

P. C. A. No. 83	
	Clerk Assts
	C. H. Editor
	Reporters
	Library
P. C. A.	Press

**JOMO KENYATTA UNIVERSITY COLLEGE  
OF  
AGRICULTURE AND TECHNOLOGY  
P.O. BOX 62000  
NAIROBI**

**ANNUAL REPORT  
AND  
ACCOUNTS**

**FOR**

**THE YEAR ENDED 30TH JUNE 1991**

57-3  
TKUCAG

# CONTENTS

	<b>Pages</b>
PRINCIPAL'S REPORT.....	2
REPORT OF AUDIT GENERAL (CORPORATION) .....	3-4
BALANCE SHEET .....	5
INCOME AND EXPENDITURE ACCOUNT .....	6
STATEMENT OF CHANGES IN FINANCIAL POSITION...	7
NOTES TO THE ACCOUNTS .....	8-15
SUMMARY OF APPROVED ESTIMATES .....	15-17

**KENYA NATIONAL ASSEMBLY LIBRARY**

Accession: 10012214

Call No: 657.3/JKUA7



**PRINCIPAL'S REPORT  
FOR THE YEAR ENDED JUNE 1991**

I have the pleasure to present the Annual Report and Accounts of Jomo Kenyatta University College of Agriculture and Technology for the year ended 30th June 1991.

I wish to thank the Japanese Government through Japan International Co-operation Agency (JICA) for having completed on time the project on Improvement and Expansion of the College Phase 1 which had started soon after the College attained University status. The project which comprised the Common Lecture Buildings, Water Purification Plant and Elevated Water Tanks was at the cost of Ksh. 200,338,461/=

On behalf of the University College, I would like to express deep appreciation to the Government for the financial provision it made for the 1990/91. I would also like to thank members of staff and students for their dedication and co-operation and urge them to continue in the same spirit in the years to come.



PROF. R.W. MICHIEKA, Ph. D., SS  
PRINCIPAL

14TH MAY 1994

**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE  
ACCOUNTS OF JOMO KENYATTA UNIVERSITY COLLEGE OF  
AGRICULTURE AND TECHNOLOGY FOR THE YEAR  
ENDED 30 JUNE 1991**

I have examined the accounts of Jomo Kenyatta University College of Agriculture and Technology for the year ended 30 June 1991 in accordance with Section 29(2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations which were considered necessary for the purpose of the audit. Proper books of account which have been prepared under the historical cost convention are in agreement therewith and comply with Legal Notice No. 231 of July 1989.

Subject to the reservations set out here below, **in my opinion**, the accounts when read together with the notes thereon, give a true and fair view of the financial state of affairs of the University College as at 30 June 1991 and of its surplus for the year then ended.

**1. FIXED ASSETS**

The land on which the University College is situated includes land of some 205 hectares whose value was Kshs. 5, 000, 000 as on 6 April 1987 and which has so far not been transferred from the original owner and registered in the name of the University College. The correctness of the Balance Sheet Fixed Assets figure of Kshs. 505, 671, 133 is, therefore affected to the extent of the current value of this land and its non-transfer to the University college.

**2. CONTRACTS**

2.1. Between October 1989 and January 1991 the University College awarded contracts for construction works to 10 contractors without inviting open tenders.

The following were the contracts awarded:-

<b><u>Contract Work</u></b>	<b><u>Contract Sum Kshs.</u></b>	<b><u>Amount Spent By June 1991 Kshs.</u></b>	<b><u>Variation Kshs.</u></b>
<b>Bookshop and Supermarket</b>	<b>1,418,616</b>	<b>1,640,886</b>	<b>222,270</b>
<b>Rehabilitations of Building Near Farm House</b>	<b>664, 260</b>	<b>940,117</b>	<b>275,857</b>
<b>Completion of 2 Nursery School Houses</b>	<b>555,280</b>	<b>612,520</b>	<b>57,240</b>

<u>Contract Work</u>	<u>Contract Sum Kshs.</u>	<u>Amount Spent By June 1991 Kshs.</u>	<u>Variation Kshs.</u>
Students Centre	854,229	2,056,595	1,202,366
Renovation of Halls of Resident	2,060,800	2,089,630	28,830
Construction of Primary School	1,347,500	1,434,500	87,000
Construction of Show stand	-	564,320	-
Renovation of Offices	-	545,180	-
Construction of Offices for Security, Transport and Maintenance	-	1,087,060	-
Renovation of Hotels	-	716,000	-
	<u>6,900,685</u>	<u>11,686,808</u>	<u>1,873,563</u>

Over-expenditure was noted in 6 instances where contract sum had been indicated against the construction works. As for the cases where 4 contracts were awarded without contract sums being indicated, it appeared that the then College had not planned for them.

