REPUBLIC OF KENYA

OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

AUDITOR-GENERAL'S SUMMARY REPORT

ON PUBLIC UNIVERSITIES

2023/2024

VISION

Making a difference in the lives and livelihoods of the Kenyan people

MISSION

Audit services that impact on effective and sustainable service delivery

OUR CORE VALUES

Integrity • Credibility • Relevance • Accountability • Independence

SUMMARY

OF

THE AUDITOR-GENERAL’S REPORT

ON

PUBLIC UNIVERSITIES

2023/2024

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Foreword

This report is a summary of cross-cutting audit findings in the audit reports of Public Universities for the year ended 30 June, 2024.

The Auditor-General is mandated by the Constitution of Kenya, under Article 229, to audit and report on the use of public resources by all entities funded from public funds. These entities include the National Government, County Governments, the Judiciary, Parliament, Statutory Bodies/State Corporations, Commissions, Independent Offices, Public Debt, Political Parties funded from public funds, other Government agencies and any other entity funded from public funds. In addition, Article 229(6) requires the Auditor-General to confirm whether or not public resources have been applied lawfully and in an effective way. The mandate of the Auditor-General is further expounded by the Public Audit Act, 2015.

Article 229 (7) of the Constitution requires the Auditor-General to audit and submit reports to Parliament or the relevant County Assembly within six (6) months after the end of the financial year. However, Section 81(4) of the Public Finance Management Act, 2012, reduces the timelines for audit and reporting to three (3) months by giving entities leeway up to the end of September to prepare and submit financial statements for audit. This reduces the duration for audit and reporting from six (6) months as mandated by the Constitution to three (3) months. This has been adversely affecting the audit scope and quality in reporting, which affects the efficiency and effectiveness of oversight by Parliament and the County Assemblies.

Further, the mechanism for follow up on implementation of audit recommendations is ineffective and as such most audit queries recur in subsequent years due to lack of decisive action. Section 204(1)(g) of the Public Finance Management Act, 2012 provides that the Cabinet Secretary for matters relating to finance may apply sanctions to a national Government entity that fails to address issues raised by the Auditor-General, to the satisfaction of the Auditor-General.

However, despite numerous reports indicating lack of accountability and documents to support the legality and effectiveness in the use of public resources, failure to apply the requisite sanctions and consequences has resulted to some Accounting Officers not adequately accounting for the management and use of public resources with impunity. Lack of action and sanctions has also led to fiscal indiscipline including misallocations, wastage of resources, lack of value for money in implementation of projects and loss of public funds, thereby impacting negatively on development programmes. This in turn threatens economic growth and sustainability of quality service delivery to citizens. There are instances where some Accounting Officers are in breach of Section 62 of the Public Audit Act, 2015 by failing to adequately prepare for audit which is exhibited by inaccuracies in financial statements presented for audit, lack of requisite supporting documents, several revisions of financial statements and, in some cases, lack of cooperation with the auditors during the audit process.

The Office of the Auditor-General has been continuously improving on the effectiveness and quality of the audit process to ensure that the results of audit and the recommendations thereof are credible, relevant, reliable and value adding. This is geared towards influencing improved decision making and positive impact on the lives and livelihoods of citizens and other stakeholders. Provision of quality and effective audit services and confirmation of the lawfulness and effectiveness in programme implementation requires comprehensive scrutiny and evaluation of supporting documents. Most critical is the physical confirmation of the existence and utilization of projects or programmes implemented throughout the country. To achieve this requires an independent and well-resourced Audit Office with guaranteed adequate funding to enable efficient, effective and timely execution of oversight as well as retention of optimal staffing levels to ensure continuous, quality and sustainable audit operations.

The Office continues to seek financial independence and support from Parliament and the Executive through The National Treasury for enhancement of resources to enable us build technical capacity, expand our presence in the counties, widen the scope and comprehensiveness of audit and motivate staff. We continue to devolve our services closer to the people through establishment of Regional Offices and construction of office premises to accommodate our staff in order to address the audit needs at the devolved level. We have established fifteen (15) Regional Offices and constructed office premises in Garissa, Kakamega, Eldoret and Embu. Plans for construction of a Regional Office in Mombasa and our Headquarters in Nairobi, which are currently at the design stage, have been delayed by lack of adequate funding. However, the Office will continue to appeal to Parliament and The National Treasury for adequate funds to enable us perform our functions and achieve our mandate in enhancing accountability across Government, both at the national and county levels, and in all other entities funded from public funds.

The audit scope has been expanding over the years due to the expansion of Government programs to ensure sustainable development and delivery of continuous and quality services to the citizens. This has led to growth in the national budget and establishment of additional entities that I am required to audit and report on. In addition to Ministries, Departments and Agencies (MDAs), State Owned Enterprises and County Governments entities, all the over nine thousand (9,000) Public Secondary Schools were from 30 June, 2021 required to prepare and submit financial statements to the Auditor-General for audit and quite a number have complied. I am also required to audit and report on financial statements for all the three hundred and seventy-six (376) Level 4 hospitals and eighteen (18) Level 5 hospitals separately. Further, in the current financial year, I am required to audit a total of thirty-five (35) Teachers' Training Colleges, two hundred and thirty (230) Technical and Vocational Education and Training (TVET) Institutions funded by the Exchequer and Community Vocational Training Institutions estimated to be over one thousand and two hundred (1,200). In addition, implementation of new projects and establishment of new funds requires timely oversight.

During the period under review, the Office made great strides in enhancing delivery of audit services to the people of Kenya. The Office has entered into partnerships with other Supreme Audit Institutions (SAIs) regionally and globally and with local oversight institutions such as the Ethics and Anti-Corruption Commission (EACC), the State Corporations Advisory Committee (SCAC), the Salaries and Remuneration Commission (SRC), the Commission on Revenue Allocation (CRA), the Office of Registrar of Political Parties among other organizations, as we strive to increase the impact of audit through learning, knowledge sharing, innovation and collaboration.

Specific reports together with my opinion for each of the entity are contained in the respective University's audited financial statements for the year ended 30 June, 2024, which I have already submitted to Parliament and the respective Accounting Officer.

I thank the entire staff of the Office of the Auditor-General for their commitment, passion and professionalism in carrying out their duties despite the challenges posed by lack of adequate funds and tight timelines. Special appreciation goes to the Team that compiled this Summary Report.

I also appreciate my clients or auditees for the cooperation they accorded to my staff during the audit.

FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

30 June, 2025

1.0 INTRODUCTION

1.1 Constitutional Mandate of the Auditor-General

The Auditor-General is mandated by the Constitution of Kenya, under Article 229, to audit and report on the use of public resources by all entities funded from public funds. These entities include; the National Government, County Governments, the Judiciary, Parliament, Statutory Bodies/State Corporations, Commissions, Independent Offices, Public Debt, Political Parties funded from public funds, other government agencies and any other entity funded from public funds. The mandate of the Auditor-General is further expounded by the Public Audit Act, 2015.

In addition, the Constitution requires the Auditor-General to audit and submit the audit reports of the public entities to Parliament and the relevant County Assemblies by 31 December, every year. In carrying out the mandate, the Auditor-General, is also required by the Constitution under Article 229(6) to assess and confirm whether the public entities have used the public resources entrusted to them lawfully and in an effective way.

Further, the objects and authority of the Auditor-General, as outlined in Article 249 of the Constitution, are: to protect the sovereignty of the people; to secure the observance of democratic values and principles by all State Organs; and to promote constitutionalism. The Auditor-General has also been given powers by the Constitution, under Article 252, to conduct investigations, conciliations, mediations and negotiations and to issue summons to witnesses for the purpose of investigations.

The mandate of the Auditor-General as enshrined in the Constitution, has been operationalized by the Public Audit Act, 2015 and the Public Finance Management Act, 2012. The Auditor-General carries out audit in accordance with the International Organization of Supreme Audit Institutions (INTOSAI) Framework of Professional Pronouncements.

1.2 Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS), as prescribed by the Public Sector Accounting Standards Board (PSASB). Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of the Public Finance Management Act, 2012 and Section 47 of the Public Audit Act, 2015.

Management is also responsible for maintaining effective internal control environment, necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for the assessment of the effectiveness of internal control, risk management and governance.

Further, Management is required to ensure that the activities, financial transactions and information reflected in the financial statements are in compliance with the law and other relevant or applicable authorities, and that public resources are applied in an effective way.

Those charged with governance are responsible for; overseeing the 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.

1.3 Auditor-General's Responsibility

My responsibility is to conduct an audit of the financial statements in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and to issue an auditor's report. The audit report includes my opinion as provided by Section 48 of the Public Audit Act, 2015, and the report is submitted to Parliament in compliance with Article 229(7) of the Constitution.

In addition, Article 229(6) of the Constitution requires me to 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 law and other authorities that govern them, and that public resources are applied in an effective way. I also consider the entities' 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.

I am independent in accordance with Article 249(2) of the Constitution of Kenya and ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of public entities in the Republic of Kenya.

1.4 Structure of the Report

The structure of my report addresses the reporting requirements of Article 229(6) of the Constitution of Kenya, which requires that an audit report shall confirm whether or not public money has been applied lawfully and in an effective way. Section 7(1)(a) of the Public Audit Act, 2015 also requires that I provide assurance on the effectiveness of internal controls, risk management and overall governance in National and County Governments entities. In addition, the International Standards of Supreme Audit Institutions (ISSAIs), require the incorporation of Key Audit Matters in the report on the financial statements, which are those matters that I determine in my professional judgment, are of most significance in the audit of the financial statements as a whole, for the year under review. In order to address these requirements, my audit reports contain the following:

i. **Report on Financial Statements**, in which I give an audit opinion on whether the financial statements present fairly, in all material respects the financial position and performance of the entity.

ii. **Report on Lawfulness and Effectiveness in Use of Public Resources**, in which I give a conclusion on whether or not public money has been applied lawfully and in an effective way.

iii. **Report on Effectiveness of Internal Controls, Risk Management and Governance**, in which I give a conclusion on whether internal controls, risk management and overall governance were effective.

1.5 Audit Opinions

I have expressed three (3) different types of audit opinions for the forty-two (42) audited public universities based on the following criteria:

i. Unmodified Opinion

The books of accounts and underlying records agree with the financial statements and no material misstatements were found. The financial statements present fairly, in all material respects, the operations of the entity. The number of financial statements with unmodified opinion is twelve (12) as listed in **Appendix 1.**

ii. Qualified Opinion

The financial statements are to a large extent in agreement with the books of accounts and the underlying records, except for a few cases where material misstatements or omissions were noted in the books of accounts and the financial statements. The issues though material, are not widespread or persistent. The number of financial statements with qualified opinion is twenty-eight (28) as listed in **Appendix 2.**

iii. Adverse Opinion

The financial statements exhibit significant misstatements with the books of accounts and the underlying accounting records. There is significant disagreement between the financial statements and the underlying books of accounts and/or standards. These problems are widespread, persistent and require considerable intervention by the Management to rectify. The number of financial statements with adverse opinion is two (2) as listed in **Appendix 3.**

1.6 Universities Sector and the Regulatory Framework

Universities in Kenya play a pivotal role in driving the country's socio-economic progress by fostering innovation, nurturing skilled professionals, and contributing to research and policy development. Despite this crucial role, the university sector faces significant challenges. Key among these are inadequate funding, overstretched infrastructure, and management inefficiencies. Limited investment has resulted in deteriorating facilities, while the steady rise in student enrolment continues to strain existing resources. A particularly acute issue is the shortage of student accommodation, especially in urban-based institutions. These difficulties are compounded by broader pressures such as climate change, rapid population growth, and weak governance structures in some institutions.

The legal foundation for higher education is anchored in Article 43(1)(f) of the Constitution of Kenya, which affirms every individual's right to education. This constitutional guarantee is supported by statutory frameworks such as the Universities Act, 2012, and the Higher Education Loans Board Act, Cap 2013 of 1995 which collectively guide institutional operations, financing, and quality assurance within the sector.

In addition to the legal framework, national policy instruments offer further guidance. The Kenya Vision 2030 outlines long-term strategies for transforming education in line with the country's development goals. More specifically, the National Education Sector Strategic Plan (NESSP) 2023–2027 outlines targeted priorities for the university sub-sector. These include expanding infrastructure such as ICT systems, laboratories, libraries, and student hostels; strengthening university–industry linkages; implementing tertiary-level competency-based education and training; and shifting to a needs-based funding model for student support.

This report identifies cross-cutting challenges affecting forty-two (42) public universities as detailed in **Appendix 4** which require immediate attention as they may significantly impact the sustainability and quality of Kenya's university education system.

2.0 KEY AUDIT FINDINGS

2.1 Overall Budgetary Performance and Control

The gross estimated public universities' revenue and expenditure for the year 2023/2024 was Kshs.100,321,924,015 and Kshs.101,783,333,829 respectively. Similarly, the actual gross revenue and expenditure amounted to Kshs.100,669,837,625 and Kshs.96,487,180,432 resulting in an overcollection of Kshs.347,913,610 and an under expenditure of Kshs.5,296,153,397 respectively as detailed in **Table 1** below.

	Budgeted Amount (Kshs)	Actual Amount (Kshs)	Variance (Kshs)
Revenue	100,321,924,015	100,669,837,625	(347,913,610)
Expenditure	101,783,333,829	96,487,180,432	5,296,153,397

Table 1: Overall Budgetary Performance for Public Universities

2.2 Revenue Analysis

During the year under review, the forty-two (42) public universities had a cumulative revenue budget of Kshs.100,321,924,015 consisting of budgeted revenue from non-exchange transactions of Kshs.44,250,075,075 and budgeted revenue from exchange transactions of Kshs.56,071,848,940 as summarized in **Appendix 5**.

However, the actual revenue realised amounted to Kshs.100,669,837,625 consisting of revenue from non-exchange transactions amounting to Kshs.45,109,383,305, and revenue from exchange transactions amounting to Kshs.55,560,454,320 as detailed in **Appendix 6.**

This analysis is summarized in **Table 2** below.

	Budgeted Amount (Kshs)	Actual Amount (Kshs)
Revenue from Non-Exchange Transactions	44,250,075,075	45,109,383,305
Revenue from Exchange Transactions	56,071,848,940	55,560,454,320
Total	**100,321,924,015**	**100,669,837,625**

Table 2: Revenue Analysis for Public Universities

Further analysis revealed that twenty-four (24) universities realised an over collection of revenue amounting to Kshs.4,876,397,634 from both non-exchange transactions and own source revenue (exchange transactions) as detailed in **Appendix 7** while nineteen (19) universities realised a shortfall in revenue collection of Kshs.4,528,484,024 as detailed in **Appendix 8.**

2.2.1 Revenue Trend Analysis

During the financial year 2023/2024, the total budgeted revenue amounted to Kshs.100,321,924,015, which was an increase of Kshs.12,508,143,243 from the previous financial year's budget allocation of Kshs.87,813,780,772. **Table 3** below shows the trend in budgeted revenue against the actual revenue for the last four (4) financial years from 2020/2021 to 2023/2024.

Details	FY 2020/2021 (Kshs)	FY 2021/2022 (Kshs)	FY 2022/2023 (Kshs)	FY 2023/2024 (Kshs)
Budgeted	86,381,724,081	91,782,999,369	87,813,780,772	100,321,924,015
Actual	73,402,033,399	87,223,944,055	86,566,008,625	100,669,837,625
Shortfall/Surplus	**12,979,690,682**	**4,559,055,314**	**1,247,772,147**	**(347,913,610)**
Budget Performance	**85%**	**95%**	**98%**	**100.3%**

Table 3: Revenue Budget Trend Analysis for the last four (4) years

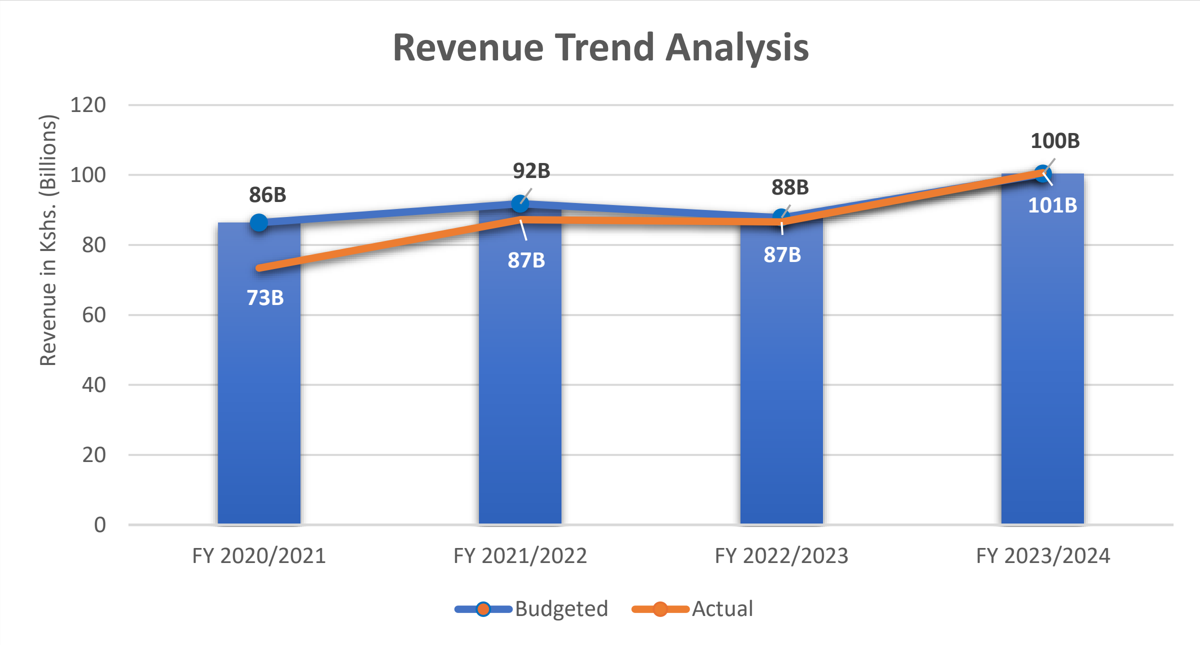

Figure 1: Revenue Trend Analysis for the last four (4) years

2.3 Analysis of Revenue from Exchange Transactions (Own Source Revenue)

During the 2023/2024 financial year, public universities managed to raise Own-Source Revenue (OSR) amounting to Kshs.55,560,454,320 (99%) against a budget of Kshs.56,071,848,940, resulting in an aggregated shortfall of Kshs.511,394,620. However, this was an improvement from an amount of Kshs.33,359,477,276 generated in the previous financial year. **Table 4** indicates the trend in OSR collection for the last four (4) years. An analysis of revenue collected per university is detailed in **Appendix 9.** From the analysis, twenty-six (26) universities achieved or surpassed the budgeted revenue collection with Rongo University leading at 188%, Moi University at 146%, and Kirinyaga University at 142%.

Details	FY 2020/2021 (Kshs)	FY 2021/2022 (Kshs)	FY 2022/2023 (Kshs)	FY 2023/2024 (Kshs)
Budgeted	33,391,424,242	38,967,368,660	32,728,185,404	56,071,848,940
Actual	21,876,568,152	33,653,750,631	33,359,477,276	55,560,454,320
Shortfall/ (Over collection)	11,514,856,090	5,313,618,029	(631,291,872)	511,394,620
Realised%	**66%**	**86%**	**102%**	**99%**

Table 4: Own Source Revenue Trend Analysis

The above performance is illustrated in **Figure 2** below which demonstrates the trend in OSR from 2020/2021 to 2023/2024 financial years.

