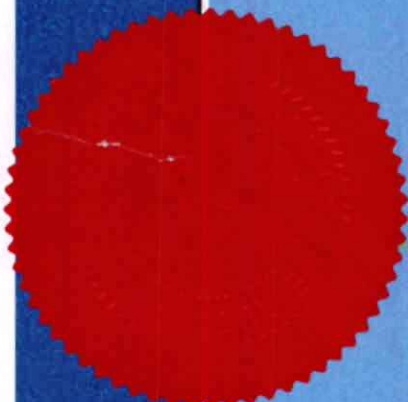



REPUBLIC OF KENYA



Enhancing Accountability



 REPORT NATIONAL ASSEMBLY PAPERS LAID	
DATE: 25 FEB 2025	DAY. TUESDAY
TABLED BY OF	DEPUTY MAJORITY WHIP HON. NEOMI WAGO, MP
CLERK-AT THE-TABLE:	DAVID MCHIRO.

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ON

CHUKA UNIVERSITY

**FOR THE YEAR ENDED
30 JUNE, 2024**



CHUKA



UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30TH JUNE 2024**

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



Chuka University
Annual Reports and Financial Statements
For the Year Ended June 30, 2024.

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I. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

CEO	Chief Executive Officer
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
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

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year- Means the prior period.

2. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Chuka University is an institution of higher learning that has since inception charted a clear path towards academic excellence. The establishment of a great learning institution in Chuka area was foretold way back in 1951 by the then-renowned seer Jerusha Kanyua. Following that, in 1956, the Chuka community established a craft centre in Ndagani-Chuka to train school leavers in skills that could be useful in nation-building. With the diligent efforts of many, the Centre was upgraded to a Youth Polytechnic in 1969, building the technical skills of the youth in a variety of aspects and setting the platform for leveraging on their education as a driver of local growth and development.

In 2003, the community members felt that they needed an institution that could provide higher education and training opportunities. Coincidentally, Egerton University based in Nakuru was planning to open a Campus in the region. The community then approached Egerton University, which agreed to open a University campus in Chuka. The Chuka community graciously donated the Ndagani Youth Polytechnic and Sports Stadium for the establishment of the Campus. In addition, the Presbyterian Church of East Africa donated more land from its institutions, forming the Ndagani Educational Complex, which included the Ndagani Secondary, Primary, and Nursery Schools. Overall, the Chuka community donated 500 acres at Kairini, 50 acres at Ndagani, and 73 acres at Mwanjati in the then Meru South Sub-County to increase the total donated land area to approximately 623 acres. The University later donated 40 acres for the establishment of the Chuka Technical and Vocational College from the land at Mwanjati.

On 21st August, 2004, when the third President of the Republic of Kenya, His Excellency President Mwai Kibaki visited the Chuka area and held a meeting there, the community, through their leaders, informed him of their desire to establish a University in the area. The President accepted the aspirations of the people of Chuka and Meru and pledged the Government's support to establish a University at the site. Through the goodwill of the Government of Kenya, Egerton University Council approved the establishment of a campus college, named Egerton University, Eastern Campus College, at Ndagani in Chuka.

The Campus College was then launched on 1st August, 2005. The Youth Polytechnic was relocated to Mungoni, which is located approximately 2 Kilometres away from the University Main Campus. On 23rd August, 2007, H.E. Mwai Kibaki elevated the Egerton University Eastern Campus College to Chuka University College through Legal Notice Number 161 of 2007, and inaugurated it on 10th October, 2007. After about five years, H.E. Mwai Kibaki visited again and chartered Chuka University on 8th January, 2013, making it the second chartered and ninth full-fledged public university in Kenya under the Universities Act, No. 42 of 2012.

The University is located near Chuka Town in Chuka South Sub-County, Tharaka-Nithi County. It is situated approximately 186 km from Nairobi City along the Nairobi-Meru Highway on the slopes of Mt. Kenya at an altitude of 1,500 m above sea level. The area provides a cool climatic environment, with temperatures ranging from 16°C to 24°C and annual rainfall averaging 1,000

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mm. This serene environment is excellent for learning and working. The University's academic character is designed to foster sustainability in the context of the prevailing internal and external environments. The niche areas of the University is: environmental conservation and renewable energy for sustainable development, which is augmented with science, technology, engineering and mathematics (STEM), innovation, entrepreneurship, and life skills based on the newly introduced Competence-Based Curriculum (CBC). Through this diversification, the University is be able to offer research and training in STEM and other fields of specialisation, training and research at Certificate, Diploma, Bachelor's, Master's and Doctorate Degree levels.

The university has (2) two campuses: Main Campus and Embu Campus, and three learning centres namely: - Igembe TVET Training Centre, Chogoria and Nairobi Training Centres. It has two (2) schools namely; School of Nursing and Public Health and the School of Law, seven (7) faculties namely; Faculty of Engineering, Science & Technology, Education, Humanities & Social Sciences, Environmental & Resource Development, Agriculture and Business Studies.

(b) Principal Activities

The Mandate of the Chuka University as provided in the Chuka University Charter dated 8th January 2013 is to:

- i) Provide directly, or in collaboration with other institutions of higher learning, facilities for university education, the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of citizens of Kenya.
- ii) Participate in the discovery, transmission, preservation and enhancement of knowledge and to stimulate the intellectual participation of students in the economic, social, cultural, scientific, and technological development of Kenya.
- iii) Provide and advance university education and training to appropriately qualified candidates, leading to the conferment of degrees and award of Diplomas and certificates and such other qualifications as the Council and the Senate shall from time to time determine and in so doing contribute to manpower needs.
- iv) Conduct examinations for such academic awards as may be provided in the statutes pertaining to the University and
- v) Examine and make proposals for new faculties, schools, institutes, departments, resource and research centres, study courses and subjects of study.

Mission

To generate, preserve and share knowledge for effective leadership in higher education, training, research and outreach through nurturing an intellectual culture that integrates theory with practice and innovation.

Vision

To be a Premier University for the provision of quality education, training and research for sustainable national and global development



Core Values

The University is committed to the following set of core values:

1. Freedom of expression
2. Integrity
3. Sustainability
4. Teamwork
5. Excellence and Professionalism
6. Confidentiality

(c) Key Management

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

- i) The Council
- ii) The Management Board

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2024 and had direct fiduciary responsibility were:

Name	Designation
Prof. Henry Mutembei M'Ikiugu (PhD)	Vice Chancellor
Prof. Eunice Wamuyu Githae, (PhD)	Ag. Deputy Vice Chancellor (AFP&D)
Prof. Gilbert Mbaka Nduru, (PhD)	Ag. Deputy Vice Chancellor (ARSA).
Dr. Peter Opiayo Mabubi, Ph.D.	Registrar (Administration and Planning)
Dr. Samwel Macharia Chigoe, Ph.D.	Registrar (Academics)
CPA. John K. Thurania, MBA, CPA (K),CPS(K)	Finance Officer
Mr. Naftal Oenga, MBA, Bcom	Procurement Officer

(e) Fiduciary Oversight Arrangements

The key fiduciary oversight committee of the University for the Financial Year 2023/2024 and their respective functions are outlined below:

1. Finance, Farms, Enterprise Company and General-Purpose Committee

- i) To review and recommend approval of policies and conditions for sound management of the financial processes and operations.
- ii) To review and report to the Board on the annual audited accounts.
- iii) To review and recommend approval of policies and conditions for sound management of financial investments.
- iv) To formulate policies and conditions for sound management of University funds.
- v) To discuss and recommend to the council Annual and Quarterly Financial reports.

2. Audit, Governance and Risk Management Committee

- i) To assist in enhancing internal controls in order to improve efficiency, transparency and accountability in the management of University funds
- ii) To examine internal and external audit reports and recommendations after management response to ensure action is taken

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- iii) To follow up to ensure action is taken to resolve Public Accounts Committee recommendations
- iv) To Provide oversight on risk management processes
- v) Any other duty as set out in the Audit Committee Charter

3. Human Resources Management Committee

- i) To provide guidance and direction to compensation and benefits of employees as per the negotiated Collective Bargaining Agreements (CBAs) as well as negotiate for group health care benefits.
- ii) To implementation of employee training and development policy depending on competency needs assessment.
- iii) To carry out the organization and employee needs assessment and recommend for recruitment of various categories of staff.
- iv) To handle and recommend to the council staff disciplinary matters and the appropriate action to be taken.

4. Building, Planning and Development Committee

- i) To oversee implementation of development projects in the University.
- ii) To consider and recommend to the Council building projects budget for the University.
- iii) To monitor and appraise development projects for the University.

5. Grievances Handling and Appeals Committee

- i) To hear any appeals related to staff and students discipline and recommend to the council for the necessary action.
- ii) To arbitrate the cases brought to the committee from various organs of the University.

6. Sealing and Honorary Degree Committee

- i) To make recommendations to the council on the award of Honorary Degrees to various personnel.
- ii) To recommend to the Council students due for graduation.
- iii) To propose to the Council, the graduation dates as proposed by the Senate.

f) Entity Headquarters

P.O. Box 109- 60400
Business and Student Recreation Centre Building
Off Embu-Meru Highway
Chuka, Kenya

g) Entity Contacts

Telephone: (254) 0202310512 / 202310518
E-mail: info@chuka.ac.ke

h) Entity Bankers

1. Kenya Commercial Bank Ltd,
P.O. Box 7014 – 60400
Chuka
2. Cooperative Bank of Kenya
P.O. Box 101 – 60400
Chuka
3. Equity Bank Ltd
P.O. Box 213 – 60400
Chuka
4. Family Bank Ltd
P.O. Box 3092-60200
Meru
5. ABSA bank of Kenya l td
P.O. Box 88-60100
Embu
6. Standard Chartered Bank Ltd
P.O. Box 109-60200
Meru



Independent Auditors

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




Principal Legal Advisor

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




3. THE UNIVERSITY COUNCIL

Name(s)	Brief Description
<p>Prof. David T. K. Serem, Ph.D., OGW, Council Chairman</p> 	<p>Professor David K. Serem was born on 23rd November, 1951. He holds a Doctor of Education (Ed.D.) degree in Administration of Higher Education from the University of Wyoming, USA. He has served as Head Department, Dean, Principal, Deputy Vice Chancellor and Ag. Vice Chancellor in various Universities in Kenya. Prof. is a seasoned educational administrator and researcher with a bias in Educational Leadership and Management. He is a member of several professional associations. Prof. Serem has served as a board member of:- Kenya Airways, the National Housing Corporation (NHC), Kenya Industrial Research and Development Institute (KIRDI) and is currently serving as the Chairman of Mount Kenya University (MKU) Council and a Professor in the Department of Educational Management and Policy Studies, Moi University. Professor is the current Chuka University Council Chairman.</p>
<p>Elijah K. Song'ony Council Member</p> 	<p>Mr. Elijah Kiprugut Song'ony was born in July 19, 1964. He is a highly experienced public administrator with a strong background in government service, enhanced by extensive professional training. He holds a B.A in (Geography and Government), from University of Nairobi. Over the years, Mr. Song'ony has undertaken several specialized courses, including Risk Management in Crisis Situations at Maastricht University, Administrative Officers Paramilitary Course, Police Training College amongst others.</p> <p>Throughout a distinguished career, Mr. Song'ony has held several senior roles, including the current position as Director of Administration at The National Treasury, and previously at the Ministry of Health. Additionally, Mr. Song'ony represents the Principal Secretary, The National Treasury in Chuka University Council</p>

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<p>Crispus Micheni Ndeke Council Member</p> 	<p>Mr Crispus Micheni Ndeke was born on 18th December, 1960. He is a seasoned educational administrator and has worked in Public Administration for over 30 years. He holds a Masters in Psychology from Mount Kenya University (MKU) and a Bachelor of Education from Kenya Methodist University (KEMU). He is currently a council member and Chairperson of Audit, Governance and Risk Management Committee of the Chuka University Council.</p>
<p>Linnet Kwamboka Maganda Council Member</p> 	<p>Mrs Linet Kwamboka Maganda was born on 23rd October 1972. She has worked in Public Administration for over 25 years. Lately she served as a member of Nyamira County Assembly Service Board. She holds a Master of Arts Degree in Christian Education from Evangel Christian University of America and a Bachelor of education from Kenyatta University. She is currently a council member at Chuka University and Chairperson of Human Resource Management Committee of the Chuka University Council.</p>
<p>Samuel Gacheru Gitonga Council Member</p> 	<p>Mr. Samuel Gacheru Gitonga was born on 2nd April 1981. He works as a lecturer at Cooperative University. He holds Master of Sociology and Community Development from The University of Nairobi, Bachelor of Education Degree from Catholic University and currently pursuing PHD-Social Transformation in Tangaza University College. He is currently a council member and Chairperson of Building, Planning, Development Committee of the Chuka University Council.</p>