Arising from this state of affairs and in view of the fact that open tendering for these 10 construction works was not used it was not possible to ascertain whether the cost of each individual project and the total cost of Kshs. 11,686,808 was the most economical available in the market.

### 3. SUSPENSE ACCOUNT

The Balance Sheet reflects a figure of Kshs. 2,772,747 in respect of suspense which the University College has been unable to identify the cause. As the University College has been unable to identify the cause and/or to analyse the figure of Kshs. 2,772,747 it has not been possible to ascertain the figure's effects on the accounts.

  
W.K. BEMBE  
AUDITOR-GENERAL (CORPORATIONS)

15th May 1996

## BALANCE SHEET AS AT 30TH JUNE 1991

FUNDS:	Note	1991 <u>(Ksh.)</u>	1990 <u>(Kshs.)</u>
Capital fund	6	504,291,239	177,429,850
Special Accounts	7	290,316	185,300
General Reserve		83,063,690	73,933,417
		587,645,245	251,548,567

### REPRESENTED BY:

#### FIXED ASSETS:

Land, Buildings, Furniture & Equipment	8	505,671,133	192,286,975
--	---	-------------	-------------

#### CURRENT ASSETS

Stocks and Stores	9	5,814,057	3,147,496
Debtors and debit balances	10	310,493	312,309
Short-term deposits	11	59,751,762	57,050,260
Cash and Bank Balances	12	27,936,120	6,256,908
		93,812,432	66,766,973

#### LESS: CURRENT LIABILITIES

Creditors and Credit Balances	13	9,065,573	5,422,584
Suspense Account	14	2,772,747	2,082,797
		11,838,320	7,505,381

#### NET CURRENT ASSETS

	81,974,112	59,261,592
	587,645,245	251,548,567

R.W. Michieka

PROF. R. W. MICHIEKA, Ph.D  
PRINCIPAL

J.K. Wambua

J.K. WAMBUA  
AG. FINANCE OFFICER

DR. Stephen Mulinge

DR. STEPHEN-MULINGE  
CHAIRMAN OF COUNCIL

DATE: 14 JUNE, 1994

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE 1991**

<b>INCOME</b>	<b>NOTE</b>	<b>1991 (KSH.)</b>	<b>1990 (KSH.)</b>
Capitation Grant	2	96,056,688	86,377,687
Tuition and Other Fees	3	,911,911	647,665
Other Services rendered	4(i)	2,280,501	1,270,122
Other Income	4 (ii)	13,376,013	6,277,546
		<u>116,625,113</u>	<u>94,573,020</u>
<b>EXPENDITURE</b>			
Personal Emoluments	5(i)	52,326,722	23,734,289
Academic Departments	5(ii)	9,363,579	5,951,753
Administrative Departments	5 (iii)	4,105,908	4,113,787
Central Services	5 (iv)	36,308,457	18,327,740
Maintenance Expenditure	5 (v)	4,772,085	3,477,526
Miscellaneous Expenditure	5 (vi)	618,089	-
		<u>107,494,840</u>	<u>55,605,095</u>
Surplus/(Deficit) for the year		9,130,273	38,967,925
Accumulated Surplus B/F		73,933,417	34,965,492
		<u>83,063,690</u>	<u>73,933,417</u>