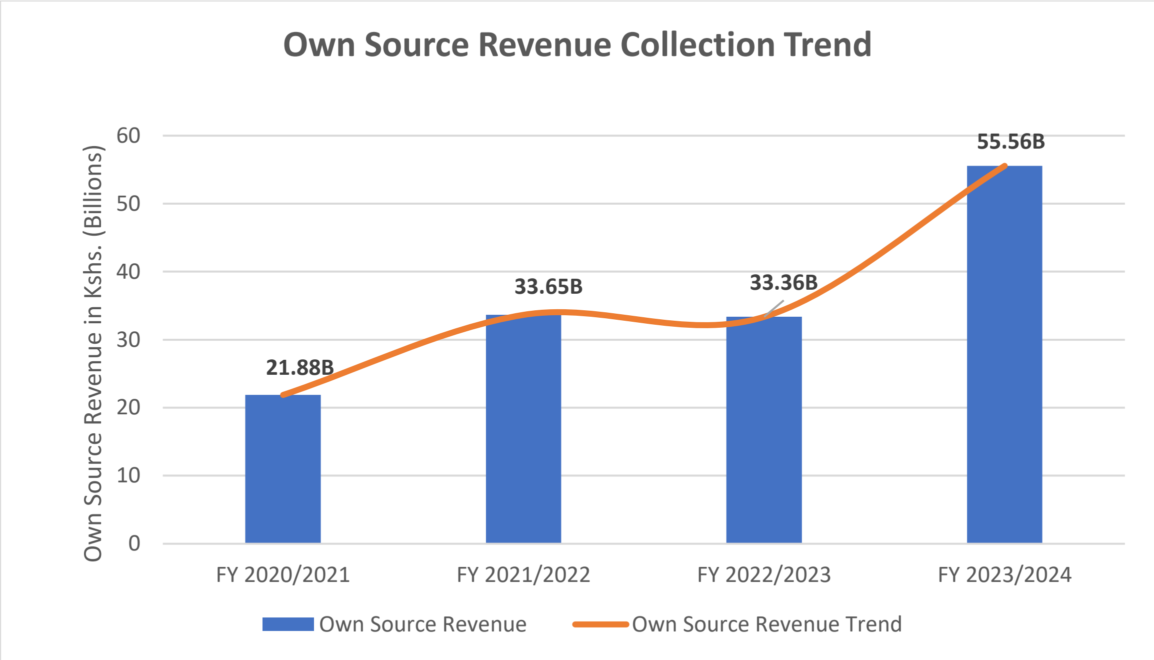

Figure 2: Own Source Revenue Collection Trend

2.4 Expenditure Analysis

An analysis of expenditure across forty-two (42) public universities revealed notable disparities between the budgeted and actual amounts. The total budgeted expenditure amounted to Kshs.101,783,333,829, while the actual expenditure amounted to Kshs.96,487,180,432. This reflects an under expenditure of Kshs.5,296,153,397, indicating that approximately 94.8% of the projected expenditure was actualized.

Further analysis revealed that thirty-two (32) universities as detailed in **Appendix 10** had an under expenditure amounting to Kshs.6,610,285,448 while ten (10) universities had an over expenditure of Kshs.1,314,132,051 as detailed in **Appendix 11.**

2.4.1 Expenditure Trend Analysis

The total expenditure by public universities in the financial year 2023/2024 amounted to Kshs.96,487,180,432 representing an absorption rate of 95.8% of the total actual revenue of Kshs.100,669,837,625. This was a decline from the previous year which had an absorption rate of 100% reported in the financial year 2022/2023 when total expenditure amounted to Kshs.86,609,178,208 against total annual revenue of Kshs.86,566,008,625. **Table 5** below shows the trend in expenditure over the last four (4) years from financial year 2020/2021 to 2023/2024.

	FY 2020/2021 (Kshs)	**FY 2021/2022 (Kshs)**	**FY 2022/2023 (Kshs)**	**FY 2023/2024 (Kshs)**
Actual Revenue	73,402,033,399	87,223,944,055	86,566,008,625	100,669,837,625
Actual Expenditure	76,213,516,901	90,473,213,191	86,609,178,208	96,487,180,432
Absorption %	**103.8%**	**103.7%**	**100%**	**95.8%**

Table 5: Expenditure Trend Analysis for Public Universities

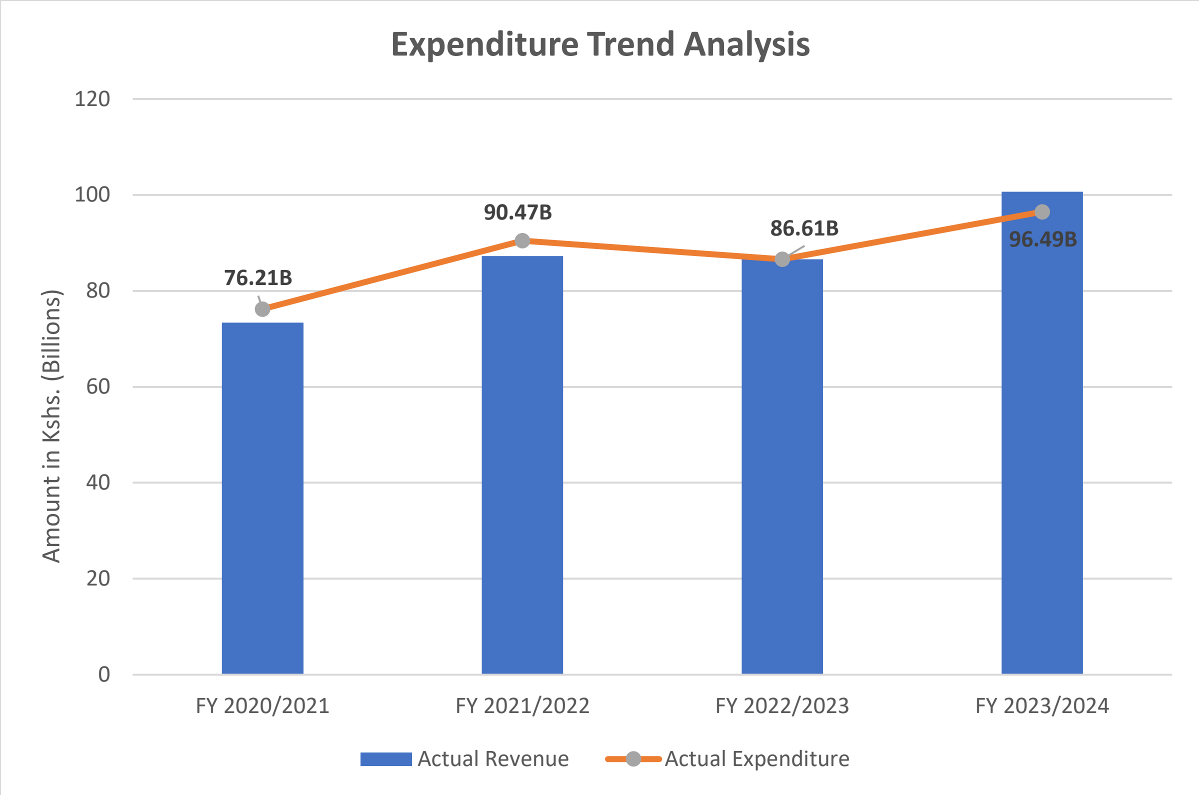

Figure 3: Expenditure Trend Analysis

2.5 Wage Bill Expenditure for Public Universities

During the financial year 2023/2024, analysis of personnel emoluments revealed that public universities spent an amount of Kshs.62,210,818,036 on personnel emoluments or 62% of the total revenue of Kshs.100,669,837,625. Technical University of Kenya and Taita Taveta University had the highest wage bills at 116% and 83% in proportion to their total revenue respectively as shown in **Appendix 12.**

2.6 Total Payables for Public Universities

During the year under review, the total payables reported by public universities amounted to Kshs.79,335,537,844. The balance constituted an amount of Kshs.10,964,573,708 relating to long-term liabilities and Kshs.68,370,964,136 relating to current liabilities as indicated in **Appendix 13**.

Current liabilities reported by public universities have been increasing steadily over the years. This continued growth suggests that institutions are consistently failing to meet their short-term obligations, including trade payables, statutory deductions, and other operational expenses. As a result, concerns arise regarding the financial sustainability of academic and administrative services offered by the institutions.

Table 6 below shows the continued increase of current liabilities for the last four (4) years:

	FY 2020/21 (Kshs)	FY 2021/22 (Kshs)	FY 2022/23 (Kshs)	FY 2023/24 (Kshs)
Current Liabilities	53,332,476,045	62,232,832,258	68,850,999,999	76,068,423,467

Table 6: Current Liabilities Trend Analysis for four (4) years

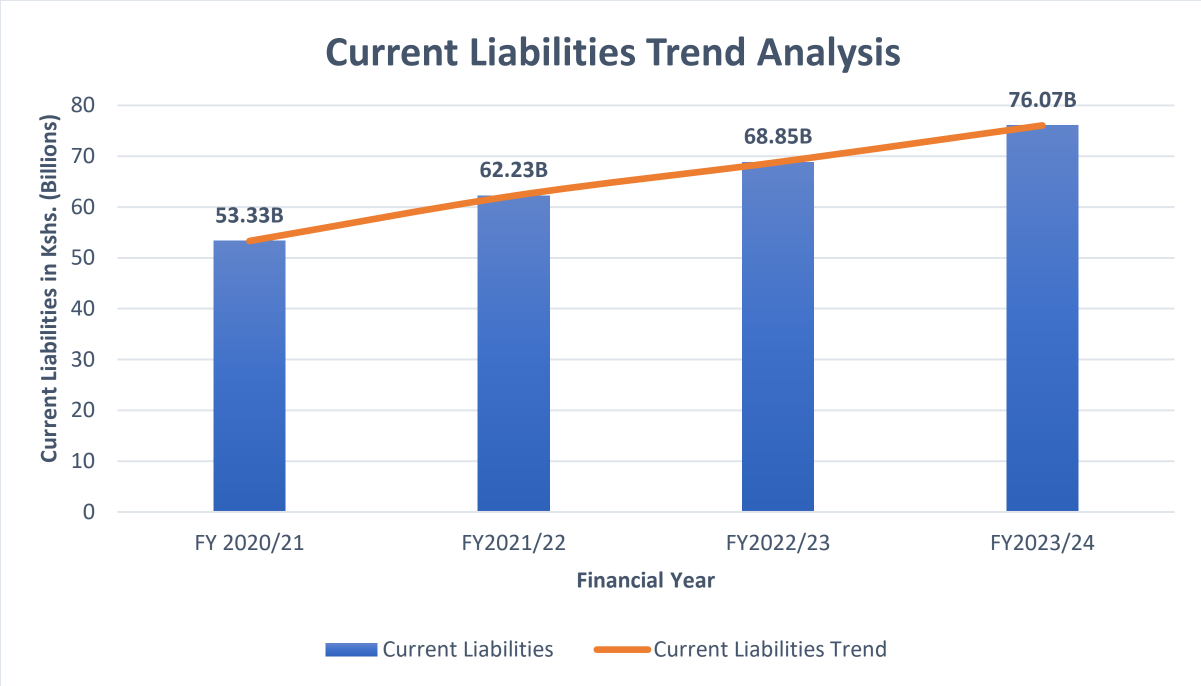

Figure 4: Current Liabilities Trend Analysis

3.0 SUMMARY OF AUDIT OPINIONS

3.1 Analysis of Audit Opinions

During the year under review, a total of forty-two (42) public universities' financial statements were audited and on which I expressed my audit opinions as detailed in **Appendices 1** to **3** and as summarised in **Table 7** below:

Opinion	Number	Percentage
Unmodified	12	28%
Qualified	28	67%
Adverse	2	5%
Disclaimer	0	0%
Total	**42**	**100%**

Table 7: Audit Opinions issued to Public Universities

Out of the forty-two (42) universities, twelve (12) universities had unmodified opinion, twenty-eight (28) universities had qualified opinion while the remaining two (2) universities had adverse opinions. I would urge the Management of Public Universities to embrace full accountability and strive to achieve and maintain an unqualified opinion in their financial statements.

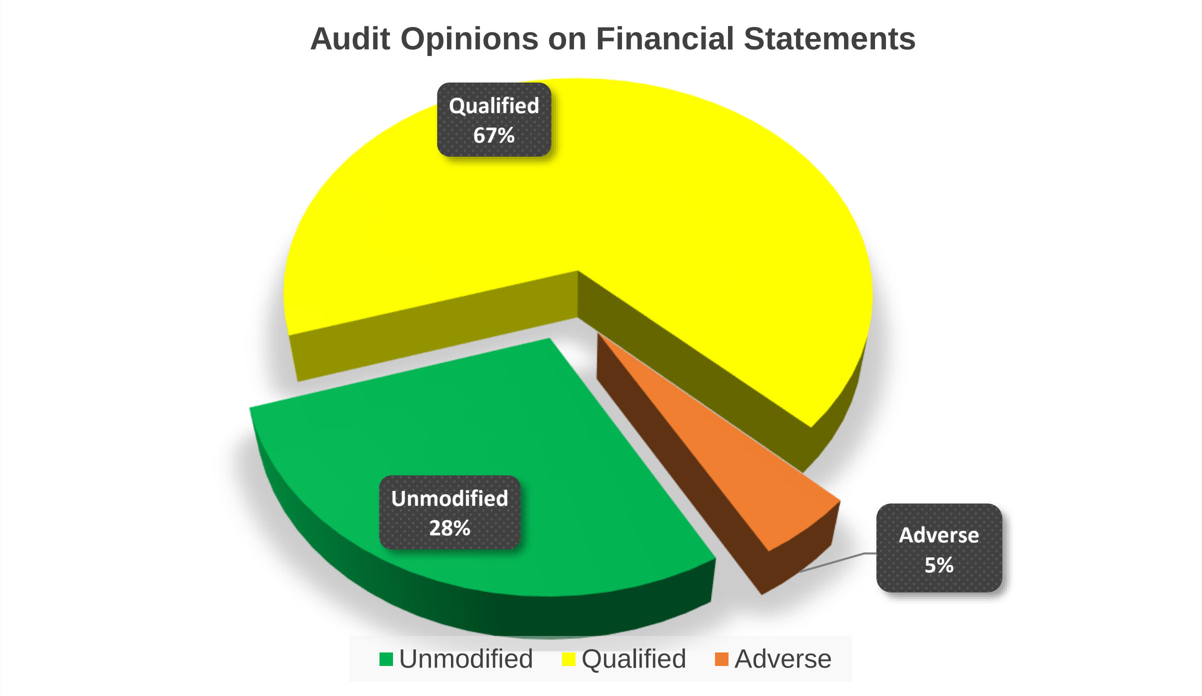

Figure 5: Audit Opinions on Public Universities' Financial Statements

3.1.1 Audit Opinions Trend Analysis

There has been a considerable improvement in the opinions on the financial statements for public universities over the last four (4) years as illustrated in **Table 8.**

	Number of Public Universities			
Opinion	**FY 2020/2021**	**FY 2021/2022**	**FY 2022/2023**	**FY 2023/2024**
Unmodified	4	6	8	12
Qualified	28	29	28	28
Adverse	6	4	3	2
Disclaimer	0	0	0	0
Total	**38**	**39**	**39**	**42**

Table 8: Opinion Trends for the last four (4) years

During the financial year 2023/2024, an analysis of the audit opinions revealed significant improvements in financial reporting standards among public universities. The number of universities issued with unqualified opinion saw a 9% increase, rising from eight (8) public universities to twelve (12) public universities compared to the previous financial year. This indicates enhanced compliance with accounting standards and greater financial transparency.

Notably, there was no change in the number of public universities issued with a qualified opinion which remained at twenty-eight (28) universities, along with fewer adverse opinions which dropped from three (3) universities to two (2) universities.

The increase in unmodified opinions reflects strengthened compliance with the International Public Sector Accounting Standards (IPSAS) Accrual-Basis Framework, signaling progress in the quality of financial reporting among public universities.

Nonetheless, several public universities continued to exhibit significant weaknesses in governance structures and non-adherence to the legal and regulatory frameworks governing their operations. Deficiencies in internal controls, coupled with instances of non-compliance, may have affected the reliability of the financial statements presented. My report on governance and compliance issues is highlighted in my summary of material observations section of this report.

4.0 SUMMARY OF MATERIAL OBSERVATIONS

4.1 Summary of Systemic Issues

During the year under review, the audit revealed several systemic challenges affecting public universities. These included inaccuracies in financial reporting, inadequate supporting documentation, and weaknesses in internal control systems. Other notable concerns were deficiencies in governance practices, instances of non-compliance with applicable legal and regulatory frameworks, and limited assurance regarding the efficient and effective use of public resources. **Figure 6** below summarizes these issues by thematic area.

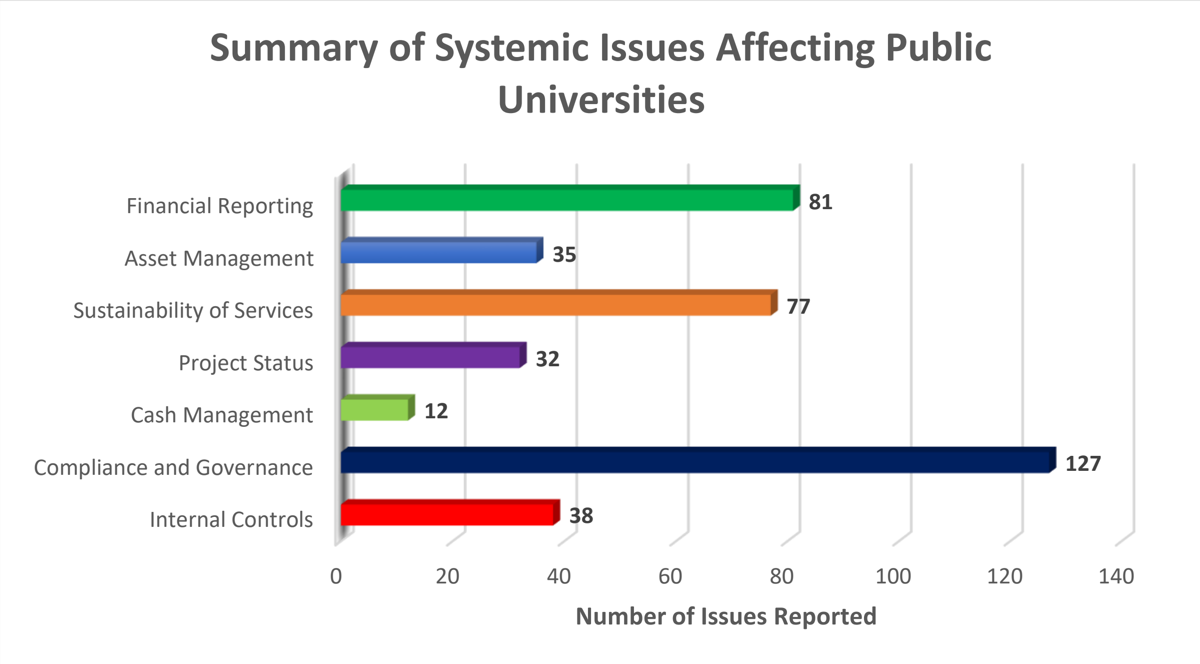

Figure 6: Systemic Summary of Issues affecting Public Universities

In light of these findings, Accounting Officers are encouraged to undertake a thorough analysis to establish the root causes of the systemic challenges and implement focused and effective corrective measures. These should encompass capacity building initiatives, the formulation and enforcement of standard operating procedures, and the strengthening of internal control and risk management systems. Emphasis should be placed on rectifying governance and compliance deficiencies, as well as addressing financial reporting irregularities, to foster enhanced transparency, accountability, and sound governance in the administration of public resources.

4.2 Presentation of Financial Statements

Over the past four (4) years, there has been a noticeable improvement in the presentation of financial statements and the maintenance of accounting records in the public universities. This is reflected in the increased number of unmodified audit opinions and reduced number of universities with adverse audit opinions. A summary of the main issues related to the presentation of financial statements that were observed and the number of public universities affected are outlined in **Figure 7** below.