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<p>Zephania Rwanda Mbaka Council Member</p> 	<p>Mr. Zephania Rwanda Mbaka was born on 2nd June 1985. He holds a Master of Business Administration (Strategic Management) and Bachelor of Education (Arts), Mathematics & Business studies, with IT. He previously served as Chief Officer – Finance and Economic Planning in Tharaka Nithi County and Branch Manager at the Kenya Institute of Management. He is currently a council member at Chuka University and Chairperson of Finance, Farms, Enterprise and General-purpose Committee of the Chuka University Council.</p>
<p>Margaret M. Makhungu Council Member</p> 	<p>Margaret M. Makhungu was born on 12th May, 1967. She is an ICT professional and consultant with over 25 years' experience in Information Communications Technology. She has led and worked with different teams in multi-cultural and multi-skilled environments in Africa, Asia and Europe. She holds a Master's degree in Business Administration from the United States International University USIU (Strategic Management and IT management), a certificate in Financial Markets from the Securities Institute of Australia, and is an Electrical Engineer with a Bachelor of Technology degree in Electrical and Communications Technology from Moi University, Eldoret. She is currently a council member at Chuka University.</p>
<p>Dr. Wahome Rureri Ph.D. Council Member</p> 	<p>Dr. Wahome Rureri was born on 10th March 1972. He holds a PhD in Business Administration (Strategic Management), MBA and a B.Ed. Science. He has over 10 years working experience in senior management positions in public service and currently working in the State Department for University Education and research. He currently represents the Principal Secretary, State Department for University Education and Research in Chuka University Council.</p>




Prof. Henry M. M'Ikiugu, Ph.D.
**Vice Chancellor/CEO & Secretary to
the Council**



Prof. Henry Mutembei M'Ikiugu was born on 16th August 1970. He is a Professor of Veterinary Reproduction and Obstetrics (Theriogenology) and a Specialist in Disaster Management and Risk Mitigation Strategies. He is a renowned scholar and administrator. He worked in several management positions in the University of Nairobi. He joined Chuka University as Deputy Vice Chancellor in charge of Administration, Finance, Planning and Development before he was elevated to the current position of Council Secretary/Vice Chancellor/CEO Chuka University.

4. MANAGEMENT TEAM

Name of the Staff & Responsibility	Concise Description
<p>Prof. Henry M. M'ikiugu Ph.D. Vice Chancellor/CEO</p> 	<p>Prof. Henry Mutembei M'ikiugu was born on 16th August 1970. He is a Professor of Veterinary Reproduction and Obstetrics (Theriogenology) and a Specialist in Disaster Management and Risk Mitigation Strategies. He is a renowned scholar and administrator. He worked in several management positions in the University of Nairobi. He joined Chuka University as Deputy Vice Chancellor in charge of Administration, Finance, Planning and Development before he was elevated to the current position of Council Secretary/Vice Chancellor/CEO Chuka University.</p>
<p>Prof. Eunice Wamuyu Githae, Ph.D. Ag. Deputy Vice-Chancellor (AFP&D)</p> 	<p>Prof. Eunice Wamuyu Githae was born on September 4, 1979. She has served as the Chair of the Department of Biological Sciences and also acted as the Director of Research and Extension at various times. Before joining Chuka University, she served as Chair of the Department of Environmental Studies and Forestry at Maasai Mara University. She is an Associate Professor of Plant Ecology and holds a Ph.D. in Dryland Resource Management (Plant Ecology and Environment) from the University of Nairobi. She is currently the Acting Deputy Vice Chancellor in charge of Administration, Finance, Planning, and Development.</p>
<p>Prof. Gilbert Mbaka Nduru, Ph.D. Ag. Deputy Vice Chancellor (ARSA)</p> 	<p>Prof. Gilbert Mbaka Nduru was born on 28th February 1965. He is a Professor of Environmental Studies and holds a BEd, MA and PhD (Moi University). He has served as Director of Research, Linkages and International Programs as well as Dean of Environmental Studies and Resources Development. He is currently the Ag. Deputy Vice Chancellor in charge of Academic, Research and Student Affairs.</p>

<p>Dr. Samwel Macharia Chege, Ph.D. Registrar (Academics)</p> 	<p>Dr. Samwel Macharia Chege was born on 22nd August 1978. He has served in various public and private institutions including Dedan Kimathi University of Technology where he served as the ISO 9001:2008 QMS Coordinator before joining Chuka University. He holds B. Ed Arts, PGD-HRM, MSc. and Ph.D. from University of Science and Technology. He currently the Registrar, Academic Affairs</p>
<p>Dr. Peter Opiayo Mabubi, Ph.D. Registrar (Administration and Planning)</p> 	<p>Dr. Peter Opiayo Mabubi was born on 21st September 1971. He has served in various senior administrative positions in the Ministry of Education, KASNEB, Moi University and Pwani University where he served as Registrar (AF&P) before joining Chuka University in the same capacity. He holds BEd (Arts), MEd. (Economics of Education), PGD-HRM and PhD (Economics of Education). He is currently the Registrar, Administration and Planning.</p>
<p>CPA. John K. Thuranira, MBA, CPA (K), CPS (K) Finance Officer</p> 	<p>CPA. John K. Thuranira was born on 31st December, 1974. He served in various Companies and institutions as an Accountant before moving to Constituencies Development Fund (CDF) as a Fund Manager in Kigumo & Tetu Constituencies. He holds BCOM, MBA, (Egerton), CPA (K) and a CPS (K). He is currently Finance Officer, Chuka University.</p>

5. CHAIRMAN'S STATEMENT

On behalf of the University Council and in my personal capacity, it is my distinct pleasure to present the Annual Report and Financial Statements for Chuka University for the fiscal year ending 30th June 2024. Since its inception, Chuka University has steadfastly fulfilled its mandate of generating, preserving, and disseminating knowledge, fostering leadership in higher education, training, research, and outreach. We continue to cultivate an intellectual culture that seamlessly integrates theory with practice and innovation.

I am pleased to report significant progress, achieved through strategic partnerships with our key stakeholders across various sectors. In alignment with the University's strategic plan, Kenya's Vision 2030, and the Bottom-Up Economic Model, the Council has achieved notable milestones. However, it is important to acknowledge the challenging landscape facing higher education today. At Chuka University, we have implemented robust measures to ensure we remain on the growth trajectory outlined in our master, strategic, and operational plans. These measures include re-engineering income-generating activities, offering market-driven academic programs to attract students, refocusing research efforts to enhance output dissemination and uptake, improving service delivery efficiency, and advancing digital and blended learning initiatives.

The University Council remains committed to strengthening synergies with all stakeholders, including the National Government of Kenya, the County Government, the local and international communities, the University Council, Management, Senate, our esteemed alumni, dedicated staff, and, most importantly, our students. Together, we are determined to build strong partnerships that foster new knowledge and innovation, develop top-tier researchers and experts, and ultimately contribute to a better world. I extend my heartfelt gratitude to all stakeholders of Chuka University for your unwavering commitment, loyalty, hard work, and dedication to peaceful co-existence.



Prof. David T. K. Serem, Ph.D., OGW
COUNCIL CHAIRMAN.

6. REPORT OF THE CHIEF EXECUTIVE OFFICER

This financial year marked the start of our 5th Strategic Plan (2022 -2027), which focuses on six (6) key results areas: quality graduates, sustainable research, innovation and enterprise, improved institutional performance, all-rounded global citizen, unique competitive image/brand, sustainable resource mobilization and utilization continues to yield tenable results. I am pleased to present the key achievements of Chuka University for the financial year ending 30th June 2024.

(i). Student Enrolment and Teaching

Chuka University continues to expand and establish itself as a hub for top scholars. Currently, the University has over 17,000 students. Since its inception, the University has graduated more than 26,000 students, offering over 240 academic programmes ranging from certificates to doctoral levels. During the 2023/2024 financial year, the University graduated 3,844 students. This growing student population has not only enhanced the academic environment but also stimulated business opportunities in the local community, thereby contributing to the region's economic transformation.

(ii). Financial Performance

During the review period, the University Management continued to pursue prudent financial management, in alignment with our strategic objectives and core values. To enhance our business processes, we have adopted the Government Investment Management Information System (GIMIS). This online platform facilitates the sharing of monthly, quarterly, and annual reports and budgets with the National Treasury and other stakeholders. In response to emerging technologies, we are also implementing Microsoft 365 Business Central and a Library Information Management System. These new technologies are expected to improve our efficiency and enable us to serve our stakeholders better.

(iii). Education, Training, Research, and Outreach

The core mission of Chuka University is to provide quality education and foster research. To strengthen our research capacity, we have invested in state-of-the-art scientific equipment and continued to support staff and student research through the Internal Research Fund (IRF). In October 2023, the University hosted its 10th International Research Conference, further cementing our commitment to academic excellence. We also hosted the Nairobi Summer School COHORT –IV Symposium from 24th June to 7th July 2024 with participants from 87 countries spanning from Africa, Asia, Europe, and America.

(iv). Infrastructure Development

Chuka University has seen significant growth over the years, and we have continuously invested in projects and programs that support our students' academic goals. A key focus of our investments has been in research and teaching facilities. This includes the acquisition of ultra-modern laboratory equipment and the ongoing construction of a Science and Technology Research Park. In support of agricultural research and production, we have enhanced our university farms, notably by installing irrigation infrastructure at Kairini Farm. Additionally, to address student accommodation needs, we completed and commissioned Phase 1 of a Modern Student Hostel with

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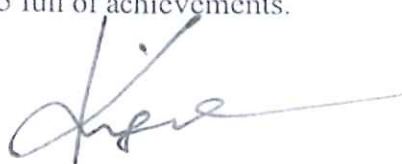
a capacity of 968 students. The construction of Phase 2 of the Student Male Hostel, the Administration/Law Complex, and the Food Technology Tuition Complex is ongoing.

(v). Human Resources

The University continues to prioritize the recruitment of highly qualified and experienced staff. We take pride in our academic excellence and the dedication of our staff, whose commitment turns enthusiasm into success and innovation into cutting-edge practices.

I extend my heartfelt appreciation to the University Council, Senate, Management, and staff for their dedication, timeliness, and outstanding efforts, which have been instrumental in the University's progress toward becoming a premier institution. Their commitment, loyalty, and diligence have been instrumental in achieving our excellent results. In particular, I would like to express my gratitude to our customers and students for their loyalty to our brand, products and services. It is for them that Chuka University ultimately exists, and their trust in our brand and offerings is central to our success.

Finally, my sincere gratitude goes to the Government of Kenya (GOK), our regulators and all our stakeholders for their continued support, input and insights. We look forward to a more vibrant 2024/2025 full of achievements.



Prof. Henry M. M'ikiugu, Ph.D.
Vice Chancellor/Chief Executive Officer

7. STATEMENT OF ENTITY'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES

Chuka University has six strategic pillars and objectives within its Strategic Plan, 2022-2027. These strategic pillars are academic excellence, research, innovation, enterprise and sustainability, student welfare, dynamic resources, competitive image/brand progressive governance, leadership and culture. Chuka University develops its annual work plans based on the above 6 pillars. Assessment of the University performance against its annual work plan is done on a quarterly basis. Chuka University achieved the performance targets set for the FY 2023/2024 period for its 6 strategic pillars and 20 strategic objectives as indicated below:

Strategic Pillar/Theme/Issues	Objective	Key Performance Indicators	Activities	Achievements
Goal: 1 Academic Excellence	Objective 1. Expand the market-driven Programmes	Percent (%) of programmes reviewed	Reviewing of programmes in line with emerging market demands and regulatory requirements.	i. Five (5) Bachelors programmes were reviewed while two (2) programmes were developed to meet emerging market needs. ii. Four (4) stakeholder consultative forums were undertaken
			Organize stakeholder consultative forums on review of academic programmes	
			Introduce TVET Programmes in satellite campuses	
Goal 2: Research, Innovation Enterprise and sustainability	Objective 4 Generate and Disseminate Research Discoveries	No. of international conferences held	Train staff in various areas like career guidance, academic advising and mentorship.	i. Chuka University staff engaged in a leadership and governance training session. ii. Held lecturers' capacity building workshop was on lecturers on requirements of Competency Based Education Training (CBET) guidelines. iii. Held one (1) staff capacity building for academic staff on intellectual property (IP) and patenting. Trained academic staff on development of competitive grant proposals.
			Enhance training of staff to deliver quality education and training.	
			Academic staff capacity building on writing competitive grant proposal and policy briefs.	