**STATEMENT OF CHANGE IN FINANCIAL POSITION FOR  
THE YEAR ENDED 30TH JUNE 1991**

<u>SOURCE OF FUNDS</u>	NOTE	1991 (KSH.)	1990 (KSH.)
Surplus/(Deficit) for the year		9,130,273	38,967,925
Adjustments for items not involving movement Funds			
General Reserve		—	(16,000,000)
Suspense Account	14	689,950	(552,442)
Depreciation		8,089,430	3,621,131
		17,909,653	26,036,614
<b><u>FUNDS FROM OTHER SOURCES</u></b>			
Grants allocated to Capital Fund	6	326,861,389	43,684,715
Special Accounts and Grants	7	129,014	689,000
		344,,900,056	70,410,329
<b><u>APPLICATION OF FUNDS</u></b>			
Expenditure from Special Grants	7	23,998	503,700
Purchase of Fixed Assets	8	321,473,588	57,164,099
		321,497,586	57,667,799
		23,402,470	12,742,530
<b><u>INCREASE/(DECREASE) IN WORKING CAPITAL</u></b>			
Increase/(Decrease) in stocks	9	2,666,561	3,147,496
Increase/(Decrease) in debtors	10	(1,816)	(15,281,825)
Increase/(Decrease) in Liquid funds	11 & 12	24,380,714	27,897,406
Increase/(Decrease) in creditors	13	(3,642,989)	(3,020,547)
		23,402,470	12,742,530



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30TH JUNE 1991

### 1 SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.
- 1.2 Income from grants and fees includes only amounts received in relation to financial year 1990/91.
- 1.3 Income from Donations, Research Grants and other services rendered is included only to the extent of the expenditure incurred during the year.
- 1.4 Income on short-term deposits is credited to the General Revenue Account.
- 1.5 Fixed assets are stated at cost or professional valuation depreciation is provided for at annual rates estimated to write off the assets over their expected useful lives. The annual rates are:

Land buildings	– 1% on reducing balance method
Furniture and equipment	– 10% on reducing balance method
Motor vehicles	– 20% on a straight line basis
Depreciation is charged to the Capital fund.	

- 1.6 Stocks are valued at the lower of cost and net realisable value.
- 1.7 The cost of Library books is written off to expenditure as incurred.
- 1.8 Transaction in foreign currencies are converted into Kenya shillings at the rates of exchange ruling at the transaction date.
- 1.9 Value for equipment donated are estimated by the University College or as advised by donors.

### 1. CAPITATION GRANT

		<b>KSHS.</b>
Received for the year	–	88,872,818.00
Received for the year 1989/1990	–	3,877,242.00
Tuition fees grant for 1989/90	–	3,306,628.00
		<u>96,056,688.00</u>

3. **TUITION AND OTHER FEES**

Tuition fees	-	1,551,000.00
Residential fees	-	2,792,180.00
Medical fees	-	148,860.65
Examination fees	-	163,290.00
Registration fees	-	256,580.00
		<hr/>
		4,911,910.65
		<hr/> <hr/>

4. (i) **OTHER SERVICES RENDERED**

Staff cafeteria and canteen		100,113.70
Food processing unit		952,629.90
Printing and Xeroxing	-	16,901.80
Farm Produce sales	-	905,397.70
Horticulture Production Unit	-	205,367.60
Motor Vehicle repair charges	-	1,868.00
Agricultural Engineering production Unit	-	8,762.00
Mechanical Production Unit	-	12,667.00
Kilimanjaro House	-	29,538.60
I.P.I. charges	-	18,002.00
Electrical Production Unit	-	3,360.00
Laundry Charges	-	25,892.50
		<hr/>
		2,280,500.80
		<hr/> <hr/>

4. (ii) **OTHER INCOME**

Accommodation charges	-	123,236.50
House rent	-	201,726.90
Furniture charges	-	7,575.00
Electricity/water charges	-	18,449.00
Miscellaneous revenue	-	83,897.50
Library fines/charges	-	6,249.70
Hire of graduation gowns	-	70,870.00
Sale of old equipment	-	1,500.00
Interest on deposits	-	12,862,962.40
		<hr/>
		13,376,467.00
		<hr/> <hr/>

