	3,666,730	43,839
Students Activities Expenses	51,792,067	31,345,850
Student Admission & Orientation	2,987,500	-
	<b>103,769,143</b>	<b>67,081,327</b>

Student Welfare Expenditure increased due to increased student activities such as sports and games, UNSA activities, Student admission and orientation and also work study program. Including the reopening of student cafeterias and kitchens to provide meals for students upon resumption of face to face learning.

**21 UON Subsidiaries Expenses**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Expenditure from UON Press Operations	158,819	-
Expenditure from UNES Ltd Operations	812,722,871	-
Expenditure from IGUs Held by UNES Ltd	62,128,849	-
	<b>875,010,538</b>	-

These are expense from subsidiaries owned by the University. These were reclassified from previously reported in the statement of financial position to the statement of financial performance in accordance with IPSAS 9 on recognition of revenue.

**22 Finance Cost**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Interest on Loan	70,759,215	74,251,766
	<b>70,759,215</b>	<b>74,251,766</b>



**UNIVERSITY OF NAIROBI**

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**23 Other Gains/(Losses)**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Gain/(Loss) on Sale of Assets	11,300,400	18,223,350
Gain/(Loss) on Foreign Exchange Transactions	194,722,077	(9,675,498)
Gain/(Loss) on Fair Value of Dental Material	14,288,226	5,417,776
	<b>220,310,703</b>	<b>13,965,628</b>

Other Gains/ (Losses) increased and this was attributed to gains from sale of assets, increased value of dental materials and increase in foreign exchange transaction.

**24 Cash and Cash Equivalents**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Cash at Bank	1,770,370,708	1,370,473,829
UNES Cash at Bank	22,005,075	71,277,651
	<b>1,792,375,784</b>	<b>1,441,751,480</b>

Cash and cash equivalents increased marginally due to increased receipts from Grants that remained unutilized at the end of the year.

Financial Institution	Account Number	2022/2023	2021/2022
		Ksh	Ksh
<b>UoN Bank Accounts</b>			
<b>Current Account</b>			
ABSA	094-8245515	65,305,852	19,947,931
ABSA	094-8245531	105,820,517	17,036,779
ABSA	2024689274	62,962,273	37,620,238
ABSA	2029090443	33,206,033	80,498,886
ABSA	2034715907	2,766,057	2,674,172
ABSA	2032770803	2,448,675	569,401
ABSA	2032770838	2,991,011	1,947,776
ABSA	2032771362	7,450,736	23,284,756
ABSA	2032770625	34,321,085	534,503
ABSA	451413414	12,700,391	22,295,107
ABSA	227103302	18,544,903	35,859,857
ABSA	775000503	12,491,454	6,213,147
ABSA	094-8245353	30,960,916	13,162,450
Kenya Commercial Bank	1104657112	195,582,717	389,608,875
Kenya Commercial Bank	1104828960	361,968,362	243,950,626
Kenya Commercial Bank	1121857426	8,439,735	8,347,910
Kenya Commercial Bank	1137133120	6,378,491	63,394,133
Kenya Commercial Bank	1139801554	12,284,365	39,857,728
Kenya Commercial Bank	1177475707	4,033,332	1,005,710
Kenya Commercial Bank	1104698676	38,675,515	51,477,216
Standard Chartered Bank	87020-978423-00	410,047,095	238,540,186
Standard Chartered Bank	93020-978341-01	332,090,282	65,488,385
Safaricom	M-PESA	1,563,432	1,000
ABSA	2045997661	840	1,048
ABSA	2045997688	840	1,048
		<b>1,763,034,911</b>	<b>1,363,318,868</b>

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

<b>UON PRESS Bank Accounts</b>			
<b>Financial Institution</b>	<b>Account Number</b>	<b>2022/2023</b>	<b>2021/2022</b>
<b>Current Account</b>		<b>Ksh</b>	<b>Ksh</b>
ABSA	0777001914	3,892,470	3,805,440
ABSA	094-8214946	3,443,327	3,349,521
		<b>7,335,797</b>	<b>7,154,961</b>
<b>UNES LTD</b>		<b>22,005,075</b>	<b>71,277,651</b>
<b>TOTAL</b>		<b>1,792,375,784</b>	<b>1,441,751,480</b>

<b>25 Short Term Deposits</b>		<b>2022/2023</b>	<b>2021/2022</b>
<b>Description</b>		<b>Ksh.</b>	<b>Ksh.</b>
Trust and Endowment Funds		436,457	425,912
		<b>436,457</b>	<b>425,912</b>

<b>26 Receivables from non-exchange Transactions</b>		<b>2022/2023</b>	<b>2021/2022</b>
<b>Description</b>		<b>Ksh.</b>	<b>Ksh.</b>
UON Recurrent Capitation		-	70,000,000
GOK 2010-2013 CBA		1,232,934,494	1,232,934,494
Other Public Universities		194,757,890	194,757,890
		<b>1,427,692,384</b>	<b>1,497,692,384</b>
Less: Provision for bad & doubtful debts		<b>(71,384,619)</b>	<b>(74,884,619)</b>
		<b>1,356,307,765</b>	<b>1,422,807,765</b>

<b>27 Receivables from exchange Transactions</b>		<b>2022/2023</b>	<b>2021/2022</b>
<b>Description</b>		<b>Ksh.</b>	<b>Ksh.</b>
Sundry Debtors		519,629,372	444,764,726
Bank Guarantees		13,751,131	10,004,956
Student Debtors		1,200,196,801	1,282,888,796
UON Press Receivables		17,547	-
UNES Receivables		273,874,972	409,592,537
		<b>2,007,469,823</b>	<b>2,147,251,015</b>
Less: Provision for bad & doubtful debts		<b>(85,991,309)</b>	<b>(86,387,076)</b>
		<b>1,921,478,514</b>	<b>2,060,863,938</b>