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		Forum for research, innovation and start-up.	Organize forum for research, innovation, and business start-ups.	ii. Faculty of Business Studies organized a forum on business start-ups to final year students.
		No. of papers published in refereed journals	Strengthen publishing of research outputs and disseminate research	123 research papers published in referred journals
	Objective 5 Promote Long-Term Growth and Sustainability of the University	No. of academic Programmes aligned to niche areas	Aligning the University niching to a particular niche areas in Life Sciences, STEM and/or Environment Studies	Aligned the University niching according to the Strategic Plan in seven (7) faculties and two (2) schools and uploaded the niche o every faculty in the University website.
Goal: 3 Student Welfare	Objective 6 Improve student welfare services	The support Programmes	Implement support Programmes for needy students	i. Chuka University has established student mothers club supporting needy students. ii. The club assisted 30 student mothers with basic needs and counselling.
		Number of cultural activities	Increase cultural activities to cultivate cultural values among students	Held one (1) cultural event organised by the Office of the Dean of Students.
Goal 4: Dynamic Resources	Objective 7 Enhance financial resources mobilization and utilization	Number of IGAUS established	Sensitize staff at all levels on financial management and budgeting processes. Establish departmental commercial enterprises. Convert all existing IGAUs into self-sustaining commercial enterprises	i. Middle management staff sensitized. ii. 8 IGAU operational units established. iii. All existing IGAUs converted into self-sustaining commercial enterprises
	Objective 8 Develop and expand physical facilities	100% Progress report achieved as per targets set in the year & Review report	Renovate and upgrade the existing physical facilities Take stock of available equipment and furniture	i. Painting and renovating of the Business School Complex Tuition Block. ii. Construction of Proposed Food Technology Tuition Complex and Science Research Park is ongoing.
	Objective 9 Attract and retain skilled and competent human resource	No. of staff trained.	Facilitate training to members of staff	53 staff recommended for various trainings.

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	Objective 11 Strengthened ICT Infrastructure and build capacity of staff and students	No. of staff enrolled. No. of services offered via web application. No. of departments /staff nominated. % of automation.	Carry out internal training workshops for staff on cyber security Enrol academic staff to Google Scholar using the corporate email. Increase the number of services offered to our stakeholders via the web applications. Increase the number of back links to the University website	i. One (1) training done on cyber security done in-house. ii. 46 services digitized iii. Backlinks increased from 109,000 to 236,000 within in the year Staff
Goal 5. Competitive Image/Brand Progressive Governance,	Objective 18 Achieve competitiveness through differentiated brand identity	No. in ranking Composite score.	Benchmark and implement parameters for increasing web metric ranking. Achieve an excellent score for each set criteria in PC and improve ranking locally	i. Increased webometric ranking from 34 to 24. ii. Achieved excellent score in 2022.2023 Performance Contract
Goal 6. Progressive Governance, Leadership and Culture	Objective 19. Institute processes that cultivate improved performance	% of satisfaction levels	Improve leadership capability at all management levels in strategy execution.	Customer satisfaction index, Employee satisfaction index and Work environment index recorded an upward trend in satisfaction levels.
	Objective 20 Partner with external stakeholders in resource mobilization	No. of signed MOUs	Establish strong national and international partnerships, collaborations and linkages	i. Six (6) international partnership collaboration and linkages were made. ii. 18 Local Linkages and Collaborations were made

8. CORPORATE GOVERNANCE STATEMENT

Chuka University is committed to exhibiting the best practices in all aspects of corporate governance as guided by the University Charter and the Mwongozo Code of Governance. The Mwongozo Code was established by the Government to provide guidance on effective leadership, governance and management of public resources. The Charter requires the University to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

i) The Council

This is the governing body of the university. The Council comprises nine members as presented in pages 12 to 15. The council is constituted taking into account requirements of the sector, diversity of skills, age, value addition, gender, academic qualifications and experience necessary to help achieve the Universities goals and objectives. The Council is appointed by the Cabinet Secretary for Education.

As the governing body of the University, the Council has a responsibility of maintaining a sound system of internal controls that support the achievement of policies, aims and objectives, whilst safeguarding the public and other university resources. The University Council is vested with powers and authority by its Charter and the Universities Act, 2012. In discharging its mandate, the Council is guided by the Charter to effectively fulfil its corporate governance responsibility towards its stakeholders. In addition, it has adopted Guidelines on Corporate Governance developed by the Commission for University Education.

The University also embraces the Public Officers and Ethics Act and the Mwongozo Code for State Corporations. The Council is also the executive governing body responsible for the academic policy and strategic direction of the University, including its external relations, and for the Administration of the University. The Council is responsible for the management of the University's finances and assets, in accordance with the Public Financial Management Act, 2012 and Public Financial regulations of 2015.

Meetings of the council

The meetings of the council held during the financial year has tabulated in the table below:

Council Member Name	Council Meeting Date and attendance					Total
	28/07/2023	28/09/2023	17/11/2023	26/01/2024	29/06/2024	
David T.K. Serem, Ph.D., OGW, Professor	✓	✓	✓	✓	✓	5/5
Henry Mutembei M'Ikiugu, Ph.D., Professor	✓	✓	✓	✓	✓	5/5
Linet Kwamboka Maganda	✓	✓	✓	×	✓	4/5

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Zephaniah Rwanda Mbaka	✓	✓	✓	✓	✓	5/5
Crispus Micheni Ndeke	✓	✓	✓	✓	✓	5/5
Margaret Mukoba Makhungu	✓	✓	✓	✓	✓	5/5
Samuel Gacheru Gitonga	✓	✓	✓	✓	✓	5/5
Wilson Wahome Rureri, Ph.d	✓	×	✓	✓	✓	4/5
Elijah K. Song'ony(replaced Mr. Hiram M. Kahiro	×	×	✓	✓	×	2/5
Mr. Hiram M. Kahiro	✓	✓	×	×	×	2/5
Total	9	8	9	9	8	

Council Committees

To promote smooth running of its affairs, certain functions of the Council are delegated to its committees, which report to the Council. These Committees are:

- i) Finance, Farm, Enterprise Company and General-Purpose Council Committee.
- ii) Audit, Governance and Risk Management Council Committee.
- iii) Grievances Handling Appeals Council Committee.
- iv) Human Resources Management and Grievance Handling & Appeals Council Committee.
- v) Building, Planning and Development Committee.
- vi) Sealing and Honorary Degree Council Committee.

All Committees of the Council have an appointed chairperson. The decisions and recommendations of these committees are formally reported to the Council.

Conflicts of Interests

The Council members have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Council. All transactions with all parties, directors or their related parties are carried out at arm's length. Council members are obligated to disclose to the Council any real or potential conflict of interest, which may come to their attention whether direct or indirect. During every Council meeting, an agenda item exists which requires members to make a declaration of any conflict of interest they may have in the business to be discussed. During the financial year 2023/2024, no conflicts of interest arose in conduct of Council business.

Remuneration of the Council

The members of the council, other than the Chief Executive Officer, do not receive a salary. They are however paid a sitting allowance for every meeting attended at the rate of Ksh. 20,000 per sitting. The Chairman and the Chancellor receives honoraria as stipulated in their appointment letters by the appointing authority. The committee members do not receive any remuneration apart from the reimbursement of expenses incurred while on the University duties. During the period under review, the University did not have a Chancellor, since no appointment had been made by the appointing authority.

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Ethics and Conduct

The Council, Management and staff are required to conduct themselves with Integrity and professionalism in accordance with the Chuka University Code of Conduct and Ethics. The Code defines our ethical standards and holds us accountable for our business conduct. This is key in ensuring that we do the right thing and are accountable at all times, while adhering to our standards and principles as we interact with customers, communities and other stakeholders. During the year under review, Chuka University continued to entrench a strong ethical conduct through training and sensitisation of staff, corruption risk assessments and enforcement of prevention measures.

In addition, the University has put in place various mechanisms for receiving complaints and making follow-ups on allegations and cases of unethical conduct. Objective analysis of reported cases is done and appropriate action instituted to control and mitigate the risk.

Governance Audit.

The University has a committee called Audit, Governance and Risk Management Committee. The Objective of the committees is to ensure the University complies with all relevant areas of corporate governance. The action points identified by the committee are implemented continuously.

ii) The Management Team

Members of the management team are appointed by the Council through a competitive process. The membership consists of the CEO/Vice Chancellor, the Deputy Vice Chancellor (Administration, finance, Planning and Development), Deputy Vice Chancellor (Academics, Research and student Affairs) Finance Officer, Registrar (Academics) and Registrar (Administration and Planning).

iii) The Senate

This is the academic authority of the University. It is composed of the Vice - chancellor, Deputy Vice Chancellors, Principals and Deputy Principal of Constituent Colleges, Deans, Directors, Chairmen of the Academic Departments, two Students' Representatives, Finance Officer, Registrar Academic, Registrar (Administration and Planning), University Librarian, the Dean of Students, and Faculty Representatives. Its role is to discuss and approve student results as well as students' discipline. The Senate is chaired by the Vice - Chancellor.

The principal academic and administrative officer of the University is the Vice Chancellor who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University.

9. MANAGEMENT DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides a broad overview of the Chuka University financial condition as at June 30, 2024, comparative information for the year ended June 30, 2024 and the significant changes from the previous years. Management has prepared the financial statements and related note disclosures along with this MD&A. The MD&A should be read in conjunction with the financial statements and related notes of the Chuka University.

The financial statement presentation consists of comparative Statement of Financial performance, statement of financial position, statement of changes in net assets, statements of cash flows, and accompanying notes for the June 30, 2024 and 2023 financial years. These statements provide information on the financial position of Chuka University and the financial activity and results of its operations during the years presented.

i) Operational and Financial Performance

In the statement of financial performance, the University generated a total income of **Ksh. 2,426,487,706** and incurred a total expenditure of **Kshs. 2,091,469,677**, hence realizing a surplus of **Kshs. 335,017,729** which was utilized to fund the ongoing capital projects.

In our statement of changes in net assets, the net worth of the University continued to grow recording a net worth of **Ksh8.8 billion** up from **Ksh 7.8 billion** in the financial year 2022/2023. The performance in the last five years is tabulated below:

Description	2019/2020	2020/2021	2021/2022	2022-2023	2023-2024
Capital Funds	2,222,883,129	2,273,648,351	2,313,648,351	2,329,420,610	2,573,492,010
Accumulated Surplus	4,224,788,207	4,216,988,348	4,239,342,013	4,239,740,388	4,574,758,118
Revaluation Reserve	1,300,211,588	1,300,211,588	1,300,211,588	1,300,211,588	1,691,172,679
Total	7,747,882,924	7,790,848,287	7,853,201,952	7,869,372,586	8,839,422,807

ii) Key projects and investment decisions the entity is planning/implementing

Chuka University's five-year strategic plan sets out the key projects and investment decisions to be made in order to ensure that it meets its mandate. In its quest to become premier university for the provision of quality education, training and research for sustainable national and global development the University has embarked on implementation of five key strategic projects as envisaged in the Master Plan. The projects are Ultra-Modern Science Research Park, Food Technology, Male hostel, Administration Block/ Law school and the Ultra-Modern Library which are at various stages of implementation.

iii) Compliance with statutory requirements

The university has complied with all the statutory rules and has not been penalised in any instance. The University has ensured that all the taxes are paid at the right time and all the statutory deductions deducted from staff salaries are remitted to the relevant offices in good time.

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iv) Major Risks

Chuka University was not exposed to any major risk that can affect its operation

10. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Chuka University is committed to environmental sustainability and social welfare. The University has established policies to ensure continuous community support, leveraging professional knowledge to make a positive impact. Below is an outline of the University's sustainability strategies:

i) Sustainability Strategy and Profile

The Management of Chuka University underscores its dedication to sustainability through policies that cover financial, environmental, and social practices. The strategic plan is designed to promote financial growth by developing market-driven courses, increasing revenue through income-generating units, and offering quality academic services that boost student enrolment, thereby reducing reliance on government funding. Regular curriculum reviews ensure that all academic programmes remain current and aligned with industry standards.

Aligned with Kenya Vision 2030 and the Bottom-up Economic Transformation Agenda, Chuka University has increased the quantity and quality of research by offering incentives and building partnerships to transform Kenya into a knowledge-based economy. The University's policies also align with the United Nations Sustainable Development Goals (SDGs), ensuring that the institution delivers quality education, adopts environmentally friendly practices, and carries out corporate social responsibility (CSR) projects that benefit the local community.

ii) Environmental Assessments and Compliance

Chuka University's Environmental Policy focuses on promoting sustainable integrated resource utilization, addressing national and global environmental challenges while considering local socio-economic conditions. The policy is available for download on the University's website.