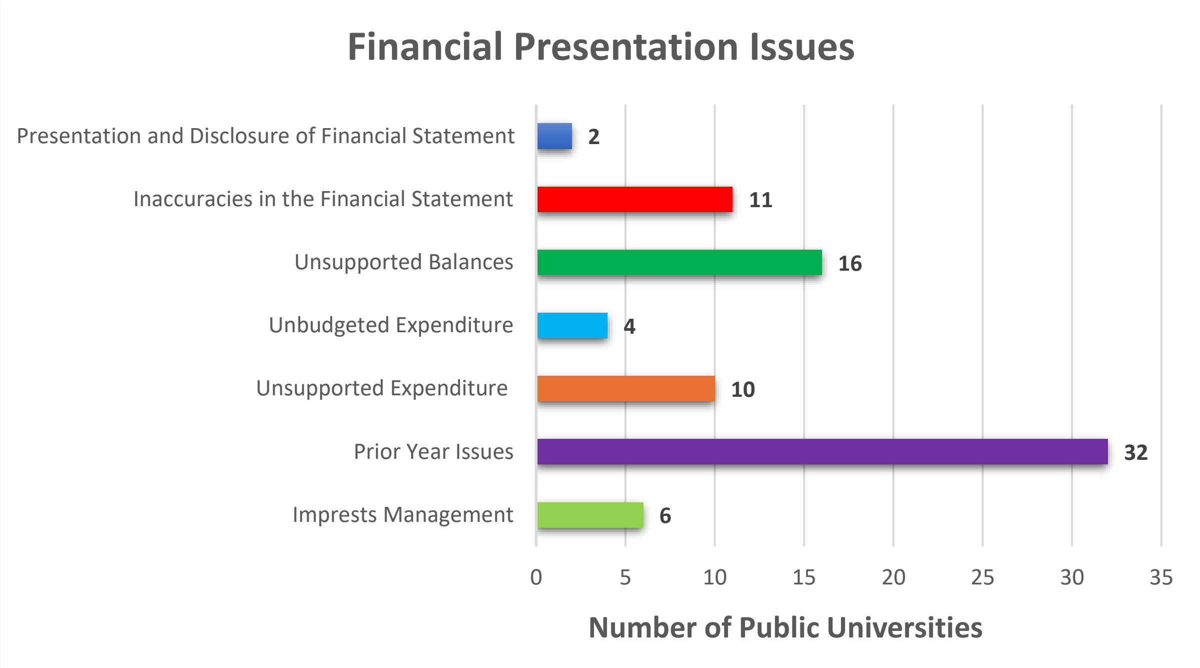

Figure 7: Issues related to Presentation of Financial Statements in Public Universities

4.2.1 Presentation and Disclosure of Financial Statements

Review of the financial statements identified two (2) public universities, as detailed in **Table 9** below, with issues relating to presentation and disclosure of financial statements, thereby compromising the transparency and reliability of their financial reporting.

Name of University	**Issues Noted**	**Amount (Kshs)**
University of Nairobi	Management did not prepare and submit separate financial statements for audit as per the development partner's conditionalities.	2,454,696,824
Technical University of Mombasa	Non-disclosure of other receipts - Kshs.4,669,859, student debtors - Kshs.7,957,830 and dividend payable - Kshs.3,178,862.	15,806,551

Table 9: Universities with issues related to Presentation and Disclosure of Financial Statements

4.2.2 Inaccuracies in the Financial Statements

During the year under review, the financial statements revealed that eleven (11) public universities had inaccuracies in their financial statements amounting to Kshs.1,274,718,116 as detailed in **Appendix 14**. The issues identified included unreconciled balances, unsupported adjustments, discrepancies in ledger and financial statement balances, and misstatements in key components such as receivables, payables, reserves, and statement of cash flows. These inaccuracies undermine the reliability of financial reporting and raise concerns over the adequacy of internal controls and financial management practices across the affected public universities.

4.2.3 Unsupported Balances and Unreconciled Variances

Review of the financial statements revealed that sixteen (16) public universities as detailed in **Appendix 15** had unsupported balances and unreconciled variances amounting to Kshs.21,276,236,286. These discrepancies arose from a range of issues including misstated opening balances, unsupported deferred income, unreconciled receivables and payables, unsubstantiated adjustments in student tuition records, lack of property, plant and equipment (PPE) valuations, and unresolved loan and investment disclosures. The persistence of these issues undermines the accuracy, completeness, and reliability of the public universities' financial reporting.

4.2.4 Unbudgeted Expenditure

Review of expenditure across the universities revealed that four (4) public universities incurred unbudgeted payments amounting to Kshs.177,147,241 as detailed in **Table 10** below. The most significant case was at Kenyatta University which incurred an excess spending amounting to Kshs.124,712,129, including an amount of Kshs.119,042,612 in over expenditure on wages for casuals and an amount of Kshs.5,669,517 in council expenses, both of which were not aligned with the approved budgets. Similar instances were noted at Egerton University, Turkana University College, and the Technical University of Kenya, where payments were made without prior budgetary provision or outside approved procurement and expenditure plans.

No	Name of University	Issue Noted	Unbudgeted Expenditure (Kshs)
1	Kenyatta University	Budget overutilization of Kshs.119,042,612 on casual wages and Kshs.5,669,517 on council expenses	124,712,129
2	Egerton University	Legal expenditure of Kshs.47,137,741 not in procurement plan	47,137,741
3	Turkana University College	Contracted services expenditure of Kshs.3,149,381	3,149,381
4	Technical University of Kenya	Payment for meetings not budgeted for and approved by Cabinet Secretary	2,147,990
	Total		**177,147,241**

Table 10: Unbudgeted Expenditure in Public Universities

4.2.5 Unsupported Expenditure

During the year under review, ten (10) universities as detailed in **Appendix 16** incurred unsupported or inadequately documented expenditures amounting to Kshs.2,808,859,304. These anomalies arose from undocumented project expenditures, unsupported council allowances, unverified casual staff costs, invalid lease payments, and payments lacking contracts or work certifications. The University of Nairobi recorded the highest unsupported expenditure at Kshs.1,780,078,340, primarily related to accommodation, catering, and payments to casual employees.

4.2.6 Unresolved Prior Year Matters

In the audit reports of the previous year, thirty-two (32) public universities as detailed in **Appendix 17** had several issues raised under Report on the Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. However, Management had not resolved the issues or given any explanation for failure to adhere to the provisions of the Public Sector Accounting Standards Board templates.

4.2.7 Impressts Management

The audit revealed several weaknesses in the management of imprests amounting to Kshs.31,605,882 across six (6) public universities, highlighting concerns in accountability, financial discipline, and compliance with the Public Finance Management (National Government) Regulations, 2015. The issues observed are summarized as follows:

i. **Use of Imprests for Procurement of Goods** - Multi-Media University of Kenya, used imprests totalling Kshs.3,654,905 for individual researchers to procure low-value research materials, contrary to prescribed procurement procedures and Regulation 92 of the Public Procurement and Asset Disposal Regulations, 2020, which restrict the use of imprest for procurement unless within approved thresholds.

ii. **Expensing Before Surrender** - The University of Nairobi advanced an amount of Kshs.7,470,300 on imprest to staff, but the amount was expensed before formal surrender was done, contravening Regulation 93(5) of the Public Finance Management (National Government) Regulations, 2015 which requires imprest to be surrendered within seven (7) working days upon return to duty station.

iii. **Outstanding Imprests** - Maasai Mara University and the Cooperative University of Kenya, imprests amounting to Kshs.6,603,314 remained outstanding beyond the required surrender period contrary to Regulation 93(6) of the Public Finance Management (National Government) Regulations, 2015.

iv. **Incomplete Documentation** - Laikipia University was found to have irregularly managed imprests totalling Kshs.6,446,700. The imprest register lacked warrants stating purpose and had no surrender dates, contrary to Regulation 93(1) and (5) Public Finance Management (National Government) Regulations, 2015.

v. **Imprest Accountability** - Technical University of Kenya had imprests amounting to Kshs.7,630,663 issued and accounted for by a single officer on behalf of several staff members, undermining individual accountability and transparency.

These findings indicate systemic weaknesses in imprests management that expose public resources to misuse.

4.3 Uncertainty Related to Going Concern

The going concern in public universities is increasingly under threat due to persistent financial constraints and systemic inefficiencies. A significant number of institutions are operating under negative working capital positions, whereby current liabilities consistently exceed current assets, raising concerns about their ability to meet short-term financial obligations.

In addition, the prevalence of recurrent annual deficits, accumulation of long-outstanding receivables and payables, and non-remittance of statutory deductions further exacerbates the financial vulnerability of public universities.

These challenges not only compromise operational stability and continuity but also expose the public universities to penalties and litigation risks. To safeguard the long-term sustainability and effectiveness of public universities in fulfilling their academic and research mandates, it is imperative that coordinated and strategic interventions be undertaken.

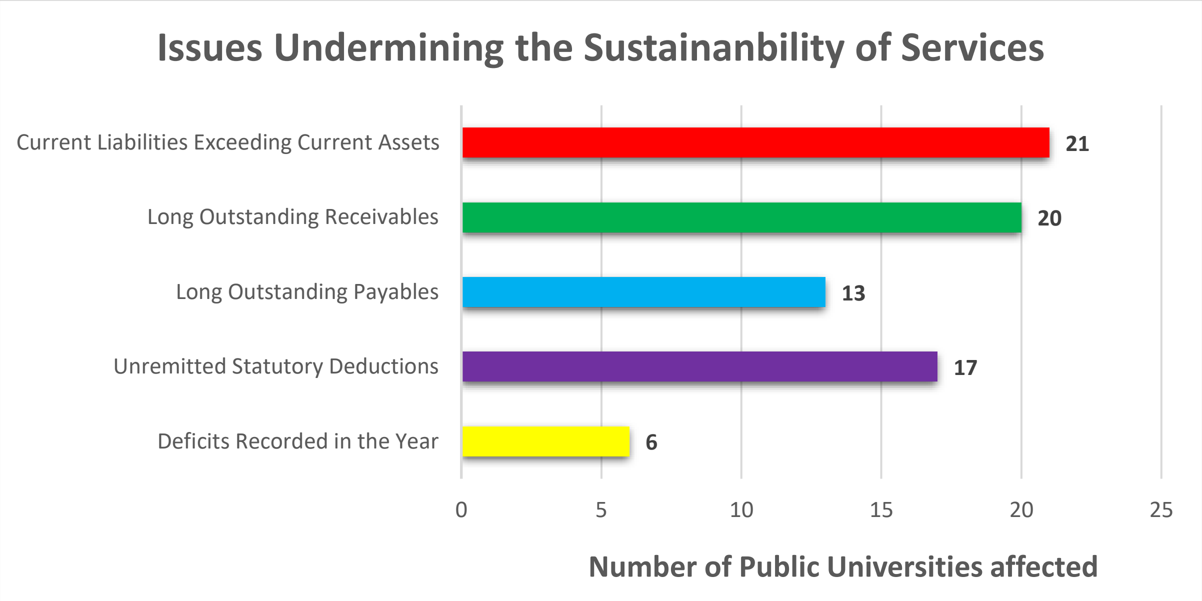

Figure 8: Issues undermining the Sustainability of Services in Public Universities

4.3.1 Current Liabilities Exceeding Current Assets

A total of twenty-one (21) public universities as detailed in **Appendix 17** reported negative working capital amounting to Kshs.42,545,430,990. In each case, current liabilities were significantly higher than current assets, indicating a potential inability to meet short-term financial obligations. This condition undermines financial sustainability and may disrupt critical operations and service delivery.

Kenyatta University reported the highest negative working capital amounting to Kshs.10,979,175,490, followed by the University of Nairobi at Kshs.8,048,732,338. These substantial deficits reflect serious liquidity challenges, with implications on creditor payments, staff remuneration, and overall service delivery.

Other public universities, including Egerton University, Jomo Kenyatta University of Agriculture and Technology, Moi University, and the Technical University of Kenya, also recorded significant shortfalls. In many cases, continued operations were sustained only on the assumption of support from the National Government or creditors' leniency.

4.2.1 Long Outstanding Receivables

Review of receivables management across the public universities revealed that twenty (20) institutions as detailed in **Appendix 19** had long-outstanding receivables totalling Kshs.5,631,048,610 as at 30 June 2024. Technical University of Kenya had the highest outstanding receivables with a balance of Kshs.1,937,808,836 while Jomo Kenyatta University of Agriculture and Technology had outstanding receivables balance of Kshs.1,761,511,120, both attributed mainly to student fee arrears and other long-outstanding pending balances.

Of these universities, eight (8) did not prepare ageing analyses, making it difficult to assess which receivables were recoverable, doubtful, or should have been written off. Additionally, most lacked structured credit management policies, and there was limited evidence of deliberate follow-up or recovery actions beyond routine reminders. These shortcomings impair the accuracy and reliability of receivables reported in the financial statements and pose risks to financial sustainability.

4.2.2 Long Outstanding Payables

Review of the universities' financial statements revealed long outstanding payables totalling Kshs.8,528,544,686 across thirteen (13) public universities as detailed in **Appendix 20**. These balances consisted largely of amounts due to vendors, part-time lecturers, contractors, and staff claims that had remained unsettled for extended periods, some dating as far back as 2008. Jomo Kenyatta University of Agriculture and Technology had payables amounting to Kshs.5,707,555,275 owed to various creditors for over two (2) years. Similarly, Technical University of Kenya had outstanding liabilities amounting to Kshs.1,049,244,581, including contractors' claims, staff dues, gratuity, and unpaid audit fees.

In several cases, Management did not provide supporting documentation, such as vendor invoices or contracts, and ageing analyses were either incomplete or entirely missing as observed at Garissa University and Murang'a University of Technology. The lack of clear debt ageing structures and follow-up processes limits the ability to prioritize payments and assess the risk of accruing penalties or legal exposure.

4.2.3 Unremitted Statutory Deductions

Seventeen (17) public universities as outlined in **Appendix 21** had unremitted statutory deductions totalling Kshs.29,645,123,247. These include unremitted Pay As You Earn (PAYE), pension contributions, withholding tax, and other payroll-related obligations. Kenyatta University had non-remitted statutory deductions totalling Kshs.17,308,932,314, which included deducted amounts from employees that were not remitted to the relevant statutory bodies. Further, this balance covers a demand notice from the Kenya Revenue Authority amounting to Kshs.7,511,439,218, comprising Corporation Tax and PAYE, inclusive of penalties and interest.

Seven (7) of these universities lacked disclosures on accrued penalties or evidence of structured plans to settle these liabilities, contravening statutory requirements. Specifically, Section 53B(1) of the Retirement Benefits Act imposes a penalty of 5% of unremitted contributions or Kshs.20,000 (whichever is higher) and requires full remittance with interest. Similarly, under the Income Tax Act and PAYE Regulations, employers must remit PAYE by the 9th day of the following month, with non-compliance attracting penalties of 5% of the unpaid tax, 1% interest per month, and fines for late filing.

4.2.4 Deficits Recorded in the Year

Six (6) public universities as summarized in **Table 11** below recorded deficits during the year totalling Kshs.3,202,896,334, indicating that their total expenditure exceeded the revenue generated. This reflects ongoing financial strain and poses a risk to the sustainability of essential services. The most affected institutions were Moi University, which posted a deficit of Kshs.1,204,840,000, and Jomo Kenyatta University of Agriculture and Technology, with a deficit of Kshs.916,695,984. These shortfalls indicate structural weaknesses in revenue generation and expenditure management.

No	University Name	Deficits Recorded (Kshs)
1	Jomo Kenyatta University of Agriculture and Technology	916,695,984
2	Moi University	1,204,840,000
3	University of Kabianga	4,671,249
4	University of Eldoret	57,711,857
5	Technical University of Kenya	877,965,757
6	Technical University of Mombasa	141,011,487
	Total	**3,202,896,334**

Table 11: Universities that Recorded Deficits in the year

4.3 Cash Management

The statements of financial position for the forty-two (42) public universities reflected cash and cash equivalents balance amounting to Kshs.12,679,677,674 as at 30 June, 2024.

4.3.1 Unsupported Balances

Review of financial records revealed unsupported balances totalling Kshs.20,039,690 as detailed in **Table 12** below across three (3) universities. These included dormant endowment funds, unexplained differences in reported overdrafts, and stagnant bank balances without corresponding documentation such as cash books or reconciliations.

These instances contravene Regulation 100 of the Public Finance Management (National Government) Regulations, 2015, which requires accounting officers to keep proper records that support the financial statements and ensure their accuracy and reliability.

No	Name of University	Issues Noted	Unsupported Balances (Kshs)
1	University of Nairobi	The balance represents endowment fund that did not have funds set aside and therefore dormant.	16,181,338

No	Name of University	Issues Noted	Unsupported Balances (Kshs)
2	Kisii University	A reconciling difference of Kshs.2,723,000 was noted between the bank overdraft reflected in the financial statements of Kshs.44,058,000 and the bank certificate balance of Kshs.41,335,000.	2,723,000
3	Technical University of Kenya	Bank balances of Kshs.729,614; Kshs.105,736 and Kshs.300,000 for students' deposit savings fund, needy students fund and fixed deposit remained constant and were not supported by cash books, bank statements and reconciliations.	1,135,352
	Total		**20,039,690**

Table 12: Public Universities with Unsupported Bank Balances

4.3.2 Unreconciled Balances (Cash book with Bank Statements)

The audit revealed that three (3) universities as outlined in **Table 13** below had unreconciled balances between their cash books and corresponding bank statements, totalling Kshs.43,250,934. These variances arose due to differences between cashbook and bank statement records, including unrecorded receipts, unposted payments, and discrepancies in reported bank balances.

These findings are contrary to Regulation 90(3) of the Public Finance Management (National Government) Regulations, 2015, which requires accounting officers to ensure that bank reconciliations are completed monthly and that cashbooks accurately reflect receipts and payments.

No	Name of University	Issues Noted	Unreconciled Balances (Kshs)
1	Taita Taveta University	The amount relates to unreconciled items in student fees, catering, and project account balances totallingwhich were recorded in the cash books but could not be traced in the bank statements.	3,913,925
2	Egerton University	The receipts from students and other sponsors were not recorded in respective students' accounts, resulting in a negative cash balance for the account	8,359,950
3	Garissa University	Unreconciled difference between customer deposits bank balance of Kshs.46,012,098 and financial	30,977,059

No	Name of University	Issues Noted	Unreconciled Balances (Kshs)
		statements balance of Kshs.15,035,039	
	Total		43,250,934

Table 13: Public Universities with Unreconciled Balances (Cash Book with Bank Statements)

4.3.3 Other Cash Management Issues

Review of financial records for selected universities identified various weaknesses in the management and operation of bank accounts. Notably, two (2) public universities operated bank accounts or facilities without the requisite approval from the National Treasury, in contravention of Regulation 82(1) of the Public Finance Management (National Government) Regulations, 2015, which prohibits opening bank accounts and accessing bank overdrafts without written Treasury authorization. Specific cases include:

- **Egerton University:** Maintained a bank overdraft facility of Kshs.6,688,642 without obtaining approval from the National Treasury.
- **Murang'a University of Technology:** Operated two bank accounts with total balances of Kshs.35,052,803, without prior approval of the National Treasury.

In addition, other governance-related issues were noted:

- **Technical University of Kenya:** Did not maintain a dedicated development account, raising concerns on the segregation and management of project funds, a practice that undermines transparency and accountability.
- **Turkana University College:** Failed to open a separate account for contractor retentions and trust-held funds, which risks misapplication of earmarked resources.
- **Jaramogi Oginga Odinga University of Science and Technology:** Operated only three (3) cashbooks for thirty (30) active research projects, indicating possible commingling of project-specific funds, which undermines financial tracking and transparency.

4.4 Asset Management

The Public Finance Management Act, 2012 and Regulation 143 of the Public Finance Management (National Government) Regulations, 2015 require that each public entity maintains an accurate, comprehensive, and up-to-date register of its assets. In addition, entities are required to periodically verify the existence of these assets and to safeguard them from loss or misuse. **Figure 9** below summarizes the issues highlighted and the number of universities affected:

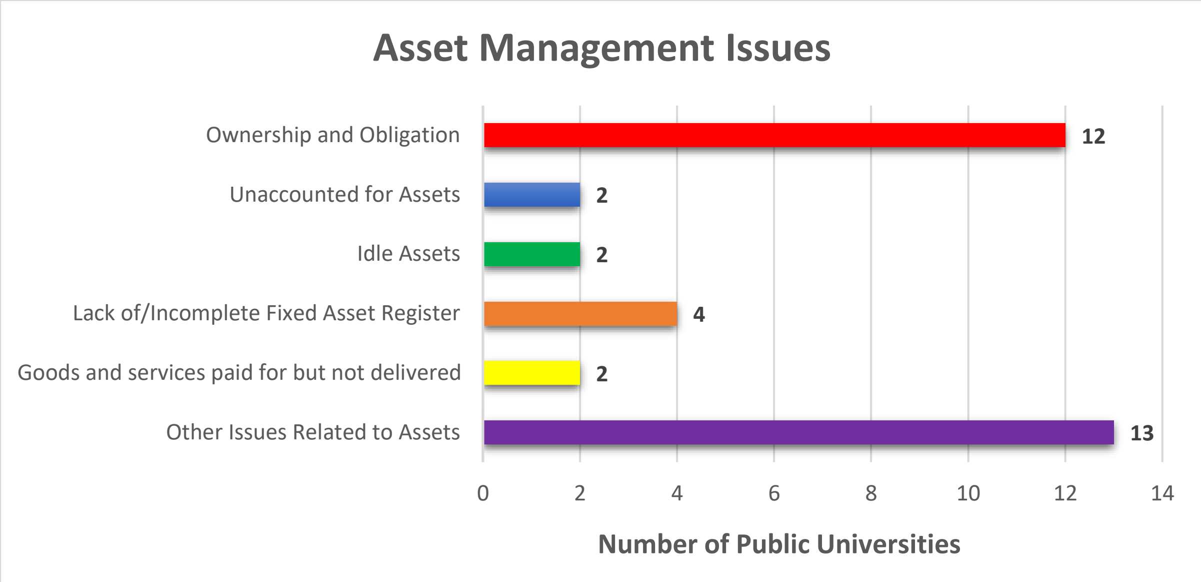

Figure 9: Issues related to Asset Management in Public Universities

4.4.1 Lack of Ownership Documents

Review of the universities' records revealed that twelve (12) public universities as detailed in **Appendix 22** lacked ownership documentation for properties and other assets valued at Kshs.19,550,011,056. Several institutions did not have title deeds, transfer documents, or other legal records to confirm ownership of land, buildings, or intellectual property reflected in their financial statements.