<b>Provision for Bad &amp; Doubtful Debts</b>			
Provision as at 01 July 2022		<b>(161,271,695)</b>	<b>(93,410,695)</b>
Provision as at 30 June 2023		<b>(157,375,928)</b>	<b>(161,271,695)</b>
Increase/(Decrease) in Provision		<b>(3,895,767)</b>	<b>67,861,000</b>

<b>Total Current Trade Receivables</b>		<b>3,277,786,279</b>	<b>3,483,671,703</b>
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# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

## NOTES TO THE FINANCIAL STATEMENTS cont'd

### 28 Inventories

Description	2022/2023 Ksh.	2021/2022 Ksh.
General Stocks	126,096,386	147,905,510
Dental Materials	68,071,341	53,783,115
UNES IGUs & Cafeterias	3,737,873	3,159,915
UNES Bookstore	37,990,676	39,521,699
	<b>235,896,276</b>	<b>244,370,239</b>

The University keeps inventory for teaching materials and day-to-day consumables that remain unused as at 30 June 2023

UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**29 Property, Plant and Equipment**

Cost	Land	Buildings	Work in Progress	Furniture and Equipment	Computers	Motor Vehicles	Academic Gowns	Biological Assets	Totals
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Cost as at 1 July 2021	186,447,265,000	22,053,346,036	258,500,329	2,597,839,000	1,387,409,000	703,794,516	60,200,000	18,109,900	213,526,463,781
Prior Year Adjustment	-	-	-	11,760,000	(11,760,000)	-	-	-	-
Additional Assets (UON)	-	-	100,527,467	20,712,000	45,708,000	-	-	-	166,947,467
Additional Assets (Grants)	-	-	-	11,269,187	24,135,785	15,280,000	-	-	50,684,972
Completed Projects	-	97,641,194	(104,230,272)	1,180,000	-	-	-	-	(5,409,078)
Revaluation	-	-	-	-	-	204,700,000	-	-	204,700,000
Disposal	-	-	-	-	-	(124,530,068)	-	-	(124,530,068)
<b>Cost as at 30 June 2022</b>	<b>186,447,265,000</b>	<b>22,150,987,230</b>	<b>254,797,524</b>	<b>2,642,760,187</b>	<b>1,445,492,785</b>	<b>799,244,448</b>	<b>60,200,000</b>	<b>18,109,900</b>	<b>213,818,857,074</b>
Cost as at 1 July 2022	186,447,265,000	22,150,987,230	254,797,524	2,642,760,187	1,445,492,785	799,244,448	60,200,000	18,109,900	213,818,857,074
Additional Assets (UON)	-	-	-	25,015,384	62,748,732	-	4,248,000	-	92,012,116
Additional Assets (Grants)	-	-	-	90,631,716	31,397,127	39,667,728	-	-	161,696,571
Disposal	-	-	-	(54,466,937)	(727,121)	(30,777,500)	-	(388,910)	(86,360,467)
Capitalization	-	12,320,238	-	9,766,398	904,492	-	-	22,950	23,014,078
Completed Projects	-	20,272,854	(32,400,946)	-	12,128,093	-	-	-	-
<b>Cost as at 30 June 2023</b>	<b>186,447,265,000</b>	<b>22,183,580,322</b>	<b>222,396,577</b>	<b>2,713,706,748</b>	<b>1,551,944,108</b>	<b>808,134,676</b>	<b>64,448,000</b>	<b>17,743,940</b>	<b>214,009,219,371</b>
<b>Depreciation &amp; Impairment</b>									
Accumulated Depreciation 1 July 2021	-	1,748,813,822	-	2,088,020,310	1,212,068,404	703,270,766	41,873,382	-	5,794,046,684
Accumulated Depreciation on Disposal	-	-	-	-	-	(124,530,068)	-	-	(124,530,068)
Charge for the period	-	443,019,745	-	123,003,010	45,382,312	46,044,733	3,010,000	-	660,459,800
<b>Acc Dep 30 June 2022</b>	<b>-</b>	<b>2,191,833,567</b>	<b>-</b>	<b>2,211,023,320</b>	<b>1,257,450,717</b>	<b>624,785,432</b>	<b>44,883,382</b>	<b>-</b>	<b>6,329,976,417</b>
Accumulated Depreciation 1 July 2022	-	2,191,833,567	-	2,211,023,320	1,257,450,717	624,785,432	44,883,382	-	6,329,976,417
Accumulated Depreciation on Disposal	-	-	-	(54,466,937)	(727,121)	(30,777,500)	-	-	(85,971,557)
Charge for the period	-	443,671,606	-	91,120,563	53,147,890	51,929,546	3,222,400	-	643,092,005
<b>Acc Dep 30 June 2023</b>	<b>-</b>	<b>2,635,505,173</b>	<b>-</b>	<b>2,247,676,946</b>	<b>1,309,871,486</b>	<b>645,937,477</b>	<b>48,105,782</b>	<b>-</b>	<b>6,887,096,864</b>
<b>Net Book Value</b>	<b>186,447,265,000</b>	<b>19,548,075,148</b>	<b>222,396,577</b>	<b>466,029,802</b>	<b>242,072,622</b>	<b>162,197,199</b>	<b>16,342,218</b>	<b>17,743,940</b>	<b>207,122,122,507</b>
UNES Balances	-	-	-	16,130,251	1,668,966	13,227,586	-	-	31,026,803
UON Press	-	-	-	416,953	39,441	-	-	-	456,394
Fully Depreciated Assets	-	-	-	618,767,291	532,227,377	196,303,348	-	-	1,347,298,017
Acc. Depreciation	-	-	-	(618,767,291)	(532,227,377)	(196,303,348)	-	-	(1,347,298,017)
<b>NBV 30 June 2023</b>	<b>186,447,265,000</b>	<b>19,548,075,148</b>	<b>222,396,577</b>	<b>482,577,006</b>	<b>243,781,028</b>	<b>175,424,785</b>	<b>16,342,218</b>	<b>17,743,940</b>	<b>207,153,149,310</b>