To promote environmental sustainability, Chuka University has undertaken the following initiatives:

- a) **Tree Planting:** The University has planted 46,558 seedlings in various locations during the 2023-2024 period. A variety of trees were propagated to enhance biodiversity.
- b) **Promotion of Irrigation in Semi-Arid Areas:** The University utilizes the Kairini dam to teach local farmers proper irrigation methods. The Kairini farm is also a major food producer in the region, enhancing food security.
- c) **Soil Conservation Training:** Local farmers are trained on managing soil acidity and optimizing soil properties for crop development. The University's soil scanners, which measure soil acidity, diagnose fertility, and project crop yields, are available for public use.
- d) **Milk Processing Plant Development:** Chuka University is in the process of establishing a milk processing plant that will serve as both a training and a market for local farmers' produce. This value-addition initiative will boost milk production and act as an income-generating unit for the institution.

- e) **Promoting Environmental Conservation and Renewable Energy:** The University hosted an International Research Conference on Climate Change and the Nairobi Summer School, promoting research and discussions on sustainability across Africa.
- f) **Waste Management Policy and Efforts:** The University has a comprehensive waste management policy that addresses the proper handling and disposal of hazardous and biohazardous materials. A Memorandum of Understanding with the county government enables the safe disposal of medical, hazardous, and biodegradable waste. The institution also encourages digital communication and submission to reduce paper usage.

iii) Employee Welfare

The University's Hiring Policy promotes inclusivity, diversity, and professionalism. It ensures a balanced gender ratio across various roles, engagement with stakeholders, and a fair recruitment process. To enhance staff skills and career development, the policy allows staff to:

- a) Attend regular training, seminars, and professional conferences.
- b) Pursue further studies at the University or other institutions, with bursaries available for staff studying at Chuka University.
- c) Apply for promotions through regular reviews.

Staff unions, including UASU, KUSU, and KUDHEIHA, regularly negotiate with management on improving employee welfare and promotion criteria. The University fully complies with the Occupational Safety and Health Act of 2007 by providing protective gear, organizing training sessions on both physical and mental health, and insuring employees against accidents and other occupational risk through General Personal Accident (GPA) and Work Injury Benefits (WIBA) insurance covers.

iv) Market Place Practices

Chuka University has aligned its procurement policies with the Constitution, the Public Finance Management Act (PFMA), regulations, and the Public Procurement and Asset Disposal Act 2015 and Regulations 2020. These policies ensure fairness and transparency in procurement and allocate 30% of procurement opportunities to AGPO suppliers.

Chuka University has undertaken the following initiatives:

- a) **Responsible Competition Practices:** To ensure effective competition, tenders are publicly advertised in MyGov Newspaper, Public Procurement Information Portal (PPIP) and on the Chuka University's website. Regular supplier prequalification and registration is also advertised to register eligible bidders. The tendering process is strictly conducted in adherence with the Public Procurement and Disposal Act 2015 and Regulations 2020 to ensure fairness and transparency throughout the Procurement process.
- b) **Responsible Supply Chain and Supplier Relations:** Chuka University ensures cordial relations with suppliers by maintaining timely and clear communication and making payments within 30 days of acceptance of goods, works or services. The University also organises structured trainings for suppliers on Access to Government Procurement Opportunities.
- c) **Responsible Marketing and Advertisement:** The University's communication policy ensures that all public communication is verified, truthful, concise, and delivered

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appropriately. Advertisements are published in national newspapers and on the University's website.

- d) **Product Stewardship:** Products from the University undergo thorough screening before being released to the public, ensuring consumer protection. The University's public relations office is available to receive comments and address public feedback.

v) **Community Social Responsibility/Community Engagements**

Chuka University recognizes that community engagement and Corporate Social Responsibility (CSR) are essential components of its role as a public institution. By undertaking CSR projects, the University aims to create lasting positive impacts on the surrounding communities, fulfil its ethical obligations, and reinforce its commitment to sustainable development. These initiatives also foster a strong relationship between the University and its stakeholders, contributing to social and economic growth. As part of its dedication to community support, Chuka University involves stakeholders in the planning of its activities and has implemented the following community-focused initiatives:

- a) **Organizing Free Training for Local Entrepreneurs:** The University provides free training sessions for local entrepreneurs on procurement procedures and how to apply for government opportunities. This initiative aims to empower local businesses and stimulate economic development in the region. On 4th April 2024, a sensitization seminar on creating/developing entrepreneurial mind-set, recognizing and exploiting Business opportunities was held and 268 traders attended and were trained.
- b) **Tree planting to encourage agroforestry:** The University facilitated its staff to planting more than 46,558 tree seedlings, in first planting season planting of 18,335 and in the second planting season 28,223 by involving the University staff, 19 primary schools and 14 secondary school in the Tharaka –Nithi County respectively.
- c) **Donating Seedlings to Promote Agroforestry:** To encourage environmental sustainability and reforestation, the University donates seedlings to local institutions and farmers. This initiative helps restore degraded land, improves air quality, and supports the livelihoods of local farmers. The university donated 24,000 seedlings to farmers.
- d) **Providing Technical Advice for Community Projects:** The University offers technical expertise to local community projects in terms of planning, design, and execution. By doing so, it contributes to the successful implementation of initiatives that address the community's specific needs, enhancing both their effectiveness and sustainability.
- e) **Offering a free medical camp.** On 14th March 2024, Chuka University School of Nursing and Public Health held a medical camp for over 677 clients at Chuka University Grounds in partnership with Family Bank and KCB bank, sensitizing youths and women to Universal Health care, free cervical cancer screening offered, Mental health and many more Various services like Breast and Cervical cancer screening, reproductive health services nutritional assessment and counselling were offered.

Through these CSR projects, Chuka University not only fulfils its social responsibilities but also strengthens its role as a partner in the socio-economic development of the surrounding communities. These efforts underscore the institution's commitment to creating a positive and lasting impact on society while reinforcing its alignment with national and global sustainability goals.

11. REPORT OF THE COUNCIL

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

Principal activities

The principal activities of the University are to provide directly, or in collaboration with other institutions of higher learning, facilities for university education, the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of citizens of Kenya.

Results

The results of the entity for the year ended June 30, 2024 are set out on pages 1 to 7 for financial statements and pages 8 to 50 for the notes to the financial statements.

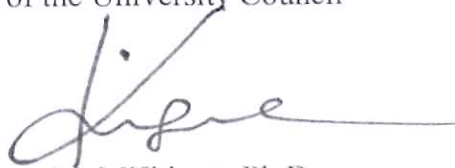
University Council

The members of the Council who served during the year are shown on page ix to xi in accordance with the Universities Act, 2012.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with the Article 229 of the Constitution of Kenya and the Public Audit Act 2015, which empowers the Auditor General to carry out the audit of the University for the year ended June 30, 2024.

By Order of the University Council



Prof. Henry M. M'ikiugu, Ph.D.
Vice Chancellor/Chief Executive Officer

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12. STATEMENT OF COUNCILS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Council to prepare financial statements in respect of that University, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year (period) ended on June 30, 2024. This responsibility includes:


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

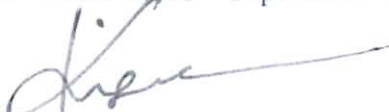
The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), accrual basis and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2024, and of the University's financial position as at that date.

The Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Council to indicate that the University will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

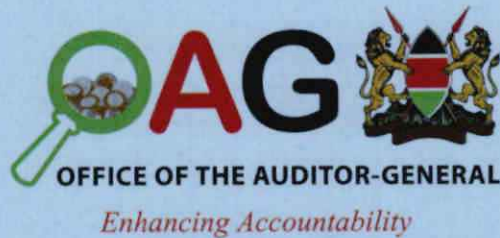
The University's financial statements were approved by the Board on 23rd September 2024 and signed on its behalf by:


Prof. David T. K. Serem, Ph.D., OGW
Council Chairman


Prof. Henry M. M'ikiugu, Ph.D.
Vice-Chancellor/Chief Executive Officer

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NAIROBI

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

PREAMBLE

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

- A. Report on 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, is effective in the use of resources, or that its internal control, 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

Opinion

I have audited the accompanying financial statements of Chuka University set out on pages 1 to 41, which comprise of the statement of financial position as at 30 June, 2024

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Chuka University as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Finance Management Act, 2012 and the Universities Act, 2012.

Basis for Opinion

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

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.2,500,000,000 and Kshs.2,687,545,487, respectively, resulting in an overcollection of revenue totalling Kshs.187,545,487 or 8% of the budget. Similarly, the University spent an amount of Kshs.2,339,601,925 against actual receipts of Kshs.2,687,545,487, resulting in an under-utilization of Kshs.347,943,562 or 13% of the actual receipts.

The underutilization delayed the overall performance of the University and may have affected service delivery to the public.

2. Accounts Payable

The statement of financial position and as disclosed in Note 29 to the financial statements reflects current portion of payables from exchange transactions totalling Kshs.311,116,125. As at 30 September, 2024, Management reduced the payables by Kshs.169,292,428 leaving a balance of Kshs.15,231,232.

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

Review of the progress on follow up on prior year auditor's recommendations reveal that, several issues were raised under the Lawfulness and Effectiveness in Use of Public Resources which remained unresolved contrary to Section 149(2)(l) of the Public Finance Management Act, 2012 which require Accounting Officers designated for a Government entities to try to resolve any issues resulting from an audit that remain outstanding.

Other Information

The Management is responsible for the other information set out on pages iii to xxx which comprise of University Information and Management, University Council, University Management Board, Council Chairman's Report, Report of the Vice Chancellor, Statement of Performance Against Predetermined Objectives, Corporate Governance, Management Discussion and Analysis, Environmental and Sustainability Reporting and Corporate Social Responsibility/Community Engagements. The Other Information does not include the financial statements and my audit report thereon.

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effect of 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. Delay in Completion of Capital Projects

The statement of financial position reflects plant, property and equipment balance of Kshs.9,045,591,308 as disclosed in Note 26 to the financial statements. This balance

includes a balance of Kshs.4,586,483,956 in respect to work in progress. Review of the balance, Project files and physical verification of the Projects in the month of September, 2024 revealed delay in Project completion as detailed below:

i. Proposed Male Students' Hostel Phase II

The construction of Male student's hostel phase II was awarded to a contractor at a contract sum of Kshs.559,500,000 with a Project duration of two hundred and eight (208) weeks commencing on 12 July, 2019. The initial Project completion date was earmarked to be in May, 2023. However, review of the Project file and physical verification carried out on the Project in September, 2024 revealed the construction was stalled with the amount of work certified at approximately 52% of the contract price and no ongoing works at the site. In addition, the contract period had since expired at the time of the audit with approximately one hundred and eleven (111) weeks and there was no evidence of contract extension.

ii. Ultra-Modern Library Phase II

The tender for building of Ultra-modern library phase II was awarded to a contractor at a contract sum of Kshs.1,610,480,481 with a Project duration of two hundred and sixty (260) weeks commencing on 7 February, 2022. The initial Project completion date was earmarked to be in February, 2027. However, review of the Project file and physical verification carried out in September, 2024 revealed that the amount of work certified was Kshs.383,407,543, approximately 24% of the contract sum while the period elapsed to completion was approximately one hundred and thirty-one (131) weeks, approximately 50%. Hence there is a mis-match between Project completion percentage and the expected duration of the Project, an indicator that the Project may not be completed in time even though it is within the agreed contract period. Further, the Project is suspended awaiting the clearance of pending liabilities of Kshs.207,288,669.

iii. Proposed Main Administration Block/ Law School

The construction of the main administration block/law school was awarded to a contractor and six (6) other consortiums for implementation of the Project as professionals for electrical, plumbing civil/structural engineering, mechanical and electrical engineers, quantity surveyors and Project manager/architect at a contract sum of kshs.1,410,808,347. The Project duration was two hundred and sixty weeks (260) commencing on 19 October, 2017 to 19 October, 2022. However, the Project completion date was extended by a period of thirty-two (32) weeks to 17 July, 2023, which at the time of audit in September, 2024 has since lapsed with the project at approximately 78% completion stage and no ongoing work at the site.

In the circumstances, delayed projects have negatively impacted service delivery to the public.

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions ISSAI 3000 and 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the University Council

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

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

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

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

The University Council is responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how Management monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also consider the University's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

23 December, 2024

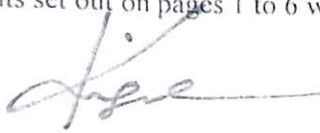
Chuka University
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For the Year Ended June 30, 2024.