For instance, Kenyatta University reported 12.472 hectares of land valued at Kshs.123,281,555 that had been encroached upon, and an additional Kshs.880,000 worth of land without ownership documents. Similarly, land valued at Kshs.16,566,692,200 had not been transferred to Jomo Kenyatta University of Agriculture and Technology, while South Eastern Kenya University lacked documentation for land and intellectual property worth a total of Kshs.2,027,390,518.

4.4.2 Failure to Maintain Fixed Assets Registers

Review of records revealed that four (4) public universities as listed in **Table 14** did not maintain an updated fixed assets registers. Notably, Kenyatta University had capital assets, including a perimeter wall and water tanks valued at Kshs.142,098,388 that were not capitalized in the financial statements. At Technical University of Kenya, the assets register lacked key details such as code lists, voucher numbers, purchase dates, and asset locations for items valued at Kshs.90,950,326. Garissa University's fixed assets register was not incomplete, assets were not tagged or accurately documented. Additionally, the University of Nairobi maintained its fixed assets register in an unprotected excel file, which is vulnerable to unauthorized edits or manipulation. These findings contravene Regulation 143 of the Public Finance Management (National Government) Regulations, 2015, which mandates public entities to maintain comprehensive, secure, and regularly updated records of all assets under their control.

No	Name of University	Amount (Kshs)
1	Kenyatta University	142,098,388
2	University of Nairobi	-
3	Garissa University	-
4	Technical University of Kenya	90,950,326

Table 14: Universities that Lacked updated Fixed Assets Registers

4.4.3 Unaccounted for Assets

Analysis of the financial statements revealed that two (2) universities as illustrated in **Table 15** below had unaccounted for assets highlighting weaknesses in physical verification and asset control.

University of Nairobi reported several un-surveyed parcels of land susceptible to encroachment by informal settlers. Additionally, the University had unsupported work-in-progress valued at Kshs.222,396,577, of which no listing was provided for audit and gold worth an amount of Kshs.76,000,409, whose existence could not be verified. Additionally, a motor vehicle at Masinde Muliro University of Science and Technology, recorded in the fixed assets register could not be physically verified during the audit.

No	University Name
1	University of Nairobi
2	Masinde Muliro University of Science and Technology

Table 15: Universities with Unaccounted for Assets

4.4.4 Idle Assets

Review of assets utilization revealed idle assets in two (2) universities as detailed in **Table 16** below. Jomo Kenyatta University of Agriculture and Technology had investments totalling Kshs.418,881,000 in JKUAT Noodles Ltd, a fully owned subsidiary that had ceased operations, leaving related assets unused. Similarly, Moi University held substantial agricultural land that remained unutilized during the period under review, with no evidence provided of revenue-generating activities.

No	University Name
1	Jomo Kenyatta University of Agriculture and Technology
2	Moi University

Table 16: Public Universities with Idle Assets

4.4.5 Other Issues Related to Assets

Review of assets management practices across the forty-two (42) public universities revealed that thirteen (13) universities had multiple weaknesses, including lack of compliance with assets verification, valuation, safety, and reporting standards. The key issues noted are as follows:

i. **Unsupported Maintenance and Use of Fully Depreciated Assets** - Kenyatta University incurred a maintenance expenditure of Kshs.229,069,813 at its Kigali, Rwanda campus without providing supporting documentation. Additionally, the institution continued to use fully depreciated assets without revaluation or appropriate adjustments. These lapses indicate weak assets management practices and compromise the integrity of financial reporting. This is contrary to Regulation 143 of the Public Finance Management (National Government) Regulations, 2015, which requires all public entities to maintain complete and accurate assets register and to verify the existence and condition of assets on a regular basis.

ii. **Unverified Biological Asset Valuations** - Kirinyaga University, Moi University, and Maasai Mara University reported biological assets valued at Kshs.59,481,000, Kshs.75,087,000, and Kshs.51,919,400 respectively, without providing supporting valuation reports or audit documentation.

iii. **Unauthorized Leasing of Public Assets** - University of Nairobi leased out several parcels of land but did not provide documentation showing the required approvals by the University Council, Ministry of Education, or the National Treasury. This was contrary to Regulation 139(1) of the Public Finance Management (National Government) Regulations, 2015, which stipulates that public assets cannot be disposed of or leased without formal approval.

iv. **Outdated and Un-commissioned ERP Systems** - Jaramogi Oginga Odinga University of Science and Technology continued to operate with an outdated and un-commissioned ERP system, while Garissa University relied on an obsolete ERP platform that lacked integration and reporting functionalities.

v. **Encroached and Unvalued Land** - Pwani University reported land valued at Kshs.116,680,000 under illegal encroachment, with no eviction action taken while Koitaleel Samoei University College had land and buildings recorded under property, plant and equipment balance of Kshs.535,148,589 that had not been valued.

vi. **Continued Use of Fully Depreciated ICT Assets** - Maseno University continued using computer equipment valued at Kshs.12,244,055 that had been fully depreciated. This raise concerns on the adequacy of assets replacement strategies and highlights weaknesses in lifecycle of asset planning and reporting.

4.5 Projects Implementation Status

Public universities continued to incur significant expenditure on capital projects that had either stalled, faced delays, or remained incomplete well beyond their scheduled timelines. In several instances, universities had disbursed large sums without commensurate progress on the ground, raising concerns over value for money and weak contract enforcement. Some projects have faced legal disputes or lacked proper documentation for variations in contract sums, while others experienced delays due to inadequate supervision or unresolved design and approval issues. These inefficiencies not only disrupt academic operations but also increase the risk of financial losses, as costs escalate and assets remain underutilized.

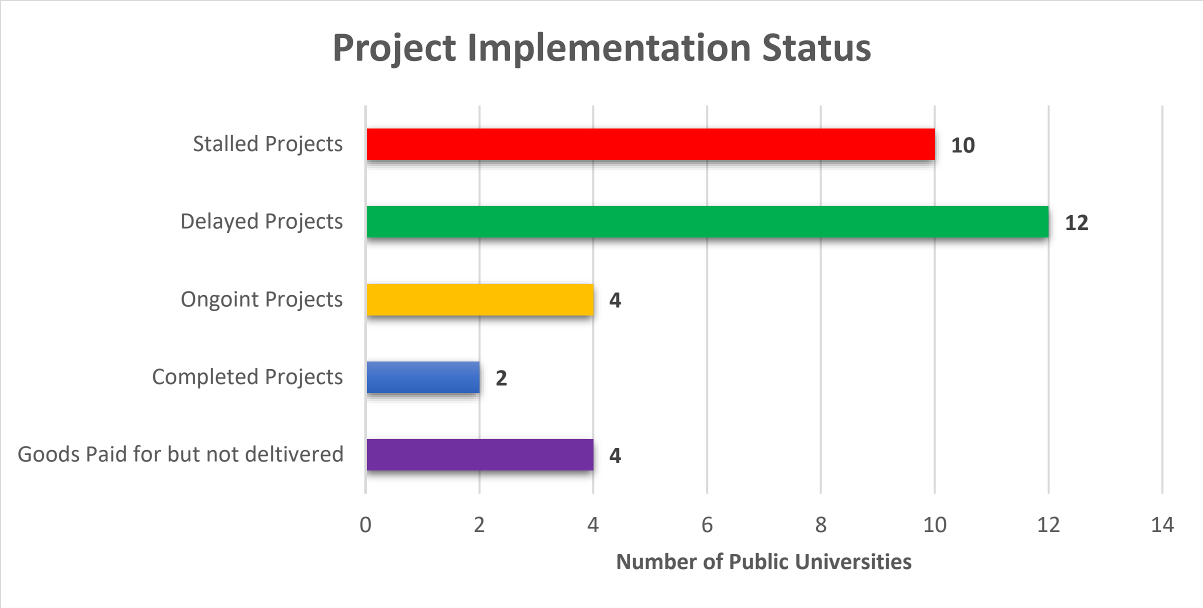

Figure 10: Projects Implementation Status for Public Universities

4.5.1 Stalled Projects

The audit revealed that ten (10) public universities as detailed in **Appendix 23** were flagged for having stalled projects, with the cumulative value of the stalled works amounting to Kshs.5,899,977,508. These projects included student hostels, amphitheaters, perimeter walls, academic blocks, and digital innovation centres which remained incomplete well beyond their intended timelines, with several institutions failing to provide clear justifications for delays or evidence of efforts to enforce contractual obligations. In some cases, court disputes, contractor abandonment, or prolonged administrative inaction led to total project paralysis.

For instance, Kenyatta University had six (6) stalled projects with works valued at Kshs.323,605,810, Jomo Kenyatta University of Agriculture and Technology experienced major delays, including a terminated contract for an administration block and a boundary wall dispute halted by a court injunction, with cumulative affected works amounting to Kshs.391,594,801, Taita Taveta University's amphitheater and digital centre projects remained incomplete despite payments totalling Kshs.198,045,463. Jaramogi Oginga Odinga University of Science and Technology recorded the highest value of stalled projects at Kshs.1,996,309,193, followed by Garissa University at Kshs.1,124,453,089.

4.5.2 Delayed Projects

Twelve (12) public universities as detailed in **Table 17** below were found to have delayed infrastructure projects valued at Kshs.7,106,872,528 whose completion timelines had lapsed, leading to concerns over planning, contractor performance, and oversight. These delays have led to stalled development, partial completion of facilities, and financial inefficiencies. Despite substantial payments being made to contractors, some of these projects remained unfinished long after contractual deadlines, raising concerns about the value for money.

No	Name of University	Delayed Projects	Amount (Kshs)
1	Tom Mboya University	Delayed phased construction of Admin and Lecture Halls Blocks, 84% complete	720,031,616
2	Laikipia University	The projects exceeded their scheduled completion deadlines	685,032,302
3	Multi-Media University of Kenya	Construction of University Library at 86% completion level	565,101,475
4	Jaramogi Oginga Odinga University of Science and Technology	Project 88% complete	525,159,353
5	Dedan Kimathi University of Technology	Academic block and access road delayed for over 5 years	268,999,734
6	Moi University	Amphitheatre and Digital Innovation Centre were behind the scheduled completion dates of 9 October, 2024 and 28 November, 2024 at 31% and 10% completion levels respectively	198,045,463
7	Kaimosi Friends University	Library construction delayed since year 2022	115,541,470
8	Murang'a University of Technology	Delay in completing perimeter wall construction	75,677,380
9	University of Kabianga	Delayed completion of library building	834,523,967
10	Rongo University	Delays in library construction and fish pond project	1,362,932,492
11	Chuka University	Main Admin Block/Law School project at approximately 78% completion stage	1,410,808,347
12	Co-operative University of Kenya (CUK)	Delayed completion and handover of Learning Resource Centre and Access Control System	345,018,929
	Total		**7,106,872,528**

Table 17:Public Universities with Delayed Projects

4.5.3 Ongoing Projects

Two (2) public universities as detailed in **Table 18** were reported to have ongoing projects. These projects, although still in progress, had notable implementation delays, indicating the projects may not be completed on time.

At the time of the audit, the ongoing projects across the three (3) institutions had a combined value of Kshs.1,977,252,717.

No	Name of University	Ongoing Projects	Amount (Kshs)
1	Kirinyaga University	Construction of a tuition complex reported at 30.6% completion.	366,772,236
2	Chuka University	Ultra-modern library (Phase II) and Main Admin Block/Law School.	1,610,480,481
	Total		**1,977,252,717**

Table 18: Public Universities with Ongoing Projects

4.5.4 Goods and Services Paid for but not Delivered

The audit identified four (4) public universities, as listed in **Table 19,** that had spent funds on goods and services, particularly infrastructure and ICT systems, that were not delivered or partially implemented. These included incomplete construction projects, software systems with un-commissioned modules, and payments made without confirmation of value or final delivery. In several cases, significant sums were paid in advance, yet the institutions lacked evidence of completion or operationalization of the respective goods or services. As at the time of audit review, the total value of these unfulfilled expenditures amounted to Kshs.743,478,634.

No	Name of University	Description	Amount (Kshs)
1	Moi University	Kshs.19,944,000 paid to a contractor for ERP software, but implementation was incomplete and un-commissioned. No disclosure of system's useful life and amortization.	19,944,000
2	Masinde Muliro University of Science and Technology	Kshs.65,122,906 paid (contract sum Kshs.93,719,181) for olympic size swimming pool and associated works that remained incomplete.	65,122,906
3	Jaramogi Oginga Odinga University of Science and Technology	Kshs.12,232,283 paid (contract sum Kshs.16,030,004) for ICT systems with modules implemented at varying incomplete percentages	12,232,283
4	Rongo University	Delays in completion after an amount of Kshs.644,540,129 was paid for library construction and Kshs.1,639,316 for fish pond construction.	646,179,445
	Total		**743,478,634**

Table 19: Public Universities that had Goods and Services Paid for but not Delivered

4.5.5 Completed Projects

The audit revealed that Jaramogi Oginga Odinga University of Science and Technology completed a student's hostel whose contract sum increased from Kshs.663,941,731 to Kshs.844,058,672, reflecting a variation of Kshs.180,116,941 or 27% of the original contract amount. However, the variations could not be confirmed as the original bid document was not provided for audit, therefore the initial contract scope and pricing coulf not be confirmed. This is contrary to Section 139(4) of the Public Procurement and Asset Disposal Act, 2015, which limits contract variations to

25%, and Regulation 114(2) of the Public Procurement and Asset Disposal Regulations, 2020 which requires adequate justification and approval for such changes.

4.6 Compliance Issues

This section outlines audit observations on the extent to which public universities complied with applicable laws and regulations, and governance standards in the management of public resources. The review was guided by the principles set out under Article 229(6) of the Constitution of Kenya, which mandates audits to determine whether public funds have been applied lawfully and effectively. The audit noted recurring gaps in legal compliance and institutional oversight, underscoring the need for strengthened governance frameworks, enhanced accountability, and full adherence to statutory and regulatory obligations in public universities.

The graph below is a summary of the compliance issues observed in public universities and the number of universities affected.

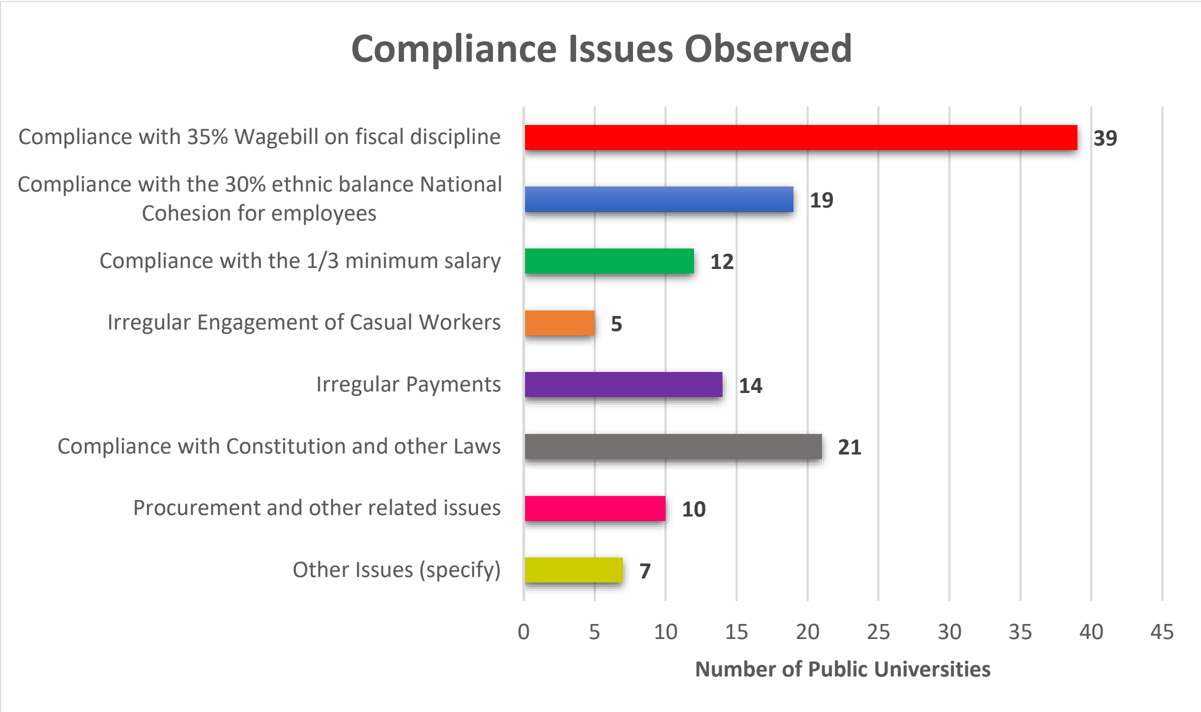

Figure 11: Issues related to Compliance and Governance in Public Universities

4.6.1 Non-Compliance with Fiscal Responsibility Principles on Wage Bill

Review of personnel emoluments revealed that thirty-nine (39) of the forty-two (42) public universities as detailed in **Appendix 24** recorded employee costs exceeding thirty-five percent (35%) of their total revenue, contrary to fiscal responsibility requirements. Notably, Technical University of Kenya spent more on employee compensation than its total annual revenue, registering a wage bill equivalent to 116% of revenue, followed by Taita-Taveta University at eighty-seven percent (87%) and Technical University of Mombasa at eighty-three percent (83%). This is contrary to Regulation 25(1)(b) of the Public Finance Management (National Government) Regulations, 2015, which requires that compensation to employees not exceed 35% of total revenue. This is contrary to the provisions of Regulation 26(1)(a) of the Public

Finance Management (National Government) Regulations, 2015, which requires that compensation of employees not to exceed 35% of revenue.

4.6.2 Non-Adherence to One-Third Basic Salary Requirement

Review of the public universities' payroll records for the year ended 30 June, 2024 revealed that in twelve (12) public universities, more than three hundred and thirteen (313) employees received net salaries amounting to less than one-third of their basic pay as detailed in **Table 20** below. This contravenes the provisions of Section 19(3) of the Employment Act, 2007, which limits the total allowable deductions from an employee's wages to a maximum of two-thirds. The findings indicate weak payroll oversight and inadequate enforcement of statutory protections.

No.	Name of University	Staff Affected
1	University of Nairobi	31
2	University of Kabianga	7
3	Masinde Muliro University of Science and Technology	4
4	Dedan Kimathi University of Technology	103
5	Jaramogi Oginga Odinga University of Science & Technology	100
6	Garissa University	25
7	Murang'a University of Technology	17
8	Kisii University	18
9	Maasai Mara University	1
10	Laikipia University	7

Table 20: Public Universities that Did not Comply with the One-third Basic Salary Requirement

4.6.3 Non-Compliance with the Law on Staff Ethnic Composition

Analysis of staff establishments across the public universities revealed that nineteen (19) of the forty-two (42) institutions as detailed in **Appendix 25** did not comply with the provisions of Section 7(1) and (2) of the National Cohesion and Integration Act, 2008, which requires that no more than one-third of staff in any public establishment should come from a single ethnic community. The affected universities recorded dominant ethnic representation levels ranging from forty-five percent (45%) to seventy-three percent (73%), indicating notable shortcomings in upholding the principles of diversity, equity, and fair representation in these public universities.