**NOTES TO THE FINANCIAL STATEMENTS cont'd**

<b>30 Investments</b>		<b>2022/2023</b>	<b>2021/2022</b>
<b>Trust and Endowment Funds Investments</b>	<b>No. Ordinary Shares</b>	<b>Ksh.</b>	<b>Ksh.</b>
<b>Gandhi Memorial Academy Society</b>			
East Africa Breweries Limited @ Shs. 2/-	20520	3,180,600	2,816,370
Car and General (Kenya) Limited @ Shs. 5/-	30444	791,544	1,347,147
Unga Limited @ Shs. 5/-	28782	440,365	874,973
Kenya Power and Lighting Co. Limited @ Shs. 2.50/-	8944	14,132	12,790
		<b>4,426,640</b>	<b>5,051,280</b>
<b>Kamala Gold Memorial Fund</b>			
Kenya Power and Lighting Co. Limited @ Shs. 2.50/-	7904	12,488	11,303
		<b>12,488</b>	<b>11,303</b>
<b>Tom Mboya Memorial Fund</b>			
East Africa Breweries Limited @ Shs. 2/-	62586	9,700,830	8,589,929
		<b>14,139,958</b>	<b>13,652,511</b>
<b>Investment Not Attributable To Any Particular Fund</b>			
Investment in University of Nairobi Enterprises and Services Limited (UNES)		-	100,000
Guarantee for University Press		-	3,809,495
		<b>14,139,958</b>	<b>17,562,006</b>

N/B: Investments in UNES Ltd and UON Press have been eliminated during consolidation in order to comply with consolidation of subsidiaries accounts procedures.

**31 Intangible Assets**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Ksh.</b>	<b>Ksh.</b>
<b>UON Intangible Assets</b>	<b>10,736,112</b>	<b>10,736,112</b>
<b>Accumulated Depreciation 1 July 2022</b>	2,238,422	114,000
<b>Amortization Charge</b>	2,124,422	2,124,422
	<b>4,362,845</b>	<b>2,238,422</b>
<b>Net book Value 30 June 2023</b>	<b>6,373,267</b>	<b>8,497,690</b>
<b>UNES Ltd Balances</b>	5,865,517	145,000
	<b>12,238,784</b>	<b>8,642,690</b>

**32 Funds Held by UNES Ltd**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Ksh.</b>	<b>Ksh.</b>
<b>Funds Held by UNES Ltd 1 July 2022</b>	-	232,923,624
Income from IGUs held by UNES for the Year	-	14,706,578
	-	<b>247,630,202</b>

N/B: Funds held by UNES Ltd are inter-company transactions that are also recognized as non-current liabilities in the prior year. These funds were eliminated during consolidation in the current year in accordance to IPSAS 6 (43-46).

UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

NOTES TO THE FINANCIAL STATEMENTS cont'd

Current Liabilities

33 Trade and Other Payables

Description	2022/2023 Ksh.	2021/2022 Ksh.
General Payables	463,669,156	418,184,912
Students' Fee Prepayments	890,005,424	636,355,291
Rent & Deposits Refundable	196,272,092	194,626,088
DSP Payables	899,634,991	696,167,212
Koitalel Samoei Fund	129,864,056	169,864,056
UNES Payables	178,532,239	336,805,045
	<b>2,757,977,958</b>	<b>2,452,002,604</b>

34 Statutory Payables

Description	2022/2023 Ksh.	2021/2022 Ksh.
Kenya Revenue Authority (Paye and VAT)	4,913,095,078	5,012,864,509
National Hospital Insurance Fund	-	6,395,200
National Security Social Fund	-	13,612,871
UoN Pension	6,250,738,208	5,533,486,294
Higher Education Loans Board	243,632	267,906
	<b>11,164,076,917</b>	<b>10,566,626,779</b>

35 Current Provisions

Description	2022/2023 Ksh.	2021/2022 Ksh.
Provisions For Audit fees UON	4,640,000	4,732,800
Provisions For Audit fees UON PRESS	92,800	-
Provisions For Leave Days	556,283,848	377,442,195
Provision -Staff Gratuities	252,135,851	385,182,956
	<b>813,152,499</b>	<b>767,357,951</b>

36 ABSA Term Loan

Description	2022/2023 Ksh.	2021/2022 Ksh.
ABSA Loan as at 01 July 2022	633,333,332	738,888,889
Loan Repayment	(105,555,556)	(105,555,556)
	<b>527,777,777</b>	<b>633,333,332</b>

Description	2022/2023 Ksh.	2021/2022 Ksh.
	<b>21,419,324</b>	<b>269,048,284</b>

N/B: UNES Ltd long term liabilities formed part of the inter-company asset transactions of Ksh 246,608,147 which was eliminated in the current year during consolidation.



UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**38 Special Accounts and Grants**

	<b>1 July 2022</b>			<b>30 June 2023</b>
	<b>Fund</b>	<b>Receipts</b>	<b>Expenditure</b>	<b>Fund</b>
	<b>Ksh.</b>	<b>Ksh.</b>	<b>Ksh.</b>	<b>Ksh.</b>
Ford Foundation	30,592,053	-	25,913,796	4,678,257
Rockefeller Foundation	6,780,701	-	345,000	6,435,701
International Development Research Center	36,128,536	19,129,675	41,797,523	13,460,688
National Research Funds(NRF)	152,417,114	8,450,510	70,246,235	90,621,389
World Health Organisation	107,198,079	458,646,810	357,843,691	208,001,198
International Aids Vaccine Initiatives	35,514,048	125,187,646	160,382,406	319,288
World Trade Organization	3,827,653	-	138,524	3,689,129
Centre for Disease Control (CDC)	240,119,000	466,758,587	527,534,673	179,342,915
African Economic Research Consortium (AERC)	20,429,707	23,732,925	28,389,322	15,773,310
National Institute of Health	169,663,000	175,355,441	201,932,899	143,085,542
USAID	5,775,837	1,390,254,116	1,387,768,598	8,261,355
Other Grants	1,262,311,000	2,096,910,381	2,030,243,536	1,328,977,845
	<b>2,070,756,728</b>	<b>4,764,426,090</b>	<b>4,832,536,203</b>	<b>2,002,646,615</b>

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

<b>39 Trust and Endowment funds</b>				
<b>Description</b>		<b>2022/2023</b>		<b>2021/2022</b>
		<b>Ksh.</b>		<b>Ksh.</b>
Gandhi Academic Society		20,891,998		21,616,639
Kenya Railways		662,903		662,903
A.C.I. De Souza Memorial		18,440		24,440
R.G. Amin Bursary		393,239		393,239
Kamala Gold Memorial		36,158		39,972
Tom Mboya Memorial		17,473,586		16,362,683
M.M. Bhatt Trust		103,866		103,866
Eng. Carry Oregge - Civil Engineering Prizes		110,000		110,000
Meteorology CBPS - IGAD climate Prediction		325,026		325,026
Prof. J.O. Agumbah - Theriogenology Award		80,000		90,000
Other Endowments		12,692,704		12,692,704
<b>TOTAL TRUST FUNDS</b>		<b>52,787,920</b>		<b>52,421,473</b>
<b>40 Endowment for General Purposes</b>		<b>16,181,338</b>		<b>16,181,338</b>
<b>41 General Fund</b>				
<b>Description</b>		<b>2022/2023</b>		<b>2021/2022</b>
		<b>Ksh.</b>		<b>Ksh.</b>
Balance b/f		16,063,746,013		16,061,015,222
Add: Donated Assets (Grants)		161,696,571		50,684,972
Less: Depreciation		62,995,368		47,954,180
		<b>16,162,447,216</b>		<b>16,063,746,013</b>
<b>42 Net funds from IGUs &amp; UNES</b>				
<b>Income Generating Units- Faculties</b>	<b>1 July 2022</b>	<b>Receipts</b>	<b>Payments</b>	<b>30 June 2023</b>
	<b>Balance</b>	<b>Ksh.</b>	<b>Ksh.</b>	<b>Balance</b>
	<b>Ksh.</b>			<b>Ksh.</b>
Central IGUs Units	3,132,353	43,266,767	35,854,236	10,544,884
Faculty Of Agriculture	14,134,482	46,104,779	38,944,605	21,294,657
Faculty Of Arts & Social Sciences	5,563,789	214,856	2,829,870	2,948,775
Faculty Of Commerce	-	985,888	689,700	296,188
Faculty Of Education	1,089,483	7,977,400	2,805,725	6,261,159
Faculty Of Engineering	13,315,217	15,463,708	15,285,901	13,493,024
Faculty Of Health Science	42,113,385	17,760,754	36,331,742	23,542,397
Faculty Of Science Technology	13,024,626	6,964,987	10,137,811	9,851,802
Faculty Of Veterinary Medicine	5,321,005	27,107,271	13,706,282	18,721,993
	<b>97,694,341</b>	<b>165,846,410</b>	<b>156,585,873</b>	<b>106,954,878</b>
<b>Other Income Generating Units</b>				
Chiromo Parlour	8,587,689	26,687,829	20,694,690	14,580,829
Diagnostic Radiology	(1,073,676)	2,704,300	2,787,690	(1,157,066)
Dental Plaza IGU	4,141,600	25,104,782	22,977,923	6,268,459
UoN Library	6,711,113	10,636,909	3,386,883	13,961,139
Eye Centre	(1,980,067)	5,919,860	6,710,933	(2,771,140)
Dental School	(1,680,081)	6,542,209	5,570,731	(708,603)
	<b>14,706,578</b>	<b>77,595,890</b>	<b>62,128,849</b>	<b>30,173,619</b>
UNES Ltd IGUs and Expenses	(19,708,466)	793,368,147	812,722,871	(39,063,190)
	<b>(19,708,466)</b>	<b>793,368,147</b>	<b>812,722,871</b>	<b>(39,063,190)</b>



UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**Net funds from IGUs & UNES**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Net Funds From IGU's as at 1 July 2021	-	(770,203,802)
Net Income From IGU's for The Period	-	38,186,286
UNES Ltd Reserves	-	(49,484,643)
Net Funds From IGU's as at 30 June 2023	-	<b>(781,502,159)</b>

**43 Capital Reserves**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Opening Balance	189,651,113,705	189,548,821,885
Increase/(Decrease) in Revaluation	(388,910)	204,700,000
Less: Incremental Depreciation on Revalued Assets	(102,408,180)	(102,408,180)
Closing Balance	<b>189,548,316,615</b>	<b>189,651,113,705</b>