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


Chuka University
Statement of Financial Performance
For the Year Ended June 30, 2024

	Note	2023-2024 Kshs	2022-2023 Kshs
Revenue from Non-Exchange Transactions			
Exchequer Recurrent Grants	6	1,011,953,346	1,333,854,721
Other Revenue from Non-Exchange Transactions	7	748,820	1,232,275
Sub-total		1,012,702,166	1,335,086,996
Revenue from Exchange Transactions			
Tuition and Related Income	8	1,229,506,858	466,588,214
Other Income from Exchange transactions	9	184,278,382	92,689,805
Sub-Total		1,413,785,240	559,278,019
Total Revenue (A)		2,426,487,406	1,894,365,015
Expenses			
Employment Expenses	10	1,409,202,370	1,390,339,490
Council Expenses	11	15,140,263	9,271,184
Repairs and Maintenance Expenses	12	13,433,520	12,220,896
Academic Expenses	13	225,416,294	106,923,317
Students and Alumni Expenses	14	12,078,865	5,220,491
Staff Welfare and Development Expenses	15	6,915,134	5,497,635
Finance costs	16	2,832,540	1,917,756
Depreciation and Amortization	17	200,860,648	218,081,141
Use of Goods and services	18	205,264,423	144,448,893
Increase/Decrease in Provision for Doubtful Debts	19	325,619	45,836
Total Expenditure (B)		2,091,469,677	1,893,966,639
Surplus / Deficit (A-B)		335,017,729	398,375

The notes set out on pages 7 to 40 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the council by:


Prof. Henry M. M'ikiugu, Ph.D.
Vice Chancellor/Chief Executive
Officer


CPA. John K. Thurania
ICPAK Member
No.15343
Finance Officer


Prof. David T. K. Serem, Ph.D., OGW
Council Chairman

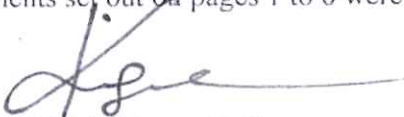
Chuka University
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15. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024


Chuka University
Statement of Financial Position
As at June 30, 2024

	Note	30th June 2024	30th June 2023
ASSETS:			
Current Assets			
Cash and Cash Equivalents	20	390,560,646	228,558,081
Receivables from Exchange Transactions	22	102,681,946	70,445,617
Receivables from Non-Exchange Transactions	23	84,329,446	5,772,259
Prepayments	24	6,496,793	5,793,387
Inventory	25	11,290,273	13,480,234
Total		595,359,104	324,049,577
Non-Current Assets			
Tangible Assets -Property, Plant & Equipment	26	9,045,591,308	8,411,526,705
Intangible Assets - Comp Software	27	23,213,935	8,559,099
Biological Assets	28	10,782,545	10,823,653
Total		9,079,587,788	8,430,909,457
Total Assets		9,674,946,892	8,754,959,034
Liabilities:			
Current Liabilities:			
Payables from Exchange Transactions	29	311,116,125	441,225,740
Refundable Deposits	30	524,407,958	444,360,708
Total Liabilities		835,524,084	885,586,448
Equity Funds & Reserves			
Capital Funds		2,573,492,010	2,329,420,610
Accumulated Surplus		4,574,758,118	4,239,740,388
Revaluation Reserve		1,691,172,679	1,300,211,588
Total Equity and Reserves		8,839,422,808	7,869,372,586
Total Equity and Liabilities		9,674,946,892	8,754,959,034

The notes set out on pages 7 to 40 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the council by:


Prof. Henry M. M'ikiugu, Ph.D.
Vice Chancellor/Chief Executive Officer


CPA. John K. Thurania
ICPAK Member
No.15343
Finance Officer


Prof. David T. K. Serem, Ph.D., OGW
Council Chairman

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For the Year Ended June 30, 2024.

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

*Statement of Changes in Net Assets/Equity
For the Year Ended June 30 , 2024*

	Note	Capital Fund	Revaluation Reserves - PPE	Accumulated Surplus	Total
2022-2023					
Balance as at 01/07/2022		2,313,648,351	1,300,211,588	4,239,342,013	7,853,201,952
Surplus for the Year		-	-	398,375	398,375
Capital Grants		15,772,259	-	-	15,772,259
Balance as at 30/06/2023		2,329,420,610	1,300,211,588	4,239,740,388	7,869,372,586
2023-2024					
Balance as at 01/07/2023		2,329,420,610	1,300,211,588	4,239,740,389	7,869,372,586
Surplus for the Year		-	-	335,017,729	335,017,729
Land Donations	31	211,571,400	-	-	211,571,400
Revaluation Surplus	32	-	390,961,091	-	390,961,091
Capital Grants	41	32,500,000	-	-	32,500,000
Balance as at 30/06/2024		2,573,492,010	1,691,172,679	4,574,758,118	8,839,422,807

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

<i>Chuka University</i>			
<i>Cash Flow Statement</i>			
<i>For the Period Ended June 30, 2024</i>			
	Notes	2023-2024 Kshs	2022-2023 Kshs
Cash Flows from operating activities			
Cash Received from customers	33	2,315,693,890	1,884,055,004
Cash paid to customers	34	(529,999,296)	(297,769,673)
Cash paid to employees	10	(1,409,202,370)	(1,390,339,490)
Net Cash Flows from/(used in) Operating Activities (A)	35	376,492,224	791,485,187
Cash Flows from Investing Activities			
Acquisition Plant & Equipment	36	(983,863)	(11,262,391)
Acquisition of Furniture & Fittings	36	(7,610,973)	(5,585,852)
Acquisition of Computer Hardware	36	(1,727,985)	(689,140)
Purchase of Library Books	36	(512,600)	(734,774)
Disposal proceeds	37	32,750	33,723
Biological Assets	38	41,108	1,286,147
Work in Progress-Tangible Assets	39	(230,937,088)	(825,919,788)
Work in Progress-Intangible assets	40	(5,291,009)	(8,559,099)
Net Cash Flows Used in Investing Activities (B)		(246,989,659)	(851,431,174)
Cash Flows from Financing Activities			
Capital Fund	41	32,500,000	15,772,259
Net Cash Flows used in Financing Activities (C)		32,500,000	15,772,259
Net Increase/(Decrease) in Cash and Cash Equivalents(A+B+C)		162,002,565	(44,173,728)
Cash and Cash Equivalents Bal B/F	23	228,558,081	272,731,809
Cash and Cash Equivalents C/F	23	390,560,646	228,558,081

Chuka University
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For the Year Ended June 30, 2024.

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

Chuka University						
Statement of Comparison of Budget and Actual Amounts						
For the Period Ended June 30, 2024						
	Original Budget	Adjustments	Final allocated Budget	Actual on Comparable Basis	Performance Difference	
	2023-2024	2023-2024	2023-2024	2023-2024	Variance	
	Kshs	Kshs	Kshs	Kshs	Kshs	%
INCOME						
GOK Recurrent Capitation	1,011,953,352	-	1,011,953,352	1,011,953,346	(6)	100
GOK Development Capitation	130,000,000	-	130,000,000	32,500,000	(97,500,000)	25
A-I-A / Internally Generated Funds	1,173,525,465	-	1,173,525,465	1,414,534,060	241,008,595	121
Committed Savings	184,521,183	-	184,521,183	228,558,081	44,036,898	124
Total Revenue (A)	2,500,000,000	-	2,500,000,000	2,687,545,487	187,545,487	108
Expenses						
Employment Expenses	1,484,978,817	-	1,484,978,817	1,409,202,370	75,776,447	95
Council Expenses	16,000,000	-	16,000,000	15,140,263	859,738	95
Repairs and Maintenance Expenses	14,080,000	-	14,080,000	13,433,520	646,480	95
Academic Expenses	240,430,000	-	240,430,000	225,416,294	15,013,706	94
Students and Alumni Expenses	12,570,000	-	12,570,000	12,078,865	491,135	96
Staff Welfare and Development	7,380,939	-	7,380,939	6,915,134	465,805	94
Finance Costs	3,000,000	-	3,000,000	2,832,540	167,460	94
Depreciation and Amortization	221,000,000	-	221,000,000	200,860,648	20,139,352	91
Use of goods and services	217,244,500	-	217,244,500	206,658,772	10,585,728	95

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For the Year Ended June 30, 2024.**

Purchase of Plant Property and Equipment	16,990,000	-	16,990,000	16,126,430	863,570	95
Capital Projects	266,325,744	-	266,325,744	230,937,088	35,388,657	87
Total Expenditure (B)	2,500,000,000		2,500,000,000	2,339,601,925	160,398,075	94
Budget Surplus/Deficit (A-B)	-	-	-	347,943,563	347,943,563	

Reconciliation of Budget Surplus and Surplus as Per the Statement of Financial Performance

Surplus as per the Statement of Comparison of Budget and Actual Amounts	347,943,563
Add	
Purchase of Property, Plant and Equipment	16,126,430
Payment for Capital Projects	230,937,088
Sale/disposal/addition of Biological Assets	1,051,902
Gain on disposal	16,828
Subtotal	248,132,247
Less	
Savings Committed	228,558,081
GOK Development Capitation	32,500,000
Subtotal	261,058,081
Surplus as per the Statement of Financial Performance	335,017,729

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19. NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Chuka University is a public university established in 2013, under the Universities Act No. 42 of 2012. The Public Financial Management Act 2012, and the Public Financial Management Regulations 2015, governs the financial management of Chuka University. Chuka University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is to provide directly, or in collaboration with other institutions of higher learning, facilities for university education, the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of citizens of Kenya.

2. Statement of Compliance and Basis of Preparation

Chuka University 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 at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the entity's accounting policies. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University. The financial statements have been prepared in accordance with the PFM Act 2012, and PFM Regulation Act 2015, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024. There were no new and amended standards issued in the financial year.
- ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024**

Standard	Effective date and impact:
IPSAS 43	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current	Applicable 1st January 2025 The Standard requires,

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Standard	Effective date and impact:
Assets Held for Sale and Discontinued Operations	<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>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <p>Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</p> <p>Clarifying transaction costs guidance to enhance consistency across IPSAS;</p> <p>Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</p> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>
IPSAS 47- Revenue	<p>Applicable 1st January 2026</p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard</p>

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Standard	Effective date and impact:
	for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

iii. Early adoption of standards

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The entity recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

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Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

Rental income

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

b) Budget information

Chuka University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the 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 to the Basis difference, 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 actuals as per the statement of financial performance has been presented under page 6 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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Chuka University is a public institution of higher learning, established under the Universities Act No. 42 of 2012. By the nature of its establishment and operations, Chuka University is a public entity that is not subject to income tax. The University does not engage in any unrelated trade or business. Therefore, no income taxes have been reported in the University's financial statements. Accordingly, no provision for income taxes is required.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

Chuka University
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- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of sales tax included
 The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. University land is freehold property and not subjected to amortization. Depreciation on other property is charged so as to write off the value of the assets during their estimated useful life, using straight line method.

Assets are subjected to a full year's depreciation and amortization except those acquired within the last three months of the year. A gain or loss resulting from the disposal of property, plant and equipment arises where proceeds from disposal differ from its carrying amount. Those capital gains or losses are recognized in the statement of financial performance.

The annual rates are:

Buildings	2.5%
Machinery and Equipment	20%

Chuka University
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For the Year Ended June 30, 2024.

Furniture and Fittings	12.5%
Motor Vehicles	25%
Computer & Computer peripherals	30%
Library Books	20%

f) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Computer software is amortized on straight line basis at the rate of 30%.

h) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses.

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Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

i) Financial instruments

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

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Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date.

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

j) Inventories

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

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

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

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

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

k) Provisions

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

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

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Contingent liabilities

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

n) Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

o) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

p) Changes in accounting policies and estimates

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

q) Employee benefits

Retirement benefit plans

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

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

After University inherited the former Eastern Campus of Egerton University, the staff opted to remain in the Egerton University Pension Scheme. The scheme is funded by contributions based on the basic salary from both employees and employer at a rate of 10% and 20% respectively. The University also contributes to the statutory National Social Security Fund (N.S.S.F.). This is a defined contribution scheme registered under N.S.S.F. Act. The University's obligations under this scheme are limited to specific contributions legislated from time to time and currently limited to a maximum of Ksh 200.00 per employee per month, while the employer contributes Ksh 200.00 per month.

r) Foreign currency transactions

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

s) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) Related parties

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

u) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v) **Cash and cash equivalents**

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

w) **Comparative figures**

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

x) **Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022.

5) **SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION
UNCERTAINTY**

The preparation of the Entity'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 period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgements, estimates and assumptions made: e.g.