4.6.4 Non-Compliance with Legal Requirements on Acting Appointments

Review of human resource records across public universities revealed that seven (7) public universities retained staff in acting capacities beyond the legally permitted period of six months. These include Kirinyaga University, Kisii University, Kaimosi Friends University, Mama Ngina University College, University of Eldoret, Multi-Media University and Jomo Kenyatta University of Agriculture and Technology. This is contrary to Section 34(3) of the Public Service Commission Act, 2017, which stipulates that a person shall not be appointed in an acting capacity for a period exceeding six months.

4.6.5 Non-Compliance with Statutory Provisions on Appointment of Chancellors

Review of governance structures at public universities revealed that Masinde Muliro University of Science and Technology and The Co-operative University of Kenya operated without Chancellors during the period ended 30 June, 2024. This is contrary to Section 38(1) of the Universities Act, 2012, which stipulates that every public university shall have a Chancellor appointed by the President who serves as the titular head and confers degrees and other academic awards.

4.6.6 Irregular Engagement of Casual Workers

During the year under review, it was revealed that five (5) public universities, namely, Garissa University, Maasai Mara University, Jaramogi Oginga Odinga University of Science and Technology, Machakos University and Cooperative University of Kenya engaged casual workers for prolonged periods without formalizing their employment status. This is contrary to Section 37(1)(b) of the Employment Act, 2007 which requires that where a casual employee works continuously for more than one (1) month, or performs work that cannot reasonably be completed within a month, they should be employed under a term contract. For instance, Garissa University retained some casual workers for a period exceeding eleven (11) years, while Maasai Mara University engaged 153 casuals continuously for over three (3) months.

4.6.7 Irregular Payments

Review of the universities financial records revealed that fourteen (14) public universities as detailed in **Appendix 26** made irregular payments totalling Kshs.268,997,707. These expenditures were incurred on activities such as unauthorized virements from tuition funds for personnel and maintenance costs, unapproved loan acquisitions, excessive mileage reimbursements, unsupported legal and security service payments, direct allowances to police officers, and irregular acting and responsibility allowances.

4.6.8 Other Legal and Regulatory Compliance Issues

In addition to the issues identified, the audit noted other significant legal and regulatory compliance breaches in public universities, as detailed below:

i. **Irregular Establishment of a Campus in Rwanda -** Jomo Kenyatta University of Agriculture and Technology (JKUAT) established a Campus in Kigali, Rwanda in 2012 before obtaining the required approval from the Cabinet Secretary, Ministry of Education. The Cabinet Secretary's approval was granted in June, 2016, four (4) years after operations had commenced. This contravenes Section 20(2A) of the Universities Act, 2012, which stipulates that no public university shall establish a foreign campus without prior approval from the Cabinet Secretary in consultation with the Cabinet Secretary responsible for finance.

ii. **Failure to Develop Climate Change Strategies and Policies -** The University of Kabianga and Jaramogi Oginga Odinga University of Science and Technology did not formulate strategies or policies to address climate change. This is contrary to Article 69(f) of the Constitution of Kenya which requires every public institution to cooperate in the establishment and implementation of policies for climate change mitigation and adaptation.

iii. **Failure by Employees to Consistently Take Annual Leave** - Masinde Muliro University of Science and Technology, had six hundred and seventeen (617) officers who had not consistently taken their annual leave entitlements, with some cases dating back to the 2015 leave year. This is contrary to the Head of Public Service Circular Ref. No. OP/CAB.9/1A and Section 6.3 of the Human Resource Policy and Procedure Manual (2022), which require annual leave to be taken to promote staff welfare and operational integrity.

iv. **Failure to Uphold Employment Rights of Persons with Disabilities** - Kenyatta University, Dedan Kimathi University of Technology, and Jaramogi Oginga Odinga University of Science and Technology did not meet the statutory 5% employment threshold for persons with disabilities (PWDs). Further, Pwani University lacked documentation to support the disability status of declared PWD employees. This contravenes Sections 12 and 16 of the Persons with Disabilities Act, 2003, which mandate affirmative action and equal opportunity in employment for persons with disabilities.

4.6.9 Procurement Irregularities

Review of the public universities' procurement records revealed that ten (10) public universities as listed in **Table 21** below had various procurement irregularities amounting to Kshs.1,349,581,533. Some of the cross-cutting issues raised in the public universities include:

i. **Lack of Approved Procurement Plans** - Procurement activities were undertaken without approved procurement plans for the 2023/2024 financial year, contrary to Regulation 8 of the Public Procurement and Asset Disposal Regulations, 2020, which requires that a procuring entity shall prepare a procurement plan for each financial year as part of the annual budget preparation process.

ii. **Absence of Professional Opinions** - Tenders were awarded without a professional opinion from the Head of Procurement, contrary to Regulation 91(4) of the Public Procurement and Asset Disposal Regulations, 2020, which requires the Head of Procurement to provide a written, signed professional opinion before contract award.

iii. **Failure to Use E-Procurement System** - Some procurements were conducted manually instead of through the e-procurement module on IFMIS, breaching Regulation 49(2) of the Public Procurement and Asset Disposal Regulations, 2020, and the directives of Executive Order No. 2 of 2018, which provides that procuring entities shall undertake all their procurement through the e-procurement module on IFMIS.

iv. **Award of Contracts to Non-Prequalified Suppliers** - Goods and services were procured from suppliers who were not prequalified, contrary to the principles of fair competition and transparency. This is violation of Section 54(1) of the Public Procurement and Asset Disposal Act, 2015, which requires that procuring entities engage only prequalified candidates when using methods such as restricted tendering or framework agreements.

v. **Use of Direct Procurement Without Justification and Above Legal Thresholds** - Some institutions procured goods and services through direct procurement despite the contract values exceeding an amount of Kshs.500,000. This is contrary to the threshold matrix under the second schedule to the Public Procurement and Asset Disposal Regulations, 2020, which requires such procurements to be subjected to open tendering. Moreover, these procurements did not meet the strict conditions set out under Section 103(2) of the Public Procurement and Asset Disposal Act, 2015, which permits direct procurement only in cases where there is no competition or only one supplier exists, and such conditions must be adequately justified and documented. In addition, there was no evidence that the awards were reported to the Public Procurement Regulatory Authority as required under Regulation 90(1)(b).

vi. **Use of Request for Quotations Above Prescribed Thresholds** - Goods and services were procured through the Request for Quotations (RFQ) method for contract values exceeding an amount of Kshs.3,000,000, contrary to Section 45(3)(b) of the Public Procurement and Asset Disposal Act, 2015, which requires that procurement above the specified threshold be undertaken through open tendering, as outlined in the Second Schedule to the Public Procurement and Asset Disposal Regulations, 2020.

vii. **Contracts Awarded Without Supporting Documentation** - Some procurements lacked essential records such as tender opening minutes, evaluation reports, appointment letters of procurement committees, or approvals. This contravenes Section 44(2)(d) of the Public Procurement and Asset Disposal Act, 2015, which requires accounting officers to ensure proper documentation and secure custody of all procurement proceedings for transparency and audit purposes.

No	Name of University	Procurement Irregularities (Kshs)
1	Kenyatta University	53,135,268
2	Jomo Kenyatta University of Agriculture and Technology	19,792,200
3	Multi-Media University of Kenya	29,920,036
4	University of Nairobi	727,343,556
5	University of Kabianga	355,344,896
6	Egerton University	7,514,394
7	Technical University of Kenya	13,490,003
8	Technical University of Mombasa	6,540,000
9	Cooperative University of Kenya (CUK)	647,113
10	National Defence University – Kenya (NDU-K)	135,854,067
	Total	**1,349,581,533**

Table 21: Procurement Irregularities in Public Universities

4.7 Internal Controls, Risk Management and Governance

As required by Section 7(1)(a) of the Public Audit Act, 2015, the Office conducted and performed audit procedures to confirm whether the internal controls, risk management and overall governance structures were effective.

The **Figure 12** below indicates the major issues identified and the number of counties affected.

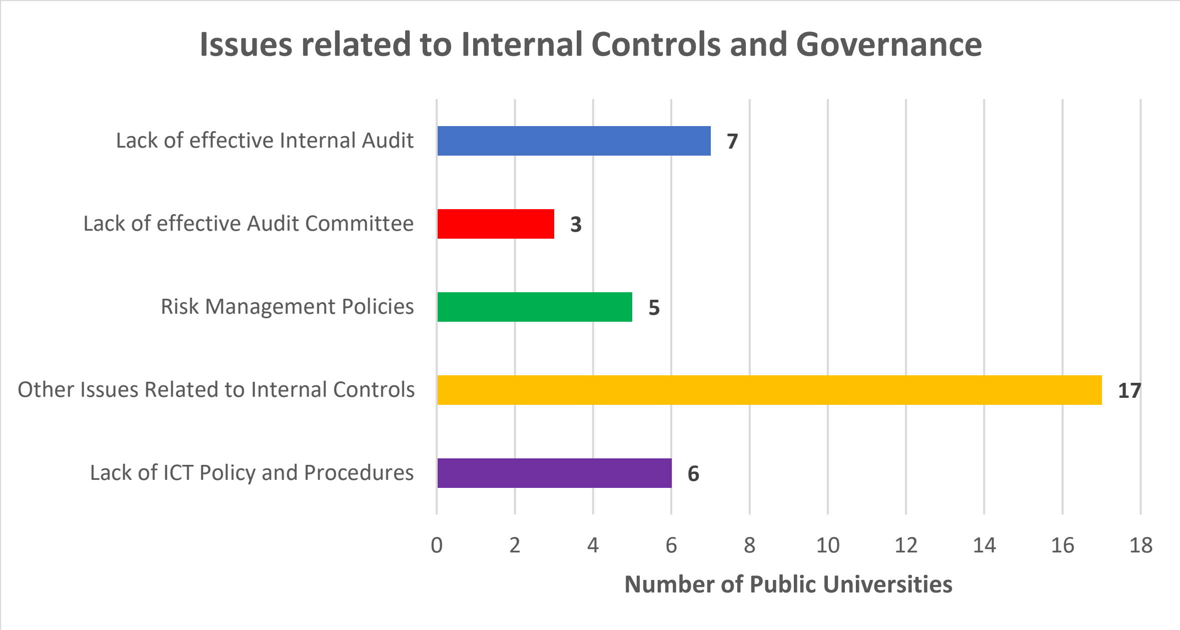

Figure 12: Issues related to Internal Controls and Governance in Public Universities

4.7.1 Internal Controls and Risk Management

4.7.1.1 Lack of Risk Management Policies

During the year under review, five (5) public universities, namely, Multi-Media University of Kenya, Masinde Muliro University of Science and Technology, Technical University of Kenya, Cooperative University of Kenya, and Open University of Kenya, lacked approved risk management policies or had significant gaps in their risk management frameworks. These deficiencies undermine the universities' ability to identify, assess, and mitigate institutional risks.

4.7.1.2 Lack of ICT Policies and Procedures

Review of the universities' documents and records revealed that six (6) public universities lacked approved ICT policies and procedures, revealing weaknesses in management, governance, and security of ICT systems. The institutions, namely, Moi University, Multi-Media University of Kenya, University of Nairobi, University of Kabianga, Masinde Muliro University of Science and Technology, and Technical University of Kenya, were flagged for the following issues:

i. Lack of ICT strategic plans
ii. Weak internal ICT controls
iii. Unapproved ICT policy manuals
iv. Lack of disaster recovery and business continuity plans
v. Poorly maintained ICT infrastructure.

These gaps not only expose the institutions to cybersecurity threats and data breaches but also hinder operational efficiency and decision-making.

4.7.1.3 Other Weaknesses in Internal Controls

The audit revealed other weaknesses in internal control systems across at least seventeen (17) public universities in Kenya. These control lapses spanned critical areas such as revenue collection, financial documentation, payroll and HR systems, ICT governance, and student fee enforcement. The issues identified undermine the principles of sound financial management and accountability, increasing the risk of fraud, loss of public funds, and operational inefficiencies. The issues include:

i. Weak Invoicing and Revenue Collection Controls
ii. Gaps in Payroll and HR System Integration
iii. Lack of Segregation of Duties and System Access Controls
iv. Weak or Missing Inventory and Asset Controls Management Systems

These issues collectively point to non-compliance with Section 62(2)(b) of the Public Finance Management Act, 2012, which requires that Accounting Officers ensure proper systems of internal control and accountability.

4.7.2 Weaknesses in Corporate Governance

4.7.2.1 Non-Compliance with Council and Committee Governance Guidelines

Review of public universities' council records revealed multiple governance irregularities in the operation and composition of the public university councils and their committees in eight (8) public universities. This was contrary to the governance provisions outlined in the Executive Office of the President Circular Ref. No. OP/CAB.9/1A dated 11 March, 2020, which provides guidelines for the management of boards of State Corporations.

The following areas of non-compliance were also noted:

i. **Council Operating Without Required Quorum or Membership** – Dedan Kimathi University of Technology operated with only eight (8) Council members instead of the legally required nine (9) members, while the University of Embu operated without a functioning Council. This was contrary to the Universities Act in Kenya which outlines specific requirements for the University Council, which serves as the governing body of a university .

ii. **Council Members Serving in More Than Two Committees** – Moi University, Alupe University College, and Garissa University had individual Council members serving in more than two committees, contrary to Part B, Paragraph 5 of the Circular, which stipulates that no individual Board member shall serve in more than two committees.

iii. **Committee Membership Exceeding One-Third of Council Members** – At Moi University, Alupe University College, Garissa University, and University of Nairobi, committee memberships exceeded one-third of the full Council, contrary to Part B, Paragraph 4 of the Circular, which limits committee membership to not more than one-third of the full Board to obviate the risk of a committee transacting business as the full Board.

iv. **Exceeding the Approved Number of Council and Committee Meetings** – Moi University, Alupe University College, Tom Mboya University, Technical

University of Kenya, and Koitaleel Samoei University College held Council or committee meetings beyond the approved six (6) meetings per financial year, contrary to Part A, Paragraph 2 of the Circular, which limits Board meetings to a maximum of six per year.

v. **Failure to Submit Council Almanac** – Alupe University College and Technical University of Kenya did not submit their Council Almanacs to the State Corporations Advisory Committee through their parent Ministry by 30 June, contrary to Part A, Paragraph 1 of the Circular, which requires annual submission of the Almanac based on statutory obligations and available budget.

vi. **Council Composition Gaps Due to Expired Terms or Retirement** – Maseno University failed to replace two Council members whose terms lapsed, while Garissa University had no succession plan in place, resulting in the simultaneous retirement of four Council members and a fifth one month later. This was contrary to Part A, Paragraph 1 of the Circular, which emphasizes the need for effective governance structures and succession planning.

vii. **Council Operating Without Ministry Representation** – Dedan Kimathi University of Technology held all Council meetings without a representative from the Ministry of Higher Education, contrary to Part A, Paragraph 1 of the Circular, which requires representation from the parent Ministry in all Board operations.

viii. **Unauthorized Board Retreats or Offsite Meetings** – Moi University, Alupe University College, and Technical University of Kenya conducted Council or committee meetings outside the official premises without written approval, contrary to Part A, Paragraph 4 of the Circular, which requires written authorization from the Cabinet Secretary for such meetings.

ix. **Irregular Board Appointment with Conflict of Interest** – Kaimosi Friends University irregularly appointed a board member who was concurrently serving as a lecturer at Egerton University, contrary to Part A, Paragraph 1 of the Circular, which calls for objectivity and avoidance of conflicts of interest in board appointments.

x. **Lack of Committee Charters** – At Murang'a University of Technology, three out of four Council committees were found to be operating without formal Charters, contrary to Part B, Paragraph 4 of the Circular which requires each Board committee to operate under a formally approved Charter outlining its mandate and responsibilities.

4.7.2.2 Lack of Effective Audit Committee

The audit revealed that the audit committee function was either absent or ineffective in three (3) public universities. Kenya Advanced Institute of Science and Technology lacked an audit committee altogether while Masinde Muliro University of Science and Technology failed to conduct the mandatory annual assessment of the internal audit unit's independence and performance. Similarly, Multi-Media University of Kenya was flagged for the ineffectiveness of its audit committee in overseeing the implementation of internal audit recommendations.

These shortcomings constitute non-compliance with Section 73(5) of the Public Finance Management Act, 2012 and Treasury Circular No. 2/2016, both of which require public institutions to establish and maintain fully functional and effective audit committees. The absence or dysfunction of these committees significantly undermines the institutions' capacity to uphold financial accountability and risk oversight.

4.7.2.3 Lack of an Effective Internal Audit Function

The audit revealed that seven (7) public universities lacked an effective internal audit function, either due to understaffing, delayed work plans, absence of professional assessments, and in some cases, the complete lack of an internal audit unit.

These shortcomings were observed in Masinde Muliro University of Science and Technology, Maseno University, Cooperative University of Kenya, Jaramogi Oginga Odinga University of Science and Technology, Turkana University College, Maasai Mara University, and Kenya Advanced Institute of Science and Technology.

These deficiencies significantly impair the institutions' ability to monitor internal controls, detect irregularities, and ensure compliance with policies and procedures. An effective internal audit function is a critical component of institutional governance and accountability, providing independent assurance on risk management, internal controls, and governance processes.

5.0 RECOMMENDATIONS FOR DEALING WITH AUDIT ISSUES TO ACHIEVE "ZERO FAULT AUDIT REPORTING"

5.1 Introduction

This report formulates and suggests high-level cross-cutting root cause-based recommendations for key areas, relating to policy challenges, structural/administrative actions, or where legislation may need to be amended to improve performance. The recommendations are directed towards the strategy of ensuring that the universities achieve Zero Fault Audit Initiative.

5.2 Root Causes of Issues Reported in the Auditor-General's Reports

5.2.1 Weak Governance Structures

Many audit issues originate from ineffective governance frameworks. This includes unclear lines of accountability, insufficient oversight mechanisms, and a lack of ethical leadership. When leadership fails to set a tone of integrity and transparency, it creates an environment where mismanagement and non-compliance can flourish. Without strong governance, decision-making becomes inconsistent, and oversight bodies such as boards or audit committees are often underutilized or sidelined.

5.2.2 Inadequate Risk Management

Some of the public universities do not have structured risk management systems in place. This means they are unable to proactively identify, assess, and mitigate risks that could impact their operations or financial health. The absence of risk registers, risk mitigation plans, and regular risk assessments leaves organizations vulnerable to both internal and external threats, including fraud, operational disruptions, and financial losses.

5.2.3 Deficient Internal Controls

Internal control systems are essential for ensuring the accuracy and integrity of financial transactions. However, some public universities suffer from weak or outdated control mechanisms. Common issues include poor segregation of duties, which increases the risk of fraud; lack of regular reconciliations, which can lead to undetected errors; and weak approval processes, which allow unauthorized or inappropriate expenditures. These deficiencies compromise the reliability of financial reporting and operational efficiency.

5.2.4 Non-Compliance with Laws and Regulations

Audit reports frequently highlight instances where entities fail to comply with applicable laws, regulations, and internal policies. This includes violations of procurement procedures, financial reporting standards, and employment regulations. Non-compliance often stems from a lack of awareness, inadequate training, or deliberate disregard for rules. Such practices not only lead to audit queries but also expose entities to legal and reputational risks.

5.2.5 Capacity Gaps

Many public sector entities face significant human resource challenges. These include understaffing, lack of technical expertise, and limited access to professional development opportunities. Without adequately trained and experienced personnel, entities struggle to maintain sound financial management practices, implement effective controls, and respond to audit findings. Capacity gaps also hinder the ability to adapt to new systems, regulations, and technologies.

5.2.6 Poor Record Keeping and Documentation

Accurate and complete documentation is critical for transparency and accountability. However, some universities fail to maintain proper records to support financial transactions. Missing or incomplete documentation makes it difficult for auditors to verify expenditures, assess compliance, or trace the flow of funds. This often results in audit qualifications or disclaimers, even when the underlying transactions are legitimate.

5.2.7 Inaccurate Financial Reporting

Accurate financial reporting is a cornerstone of good financial governance. Yet, many universities submit their financial statements with significant errors. These inaccuracies are often due to manual processes, lack of internal deadlines, and insufficient review mechanisms. Inaccurate reporting undermines decision-making, reduces stakeholder confidence, and increases the likelihood of audit findings.

5.3 Recommendations on Issues Reported in the Auditor-General's Reports

5.3.1 Strengthen Governance and Oversight

To address governance-related weaknesses, the universities should establish and empower audit committees with clear mandates and independence. These committees should actively oversee financial reporting, risk management, and internal controls. Additionally, accountability should be enforced through performance contracts for senior management, linked to measurable outcomes. Regular evaluations and performance reviews should be institutionalized to ensure that leadership remains focused on compliance, transparency, and service delivery.