**44 Revenue Reserves**

Description	2022/2023 Ksh.	2021/2022 Ksh.
Accumulated Surplus/ (Deficit) b/f	(8,814,664,556)	(6,753,855,907)
Prior Year Adjustment	(28,006,250)	(59,752,875)
Adjusted Balance b/f	<b>(8,842,670,806)</b>	<b>(6,813,608,781)</b>
Funds from IGU's b/f	(781,502,159)	-
UON Accumulated Surplus/ (Deficit) for the Period	(985,893,886)	(2,103,463,954)
Investment in Subsidiaries	(3,909,495)	-
UNES consolidation	(69,193,165)	-
Add: Incremental Depreciation on Revalued Assets	102,408,180	102,408,180
Accumulated Surplus/ (Deficit) c/f	<b>(10,580,761,332)</b>	<b>(8,814,664,556)</b>

**45. Cash Generated from Operations**

Description	2022/2023 Ksh.	2021/2022 Ksh.
<b>Deficit for the year before</b>	<b>(985,893,886)</b>	<b>(2,103,463,954)</b>
<b>Adjusted for:</b>		
Depreciation	582,221,059	614,553,223
Increase/(Decrease) in Provision for Doubtful debts	(3,895,767)	67,861,000
Gains and Other losses	(220,310,703)	(13,965,628)
Research Grants Income	4,764,426,090	4,099,144,711
Research Grants Expense	(4,832,536,203)	(4,174,906,411)
<b>Working Capital adjustments</b>		
Increase in inventory	(8,473,963)	35,886,449
Increase in receivables	205,885,424	16,055,005
Increase in payables	1,647,316,820	2,097,407,998
<b>Net cash flow from operating activities</b>	<b>1,148,738,870</b>	<b>638,572,394</b>

# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

## **NOTES TO THE FINANCIAL STATEMENTS cont'd**

### **46. 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 minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The University's does not hedge any risks and has in place policies through its statute xxx which states among other things:

- All fees and other charges due shall be paid at the commencement of the semester they are due and not beyond the third week of the semester. No student shall be allowed into the lecture, examination room or participate in activities which they have not fully paid for.
- The University shall withhold any and all services, examination results, conferment of any degree, certificate and diploma until all outstanding fees are settled and further reserve the right to institute legal recovery proceedings against students with outstanding fees and also surcharge an interest at a rate to be determined by the council from time to time.

The University has endeavored to enforce the above statute in order to reduce the student debtors. The University secured a written undertaking from the Government of Kenya with respect to the outstanding debt relating to the Pension Component of the CBA.

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 directors. 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.

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:

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the company has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The University has significant concentration of credit risk on amounts due from students

The Council sets the University's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

#### **Financial Risk Management**

Ultimate responsibility for liquidity risk management rests with the University's Council, which has built an appropriate liquidity risk management framework for the management of the



## UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

	Note	Total amount Ksh.	Fully performing Ksh.	Past due Ksh.	Impaired Ksh.
<b>At 30 June 2023</b>					
Bank balances	24	1,792,375,784	1,792,375,784	-	-
Short Term Deposits	25	436,457	436,457	-	-
Receivables from non -exchange transactions-GoK	26	1,427,692,384	1,427,692,384	1,427,692,384	(71,384,619)
Receivables from exchange transactions	27	2,007,469,823	2,007,469,823	-	(85,991,309)
Inventories	28	235,896,276	235,896,276	-	-
<b>Total</b>		<b>5,463,870,724</b>	<b>5,463,870,724</b>	<b>1,427,692,384</b>	<b>(157,375,928)</b>

	Note	Total amount Ksh.	Fully performing Ksh.	Past due Ksh.	Impaired Ksh.
<b>At 30 June 2022</b>					
Bank balances	24	1,441,751,480	1,441,751,480	-	-
Short Term Deposits	25	425,912	425,912	-	-
Receivables from non-exchange transactions-GoK	26	1,497,692,384	1,497,692,384	1,497,692,384	(74,884,619)
Receivables from exchange transactions	27	2,147,251,015	2,147,251,015	-	(86,387,076)
Inventories	28	244,370,239	244,370,239	-	-
<b>Total</b>		<b>5,331,491,030</b>	<b>5,331,491,030</b>	<b>1,497,692,384</b>	<b>(161,271,695)</b>

	Note	Kshs	Kshs
<b>Trade and Other Payables</b>			
General Payables	33	463,669,156	418,184,912
Students' Fee Prepayments	33	890,005,424	636,355,291
Rent & Deposits Refundable	33	196,272,092	194,626,088
DSP Payables	33	899,634,991	696,167,212
Koitalel Samoei Fund	33	129,864,056	696,167,212
UNES Payables	33	178,532,239	169,864,056
<b>Statutory Payables</b>	34	<b>11,164,076,917</b>	<b>10,566,626,779</b>
<b>Current Provisions</b>	35	<b>813,152,499</b>	<b>767,357,951</b>
		<b>14,735,207,374</b>	<b>14,145,349,502</b>

### Financial Ratios.

The university uses financial ratios to measure the performance of profits, liquidity and leverage. The analysis indicate that the University's performance has been deteriorating over the past five years putting concern over the sustainability of its operations in the future.

Management has arrested the issues underlying the ailing of the university, which include, but not limited to; reduction in capitation remitted from the Government, high wage bill that is dictated by staff unions, and reduced revenue from declining numbers of students registered for module II programs. Measures have been put in place to aid in the recovery which will see reduced operational costs, settlement of outstanding credits and increased revenues.