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 Entity 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 Entity. 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 Entity
- 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

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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 22 & 25

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. Chuka university management has provided for a provision for bad debts at the rate of 1% of the Receivables from exchange transactions.

6) Exchequer Recurrent Grants

Description	2023-2024	2022-2023
	Kshs	Kshs
Ministry of Education-Exchequer Recurrent Grants		
July	84,329,446	111,154,560
August	84,329,446	111,154,560
September	84,329,446	111,154,560
October	84,329,445	111,154,560
November	84,329,445	111,154,561
December	84,329,445	111,154,560
January	84,329,445	111,154,561
February	84,329,446	111,154,561
March	84,329,446	111,154,558
April	84,329,444	111,154,560
May	84,329,446	111,154,560
June	84,329,446	111,154,560
Total	1,011,953,346	1,333,854,721

7) Other Revenue from Non-Exchange Transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Other Revenue from Non-Exchange Transactions		
Surcharges & Fines	748,820	1,232,275
Total	748,820	1,232,275

8) Tuition and Related Income

Description	2023-2024	2022-2023
	Ksh	Kshs
Revenue from Exchange Transactions		
Income from Diploma & Certificates Courses	54,463,160	62,754,750
Income from Government Sponsored Students	901,909,290	308,716,534
Income from Self-Sponsored Undergraduate Students	141,269,558	74,956,880
Income from Self-Sponsored Postgraduate Students	30,950,850	15,127,050
Total Income Earned	1,128,592,858	461,555,214
Add: Tuition Related Income		
Student ID	2,666,500	107,000

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Activity Fees	7,813,000	289,000
Registration Fee	8,427,500	366,500
Examination Fees	25,111,000	1,120,000
Mentorship Fees	22,890,000	2,015,000
Examination Fess Supervision	1,210,000	65,000
Material Development	23,343,000	903,000
Attachment Fees	84,000	119,000
Quality Assurance	3,727,000	48,500
Teaching Practice Charges	620,000	-
KUCCPS Placement Fees	5,022,000	-
Subtotal	100,914,000	5,033,000
Total Tuition & Related Income for the Year	1,229,506,858	466,588,214

9) Other Miscellaneous Income from Exchange Transactions

Description	2023-2024	2022-2023
Other Miscellaneous Income from Exchange Transactions	Kshs	Kshs
Wear and Tear	1,188,901	879,703
Hire of Facilities	1,529,440	888,387
Disposal of Miscellaneous Items less loss	174,690	148,435
Accommodation Charges	23,567,400	18,472,100
Application Fees	3,230,913	2,511,820
Conferences & Seminars	306,000	2,000
Library Subscription	16,472,500	702,000
Research Funds	18,199,665	8,806,469
Catering Services	7,763,702	927,942
Medical Services	15,218,714	19,935,665
Farm Products	3,726,345	998,557
Hillside Hotel	15,209,235	6,172,830
Rental Income	10,151,678	7,991,865
Water Services	400,000	1,043,310
Interest on Bank Deposit	6,893,982	637,396
Remarking	10,500	4,000
Printing and Photocopy	218,000	3,626
Academic gowns and graduation Fee	15,650,800	10,971,000
Course Retake	8,079,000	11,288,400
academic Transcripts	7,000	18,000
Insurance Compensation	100,000	200,000
Advertisement (Corporate services)	20,000	
Lab Analysis	172,400	50,400
Supplementary	34,655,000	
Gym Income	1,332,518	35,900
Total	184,278,382	92,689,805

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10) Employment Expenses

Description	2023-2024	2022-2023
Employment Expenses	Kshs	Kshs
Personnel Emoluments:		
July	114,950,982	111,886,028
August	114,491,394	112,614,336
September	112,796,458	112,545,926
October	112,290,957	110,995,925
November	112,755,754	111,955,229
December	112,399,649	111,734,762
January	123,224,183	122,986,885
February	113,080,862	112,607,870
March	115,163,944	111,983,280
April	114,550,035	111,809,292
May	114,705,019	111,990,808
June	114,900,616	111,706,366
Total	1,375,309,852	1,354,816,708
Casual Labour Expenses	7,295,163	6,594,986
Gratuity Expense	9,137,172	10,950,853
Hospitalization & Medical Expenses	14,844,555	17,976,943
Internship Allowance	2,615,629	-
Total employment Expenses	1,409,202,370	1,390,339,490

11) Council Expenses

Description	2023-2024	2022-2023
Council Expenses	Kshs	Kshs
Sitting Allowance	4,310,000	2,802,860
Medical Expenses	30,468	45,090
Induction and Training	3,539,455	1,503,469
Travel and Accommodation	7,155,440	4,747,765
Other allowances	104,900	172,000
Total	15,140,263	9,271,184

12) Repairs and Maintenance Expenses

Description	2023-2024	2022-2023
Repairs and Maintenance Expenses	Kshs	Kshs
Maintenance of Motor vehicle	2,170,691	1,113,700
Grounds Maintenance	1,178,780	95,603
Computer Hardware	761,235	1,299,169
Computer/Software Maintenance	899,911	83,520
Plant & Equipment	6,279,018	2,830,319
Furniture	162,370	792,019
Buildings	1,981,515	5,653,766

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Library Books	-	352,800
Total	13,433,520	12,220,896

13) Academic Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Academic Expenses		
Part- Time Lect. Expenses	169,292,428	56,434,033
Graduation Expenses	10,329,231	9,669,324
Teaching Practice & Field Attachment All.	17,384,406	12,249,658
Academic Field Trips	3,567,805	4,217,958
Teaching Materials	1,520,855	9,113,451
Exam Supervision	9,517,339	639,636
Research Expenses	13,296,230	14,599,257
Examination Stationery	508,000	
Total Academic Expenses	225,416,294	106,923,317

14) Students and Alumni Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Students and Alumni expenses		
Student Welfare Expenses	8,258,865	5,220,491
Student Work Study Expenses	69,000	-
Alumni Expenses	3,751,000	
Total	12,078,865	5,220,491

15) Staff Welfare & Development Expenses

Description	2023-2024	2022-2023
	Kshs	Kshs
Staff Welfare & Development expenses		
Staff Development -	404,850	409,950
Staff Welfare Expenses	587,574	1,545,780
Staff Education Fund-Tuition Waiver	5,922,710	3,541,905
Total	6,915,134	5,497,635

16) Finance Costs

Description		2022-2023
		Kshs
Finance Cost		
Bank Charges Interest	2,832,540	1,917,756
Total Finance Cost	2,832,540	1,917,756

17) Depreciation and Amortization

Description		2022-2023
		Kshs
Depreciation and Amortization		
Buildings	71,866,392	59,712,840
Plant & Equipment	100,629,808	87,279,683

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Motor Vehicles	3,581,125	39,328,625
Furniture & Fittings	14,055,996	13,160,745
Computer Hardware	5,748,017	12,933,027
Library Books	4,979,310	4,729,837
Amortization of Computer Software	-	936,384
Total Dep & Amortization	200,860,648	218,081,141

18) Use of goods and services

Description	2023-2024	2022-2023
Use of Goods and Services	Kshs	Kshs
Staff Insurances (GPA&WIBA)	7,830,330	6,015,248
Fuel and Oils-Generator	830,103	209,344
Fuel and Oils-Motor Vehicles	9,903,579	8,904,675
Motor Vehicle Insurance	2,013,361	1,784,628
Travelling and Subsistence for staff	9,878,025	3,546,412
External Travelling	136,988	-
University Committees' Expenses	2,358,402	1,893,275
Postage and Telephone	1,305,068	967,226
Electricity Expenses	20,205,030	16,223,266
Honorarium	4,000	-
Water Supply and Sewerage Expenses	597,657	938,988
Staff Uniforms	373,998	393,135
Newspapers Journals and Videos	780,672	984,200
Printing & Publishing	12,000	-
Office Stationery	15,495,746	11,970,188
General Subscription	4,776,756	3,514,840
Professional Services- ISO	-	232,000
Hire of Security Services	22,692,360	21,667,500
Hire of Cleaning Services	11,254,150	10,008,434
Internet Expenses	27,657,222	18,192,139
Legal Fees	-	156,600
Official Entertainment	246,170	2,168,466
Conferences & Seminars	2,810,660	2,126,391
Cleaning Materials	6,699,491	1,435,266
Corporate Social Responsibility	6,679,829	11,060,084
Quality Assurance fees -CUE Subscription	5,000,725	6,000
Farm general expenses	4,950,799	2,480,731
Advertisement & Publicity	6,510,562	3,621,474
Exhibitions and Local Shows	1,050,815	1,388,030
Property/Land rates	411,500	411,500
KUCCPS Placement fees	5,119,500	5,347,500
Landscaping of University Grounds	-	979,114
Purchase of Games Equipment	1,262,480	874,580
Signage	-	17,500
Compensation Expenses	409,592	1,283,016

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loss/gain on disposal	(16,828)	
Audit Fees	696,000	696,000
Catering Expenses	18,217,559	2,915,094
Medical Supplies and Expenses	8,162,025	36,050
Sale/disposal/addition of Biological Assets	(1,051,902)	
Total	205,264,423	144,448,893

19) Provision for doubtful debts

Description	2023-2024	2022-2023
	Kshs	Kshs
Bal B/F 1st July 2023	711,572	665,736
Increase/Decrease During the Year Period	325,619	45,836
Balance as at 30th June 2024	1,037,191	711,572

20) Cash and Cash Equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Cash & Cash Equivalents		
KCB - Fees Collection A/C - 1103755439	12,942,557	14,855,829
KCB - Operations A/C 1113791985	4,043,456	108,894,239
Equity IGU a/c 0293981713	11,706,125	4,268,209
Equity - Catering Dept. A/C 0210298189098	5,400,516	6,599,748
Equity fees collection A/C 0210261453469	870,493	3,123,127
Equity Research Fund-KEPAP 0210262271525	8,029,771	1,101,391
Equity TOWA A/C 0210298770822	9,786,738	6,510,323
Cooperative Bank -Development A/C 01120058189900	962,949	2,442,503
Cooperative- Fees Collection A/C 01129058189900	1,037,449	3,084,201
Family Bank- Fees Collection A/C 054000002641	34,534,265	9,245,523
Barclays Bank A/C 2035727666	9,683,244	6,037,788
Standard Chartered Bank A/C 0102024755200	1,284,146	25,385,836
Equity Operations A/C 0210261453459	19,863,848	19,830,548
Equity Gratuity 0210263739640	7,538,501	11,943,465
Equity Retention 0210263739666	262,699,245	5,235,350
E-citizen Account	177,343	
Total	390,560,646	228,558,081

21) Detailed Analysis of the Cash and Cash Equivalents

	2023-2024	2022-2023
Financial institution	Account number	Kshs
a) Current account		
KCB - Fees Collection	1,103,755,439	12,942,557
KCB - Operations	1,113,791,985	4,043,456
Equity IGU a/c	0210293981713	11,706,125

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Equity - Catering Dept.	0210298189098	5,400,516
Equity fees collection A/C	0210261453469	870,493
Equity Research Fund-KEPAP	0210262271525	8,029,771
Equity Hillside A/C	0210298770822	9,786,738
Cooperative Bank -Development A/C	01120058189900	962,949
Cooperative- Fees Collection A/C	01129058189900	1,037,449
Family Bank- Fees Collection A/C	054000002641	34,534,265
Barclays Bank	2035727666	9,683,244
Standard Chartered Bank	0102024755200	1,284,146
Equity Operations A/C	0210261453459	19,863,848
Equity Gratuity	0210263739640	7,538,501
Equity Retention	0210263739666	262,699,245
Sub-total		390,383,303
b) On - call deposits		
N/A	-	-
N/A	-	-
Sub- total	-	-
c) Fixed deposits account		
N/A	-	-
N/A	-	-
Sub- total	-	-
d) Staff car loan/ mortgage		
N/A	-	-
N/A	-	-
Sub- total	-	-
e) Others(specify)		
Cash in transit	-	177,343
cash in hand	-	-
Mobile money accounts	-	-
Sub- total	-	-
Grand total	-	390,560,646

22) Receivable from Exchange Transactions

Description	2023-2024	2022-2023
Receivable from Exchange Transactions	Kshs	Kshs
Students Fees Receivable	100,551,909	54,160,929
Imprest Debtors	-	17,461
Rental Income Receivable	3,167,228	16,978,799

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Total Receivables from Exchange Transactions	103,719,138	71,157,189
Less: Impairment/Provision for Doubtful Debts	(1,037,191)	(711,572)
Net Receivables from Exchange Transactions	102,681,946	70,445,617