5.3.2 Enhance Risk Management Frameworks

The universities must adopt structured risk management frameworks that are integrated into their strategic and operational planning. This includes conducting regular risk assessments to identify potential threats and vulnerabilities. Based on these assessments, universities should develop and implement risk mitigation plans with clear responsibilities and timelines. A proactive approach to risk management helps prevent financial losses, operational disruptions, and reputational damage.

5.3.3 Improve Internal Controls

Strengthening internal controls is essential for safeguarding assets and ensuring accurate financial reporting. The universities should automate financial systems to reduce the risk of human error and manipulation. Automation also enhances efficiency and traceability. Furthermore, strict enforcement of segregation of duties and regular reconciliations should be prioritized to prevent fraud and detect discrepancies early. Internal control policies should be reviewed periodically and updated to reflect changes in operations and regulations.

5.3.4 Ensure Legal and Regulatory Compliance

To improve compliance, the universities should invest in regular training for staff on relevant laws, regulations, and internal policies. This ensures that employees are aware of their obligations and the consequences of non-compliance. In addition, periodic compliance audits should be conducted to assess adherence to legal and regulatory requirements. Findings from these audits should inform corrective actions and policy updates.

5.3.5 Build Capacity and Competence

Addressing capacity gaps requires a deliberate focus on human resource development. The universities should invest in continuous professional development programs for staff, particularly in finance, procurement, and audit functions. This includes both technical training and soft skills development. Recruitment strategies should prioritize hiring qualified and experienced personnel. Mentorship and knowledge transfer initiatives can also help build institutional memory and resilience.

5.3.6 Digitize and Secure Records

Improving record-keeping is critical for audit readiness and operational efficiency. The Universities should implement electronic document management systems (EDMS) to ensure that records are complete, organized, and easily retrievable. These systems should include features for secure storage, access control, and audit trails. Regular backups and disaster recovery plans should be in place to protect data from loss or corruption.

5.3.7 Timely and Accurate Financial Reporting

To enhance the quality and timeliness of financial reporting, all universities should adopt financial management information systems that streamline data entry, processing, and reporting. These systems reduce manual errors and improve consistency. Internal deadlines should be set well ahead of statutory reporting dates to allow for thorough review and quality assurance. Regular internal reviews of financial statements can help identify and correct errors before submission to external auditors.

5.4 Strategy for Achieving a Zero-Fault Audit Regime

To move towards a zero-fault audit environment, public sector entities must adopt a holistic and sustained approach. This strategy should be anchored on four foundational pillars: Governance and Leadership, Risk Management, Internal Controls, and Compliance. Each pillar plays a critical role in building a culture of accountability, transparency, and continuous improvement.

5.4.1 Governance and Leadership

Strong governance and ethical leadership are the cornerstones of effective public financial management. Promoting ethical leadership involves cultivating values such as integrity, transparency, and responsibility at all levels of the organization. Leaders must set the tone from the top by modelling ethical behaviour and holding themselves and others accountable.

Institutionalizing performance-based management ensures that individuals and departments are evaluated based on clear, measurable outcomes. This approach aligns individual performance with organizational goals and encourages a results-oriented culture.

Additionally, the role of University Councils and Audit Committees must be strengthened. These oversight bodies should be empowered with the authority, resources, and independence to monitor financial performance, review audit findings, and ensure timely implementation of corrective actions. Their active engagement is essential for maintaining accountability and driving improvements.

5.4.2 Risk Management

Effective risk management enables entities to anticipate and respond to potential threats before they escalate into significant issues. Developing enterprise risk management (ERM) frameworks provides a structured approach to identifying, assessing, and mitigating risks across all functions.

Risk management should not be treated as a standalone activity but must be integrated into strategic and operational planning. This ensures that risk considerations are embedded in decision-making processes and resource allocation.

The Universities should also establish mechanisms to monitor and report on key risk indicators regularly. This includes maintaining risk registers, conducting periodic risk reviews, and using dashboards to track risk trends. A proactive risk management culture helps prevent audit issues and enhances organizational resilience.

5.4.3 Internal Controls

Robust internal controls are essential for ensuring the accuracy, reliability, and integrity of financial and operational processes. Conducting internal control self-assessments allows entities to identify weaknesses and take corrective action before external audits reveal them.

Automation of financial systems is a key strategy for strengthening controls. Automated systems reduce the risk of human error, enforce segregation of duties, and provide audit trails for all transactions. This enhances both efficiency and accountability.

Control procedures should be regularly reviewed and updated to reflect changes in the operating environment, regulatory requirements, and emerging risks. Continuous improvement of internal controls is vital for maintaining audit readiness and operational effectiveness.

5.4.4 Compliance

Compliance with laws, regulations, and internal policies is non-negotiable for public entities. Establishing dedicated compliance units within organizations ensures that there is a clear mandate and accountability for monitoring adherence to applicable requirements.

Regular training on compliance requirements is essential to keep staff informed about evolving laws, standards, and procedures. This helps prevent unintentional violations and fosters a culture of compliance.

To support monitoring efforts, the universities should implement compliance dashboards that track key indicators and flag areas of concern. These tools provide real-time insights and support timely decision-making. A strong compliance framework not only reduces audit faults but also enhances public trust and institutional credibility.

APPENDICES

Appendix 1: Public Universities with Unmodified Audit Opinion

No	Name of University
1	Kirinyaga University
2	Alupe University College
3	Meru University of Science and Technology
4	University of Embu
5	Turkana University College
6	Machakos University
7	Tharaka University College
8	Mama Ngina University College
9	Tom Mboya University
10	Open University of Kenya
11	Chuka University
12	Kenya Advanced Institute of Science and Technology

Appendix 2: Public Universities with Qualified Audit Opinion

No	Name of University
1	Kenyatta University
2	Kibabii University
3	Jomo Kenyatta University of Agriculture and Technology
4	Taita Taveta University
5	Bomet University College
6	Multi-Media University of Kenya
7	University of Kabianga
8	University of Eldoret
9	Egerton University
10	Masinde Muliro University of Science and Technology
11	Dedan Kimathi University of Technology
12	Jaramogi Oginga Odinga University of Science and Technology
13	Rongo University
14	Garissa University
15	Murang'a University of Technology
16	Kisii University
17	Maasai Mara University
18	Laikipia University
19	Pwani University
20	Kaimosi Friends University
21	Koitaleel Samoei University College
22	Technical University of Kenya
23	Maseno University
24	South Eastern Kenya University
25	Technical University of Mombasa
26	Cooperative University of Kenya (CUK)
27	Karatina University
28	National Defence University – Kenya (NDU-K)

Appendix 3: Public Universities with Adverse Audit Opinion

No	Name of University
1	Moi University
2	University of Nairobi

Appendix 4: List of Audited Public Universities

No	Name of University
1	Kenyatta University
2	Kirinyaga University
3	Kibabii University
4	Jomo Kenyatta University of Agriculture and Technology
5	Moi University
6	Taita Taveta University
7	Bomet University College
8	Alupe University College
9	Multi-Media University of Kenya
10	University of Nairobi
11	University of Kabianga
12	University of Eldoret
13	Egerton University
14	Masinde Muliro University of Science and Technology
15	Dedan Kimathi University of Technology
16	Meru University of Science and Technology
17	Jaramogi Oginga Odinga University of Science and Technology
18	University of Embu
19	Rongo University
20	Garissa University
21	Turkana University College
22	Murang'a University of Technology
23	Kisii University
24	Machakos University
25	Maasai Mara University
26	Laikipia University
27	Pwani University
28	Kaimosi Friends University
29	Tharaka University College
30	Mama Ngina University College
31	Koitaleel Samoei University College
32	Tom Mboya University
33	Open University of Kenya
34	Chuka University
35	Technical University of Kenya
36	Maseno University
37	South Eastern Kenya University
38	Technical University of Mombasa
39	Co-operative University of Kenya (CUK)
40	Karatina University

No	Name of University
41	National Defence University – Kenya (NDU-K)
42	Kenya Advanced Institute of Science and Technology

Appendix 5: Budgeted Revenue for Public Universities

No	Name of University	Revenue from Non-Exchange Transactions (Kshs)	Revenue from Exchange Transactions (Kshs)	Total Budgeted Revenue (Kshs)
1	Alupe University College	193,854,767	181,104,368	374,959,135
2	Bomet University College	286,980,722	247,913,615	534,894,337
3	Chuka University	1,141,953,352	1,358,046,648	2,500,000,000
4	Cooperative University of Kenya	350,417,637	819,664,484	1,170,082,121
5	Dedan Kimathi University of Technology	707,698,876	1,015,346,904	1,723,045,780
6	Egerton University	2,636,388,928	2,076,141,760	4,712,530,688
7	Garissa University	773,360,646	328,946,511	1,102,307,157
8	Jaramogi Oginga Odinga University of Science and Technology	1,479,549,397	1,021,480,587	2,501,029,984
9	Jomo Kenyatta University of Agriculture and Technology	2,221,263,333	5,396,452,787	7,617,716,120
10	Kaimosi Friends University	390,785,246	394,875,000	785,660,246
11	Karatina University	592,879,576	1,024,018,027	1,616,897,603
12	Kenya Advanced Institute of Science and Technology	40,000,000	-	40,000,000
13	Kenyatta University	2,467,122,361	6,913,500,001	9,380,622,362
14	Kibabii University	558,503,562	681,733,441	1,240,237,003
15	Kirinyaga University	389,028,876	766,000,000	1,155,028,876
16	Kisii University	914,948,000	2,490,000,000	3,404,948,000
17	Koitaleel Samoei University College	199,154,440	174,363,200	373,517,640
18	Laikipia University	685,360,351	662,445,302	1,347,805,653
19	Maasai Mara University	800,381,724	1,024,001,920	1,824,383,644
20	Machakos University	818,721,027	898,193,803	1,716,914,830
21	Mama Ngina University College	171,135,340	85,000,000	256,135,340
22	Maseno University	1,473,867,243	2,479,845,460	3,953,712,703
23	Masinde Muliro University of Science and Technology	1,504,029,678	2,136,032,322	3,640,062,000
24	Meru University of Science and Technology	632,169,921	889,370,000	1,521,539,921
25	Moi University	2,434,809,000	4,284,563,000	6,719,372,000
26	Multi-Media University of Kenya	523,544,929	842,771,828	1,366,316,757
27	Murang'a University of Technology	545,442,757	865,533,372	1,410,976,129
28	National Defence University - Kenya	678,097,716	45,663,625	723,761,341
29	Open University of Kenya	502,000,000	42,000,000	544,000,000
30	Pwani University	607,944,000	734,177,000	1,342,121,000

No	Name of University	Revenue from Non-Exchange Transactions (Kshs)	Revenue from Exchange Transactions (Kshs)	Total Budgeted Revenue (Kshs)
31	Rongo University	515,213,922	421,000,000	936,213,922
32	South Eastern Kenya University	778,511,650	600,444,000	1,378,955,650
33	Taita Taveta University	364,854,060	178,878,464	543,732,524
34	Technical University of Kenya	1,529,803,484	2,694,377,183	4,224,180,667
35	Technical University of Mombasa	1,047,169,522	1,345,130,478	2,392,300,000
36	Tharaka University College	313,058,105	450,096,000	763,154,105
37	Tom Mboya University	355,758,812	375,207,000	730,965,812
38	Turkana University College	352,454,516	214,824,000	567,278,516
39	University of Eldoret	1,433,979,577	1,133,592,201	2,567,571,778
40	University of Embu	789,916,272	632,491,761	1,422,408,033
41	University of Kabianga	678,909,085	890,622,888	1,569,531,973
42	University of Nairobi	9,369,052,665	7,256,000,000	16,625,052,665
	Total	**44,250,075,075**	**56,071,848,940**	**100,321,924,015**

Appendix 6: Actual Revenue for Public Universities

No	Name of University	Revenue from Non-Exchange Transactions (Kshs)	Revenue from Exchange Transactions (Kshs)	Total Actual Revenue (Kshs)
1	Alupe University College	193,854,767	180,560,206	374,414,973
2	Bomet University College	286,980,722	267,925,262	554,905,984
3	Chuka University	1,044,453,346	1,643,092,141	2,687,545,487
4	Cooperative University of Kenya (CUK)	328,567,030	936,890,929	1,265,457,959
5	Dedan Kimathi University of Technology	707,698,875	1,148,979,369	1,856,678,244
6	Egerton University	3,000,752,711	1,725,574,689	4,726,327,400
7	Garissa University	595,518,717	310,193,498	905,712,215
8	Jaramogi Oginga Odinga University of Science and Technology	1,387,182,513	819,009,414	2,206,191,927
9	Jomo Kenyatta University of Agriculture and Technology	2,221,263,333	4,445,619,764	6,666,883,097
10	Kaimosi Friends University	390,767,690	411,839,063	802,606,753
11	Karatina University	543,472,943	1,162,324,571	1,705,797,514
12	Kenya Advanced Institute of Science and Technology	39,794,500	-	39,794,500
13	Kenyatta University	2,467,122,360	6,759,363,222	9,226,485,582
14	Kibabii University	560,219,046	827,336,673	1,387,555,719
15	Kirinyaga University	389,028,876	1,085,349,478	1,474,378,354
16	Kisii University	914,948,000	2,252,492,000	3,167,440,000
17	Koitaleel Samoei University College	178,577,118	181,675,636	360,252,754
18	Laikipia University	687,613,916	726,155,750	1,413,769,666
19	Maasai Mara University	800,381,724	956,336,705	1,756,718,429
20	Machakos University	799,555,103	935,585,681	1,735,140,784
21	Mama Ngina University College	171,135,339	86,375,708	257,511,047
22	Maseno University	1,481,521,090	2,456,575,877	3,938,096,967
23	Masinde Muliro University of Science and Technology	1,429,438,026	2,148,577,873	3,578,015,899
24	Meru University of Science and Technology	632,169,921	941,823,937	1,573,993,858
25	Moi University	3,530,659,000	6,276,136,000	9,806,795,000
26	Multi-Media University of Kenya	555,278,338	859,724,375	1,415,002,713
27	Murang'a University of Technology	482,442,757	955,720,302	1,438,163,059
28	National Defence University - Kenya	686,038,516	43,307,545	729,346,061
29	Open University of Kenya	502,000,000	26,116,226	528,116,226
30	Pwani University	607,944,000	678,111,000	1,286,055,000

No	Name of University	Revenue from Non-Exchange Transactions (Kshs)	Revenue from Exchange Transactions (Kshs)	Total Actual Revenue (Kshs)
31	Rongo University	515,213,922	793,445,471	1,308,659,393
32	South Eastern Kenya University	783,249,554	598,282,334	1,381,531,888
33	Taita Taveta University	334,449,555	198,800,923	533,250,478
34	Technical University of Kenya	1,512,553,484	1,295,436,697	2,807,990,181
35	Technical University of Mombasa	1,008,820,515	980,183,009	1,989,003,524
36	Tharaka University College	279,308,104	505,714,359	785,022,463
37	Tom Mboya University	355,758,812	493,539,348	849,298,160
38	Turkana University College	322,454,535	146,443,869	468,898,404
39	University of Eldoret	1,438,996,154	1,129,200,862	2,568,197,016
40	University of Embu	774,916,333	644,888,577	1,419,804,910
41	University of Kabianga	656,409,084	943,895,893	1,600,304,977
42	University of Nairobi	9,510,872,976	6,581,850,084	16,092,723,060
	Total	**45,109,383,305**	**55,560,454,320**	**100,669,837,625**

Appendix 7: Universities with Over Collection in Revenue

No	Name of University	Total Budgeted Revenue (Kshs)	Total Actual Revenue (Kshs)	Over Collection (Kshs)
1	Bomet University College	534,894,337	554,905,984	(20,011,647)
2	Chuka University	2,500,000,000	2,687,545,487	(187,545,487)
3	Cooperative University of Kenya	1,170,082,121	1,265,457,959	(95,375,838)
4	Dedan Kimathi University of Technology	1,723,045,780	1,856,678,244	(133,632,464)
5	Egerton University	4,712,530,688	4,726,327,400	(13,796,712)
6	Kaimosi Friends University	785,660,246	802,606,753	(16,946,507)
7	Karatina University	1,616,897,603	1,705,797,514	(88,899,911)
8	Kibabii University	1,240,237,003	1,387,555,719	(147,318,716)
9	Kirinyaga University	1,155,028,876	1,474,378,354	(319,349,478)
10	Laikipia University	1,347,805,653	1,413,769,666	(65,964,013)
11	Machakos University	1,716,914,830	1,735,140,784	(18,225,954)
12	Mama Ngina University College	256,135,340	257,511,047	(1,375,707)
13	Meru University of Science and Technology	1,521,539,921	1,573,993,858	(52,453,937)
14	Moi University	6,719,372,000	9,806,795,000	(3,087,423,000)
15	Multi-Media University of Kenya	1,366,316,757	1,415,002,713	(48,685,956)
16	Murang'a University of Technology	1,410,976,129	1,438,163,059	(27,186,930)
17	National Defence University - Kenya	723,761,341	729,346,061	(5,584,720)
18	Rongo University	936,213,922	1,308,659,393	(372,445,471)
19	South Eastern Kenya University	1,378,955,650	1,381,531,888	(2,576,238)
20	Tharaka University College	763,154,105	785,022,463	(21,868,358)
21	Tom Mboya University	730,965,812	849,298,160	(118,332,348)
22	University of Eldoret	2,567,571,778	2,568,197,016	(625,238)
23	University of Kabianga	1,569,531,973	1,600,304,977	(30,773,004)
			Total	**(4,876,397,634)**

Appendix 8: Universities with Shortfall in Revenue Collection

No	Name of University	Total Budgeted Revenue (Kshs)	Total Actual Revenue (Kshs)	Shortfall in Revenue (Kshs)
1	Alupe University College	374,959,135	374,414,973	544,162
2	Garissa University	1,102,307,157	905,712,215	196,594,942
3	Jaramogi Oginga Odinga University of Science and Technology	2,501,029,984	2,206,191,927	294,838,057
4	Jomo Kenyatta University of Agriculture and Technology	7,617,716,120	6,666,883,097	950,833,023
5	Kenya Advanced Institute of Science and Technology	40,000,000	39,794,500	205,500
6	Kenyatta University	9,380,622,362	9,226,485,582	154,136,780
7	Kisii University	3,404,948,000	3,167,440,000	237,508,000
8	Koitaleel Samoei University College	373,517,640	360,252,754	13,264,886
9	Maasai Mara University	1,824,383,644	1,756,718,429	67,665,215
10	Maseno University	3,953,712,703	3,938,096,967	15,615,736
11	Masinde Muliro University of Science and Technology	3,640,062,000	3,578,015,899	62,046,101
12	Open University of Kenya	544,000,000	528,116,226	15,883,774
13	Pwani University	1,342,121,000	1,286,055,000	56,066,000
14	Taita Taveta University	543,732,524	533,250,478	10,482,046
15	Technical University of Kenya	4,224,180,667	2,807,990,181	1,416,190,486
16	Technical University of Mombasa	2,392,300,000	1,989,003,524	403,296,476
17	Turkana University College	567,278,516	468,898,404	98,380,112
18	University of Embu	1,422,408,033	1,419,804,910	2,603,123
19	University of Nairobi	16,625,052,665	16,092,723,060	532,329,605
	Total			**4,528,484,024**