**UNIVERSITY OF NAIROBI**  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	Ksh. Million	Ksh. Million	Ksh. Million	Ksh. Million	Ksh. Million
Total Revenue	12,312	12,843	9,738	10,156	11,641
Surplus/ (Deficit)	-1,305	-1,624	-3,111	-2,103	-986
Total Assets	215,866	216,724	213,048	212,947	212,486
Total Liabilities	10,055	13,191	14,698	16,828	17,356
Current Assets	5,458	6,727	5,310	5,170	5,306
Current Liabilities	7,368	10,269	11,565	13,786	14,735
Cash & Cash Equivalents	843	1,795	1,510	1,442	1,793
Inventory	231	245	280	244	236
<b>Financial Ratios</b>					
<b>Profitability Ratios</b>					
Profit Margin	-10.60%	-12.65%	-31.95%	-20.70%	-8.47%
Return on Assets	-0.60%	-0.75%	-1.46%	-0.99%	-0.46%
<b>Liquidity Ratios</b>					
Current Ratio	0.74	0.66	0.46	0.38	0.12
Acid Test Ratio	0.71	0.63	0.43	0.36	0.34
Cash Ratio	0.11	0.17	0.13	0.1	0.12
<b>Leverage Ratios</b>					
Debt Ratio	0.05	0.06	0.07	0.08	0.08

The University has registered negative profit margins from FY 2018/2019 to the current financial year. In FY 2022/2023 the university registered profit margins of negative 8.47%. The negative Return On Assets ratio from FY 2018/2019 to FY 2022/2023 above indicates that the institution is not using its assets effectively to generate income. The current ratio and acid test ratios of less than 1.00 as recorded from FY 2018/2019 to FY 2022/2023 indicates difficulty in settling short term liabilities as and when they fall due. Despite the adverse profitability position, the University has maintained a healthy debt ratio of less than 0.5 from FY 2018/2019 to the current financial year which gives room for addition of more debt to finance the institution's operations.

#### 47. 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.

The University's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

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



UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**48. 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's capital structure comprises of the following funds:

	Note	2022/2023 Kshs	2021/2022 Kshs
General Fund	41	16,162,447,216	16,063,746,013
Net funds from IGUs and parallel programs	42	-	(781,502,159)
Capital Reserves	43	189,548,316,615	189,651,113,705
Revenue Reserves	44	(10,580,761,332)	(8,814,664,556)
Special Accounts and Grants	38	2,002,646,615	2,070,756,728
Trust and Endowment funds	39	52,787,920	52,421,473
Endowment for General Purposes	40	16,181,338	16,181,338
<b>Total Funds</b>		<b>197,201,618,373</b>	<b>198,258,052,541</b>
Total Borrowings	33-36	15,262,985,151	14,419,320,667
Less: Cash and Bank Balance	24-25	1,792,812,241	1,442,177,392
Net Debt/(Excess Cash and Cash equivalent)		<b>17,055,797,391</b>	<b>15,861,498,059</b>
<b>Gearing</b>		<b>9%</b>	<b>8%</b>

**49. Related parties**

**University of Nairobi Enterprises (UNES) Ltd**

University of Nairobi Enterprises (UNES) is a related company by virtue of it being wholly owned by University of Nairobi.

**Company**

UNES Ltd  
UON Press

**Share Holding**

100%  
100%

**Amount  
(Ksh)**

100,000  
3,809,495

**Government of Kenya**

The Government of Kenya is the principal shareholder of the Entity, holding 100% of the Entity's equity interest.

**Other Related Parties**

Ministry of Education, Science and Technology is the parent ministry to University of Nairobi

**Related party Transactions**

**Transfers from GoK**

Recurrent Capitation

**Amount Due from GoK**

Capitation-University of Nairobi  
CBA 2010-2013 Pension Arrears  
CBA 2010-2013 Other Public Institutions

**2022/2023  
Ksh**

**5,610,967,359**  
-  
1,232,934,494  
194,757,890  
**1,427,692,384**

**2021/2022  
Ksh**

**5,724,440,294**  
70,000,000  
1,232,934,494  
194,757,890  
**1,497,692,384**

**Amount Due from UNES**

Bookstore taken over  
Amount held by UNES on behalf of UoN  
IGUs Management Fees Charged by UNES

21,419,324  
246,608,147  
12,931,478

**280,958,948**

21,419,324  
246,609,389  
-

**268,028,713**

UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**NOTES TO THE FINANCIAL STATEMENTS cont'd**

**Council Expense**

	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Ksh</b>	<b>Ksh</b>
Remuneration of Chairperson	1,616,395	574,237
Remuneration of Council Members	2,665,000	2,412,000
Council Members GPA	812,207	173,726
Air ticket	239,900	-
Travelling, Office expenses and Catering	907,654	3,665,197
	<b>6,241,156</b>	<b>6,825,160</b>

**50. Contingent Liabilities**

<b>Description</b>	<b>2022/2023</b>	<b>2021/2022</b>
	<b>Ksh</b>	<b>Ksh</b>

**51. Events after the Reporting Period**

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

**52. Ultimate And Holding Entity**

The University of Nairobi is a Semi- Autonomous Government Agency under the Ministry of Education, Science and Technology. Its ultimate parent is the Government of Kenya

**53. Currency**

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs



**UNIVERSITY OF NAIROBI**

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

**20. APPENDICES**

**Appendix 1: Implementation Status of Auditor-General’s Recommendations**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1. Material Uncertainty in Relation to Going Concern	The continued existence of the University as a going concern is dependent on continued financial assistance from government and other stakeholders.	The University of Nairobi Council and Executive board developed and implemented several strategies in form of reforms which were carried out to stop the University from sliding further into crisis. This has resulted to continuous financial performance improvement.	Not resolved	continuous
2. Personnel cost 2.1 Unremitted payroll deductions	Completeness and accuracy of the operating results and liabilities could not be confirmed.	The University has continued to remit funds to KRA on monthly basis even under difficult financial situations. Since January 2021 the University has remitted all taxes on time and is currently on the monthly remittances. This has caused the debt owed to KRA not to increase for the past twelve months in regards to penalties and interest. The University has continued to remit monthly employee pension component to avoid accumulation of the pending pension deductions. The University has continued to engage the Pension Board of Trustees on modalities of clearing the outstanding amount.	Not resolved	continuous
2.2 Unsupported	Unreconciled gratuity	The financial statements	Resolved	June 2023