23) Receivable from Non-Exchange Transaction

Description	2023-2024	2022-2023
	Kshs	Kshs
Receivable from Non-Exchange Transaction		
Exchequer Capital Grant	-	5,772,259
Exchequer Recurrent Grants	84,329,446	
Total	84,329,446	5,772,259

24) Prepayments

Description	2023-2024	2022-2023
	Kshs	Kshs
Prepayments		
Prepaid Staff Insurances	6,328,480	5,631,471
Property Motor Vehicle Insurance	168,313	161,916
Total	6,496,793	5,793,387

25) Inventory

Description	2023-2024	2022-2023
	Kshs	Kshs
Inventory		
Main Stores	8,279,801	8,086,346
Medical Supplies	1,604,226	1,423,599
Farm Supplies & Consumables	430,673	3,163,026
Hill Side Hotel Supplies and Consumables	639,972	237,164
Catering Supplies & Consumables	335,601	570,099
Total	11,290,273	13,480,234

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26) Tangible Assets, Property, Plant and Equipment Schedule

PPE Schedule	Land	Buildings	2.50%	Plant & Equipment	20%	Motor Vehicle	25%	Furniture & Fittings	12.50%	Comp Hardware	30%	Library Books	20%	Work In Progress	Totals	
2022-2023																
Cost/Value as at 1.7.22	1,097,670,205	2,388,513,596		426,611,892	157,314,500	157,314,500	100,100,735	86,812,020	23,649,175	4,080,174,455	8,360,846,578					
Additions				11,262,391			5,585,852	689,140	734,774	825,919,788	844,191,945					
W.I.P Capitalized	-	486,142,077		64,405,298	-	-	-	-	-	(550,547,375)	-					
Asset Disposal	-	-		(34,930)			(62,040)	(23,820)	-	-	(120,790)					
Cost At 30th June 2023	1,097,670,205	2,874,655,673		502,244,651	157,314,500	157,314,500	105,624,547	87,477,340	24,383,949	4,355,546,868	9,204,917,733					
Depreciation and impairment																
Acc. Depr At 1 July 2022	-	150,601,948		197,129,510	114,404,750	114,404,750	33,143,283	67,562,687	13,487,215	-	576,329,393					
Acc.Depr for Disposed Assets				(27,944)			(31,330)	(23,848)	-	-	(83,122)					
Depr charge for the year	-	59,712,840		87,279,683	39,328,625	39,328,625	13,160,745	12,933,027	4,729,837	-	217,144,757					
Depr as at 30 June 2023	-	210,314,788		284,381,249	153,733,375	153,733,375	46,272,698	80,471,866	18,217,052	-	793,391,028					
NBV as at 30th June 2022	1,097,670,205	2,237,911,648		229,482,382	42,909,750	42,909,750	66,957,452	19,249,333	10,161,960	4,080,174,455	7,784,517,185					
NBV as at 30th June 2023	1,097,670,205	2,664,340,885		217,863,402	3,581,125	3,581,125	59,351,850	7,005,474	6,166,897	4,355,546,868	8,411,526,705					
2023-2024																
Cost/Value as at 1.7.23	1,097,670,205	2,874,655,673		502,244,651	157,314,500	157,314,500	105,624,547	87,477,340	24,383,949	4,355,546,868	9,204,917,733					
Additions				983,863			7,610,973	1,727,986	512,600	230,937,088	241,772,509					
Asset Disposal	-	-		(529,267)			(43,074)	(27,000)	-	-	(599,340)					
Cost At 30th June 2023	1,097,670,205	2,874,655,673		502,699,247	157,314,500	157,314,500	113,192,447	89,178,326	24,896,549	4,586,483,956	9,446,090,902					
Depreciation and impairment																
Acc. Depr At 1 July 2023	-	210,314,788		284,381,249	153,733,375	153,733,375	46,272,698	80,471,866	18,217,052	-	793,391,028					
Acc.Depr for Disposed Assets				(529,267)			(27,151)	(27,000)	-	-	(583,418)					
Depreciation charge for the year	-	71,866,392		100,629,808	3,581,125	3,581,125	14,055,996	5,748,017	4,979,310	-	200,860,648					
Depreciation as at 30 June 2024	-	282,181,180		384,481,790	157,314,500	157,314,500	60,301,543	86,192,883	23,196,362	-	993,668,258					
NBV as at 30th June 2023	1,097,670,205	2,664,340,885		217,863,402	3,581,125	3,581,125	59,351,850	7,005,474	6,166,897	4,355,546,868	8,411,526,705					
NBV as at 30th June 2024	1,097,670,205	2,592,474,493		118,217,457	-	-	52,890,904	2,985,443	1,700,187	4,586,483,956	8,452,422,644					
Revaluations	1,445,749,125	2,589,033,922		143,018,771	134,369,038	134,369,038	59,480,666	84,549,826	2,906,005	4,586,483,956	9,045,591,308					

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27) Intangible Assets, Computer Software Schedule

Description	Kshs
Year 2022/2023	
Cost/Value at 1/7/2022	9,363,828
Additions/adjustments	-
Cost/Value at 30/06/2023	9,363,828
Accumulated Amortization 1/07/2022	8,427,444
Amortization Charge for the Period	936,384
Accumulated Amortization 30/06/2023	9,363,828
Carrying amount as at 30 June 2022	936,384
Carrying amount as at 30 June 2023	-
Description	2022-2023
Work In Progress	Kshs
Micro soft 360-Business Central	7,609,099
Library Information Management System	950,000
	8,559,099
Year 2023/2024	
Cost/Value at 1/7/2023	9,363,828
Additions/adjustments	1,675,562
Cost/Value at 30/06/2023	11,039,390
Accumulated Amortization 1/07/2023	9,363,828
Amortization Charge for the Period	-
Accumulated Amortization 30/06/2024	9,363,828
Carrying amount as at 30 June 2023	-
Carrying amount as at 30 June 2024	1,675,562
Revalued Amount	11,039,390
Work in Progress	
Micro Soft 365-Business Central	12,174,545
Total Intangible Assets	23,213,935

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28) Biological Assets

Item	Unit	Qty	Cost/Unit	23/24	Qty	Cost/Unit	22/23
CROPS							
Bananas	Stools	115	350	40,250	120	350	42,000
Trees	Plants	5,000	1,000	5,000,000	4,469	1,000	4,469,000
Ornamental Trees	Plants	23,089	35	808,115	23,089	35	808,115
Napier grass	lorries	-	-	-	4	12,000	48,000
Sudan Grass Seeds	Satchets	-	-	-	60	100	6,000
Sudan Grass	Pickups	-	-	-	2	12,000	24,000
VEGETABLES							
Spinach	Plots	-	-	-	1	4,538	4,538
Kales	Plots	-	-	-	2	4,500	9,000
Chinese Cabbage	Plots	-	-	-	-	-	-
Black night Shade	Plots	-	-	-	2	5,000	10,000
Comfrey	Plots	-	-	-	1	1,000	1,000
Spider Plants/ sagheti	Plots	-	-	-	1	2,000	2,000
Amaranth	Plots	-	-	-	2	15,000	30,000
Maize stovers	Lorries	-	-	-	2	12,000	24,000
LIVESTOCK							
Mature Dairy cows	Heads	7	250,000	1,750,000	7	250,000	1,750,000
Bulls	Heads	-	-	-	1	80,000	80,000
Young heifers	Heads	3	40,000	120,000	3	40,000	120,000
Young bulls	Heads	1	30,000	30,000	1	30,000	30,000
Calf Bulls	Heads	-	-	-	1	15,000	15,000
Calf heifers	Heads	1	20,000	20,000	3	20,000	60,000
INDIGENOUS CATTLE							
Mature Males	Heads	1	80,000	80,000	1	80,000	80,000
Mature Females	Heads	11	60,000	660,000	7	60,000	420,000
Young Bulls	Heads	3	25,000	75,000	4	25,000	100,000
Young Heifers	Heads	2	30,000	60,000	14	30,000	420,000
CALVES							
Males	Heads	-	-	-	3	10,000	30,000
Females	Heads	4	15,000	60,000	1	15,000	15,000
GOATS							
Billy (Mature Males)	Heads	4	15,000	60,000	6	15,000	90,000

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Nanny (Mature Females)	Heads	84	10,000	840,000	102	10,000	1,020,000
YOUNG GOATS	Heads			-			-
Does (Young females)	Heads	34	8,000	272,000	16	8,000	128,000
Young Males (Buckling)	Heads	30	8,000	240,000	31	8,000	248,000
Kids Females (Duellling)	Heads	20	5,000	100,000	21	5,000	105,000
Kids males	Heads	14	5,000	70,000	17	5,000	85,000
PIGS				-			-
Sows (Female)	Heads	15	30,000	450,000	5	30,000	150,000
LLAMA				-			-
Males	Heads	-		-	1	100,000	100,000
Females	Heads	-		-	3	100,000	300,000
POULTRY				-			-
Layers	Birds	337	140	47,180	-	-	-
TOTALS				10,782,545			10,823,653

29) Payables from Exchange Transactions

Description	2023-2024	2022-2023
	Kshs	Kshs
Payables / Accruals from exchange transactions		
General Payables	5,257,470	8,655,814
Part-Time Lecturers-Wages & Salaries Accrued	105,695	
Audit Fees Payable	1,392,000	1,392,000
Unallocated Receipts	36,560,968	38,479,301
CDF Control Account	2,932,225	5,561,388
Helb Control Account	1,114,270	385,000
WIP Projects Payable	262,143,652	384,629,939
Scholarship control Account	991,700	
Staff Claims Payable	32,150	
Pay As You Earn	585,996	1,908,805
National Industrial Training Authority	-	34,700
Withholding Tax Payable	-	63,462
Withholding Vat Payable	-	115,332
Total	311,116,125	441,225,740

30) Refundable Deposit

Refundable Deposits		
Description	2023-2024	2022-2023
	Kshs	Kshs
Payables		
Student Caution Money Payable	30,630,500	30,617,500
Staff Gratuity Payable	12,479,128	23,552,643

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Prepaid Tuition Income	217,353,976	141,375,879
Student Union Fee Payable	710,950	57,500
Retention for W.I.P Payable	262,699,244	248,757,185
Rent Deposit	534,160	
Total	524,407,958	444,360,708

31) Land Donations

Location	Land Number (LR)	Amount
Igembe	Nyambene/Antubetwe Njoune /1586	54,500,000
Igembe	Nyambene/Antubetwe Njoune /1587	54,500,000
Igembe	Nyambene/Antubetwe Njoune /1588	51,285,700
Igembe	Nyambene/Antubetwe Njoune /1592	51,285,700
TOTALS		211,571,400

32) Revaluation Surplus

	NBV as at 30th June 2024	Revaluation amount as at 30th June 2024	surplus
Land	1,097,670,205	1,234,177,725	136,507,520
Buildings	2,592,474,493	2,589,033,922	(3,440,571)
Plant & Equipment	118,217,457	143,018,771	24,801,314
Motor Vehicle	-	134,369,038	134,369,038
Furniture & Fittings	52,890,904	59,480,666	6,589,762
Comp Hardware	2,985,443	84,549,826	81,564,383
Library Books	1,700,187	2,906,005	1,205,818
Computer Software	1,675,562	11,039,390	9,363,828
Total	3,867,614,250	4,258,575,342	390,961,092

33) Cash Received from Customers

Cash received from customers	2023-2024	2022-2023
Description	Kshs	Kshs
Revenue	2,426,487,406	1,894,365,015
Increase Receivables - Exchange Transactions	(32,236,329)	(4,537,752)
Increase Receivables - Non Exchange Transactions	(78,557,187)	(5,772,259)
Cash received from customers	2,315,693,890	1,884,055,004

34) Cash Paid to customers

Cash paid to customers	2023-2024	2022-2023
Description	Kshs	Kshs

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Generating Operating Expenses	481,423,486	285,542,064
Increase/Decrease in prepayments	703,406	1,617,628
Increase/Decrease in Inventory	(2,189,961)	(3,603,499)
Increase/Decrease in Payable from Exchange Transactions	130,109,615	(430,208,791)
Increase/Decrease in Refundable Deposits	(80,047,251)	(151,117,074)
Cash paid to customers	529,999,296	(297,769,673)