Appendix 9: Analysis of Own Source Revenue for Public Universities

No	University Name	Budgeted Own Source Revenue (Kshs)	Actual Own Source Revenue (Kshs)	Achievement %
1	Rongo University	421,000,000	793,445,471	188%
2	Moi University	4,284,563,000	6,276,136,000	146%
3	Kirinyaga University	766,000,000	1,085,349,478	142%
4	Tom Mboya University	375,207,000	493,539,348	132%
5	Kibabii University	681,733,441	827,336,673	121%
6	Chuka University	1,358,046,648	1,643,092,141	121%
7	Cooperative University of Kenya (CUK)	819,664,484	936,890,929	114%
8	Karatina University	1,024,018,027	1,162,324,571	114%
9	Dedan Kimathi University of Technology	1,015,346,904	1,148,979,369	113%
10	Tharaka University College	450,096,000	505,714,359	112%
11	Taita Taveta University	178,878,464	198,800,923	111%
12	Murang'a University of Technology	865,533,372	955,720,302	110%
13	Laikipia University	662,445,302	726,155,750	110%
14	Bomet University College	247,913,615	267,925,262	108%
15	University of Kabianga	890,622,888	943,895,893	106%
16	Meru University of Science and Technology	889,370,000	941,823,937	106%
17	Kaimosi Friends University	394,875,000	411,839,063	104%
18	Koitaleel Samoei University College	174,363,200	181,675,636	104%
19	Machakos University	898,193,803	935,585,681	104%
20	Multi-Media University of Kenya	842,771,828	859,724,375	102%
21	University of Embu	632,491,761	644,888,577	102%
22	Mama Ngina University College	85,000,000	86,375,708	102%
23	Masinde Muliro University of Science and Technology	2,136,032,322	2,148,577,873	101%
24	Alupe University College	181,104,368	180,560,206	100%
25	South Eastern Kenya University	600,444,000	598,282,334	100%
26	University of Eldoret	1,133,592,201	1,129,200,862	100%
27	Maseno University	2,479,845,460	2,456,575,877	99%
28	Kenyatta University	6,913,500,001	6,759,363,222	98%
29	National Defence University - Kenya	45,663,625	43,307,545	95%
30	Garissa University	328,946,511	310,193,498	94%
31	Maasai Mara University	1,024,001,920	956,336,705	93%
32	Pwani University	734,177,000	678,111,000	92%
33	University of Nairobi	7,256,000,000	6,581,850,084	91%
34	Kisii University	2,490,000,000	2,252,492,000	90%
35	Egerton University	2,076,141,760	1,725,574,689	83%
36	Jomo Kenyatta University of Agriculture and Technology	5,396,452,787	4,445,619,764	82%

No	University Name	Budgeted Own Source Revenue (Kshs)	Actual Own Source Revenue (Kshs)	Achievement %
37	Jaramogi Oginga Odinga University of Science and Technology	1,021,480,587	819,009,414	80%
38	Technical University of Mombasa	1,345,130,478	980,183,009	73%
39	Turkana University College	214,824,000	146,443,869	68%
40	Open University of Kenya	42,000,000	26,116,226	62%
41	Technical University of Kenya	2,694,377,183	1,295,436,697	48%
42	Kenya Advanced Institute of Science and Technology	-	-	

Appendix 10: Universities with Under Expenditure

No	University Name	Budgeted Expenditure (Kshs)	Actual Expenditure (Kshs)	Under Expenditure (Kshs)
1	Kirinyaga University	974,821,024	920,572,974	54,248,050
2	Moi University	7,275,372,000	5,725,832,000	1,549,540,000
3	Taita Taveta University	633,820,366	610,338,192	23,482,174
4	Bomet University College	574,894,340	475,031,865	99,862,475
5	Alupe University College	341,848,035	341,592,044	255,991
6	University of Nairobi	16,625,052,665	16,216,470,376	408,582,289
7	University of Kabianga	1,569,531,973	1,546,460,453	23,071,520
8	Egerton University	4,712,530,688	4,637,753,404	74,777,284
9	Masinde Muliro University of Science and Technology	3,640,062,000	3,606,962,058	33,099,942
10	Jaramogi Oginga Odinga University of Science and Technology	2,501,029,984	2,220,820,861	280,209,123
11	University of Embu	1,422,408,033	1,420,058,986	2,349,047
12	Garissa University	1,101,907,298	872,247,692	229,659,606
13	Turkana University College	567,278,516	347,487,303	219,791,213
14	Murang'a University of Technology	1,609,326,187	1,246,940,347	362,385,840
15	Kisii University	3,544,278,000	2,496,222,000	1,048,056,000
16	Machakos University	1,716,914,830	1,556,901,092	160,013,738
17	Maasai Mara University	1,924,383,644	1,751,267,191	173,116,453
18	Laikipia University	1,268,228,436	1,248,658,629	19,569,807
19	Kaimosi Friends University	965,608,926	711,495,715	254,113,211
20	Tharaka University College	763,154,105	757,275,420	5,878,685
21	Mama Ngina University College	382,510,337	329,299,274	53,211,063
22	Koitaleel Samoei University College	433,517,640	266,703,569	166,814,071
23	Tom Mboya University	730,965,812	649,469,764	81,496,048
24	Open University of Kenya	544,000,000	486,949,201	57,050,799
25	Chuka University	2,500,000,000	2,339,601,925	160,398,075
26	Technical University of Kenya	4,224,180,667	3,771,056,263	453,124,404
27	Maseno University	4,072,261,249	3,700,773,527	371,487,722
28	South Eastern Kenya University	1,378,955,650	1,369,298,943	9,656,707
29	Technical University of Mombasa	2,392,300,000	2,308,391,972	83,908,028
30	Cooperative University of Kenya	1,135,347,667	1,099,458,717	35,888,950
31	Karatina University	1,616,897,603	1,520,623,610	96,273,993
32	National Defence University - Kenya	723,761,341	704,848,201	18,913,140
	Total Under Expenditure			**6,610,285,448**

Appendix 11: Universities with an Over Expenditure

No	University Name	Budgeted Expenditure (Kshs)	Actual Expenditure (Kshs)	Over Expenditure (Kshs)
1	Kenyatta University	9,187,822,361	10,110,507,068	(922,684,707)
2	Kibabii University	1,240,237,003	1,386,480,067	(146,243,064)
3	Jomo Kenyatta University of Agriculture and Technology	7,617,716,120	7,631,155,680	(13,439,560)
4	Multi-Media University of Kenya	1,366,316,757	1,394,059,984	(27,743,227)
5	University of Eldoret	2,567,571,779	2,624,907,509	(57,335,730)
6	Dedan Kimathi University of Technology	1,743,045,780	1,767,002,016	(23,956,236)
7	Meru University of Science and Technology	1,521,539,921	1,553,147,936	(31,608,015)
8	Rongo University	1,225,512,092	1,287,311,418	(61,799,326)
9	Pwani University	1,406,423,000	1,435,440,000	(29,017,000)
10	Kenya Advanced Institute of Science and Technology	40,000,000	40,305,186	(305,186)
			Total Over Expenditure	**(1,314,132,051)**

Appendix 12: Personnel Emoluments Versus Total Revenue for Public Universities

No	Name of University	Personnel Emoluments (Kshs)	Total Actual Revenue (Kshs)	Wage Bill Percentage
1	Technical University of Kenya	3,267,661,184	2,807,990,181	116%
2	Taita Taveta University	463,113,667	533,250,478	87%
3	Technical University of Mombasa	1,655,239,673	1,989,003,524	83%
4	Pwani University	1,055,897,000	1,286,055,000	82%
5	University of Eldoret	2,038,557,265	2,568,197,016	79%
6	Jomo Kenyatta University of Agriculture and Technology	5,129,492,726	6,666,883,097	77%
7	Maasai Mara University	1,337,150,168	1,756,718,429	76%
8	Multi-Media University of Kenya	1,071,476,406	1,415,002,713	76%
9	South Eastern Kenya University	993,585,427	1,381,531,888	72%
10	University of Kabianga	1,146,456,849	1,600,304,977	72%
11	Kenyatta University	6,586,013,505	9,226,485,582	71%
12	Laikipia University	970,584,324	1,413,769,666	69%
13	Meru University of Science and Technology	1,068,117,934	1,573,993,858	68%
14	Masinde Muliro University of Science and Technology	2,361,546,002	3,578,015,899	66%
15	Mama Ngina University College	169,215,915	257,511,047	66%
16	Dedan Kimathi University of Technology	1,213,887,773	1,856,678,244	65%
17	Kibabii University	887,942,665	1,387,555,719	64%
18	Maseno University	2,459,679,625	3,938,096,967	62%
19	Machakos University	1,078,737,978	1,735,140,784	62%
20	Alupe University College	232,008,613	374,414,973	62%
21	Egerton University	2,785,960,054	4,726,327,400	59%
22	Rongo University	756,975,679	1,308,659,393	58%
23	National Defence University – Kenya (NDU-K)	421,146,998	729,346,061	58%
24	Bomet University College	318,890,039	554,905,984	57%
25	Jaramogi Oginga Odinga University of Science and Technology	1,256,288,090	2,206,191,927	57%
26	University of Embu	786,073,193	1,419,804,910	55%
27	Cooperative University of Kenya	677,567,942	1,265,457,959	54%
28	University of Nairobi	8,553,523,333	16,092,723,060	53%
29	Kaimosi Friends University	422,721,829	802,606,753	53%
30	Chuka University	1,409,202,370	2,687,545,487	52%
31	Koitaleel Samoei University College	179,256,336	360,252,754	50%
32	Garissa University	435,895,504	905,712,215	48%
33	Kisii University	1,493,960,000	3,167,440,000	47%
34	Murang'a University of Technology	678,210,470	1,438,163,059	47%
35	Karatina University	791,325,758	1,705,797,514	46%
36	Moi University	4,513,509,000	9,806,795,000	46%

No	Name of University	Personnel Emoluments (Kshs)	Total Actual Revenue (Kshs)	Wage Bill Percentage
37	Tharaka University College	348,570,286	785,022,463	44%
38	Kirinyaga University	643,891,897	1,474,378,354	44%
39	Turkana University College	187,670,764	468,898,404	40%
40	Kenya Advanced Institute of Science and Technology	13,866,103	39,794,500	35%
41	Tom Mboya University	251,101,086	849,298,160	30%
42	Open University of Kenya	98,846,606	528,116,226	19%
	Total	**62,210,818,036**	**100,669,837,625**	**62%**

Appendix 13: Total Payables for Universities

No	Name of University	Current Liabilities (Kshs)	Non - Current Liabilities (Kshs)	Total Liabilities (Kshs)
1	Kenyatta University	12,414,394,021	1,968,987,922	14,383,381,943
2	Kirinyaga University	138,858,041	13,263,415	152,121,456
3	Kibabii University	445,229,989	-	445,229,989
4	Jomo Kenyatta University of Agriculture and Technology	10,286,047,264	2,098,156,307	12,384,203,571
5	Moi University	7,782,304	231,250	8,013,554
6	Taita Taveta University	388,010,433		388,010,433
7	Bomet University College	119,469,933	71,959,103	191,429,036
8	Alupe University College	113,061,791		113,061,791
9	Multi-Media University of Kenya	2,066,432,654	1,161,503,461	3,227,936,115
10	University of Nairobi	14,877,327,773	2,966,258,170	17,843,585,943
11	University of Kabianga	914,147,457	133,750,000	1,047,897,457
12	University of Eldoret	726,403,371	-	726,403,371
13	Egerton University	9,994,817,018	-	9,994,817,018
14	Masinde Muliro University of Science and Technology	758,089,508	61,430,891	819,520,399
15	Dedan Kimathi University of Technology	519,419,716	-	519,419,716
16	Meru University of Science and Technology	612,799,008	-	612,799,008
17	Jaramogi Oginga Odinga University of Science and Technology	841,965,984	55,216,575	897,182,559
18	University of Embu	203,341,931	1,466,239,362	1,669,581,293
19	Rongo University	118,673,201	273,815,624	392,488,825
20	Garissa University	151,224,911	7,153,038	158,377,949
21	Turkana University College	51,789,101	-	51,789,101
22	Murang'a University of Technology	248,392,602	-	248,392,602
23	Kisii University	988,118	-	988,118
24	Machakos University	306,099,528	-	306,099,528
25	Maasai Mara University	832,600,444	-	832,600,444
26	Laikipia University	434,726,200	-	434,726,200
27	Pwani University	329,684	-	329,684
28	Kaimosi Friends University	63,178,265	36,054,103	99,232,368
29	Tharaka University College	72,472,053	-	72,472,053
30	Mama Ngina University College	18,059,812	-	18,059,812
31	Koitaleel Samoei University College	25,165,065	-	25,165,065
32	Tom Mboya University	208,681,537	-	208,681,537
33	Open University of Kenya	93,884,644	-	93,884,644
34	Chuka University	835,524,084	-	835,524,084

No	Name of University	Current Liabilities (Kshs)	Non - Current Liabilities (Kshs)	Total Liabilities (Kshs)
35	Technical University of Kenya	7,604,104,706	-	7,604,104,706
36	Maseno University	339,215,781	487,987,693	827,203,474
37	South Eastern Kenya University	357,071,937	-	357,071,937
38	Technical University of Mombasa	710,099,222	34,743,245	744,842,467
39	Cooperative University of Kenya (CUK)	259,739,253	29,211,242	288,950,495
40	Karatina University	154,104,244	98,612,307	252,716,551
41	National Defence University - Kenya	49,195,778	-	49,195,778
42	Kenya Advanced Institute of Science and Technology	8,045,770	-	8,045,770
	Total	**68,370,964,136**	**10,964,573,708**	**79,335,537,844**

Appendix 14: Inaccuracies in the Financial Statements for Public Universities

No	Name of University	Inaccuracies Noted	Amount (Kshs)
1	Kenyatta University	The statement of comparison of budget and actual amounts reflects total income of Kshs.9,226,485,581 while statement of financial performance reflected revenue of Kshs.8,748,297,554 resulting in unreconciled variance of Kshs.478,188,027	478,188,027
2	Moi University	i. Payables: Unreconciled variance of Kshs.37,554,000 between the consolidated balance and Note 28. ii. Intangible Assets: Discrepancy of Kshs.37,554,000 between the statement and Note 27. iii. Accumulated Deficit: Variance of Kshs.32,000 compared to prior year's audited balance. iv. Capital and Revenue Reserves: Unexplained difference of Kshs.270,945,000 between statement of financial position and statement of changes in net assets.	346,085,000
3	Taita Taveta University	i. Capital Grants: Unexplained variance of Kshs.12,987,583 between the statement of cashflows and the statement of changes in net assets. ii. Bank Balance (KCB Student Fees): Discrepancy of Kshs.140,409 between year-end and opening balances. iii. Bank Balances (CEMEREM): Discrepancy of Kshs.15,800 between year-end and opening balances.	13,143,792
4	Bomet University College	A shortfall of Kshs.20,768,912 was noted between reported non-current liabilities and corresponding bank balances.	20,768,912
5	University of Nairobi	i. Receivables and Payables: Discrepancy of Kshs.2,415,559 between financial statements and ledger balances. ii. Property, Plant and Equipment: Recomputed balance differed by Kshs.365,960.	2,781,519
6	Rongo University	Variances of Kshs.399,871 relating to clinic and Kshs.100,000 relating to graduation pavilion	499,871

No	Name of University	Inaccuracies Noted	Amount (Kshs)
7	Garissa University	i. Customer Deposits: Variance of Kshs.30,977,059 between bank balance and financial statements. ii. Student Fees: Discrepancy of Kshs.48,020,752 between financial statements and billing records.	78,997,811
8	Maasai Mara University	i. Rendering of Service Revenue: Unexplained variance of Kshs.684,978 between financial statements and billing records. ii. Student Invoices: Discrepancy of Kshs.1,472,500 between approved fee structure and invoiced amounts.	2,157,478
9	Pwani University	Inaccurate receivables from exchange transactions balance.	26,871,612
10	Koitaleel Samoei University College	i. Omissions: Other debtors balance of Kshs.5,300 and Kshs.906,550 in staff advances were not disclosed. ii. Unsupported Adjustments: Fair value adjustment entries of Kshs.89,084,712 and (Kshs.85,894,140) lacked supporting documentation. iii. Opening Balance Variances: Differences of Kshs.2,313,000, Kshs.6,092,197, and Kshs.(8,407,148) were noted compared to prior year's figures. iv. Mismatch of Kshs.126,201 between the statement of changes in net assets and the financial position.	192,829,248
11	Technical University of Mombasa	Variance noted between cash book and statement of cash flows balances while interbank transfers are not supported.	112,457,846
	Total		**1,274,781,116**

Appendix 15: Unsupported Balances and Unreconciled Variances in Public Universities

No	Name of University	Description	Amount (Kshs)
1	Kenyatta University	i. Expenditure of Kshs.102,837,879 on USAID Hero Projects was unsupported due to lack of financial statements. ii. Out of 143 grants totalling Kshs.1,322,857,256, only 5 agreements were provided, leaving 138 grants unaudited. iii. Deferred income balance of Kshs.1,293,028,800 could not be confirmed due to missing support for Kshs.19,500,000 and unjustified amortization.	1,445,195,135
2	Jomo Kenyatta University of Agriculture and Technology	Unsupported special accounts and grants totalling Kshs.463,168,764 were noted, including unutilized research funds with no supporting documentation	463,168,764
3	Moi University	i. Kshs.1,538,590,000 in receivables from non-exchange transactions which related to unfunded pension contributions lacked supporting CBAs and documentation. ii. Variance of Kshs.322,499,992 between student debtors in financial statements and the system was unexplained and unreconciled. iii. Impairment allowance of Kshs.307,048,000 on receivables lacked disclosure basis or supporting accounting policy. iv. Unexplained variance of Kshs.5,818,961 between tuition revenue of Kshs.1,884,170,000 in the financial statements and billing system amount of Kshs.1,878,351,039. v. Variance of Kshs.4,662,143,360 between property, plant and equipment balance in the financial statements and assets register balance was not explained. vi. Work-in-Progress additions of Kshs.216,787,000 not supported by interim payment certificates. vii. An amount of Kshs.231,250,000 in Government of Kenya loan remained un-serviced for over 12 years, with missing utilization documentation. viii. Rivatex investment of Kshs.480,834,000 lacked university	6,530,414,313

No	Name of University	Description	Amount (Kshs)
		control and governance, raising consolidation concerns. ix. An amount of Kshs.75,087,000 in biological assets lacked valuation reports and agricultural assets were underutilized and poorly maintained.	
4	Multi-Media University of Kenya	Unreconciled variance of Kshs.146,238,025 noted between gross receivables from exchange transactions and the ledger balance.	146,238,025
5	University of Nairobi	Unsupported balances totalling Kshs.9,847,581,147 were noted, including grants, receivables, student debtors, payables, investments, net assets, and trust funds lacking proper documentation.	9,847,581,147
6	University of Kabianga	The balance of Kshs.18,719,606 representing provision for bad debts was not supported.	18,719,606
7	University of Eldoret	Unreconciled payables and unallocated student fees were noted, including advance payments lacking supporting details, totalling Kshs.238,948,843.	238,948,843
8	Egerton University	Unsupported receivables of Kshs.3,985,424. Long outstanding prepayments of Kshs.207,684,419. Unsupported variance of Kshs.3,050,570 on fuel	214,720,413
9	Jaramogi Oginga Odinga University of Science and Technology	Tuition fees amounting to Kshs.746,475,860 included unsupported adjustments, while a supplier deposit of Kshs.472,000 lacked supporting documentation.	746,947,860
10	Garissa University	i. Unsupported retentions of Kshs.8,061,539 ii. Students caution money of Kshs.6,973,500 not supported	15,035,039
11	Maasai Mara University	An unexplained variance of Kshs.1,740,000 was noted under stationery and stores; additionally, trade payables had an unreconciled balance of Kshs.71,158, caution money showed discrepancies of Kshs.102,000 and Kshs.2,414,000 between financial statements and ledger and financial statements and estimated caution money respectively; student fee prepayments had an unexplained variance of Kshs.6,900.	4,334,058
12	Koitaleel Samoei University College	i. The statement of cashflows included unsupported balance of Kshs.143,297,008 for rendering of services (Modules I & II). ii. An amount of Kshs.2,895,783 for other income was not supported. iii. The facilities and equipment balance of Kshs.1,395,302 lacked supporting documentation.	164,744,496

No	Name of University	Description	Amount (Kshs)
		iv. The other debtors balance of Kshs.31,500 was not supported. v. There was an unexplained variance of Kshs.17,124,903 in total employee costs between the financial statements and expenditure schedules.	
13	Technical University of Kenya	i. There was an unreconciled variance of Kshs.35,946,724 between employee costs reported in the financial statements and supporting schedules. ii. Unsupported deposit to suppliers resulted in a variance of Kshs.104,350. iii. The Nyayo Vehicles project had unsupported balances totalling Kshs.500,000. iv. An unsubstantiated amount of Kshs.562,501 which also showed no movement during the year.	37,113,575
14	South Eastern Kenya University	Unsupported prior year adjustments of Kshs.49,589,582 and adjustments on previous year's student balances of Kshs.2,523,467	52,113,049
15	Technical University of Mombasa	Unsupported student debtors of Kshs.85,932,027	85,932,027
16	Cooperative University of Kenya	Unexplained variance in cash and cash equivalents balance	4,714,392
Total			**20,015,920,742**