UNIVERSITY OF NAIROBI

Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	staff gratuity expense	expense	reflects the accuracy and completeness of the figures therein.	
3.	Loss making Income generating Units	The accuracy and completeness of balance in the financial statements could not be confirmed.	Management has put in place measures to review the operations of the Income Generating Units (IGUs) that made losses with a view of turning them around or closing them.	Not resolved Continuous
4.	Property, Plant and Equipment			
4.1.	Lack of ownership documents	Three parcels of land, LR No. 11645/9715, LR No. 22378 & LR No. 7219/32 without ownership documents.	The parcel of land are fully developed with administration buildings, lecture theatres, laboratories and other academic buildings. The management is in engagement with the ministry of Lands regarding the processing of the title deeds	Not resolved June 2024
4.2.	Stalled Student Accommodation Hostels at Lower Kabete Campus	Incomplete project. Value for money not obtained	This remains unresolved since the University has continued to face cashflow problems over the years and GoK has not allocated any Development capitation to the University for many years. The University will continue to engage the government for funding. The last estimate was given at 450 Million.	Not resolved Continuous
4.3	Proposed Construction of School of Pharmacy	The value for money could not obtained for the uncompleted project.	The University has continued to face cashflow problems over the years and GoK has not allocated any Development capitation to the University for many years. The University will prioritize completing this moving forward.	Not resolved 2024
4.4	Unsupported Motor	The accuracy of the	The University invited bids for	Resolved June 2023



**UNIVERSITY OF NAIROBI**

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
Vehicles cost value	cost of Motor vehicles not confirmed.	an insurance tender for motor vehicles. Britam Insurance Limited which was awarded the tender for motor vehicle insurance valued motor vehicles for purposes of Insurance as value added services. The revaluation done was for motor vehicles that were in use.		
4.5 Work in progress (WIP) 4.5.1 Unsupported Work in progress B/F	Unsupported projects	The management undertook to reconcile the work in progress balances and all projects were supported.	Resolved	June 2023
4.5.2 Overpayment for Non- Working borehole	Unsupported payments for projects	The management undertook to reconcile the payment made for the project and confirmed that there was no overpayment.	Resolved	June 2023
5. Receivables from exchange transactions 5.1 Sundry debtors	Unexplained debtors	Management undertook to reconcile and support the balances of the sundry debtors.	Resolved	June 2023
5.2 Long outstanding students Debtors	Holding uncollectable debts	Management has requested for approval from Council to write off of the long outstanding student debtors in compliance with the Public Finance Management Act 2012, Public Finance Management Act Regulation of 2015 and University of Nairobi Financial regulations 2016 provide for how to write off bad debts.	Not resolved	Continuous
6. Unsupported and Unremitted UON Pension Scheme Balance	The regularity and valuation of the pension payable could not be confirmed	The University has continued to remit funds to KRA even under difficult financial situations. Since January 2021 the University has remitted all taxes on time and is currently on the monthly remittances.	Not resolved	Continuous

# UNIVERSITY OF NAIROBI

*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		<p>This has caused the debt owed to KRA not to increase for the past twelve months in regards to penalties and interest.</p> <p>The University has continued to remit monthly employee pension component to avoid accumulation of the pending pension deductions. The University has continued to engage the Pension Board of Trustees on modalities of clearing the outstanding amount.</p>		
7. Long outstanding payables	Exposure to fines and penalties for failure to meet obligations.	<p>The University has continued to remit funds to KRA even under difficult financial situations. Since January 2021 the University has remitted all taxes on time and is currently on the monthly remittances. This has caused the debt owed to KRA not to increase for the past twelve months in regards to penalties and interest.</p> <p>The University has continued to remit monthly employee pension component to avoid accumulation of the pending pension deductions. The University has continued to engage the Pension Board of Trustees on modalities of clearing the outstanding amount.</p>	Not resolved	Continuous
8. Unsupported Endowment for general purpose	Unconfirmed fund balance	<p>This fund was established around 2005 as a designated fund for the purpose funding students prizes and scholarships. The fund has remained dormant for a long</p>	Not resolved	Continuous



**UNIVERSITY OF NAIROBI**  
*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		time due to cash flow problems faced by the university. However, students prizes and scholarships are administered and realized through trust funds and donor programmes.		
9. Related parties balances	Variances in balances reported	The Financial statements reflects the accuracy and completeness of the figures given therein.	Resolved	June 2023



**PROF. STEPHEN G. KIAMA,**  
**BVM, MSC(Nbi), PhD(Bern)KNAS**  
**Vice Chancellor & Secretary to Council**  
**26 January 2024**

UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**Appendix II: Projects implemented by University of Nairobi**

Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements.(Yes/No)
Completion of pharmacy building at KenyattaN.Hospital		GOK	6/7/2025			
Completion of Students Accommodation at Lower kabete Campus		GOK	8/9/2027			
UoN Engineering & Science Complex		GOK	12/9/2027			
University of Nairobi CHERAMI Cancer institute specialist teaching and facilities at upper kabete Campus		GOK	12/7/2027			
Proposed international School Hostels Main Campus		GOK	14/8/27			
Implementation of green Energy Project		GOK	9/9/2024			
Proposed SACE dairy project at Upper Kabete Campus		GOK	8/8/2027			
University of Nairobi Teaching and referral hospitalupper kabete Campus		GOK	12/8/2027			
Inovation park feasibility study and Development Upper Kabete		GOK	11/9/2027			
Proposed School of Law Towers Parklands Campus		GOK	11/9/2027			
Proposed Refurbishment of students welfare hostels SWA		GOK	12/6/2026			
College of architecture and Engineering Prefab Lecture halls at ADD		GOK	17/7/24			
Proposed replacement of asbestos roofs		GOK	12/6/2024			
Proposed disability mainstreaming of lifts		GOK	12/6/2024			
psri project		GOK	12/6/2024			