35) Cash Generated from Operations

Description	2023-2024	2022-2023
Surplus (Deficit) from Operations	335,017,729	398,374
Adjustments for Non-Cash Items in the Income Statement:		
Depreciation and Amortization Charge for the Year	200,860,648	218,081,141
Gain/Loss on asset disposal	(16,828)	3,945
	535,861,549	218,483,462
Working Capital Adjustments		
Increase/Decrease in Receivables -Exchange Transactions	(32,236,329)	(4,537,752)
Increase/decrease in Receivables - Non Exchange Transactions	(78,557,187)	(5,772,259)
Increase/Decrease in prepayments	(703,406)	(1,617,628)
Increase/Decrease in Inventory	2,189,961	3,603,499
Increase/Decrease in Payable from Exchange Transactions	(130,109,615)	430,208,791
Increase/Decrease in Refundable Deposits	80,047,251	151,117,074
Net Cash Flows Used in Operating Activities	376,492,224	791,485,187

36) Acquisition Plant, Property and Equipment

Description	2023-2024	2022-2023
	Kshs	Kshs
Plant& Equipment	983,863	11,262,391
Furniture & Fittings	7,610,973	5,585,852
Comp Hardware	1,727,986	689,140
Library Books	512,600	734,774
	10,835,422	18,272,157

37) Disposal of Assets

Category	Amount
Plant & Equipment	14,750
Furniture And Fittings	17,800
Computer & ICT Equipment	200
Totals	32,750

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38) Biological Assets

Description	2023-2024	2022-2023
	Kshs	Kshs
Biological Assets	10,782,545	10,823,653

39) Work in Progress-Tangible Assets

Description	2023-2024	2022-2023
Work in Progress Tangible Assets	Kshs	Kshs
Professional Fees Administration Block	(9,016,349)	9,016,349
Professional Fees Science Research Park Administration Block	11,876,415	14,643,254
Food Technology Block	9,220,071	19,126,609
Science Research Park	190,827,866	221,773,197
Construction of Water Tank Kairini		284,154
Proposed 3000cm Reinforced Concrete Water Reservoir		752,504
Proposed Male Hostel (Wing B)		80,423,758
Consultancy services for proposed Ultra-Modern Library Block		18,067,863
Proposed Upgrading of University Access road		5,476,449
Proposed Mechanical Workshop		2,537,023
Water intake and piping at Kairini		1,334,639
Acquisition and relocation of chiefs office	172,391	10,809,925
Construction of proposed Ultra-Modern Library		314,247,802
Milk Processing Plant	13,346,848	7,136,605
Igembe Campus WIP		2,220,772
Food technology Phase 2	14,509,846	2,295,256
Total	230,937,088	825,919,788

40) Work in Progress-Intangible Assets

Description	2023-2024	2022-2023
Work in Progress Intangible Assets	Kshs	Kshs
Library Information Management System	725,562	950,000
Enterprise Resource Planning	4,565,447	7,609,098
	5,291,009	8,559,098

41) Exchequer Capital Grants

Description	2023-2024	2022-2023
Exchequer Capital Grants	Kshs	Kshs
State Department for University Education and Research		
1st Disbursement	32,500,000	10,000,000
2nd Disbursement	-	5,772,259
Total	32,500,000	15,772,259

42. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the council. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the entity'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 entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount	Fully Performing	Past Due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024				
Receivables from exchange transactions	102,681,946	102,681,946	Nil	Nil
Receivables from non-exchange transactions	84,329,446	84,329,446	Nil	Nil
Bank balances	390,560,646	390,560,646		
	577,572,038	577,572,038		
At 30 June 2023				
Receivables from exchange transactions	70,445,617	70,445,617	Nil	Nil
Receivables from non-exchange transactions	5,772,259	5,772,259	Nil	Nil
Bank balances	228,558,081	228,558,081	Nil	Nil
Total	304,775,957	304,775,957	Nil	Nil

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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 entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

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

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University Council, who have built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

The table below represents cash flows payable by the entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	
				Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2024	311,116,125	Nil	Nil	311,116,125
Trade payables	Nil	Nil	Nil	Nil
Current portion of borrowings	Nil	Nil	Nil	Nil
Provisions	Nil	Nil	Nil	Nil
Deferred income	Nil	Nil	Nil	Nil
Employee benefit obligation	Nil	Nil	Nil	Nil
Total	311,116,125			311,116,125
At 30 June 2023				
Trade payables	441,225,740	Nil	Nil	441,225,740
Current portion of borrowings	Nil	Nil	Nil	Nil
Provisions	Nil	Nil	Nil	Nil
Deferred income	Nil	Nil	Nil	Nil
Employee benefit obligation	Nil	Nil	Nil	Nil
Total	441,225,740	Nil	Nil	441,225,740

(iii) **Market risk**

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity 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 entity'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 optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The entity'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 entity's exposure to market risks or the manner in which it manages and measures the risk.

a) **Foreign currency risk**

The entity has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

Chuka University did not have a foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period. The entity manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

b) **Interest rate risk**

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

Management of interest rate risk

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

Sensitivity analysis

The University analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant.

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Fair value of financial assets and liabilities

a) **Financial instruments measured at fair value**

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the University's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The entity considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial and non- financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 Kshs	Level 2 Kshs	Level 3 Kshs	Total Kshs
At 30 June 2024				
Financial Assets				
Quoted equity investments	Nil	Nil	Nil	Nil
Non- financial Assets				
Investment property	Nil	Nil	Nil	Nil
Land and buildings	4,034,783,047		Nil	4,034,783,047
Total	4,034,783,047		Nil	4,034,783,047
At 30 June 2023				
Financial Assets				
Quoted equity investments	Nil	Nil	Nil	Nil
Non- financial Assets				
Investment property	Nil	Nil	Nil	Nil
Land and buildings	3,762,011,090		Nil	3,762,011,090
Total	3,762,011,089		Nil	3,762,011,090

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There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management.

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

	2023-2024	2022-2023
	Ksh	Ksh
Revaluation reserve	1,691,172,679	1,300,211,588
Retained earnings	4,574,758,118	4,239,740,388
Capital reserve	2,573,492,010	2,329,420,610
Total funds	8,839,422,808	7,869,372,586
Total borrowings		Nil
Less: cash and bank balances	390,560,646	228,558,081
Net debt/(excess cash and cash equivalents)		Nil
Gearing		N/A

43. RELATED PARTY DISCLOSURES

Nature of related party relationships

Entities and other parties related to the entity include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The entity is related to:

(i). Government of Kenya

Chuka University gets funding from the national government through the national treasury of Kenya. The funding is separated in to two: Recurrent grant and capital grant which is used to finance part of the university budget.

(ii). The Principal Secretary, State Department for University Education and Research

Chuka University is an independent public entity established through a charter as per the Universities Act, 2012. It is represented by the Cabinet Secretary for Education, who is responsible for the general policy and strategic direction of the University.

(iii). The Council Members

As the governing body of the University, the Council, have a responsibility of maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst

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safeguarding the public and other university resources. The University Council is vested with powers and authority by its Charter and the Universities Act, 2012.

The Council is also the executive governing body responsible for the academic policy and strategic direction of the University, including its external relations, and for the Administration of the University. The Council is responsible for the management of the University's finances and assets, in accordance with the Public Financial Management Act, 2012 and Public Financial regulations of 2015.

(iv). The University management

The University management is mandated to make the day-to-day decisions on behalf of the University. They have a significant influence over the operating and financial decision

(v). The University Senate;

This is the academic authority of the University. It is composed of the Vice - chancellor, Deputy Vice Chancellors, Principals and Deputy Principal of Constituent Colleges, Deans, Directors, Chairmen of the Academic Departments, two Students' Representatives, Finance Officer, Registrar Academic, Registrar (Administration and Planning), Dean of Students, University Librarian, and Faculty Representatives. Its role is to discuss and approve student results as well as students' discipline. The Senate is chaired by the Vice - Chancellor.

Related party transactions

(i). Grants/Transfers from National Government

	2023-2024	2022-2023
Transfers from related parties'		
Recurrent	1,011,953,346.00	1,333,854,721
Capital	32,500,000.00	15,772,259
Totals	1,044,453,346.00	1,349,626,980

(ii). Key management remuneration

	2023-2024	2022/2023
University Council	15,140,263	9,271,184
Key management compensation	36,083,736	31,338,085
Totals	51,223,999	40,609,269

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44. Events after the reporting period

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

45. Ultimate and Holding Entity

The entity is a State Corporation under the Ministry of Education. Its ultimate parent entity is the Government of Kenya.

46. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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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.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.1	Absence of title deed for Karingani/Ndaga ni/741	The title deed is being processed through the ministry of lands	Head of Estates, Chuka University	Resolved	Resolved

Prof. Henry M. M'ikiugu, Ph.D.
 Vice Chancellor/CEO

23rd September 2024

Appendix II: Project Implementation Status

SN	PROJECT'S NAME	Total Project Cost	Total Expended to date	Completion % to date	Budget 2023-2024	Actual 2023-2024	Source of funds
1	Proposed Food Technology Tuition phase 1	292,164,909	288,844,426	0.99	10,000,000	9,220,071	AIA
2	Proposed Science Research Park Phase 2	1,929,373,938	706,215,493	0.37	212,356,938	190,827,866	AIA
3	Consultanis for Science Research Park 2	26,046,548	11,876,415	0.46	13,000,000	11,876,415	AIA
4	Proposed Ndagani chief Office Relocation	31,351,696	31,351,696	1.00	172,391	172,391	AIA
5	Milk Processing Plant	52,717,476	20,483,453	0.39	14,796,415	13,346,848	AIA
6	Food technology Phase 2	31,205,456	16,805,102	0.54	16,000,000	14,509,846	AIA
7	Library Management system	3,787,212	3,787,212	1.00	800,000	725,562	AIA
8	Enterprise Resource Planning	15,218,156	12,174,545	0.80	4,700,000	4,565,447	AIA
	Total	2,381,865,391	1,091,538,342		271,825,744	245,244,445	

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Appendix III: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
				Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix V: Reporting of Climate Relevant Expenditures

Name of the Organization: Chuka University

Telephone Number: +254 (061) 2304004

Email Address: vc@chuka.ac.ke

Name of CEO/MD/Head: Prof. Henry M. M'Ikiugu, Ph.D. Vice Chancellor

Name and contact details of contact person (in case of any clarifications): Prof. Henry M. M'Ikiugu, Ph.D. Vice Chancellor

Project Name	Project Description	Project Objectives	Project Activities	2023-2024	Source of Funds	Implementing Partners
Tree Planting	Planting of trees in the neighbouring community	To ensure 10% forest cover as per the government Agenda	Planting trees in the Neighbouring community	Planted 46,558 tree seedlings	AIA	Community and Neighbouring Institutions

Appendix V- Inter-Entity Confirmation Letter

Name of Transferring Entity: State Department for Higher Education and Research
 Name of Beneficiary Entity: Chuka University

Confirmation of amounts received by Chuka University as at 30th June 2024

Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
KCB2/05417	01/07/2024	84,329,446	-	84,329,446	Recurrent Grants
KCB2/05415	12/06/2024	84,329,446	-	84,329,446	Recurrent Grants
KCB2/05310	18/05/2024	84,329,446	-	84,329,446	Recurrent Grants
KCB2/05278	12/04/2024	84,329,445	-	84,329,445	Recurrent Grants
KCB2/05234	13/03/2024	84,329,445	-	84,329,445	Recurrent Grants
KCB2/05247	29/02/2024	-	-	-	Recurrent Grants
KCB2/05233	13/02/2024	84,329,445	32,500,000	32,500,000	Capital Grants
KCB2/05232	08/01/2024	84,329,445	-	84,329,445	Recurrent Grants
KCB2/05047	13/12/2023	84,329,446	-	84,329,445	Recurrent Grants
KCB2/05019	01/11/2023	84,329,446	-	84,329,446	Recurrent Grants
KCB2/04934	12/09/2023	84,329,444	-	84,329,446	Recurrent Grants
KCB2/04932	30/08/2023	84,329,446	-	84,329,444	Recurrent Grants
KCB2/04933	10/08/2023	84,329,446	-	84,329,446	Recurrent Grants
Sub Total		1,011,953,346	32,500,000	1,044,453,346	Recurrent Grants

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

Head of Accounts Department - State Department for Higher Education and Research

Name Margaret W. Rowuki Sign [Signature] Date 29/8/2024

Finance Officer-Chuka University

Name Tomas M. MURRAYA Sign [Signature] Date 14/08/2024

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Appendix VI: Disaster Expenditure Reporting Template

Date:2023/2024						
Entity: Chuka University						
Period to which this report refers (FY)	Year: 2023/2024		Quarter:Q1,Q2,Q3&Q4			
Name of Reporting Officer	Prof. Henry M. M'Ikiugu, Ph.D. Vice Chancellor					
Contact details of the reporting officer:	Email:vc@chuka.ac.ke Telephone: +254 (061) 2304004					
Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments
N/A	N/A	N/A	N/A	N/A	N/A	N/A



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