Appendix 16: Unsupported Expenditure in Public Universities

No	Name of University	Description	Unsupported Expenditure (Kshs)
1	Kenyatta University	Amount incurred on United States Agency for International Development Hero projects.	102,837,879
2	Moi University	University Council expenditure of Kshs.34,061,000 lacked supporting documentation including payee details, meeting records and minutes, while Kshs.3,232,161 under non-agricultural expenses was unsupported	37,293,161
3	University of Nairobi	Management did not support expenditure amounting to Kshs.133,961,771 on accommodation and catering fees, Council expenditure of Kshs.662,662, casual employees of Kshs.1,645,453,907.	1,780,078,340
4	University of Kabianga	Management spent and amount of Kshs.22,548,334 on land leases from Telkom Kenya Ltd. However, there was no valid leases as required by law.	22,548,334
5	Egerton University	Rent of Kshs.4,814,000 and Kshs.1,560,000 paid to two (2) landlords without a valid contract.	6,374,000
6	Jaramogi Oginga Odinga University of Science and Technology	Kshs.18,539,504 expenditure on casual workers. There was no documentary evidence on how they were identified and recruited. Master rolls were not provided. There was also unsupported expenditure of Kshs.278,478,610	297,018,114
7	Murang'a University of Technology	Paid to Council members as air transport and mileage allowance	786,060
8	Maasai Mara University	Unsupported expenditure totalling to 263,265,914 constituting: i. unsupported taxation balance of Kshs.7,047,001 ii. unsupported trade and other payables of Kshs.142,382,448 iii. unsupported transfers of excess depreciation on revaluation amount of kshs.47,668,275 iv. unsupported investment in biological assets balance of kshs.51,919,400 v. unsupported legal fees of Kshs.14,248,789	263,265,914
9	Technical University of Kenya	Review of the council meetings attendance register revealed that the University held 14 special meetings, but only provided minutes for 4, raising concerns over the documentation and authenticity of the remaining 10 meetings	8,705,101
10	Technical University of Mombasa	Work in progress is not supported by certificates of work done.	289,962,401
	Total		**2,808,869,304**

Appendix 17: Public Universities with Unresolved Prior Year Matters

No	Name of University
1	Kenyatta University
2	Jomo Kenyatta University of Agriculture and Technology
3	Moi University
4	Taita Taveta University
5	Bomet University College
6	Alupe University College
7	Multi-Media University of Kenya
8	University of Nairobi
9	University of Kabianga
10	University of Eldoret
11	Egerton University
12	Masinde Muliro University of Science and Technology
13	Meru University of Science and Technology
14	Jaramogi Oginga Odinga University of Science and Technology
15	University of Embu
16	Rongo University
17	Garissa University
18	Murang'a University of Technology
19	Kisii University
20	Machakos University
21	Maasai Mara University
22	Pwani University
23	Tharaka University College
24	Mama Ngina University College
25	Koitaleel Samoei University College
26	Tom Mboya University
27	Technical University of Kenya
28	Maseno University
29	Technical University of Mombasa
30	Cooperative University of Kenya (CUK)
31	Karatina University
32	National Defence University – Kenya (NDU-K)

Appendix 18: Public Universities Operating with Negative Working Capital

No	Name of University	Current Assets (Kshs)	Current Liabilities	Working Capital
1	Kenyatta University	1,435,218,526	12,414,394,021	(10,979,175,495)
2	Jomo Kenyatta University of Agriculture and Technology	3,683,020,574	10,286,047,264	(6,603,026,690)
3	Moi University	4,148,174	7,782,304	(3,634,130)
4	Taita Taveta University	128,058,006	388,010,433	(259,952,427)
5	Alupe University College	63,403,032	113,061,791	(49,658,759)
6	Multi-Media University of Kenya	381,620,861	2,066,432,654	(1,684,811,793)
7	University of Nairobi	6,828,595,435	14,877,327,773	(8,048,732,338)
8	University of Kabianga	304,581,191	914,147,457	(609,566,266)
9	Egerton University	2,532,690,615	9,994,817,018	(7,462,126,403)
10	Dedan Kimathi University of Technology	498,176,484	519,419,716	(21,243,232)
11	Meru University of Science and Technology	414,737,411	612,799,008	(198,061,597)
12	Garissa University	128,990,994	151,224,911	(22,233,917)
13	Kisii University	798,678	988,118	(189,440)
14	Maasai Mara University	552,058,580	832,600,444	(280,541,864)
15	Laikipia University	379,626,999	434,726,200	(55,099,201)
16	Pwani University	217,821	329,684	(111,863)
17	Chuka University	595,359,104	835,524,084	(240,164,980)
18	Technical University of Kenya	1,915,257,575	7,604,104,706	(5,688,847,131)
19	South Eastern Kenya University	353,876,377	357,071,937	(3,195,560)
20	Technical University of Mombasa	375,552,004	710,099,222	(334,547,218)
21	Kenya Advanced Institute of Science and Technology	7,535,084	8,045,770	(510,686)
			Total	**(42,545,430,990)**

Appendix 19: Public Universities with Long Outstanding Receivables

No	Name of University	Outstanding Receivables	Ageing Analysis	Amount (Kshs)
1	Kenyatta University	• Student debtors, • Imprests • Staff debts	Over 120 days	286,297,170
2	Jomo Kenyatta University of Agriculture and Technology	Exchange transactions	Over 3 years	1,761,511,120
3	Multi-Media University of Kenya	Trade and other receivables	2022/2023	472,358,543
4	University of Kabianga	Receivables	Over 1 year	67,553,718
5	Egerton University	• Student debtors • imprests	Over 5 years	921,160,962
6	Masinde Muliro University of Science and Technology	• Student debtors • Staff • unsurrendered imprests	Over 1 year	559,663,052
7	Dedan Kimathi University of Technology	Not specified	Over 4 years	135,180,059
8	Rongo University	Not specified	1–2 years	21,467,593
9	Turkana University College	Student debtors	1 - 3 years	77,764,434
10	Murang'a University of Technology	Not specified	Over 1 year	19,832,746
11	Maasai Mara University	• Non-exchange transactions • Exchange transactions	Over 3 years	365,430,074
12	Laikipia University	• Student fees • other receivables	Over 7 years	260,369,307
13	Pwani University	Student fees	Over 1 year	26,871,612
14	Kaimosi Friends University	Student fees	Over 1 year	11,377,043
15	Koitaleel Samoei University College	Staff and student debts	Over 2 years	7,522,835
16	Technical University of Kenya	Student fees	Outstanding since 2007	464,770,489
17	Maseno University	• State agencies • Rent • non-exchange CBA	1–3 years	67,515,401
18	South Eastern Kenya University	Not specified	Over 2 years	16,380,738
19	Co-operative University of Kenya	• Student debtors • Nairobi & Kajiado County debts	Over 1 year	32,884,152
20	Karatina University	Student debtors	Over 2 years	55,137,562
			Total	**5,631,048,610**

Appendix 20: Public Universities with Long Outstanding Payables

No	University Name	Issue Noted	Outstanding Payables (Kshs)
1	Kenyatta University	Supplier payables outstanding for over 120 days	585,274,756
2	Jomo Kenyatta University of Agriculture and Technology	Trade and other payables outstanding for over two (2) years	5,707,555,275
3	Multi-Media University of Kenya	Outstanding payables for more than 365 days and no supporting vendor invoices and contracts.	166,830,965
4	University of Kabianga	long outstanding payables made up of recurrent, capital, pension and salary creditors of Kshs.54,317,545, Kshs.276,630 and Kshs.89,852,839 respectively.	144,447,014
5	Masinde Muliro University of Science and Technology	Outstanding for over one (1) year	5,198,064
6	Dedan Kimathi University of Technology	Kshs.184,079,112 outstanding since 2022. Further, student creditors of Kshs.114,709,298 relate to the year 2008.	298,788,410
7	Jaramogi Oginga Odinga University of Science and Technology	Outstanding for over one (1) year	61,300,388
8	Garissa University	Part time lecturers' claims outstanding for more than two (2) years. Aging analysis of the payables not provided	42,524,000
9	Turkana University College	Outstanding for more than one (1) year	29,423,641
10	Maasai Mara University	Outstanding for more than ninety (90) days and unsupported	141,367,538
11	Laikipia University	Outstanding payables for more than one (1) year	221,666,878
12	Tom Mboya University	Outstanding payables of 1-2 years	74,921,176
13	Technical University of Kenya	Contractors and general creditors, third-party funds and other staff claims of Kshs.831,306,036 and other payables outstanding since 2018, gratuity of Kshs.208,194,545 outstanding since 2017 and unpaid audit fees of Kshs.9,744,000.	1,049,244,581
Total			**8,528,542,686**

Appendix 21: Public Universities with Unremitted Statutory Deductions

No	University Name	Issues Noted	Unremitted Deductions (Kshs)
1	Kenyatta University	1. Unremitted statutory deductions which have attracted undetermined penalties and interests which have not been disclosed. 2. Kenya Revenue Authority issued a demand notice for Corporation Tax and PAYE amounting to Kshs.42,229,316 and Kshs.7,469,209,902 respectively, inclusive of penalties and interests, all totalling Kshs.7,511,439,218	17,308,932,314
2	Multi-Media University of Kenya	Non-remittance of tax amounting to Kshs.527,271,456 which constitutes the following; PAYE - Kshs.474,997,549 and Withholding Tax amount of Kshs.52,273,907. The balance also includes non-remittance of staff pension deductions of Kshs.727,043,349.	1,254,314,805
3	University of Kabianga	Management did not remit the pension statutory deductions	237,225,317
4	Egerton University	Salary arrears and deductions and pension contributions of Kshs.7,584,827,568. Internal creditors of Kshs.26,360,706, Withholding tax of Kshs.15,687,420, VAT of Kshs.30,344,751 and HELB of Kshs.25,290,176.	7,682,510,621
5	Masinde Muliro University of Science and Technology	Unremitted withholding taxes, PAYE, NSSF, NHIF, staff deductions, HELB, Housing levy, and unremitted VAT	156,776,493
6	Dedan Kimathi University of Technology	The amount relates to unremitted pensions for more than 1year.	13,117,921
7	Meru University of Science and Technology	The amount comprises pension scheme of Kshs.251,291, PAYE of Kshs.36,047,797, VAT on purchases of Kshs.1,076,976, Withholding Tax of Kshs.1,359,096, and payroll payables of Kshs.5,501,830.	44,236,990
8	University of Embu	Unremitted withholding VAT	301,810
9	Rongo University	Unremitted pension deductions	219,016,904
10	Garissa University	Employee payables	42,524,000
11	Murang'a University of Technology	unremitted payroll payables, income tax, PAYE and VAT	105,969,945

No	University Name	Issues Noted	Unremitted Deductions (Kshs)
12	Kisii University	Unremitted employee retirement benefits that had been outstanding since January 2019.	561,402,629
13	Machakos University	Payroll payables consisting of leave allowances, staff deductions, part-time claims and staff gratuity	45,210,816
14	Maasai Mara University	Unremitted employee benefit obligations of Kshs.223,682,958 and PAYE of Kshs.1,313,433.	224,996,391
15	Laikipia University	This includes; KRA payables of Kshs.10,805,945 and accrued liabilities from collective bargaining agreement totalling Kshs.7,889,420.	18,695,365
16	Technical University of Kenya	PAYE, NHIF and NSSF amounting to Kshs.2,020,703,201.	2,020,703,201
17	South Eastern Kenya University	Statutory deductions of Kshs.22,038,103; Kshs.10,219,653 and Kshs.1,916,817 relating to PAYE, SEKU Pension Scheme and National Social Security Fund.	34,174,573
Total			**29,645,123,246**

Appendix 22: Public Universities that Lacked Ownership Documents

No	Name of University	Assets	Valued Amount (Kshs)
1	Kenyatta University	12.472 hectares that have been encroached on with valuation of Kshs.123,281,555 and land worth Kshs.880,000 registered but no documents provided for audit.	124,161,555
2	Jomo Kenyatta University of Agriculture and Technology	Title deed of land parcel LR No. 13538 had not been transferred to the University's name.	16,566,692,200
3	Multi-Media University of Kenya	The ownership documents for two motorcycles that were in possession of the University not provided for audit.	-
4	University of Nairobi	Intangible assets of Kshs.4,248,845 and UNES Limited balance of Kshs.4,399,139 were not supported by contract documents and licenses.	8,647,984
5	Egerton University	A conflicting number of acres of land (1,500 or 2,000 acres) set aside by the University for maize cultivation of which the beneficial owner is not known and value not disclosed.	-
6	Masinde Muliro University of Science and Technology	Land title was in the name of Mount Kenya University, hence not transferred to Masinde Muliro University	80,000,000
7	Turkana University College	Land valued at Kshs.80,000,000 does not have ownership documents	80,000,000
8	Murang'a University of Technology	A total of 18 parcels of land valued at Kshs.54,000,000 encroached on and hived off from main parcel of land. Long term investments of Kshs.25,318,800 registered in the names of trustees of the Murang'a Technical College	79,318,800
9	Laikipia University	Unsupported land ownership	547,088,000
10	South Eastern Kenya University	Ownership documents for land parcels worth Kshs.2,024,400,000 and intellectual property of Kshs.2,990,518.	2,027,390,518
11	National Defence University - Kenya	Property, plant and equipment balance of Kshs.39,356,950 excludes land and buildings of undetermined value where the University Headquarter sits	
12	Kenya Advanced Institute of Science and Technology	No ownership documents for assets transferred to Kenya-AIST from Ministry of Education	36,712,000
	Total		**19,550,011,057**

Appendix 23: Public Universities with Stalled Projects

No	Name of University	Stalled Projects	Amount (Kshs)
1	Jaramogi Oginga Odinga University of Science & Technology	Stalled library, tuition and administration blocks	1,996,309,193
2	Garissa University	Stalled administration, tuition, library, and water tank projects	1,124,453,089
3	Meru University of Science and Technology	Five (5) stalled projects	650,570,087
4	Chuka University	Male students' hostel stalled at 52% certified works	559,500,000
5	Egerton University	Seven (7) stalled projects	435,545,277
6	Jomo Kenyatta University of Agriculture and Technology	Admin block stalled for over 4 years; boundary wall delayed due to court case	391,594,801
7	University of Eldoret	Amphitheatre project at 58% completion rate had stalled	373,000,000
8	Kenyatta University	Six (6) projects with a total contract sum of Kshs.3,856,000,000 with stalled worth Kshs.323,605,810.	323,605,810
9	Pwani University	Stalled perimeter fence	45,399,251
10	University of Nairobi	Stalled hostel (since 1992) (Kshs.70,000,000), School of Pharmacy (Kshs.152,903,393), and Engineering complex (Kshs.36,426,859)	259,330,252
Total			**6,159,307,760**

Appendix 24: Non-Compliance with Fiscal Responsibility Principles on Wage Bill in Public Universities

No	Name of University	Total Revenue (Kshs)	Employee Costs (Kshs)	% Age
1	Technical University of Kenya	2,807,990,181	3,267,661,184	116%
2	Taita Taveta University	533,250,478	463,113,667	87%
3	Technical University of Mombasa	1,989,003,524	1,655,239,673	83%
4	Pwani University	1,286,055,000	1,055,897,000	82%
5	University of Eldoret	2,568,197,016	2,038,557,265	79%
6	Jomo Kenyatta University of Agriculture and Technology	6,666,883,097	5,129,492,726	77%
7	Maasai Mara University	1,756,718,429	1,337,150,168	76%
8	Multi-Media University of Kenya	1,415,002,713	1,071,476,406	76%
9	South Eastern Kenya University	1,381,531,888	993,585,427	72%
10	University of Kabianga	1,600,304,977	1,146,456,849	72%
11	Kenyatta University	9,226,485,582	6,586,013,505	71%
12	Laikipia University	1,413,769,666	970,584,324	69%
13	Meru University of Science and Technology	1,573,993,858	1,068,117,934	68%
14	Masinde Muliro University of Science and Technology	3,578,015,899	2,361,546,002	66%
15	Mama Ngina University College	257,511,047	169,215,915	66%
16	Dedan Kimathi University of Technology	1,856,678,244	1,213,887,773	65%
17	Kibabii University	1,387,555,719	887,942,665	64%
18	Maseno University	3,938,096,967	2,459,679,625	62%
19	Machakos University	1,735,140,784	1,078,737,978	62%
20	Alupe University College	374,414,973	232,008,613	62%
21	Egerton University	4,726,327,400	2,785,960,054	59%
22	Rongo University	1,308,659,393	756,975,679	58%
23	National Defence University - Kenya	729,346,061	421,146,998	58%
24	Bomet University College	554,905,984	318,890,039	57%
25	Jaramogi Oginga Odinga University of Science and Technology	2,206,191,927	1,256,288,090	57%
26	University of Embu	1,419,804,910	786,073,193	55%
27	Cooperative University of Kenya	1,265,457,959	677,567,942	54%
28	University of Nairobi	16,092,723,060	8,553,523,333	53%
29	Kaimosi Friends University	802,606,753	422,721,829	53%
30	Chuka University	2,687,545,487	1,409,202,370	52%
31	Koitaleel Samoei University College	360,252,754	179,256,336	50%
32	Garissa University	905,712,215	435,895,504	48%
33	Kisii University	3,167,440,000	1,493,960,000	47%
34	Murang'a University of Technology	1,438,163,059	678,210,470	47%
35	Karatina University	1,705,797,514	791,325,758	46%
36	Moi University	9,806,795,000	4,513,509,000	46%
37	Tharaka University College	785,022,463	348,570,286	44%

No	Name of University	Total Revenue (Kshs)	Employee Costs (Kshs)	% Age
38	Kirinyaga University	1,474,378,354	643,891,897	44%
39	Turkana University College	468,898,404	187,670,764	40%

Appendix 25: Non-Compliance with the 30% Staff Ethnic Balance in Public Universities

No	Name of University	Employees from Dominant Community
1	Jomo Kenyatta University of Agriculture and Technology	45%
2	Moi University	64%
3	University of Kabianga	70%
4	University of Eldoret	60%
5	Masinde Muliro University of Science and Technology	66%
6	Dedan Kimathi University of Technology	67%
7	Rongo University	72%
8	Garissa University	60%
9	Murang'a University of Technology	58%
10	Kisii University	65%
11	Machakos University	60%
12	Laikipia University	35%
13	Kaimosi Friends University	70%
14	Mama Ngina University College	70%
15	Koitaleel Samoei University College	73%
16	Tom Mboya University	61%
17	Technical University of Kenya	32%
18	Maseno University	66%
19	South Eastern Kenya University	51%

Appendix 26: Irregular Payments in Public Universities

No	University Name	Description	Amount in (Kshs)
1	Kenyatta University	Irregular reimbursement of mileage claims for vehicle engines whose capacities were more than the approved rate of 1800cc.	13,669,517
2	Jomo Kenyatta University of Agriculture and Technology	Unapproved acquisition of loans and improper fund transfers	17,781,086
3	Taita Taveta University	Unapproved over-expenditure of employee costs and use of goods and services.	15,911,642
4	Alupe University College	Irregular payments to the Vice-Chancellor's committee kitty	609,481
5	Multi-Media University of Kenya	Irregular expenditure on procurement of legal services, provision for security guard services and provision of cleaning	25,263,209
6	University of Nairobi	Irregularly paid acting allowances and legal expenses.	13,938,366
7	University of Kabianga	Management vired tuition votes and under-absorbed votes for personnel and maintenance costs	111,771,615
8	Egerton University	Irregular payments to police officers, legal officers and payment of acting allowances	12,241,893
9	Garissa University	Irregular payment of acting allowances to 2 members of staff and basic salary and telephone allowances to police officers who are also paid by National Police Service	9,165,599
10	Turkana University College	Ten non-teaching staff members paid as part-time lecturers engaged during the day	1,428,040
11	Machakos University	Irregular payment of acting allowances and security expenses paid directly to police officers deployed to the institution.	4,740,756
12	Maasai Mara University	Irregular expenditure on acting allowances and engagement of casuals	26,218,094
13	Koitaleel Samoei University College	Irregular expenditure on procurement of air-ticketing services, acting allowances, board retreat and un-approved council sitting allowances	3,890,282
14	South Eastern Kenya University	Procurement of fuel without contract or framework agreement	12,368,127
Total			**268,997,707**

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