**UNIVERSITY OF NAIROBI**  
*Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023*

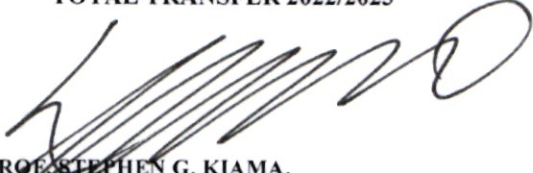
**Status of Projects completion**


SN	Project	Total Project Cost(Ksh.)'000'	Total expended to date Ksh '000'	Completion % to date	Budget Ksh. '000'	Actual Ksh. '000'	Sources of funds
1	Completion of pharmacy building at KenyattaN Hospital	1,100,000.00	152,000.00	13%	1,100,000.00	1,100,000.00	GOK
2	Completion of Students Accommodation at Lower kabete Campus	1,125,000.00	675,000.00	60%	1,125,000.00	1,125,000.00	GOK
3	UoN Engineering & Science Complex	4,000,000.00	12,000.00	3%	4,000,000.00	4,000,000.00	GOK
4	University of Nairobi CHERAMI Cancer institute specialist teaching and facilities at upper kabete Campus	3,000,000.00	-	0%	3,000,000.00	3,000,000.00	GOK
5	Proposed international School Hostels Main Campus	7,400,000.00	-	0%	7,400,000.00	7,400,000.00	GOK
6	Implementation of green Energy Project	250,000.00	-	0%	250,000.00	250,000.00	GOK
7	Proposed SACE dairy project at Upper Kabete Campus	3,600,000.00	-	0%	3,600,000.00	3,600,000.00	GOK
8	University of Nairobi Teaching and referral hospital upper kabete Campus	25,000,000.00	-	0%	25,000,000.00	25,000,000.00	GOK
9	Inovation park feasibility study and Development Upper Kabete	20,000,000.00	-	0%	20,000,000.00	20,000,000.00	GOK
10	Proposed School of Law Towers Parklands Campus	3,650,000.00	-	0%	3,650,000.00	3,650,000.00	GOK
11	Proposed Refurbishment of students welfare hostels SWA	885,000.00	-	0%	885,000.00	885,000.00	GOK
12	College of architecture and Engineering Prefab Lecture halls at ADD	325,000.00	-	0%	325,000.00	325,000.00	GOK
13	Proposed replacement of asbestos roofs	50,000.00	-	0%	50,000.00	50,000.00	GOK
14	Proposed disability mainstreaming of lifts	25,000.00	-	0%	25,000.00	25,000.00	GOK
15	psri project	5,000.00	-	0%	5,000.00	5,000.00	GOK

UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**Appendix IV: Transfers from Other Government Entities**

ENTITY NAME		UNIVERSITY OF NAIROBI	
Break down of Transfers from the State Department University Education			
FY 2022/2023			
UNIVERSITY OF NAIROBI			
a.	<b>Recurrent Grants</b>		
		Bank Statement Date	Amount (KShs)
			FY to which the amounts relate
		8/3/2022	467,580,613.00
		9/8/2022	467,580,613.00
		10/3/2022	467,580,613.00
		<b>Q1 - UON sub-total</b>	<b>1,402,741,839.00</b>
		11/10/2022	467,580,613.00
		12/9/2022	467,580,614.00
		12/30/2022	467,580,614.00
		<b>Q2 - UON sub-total</b>	<b>1,402,741,841.00</b>
		2/3/2023	467,580,614.00
		3/17/2023	467,580,614.00
		4/14/2023	467,580,612.00
		<b>Q3 - UON sub-total</b>	<b>1,402,741,840.00</b>
		5/5/2023	467,580,613.00
		6/9/2023	467,580,613.00
		6/27/2023	467,580,613.00
		<b>Q3 - UON sub-total</b>	<b>1,402,741,839.00</b>
	<b>GRAND TOTAL - RECURRENT FUNDS</b>		<b>5,610,967,359.00</b>
b.	<b>Development Grants</b>		
		Bank Statement Date	Amount (KShs)
			FY to which the amounts relate
		11/1/2022	15,000,000.00
		<b>TOTAL</b>	<b>15,000,000.00</b>
<b>TOTAL TRANSFER 2022/2023</b>			<b>5,625,967,359.00</b>

  
PROF. STEPHEN G. KIAMA,  
BVM, MSC(Nbi), PhD(Bern)KNAS  
Vice Chancellor & Secretary to Council  
26 January 2024

  
CPA STEPHEN K. KIMELI,  
B. Com, MBA (KabU), CPA(K)  
ICPAK Member No. 7128  
Ag. Director Finance  
26 January 2024



UNIVERSITY OF NAIROBI  
Annual Report and Financial Statements for the Financial Year ended 30<sup>th</sup> June 2023

**Appendix VII: Reporting on Disaster Management Expenditure**

Column i	Column ii	Column iii	Column iv	Column v	Column vi	Column vii
Program	Sub Program	Disaster Type	Category Of Disaster Related Activity That Require Expenditure Reporting (Response/Recovery/Mitigation/Preparedness)	Expenditure Item	Amount (Ksh.)	Comments
Medical	Covid-19 infection	Pandemic	Response	In-Patient Treatment	3,096,183	Hospitalization
Medical	Covid-19 infection	Pandemic	Response	Laboratory Tests & Investigations	35,050	Laboratory Expenses
Medical	Covid-19 infection	Pandemic	Preparedness	Personal Protective Equipment	1,534,990	Purchase of PPEs