5.	(i)	<b><u>PERSONAL EMOLUMENTS</u></b>	
		Staff salaries	- 29,263,535.65
		Casual workers	- 1,341,202.80
		Gratuity & pension contributions	- 4,128,520.65
		House allowance	- 15,076,737.45
		Other personal allowances	- 85,164.95
		Contracted professional services	- 2,098,371.05
		Field attachment allowances	- 333,189.50
			<u>52,326,722.05</u>
5.	(ii)	<b><u>ACADEMIC DEPARTMENTS</u></b>	
		Teaching material	- 8,202,942.90
		Traveling accommodation	- 993,136.50
		Field courses	- 98,305.80
		Stationery and stores	- 69,193.45
			<u>9,363,578.65</u>
5	(iii)	<b><u>ADMINISTRATIVE DEPARTMENTS</u></b>	
		Traveling and accommodation	- 1,517,888.70
		Stationery and stores	- 2,329,658.65
		Computer charges	- 258,360.80
			<u>4,105,908.15</u>
5.	(iv)	<b><u>CENTRAL SERVICES</u></b>	
		Traveling & accommodation	- 3,860,005.90
		Passages and leave allowances	- 1,248,427.00
		Medical scheme	- 5,321,378.10
		External travel & accommodation	- 454,025.50
		Postage and telegrams	- 13,732.40
		Telephone expenses	- 969,971.95
		Official entertainment	- 306,965.40
		Electricity, water & conservancy	- 2,009,979.45
		Publishing & printing expenses	- 671,574.30
		Purchase of uniforms & clothing	- 560,517.90
		Advertising publicity	- 1,858,463.20
		Payment of rent and rates	- 279,920.00
		Hire of transport	- 14,193.00
		Motor vehicle insurance	- 509,792.20
		Staff development	- 32,962.50
		Library expenses	- 624,108.65
		Conferences and seminars	- 264,300.20

	Fees, commission and honoraria	-	93,905.20		
	Postgraduate programme	-	659,630.80		
	Research programme	-	55,726.55		
	Other insurance premiums	-	1,232,424.75		
	Transport operating expenses	-	1,062,842.50		
	Food provision & ration	-	11,726,428.35		
	Gas and fuel for cooking	-	1,053,145.55		
	Sports and games	-	492,541.00		
	Cleaning material	-	887,531.55		
	Miscellaneous other charges	-	43,963.10		
			<u>36,308,456.90</u>		
5.	<b><u>MAINTENANCE EXPENSES</u></b>				
	Maintenance of buildings	-	3,250,522.00		
	Maintenance of water & sewage	-	249,149.05		
	Maintenance of grounds & fields	-	120,706.85		
	Maintenance of plants & equipment	-	1,51,707.40		
			<u>4,772,085.30</u>		
5.	<b><u>MISCELLANEOUS EXPENDITURE</u></b>				
	Graduation ceremony	-	618,089.35		
			<u>618,089.35</u>		
6.	<b><u>CAPITAL FUND</u></b>				
	Balance b/f 1.7.90	-	177,429,850.00		
	Development grants	-	134,612,357.95		
	Grants-in-aid & Technical co-operation:				
	Buildings - Ksh. 178,650,168.00				
	Equipments - Ksh. 21,688,293.00		200,338,461.00		
			512,380,668.95		
	LESS: Charge for depreciation (Notes)	-	8,089,430.00		
			<u>504,291,238.95</u>		
7.	<b><u>SPECIAL ACCOUNTS AND GRANTS</u></b>				
		<b>BALANCE</b>	<b>RECEIVED</b>	<b>SPENT IN</b>	<b>BALANCE</b>
		<b>01-07-90</b>	<b>IN THE YR</b>	<b>THE YR</b>	<b>30-06-91</b>
	JICA Research fund	185,300.00	—	5,000.00	180,300.00
	IDRC	—	115,074.30	6,758.30	108,316.30
	Trade Bank games	—	13,940.00	12,240.00	1,700.00
		<u>185,300.00</u>	<u>129,014.30</u>	<u>23,998.00</u>	<u>290,316.30</u>

8 FIXED ASSETS AND DEPRECIATION AS AT JUNE 1991

	LAND AND BUILDINGS KSH	WORK IN PROGRESS KSH	FURNITURE AND EQUIPMENT KSH	PLANT AND MACHINERY KSH	MOTOR VEHICLES KSH.	TOTAL KSH
1st July 1990	143,346,404	39,591,856	6,005,297	7,571,434	5,041,357	201,556,348
ADDITIONS IN THE YEAR	183,679,124	111,263,327	25,681,137	—	850,000	321,473,588
Transfers	2,903,925	(2,903,925)	—	—	—	—
30th June 1991	<u>329,929,453</u>	<u>147,951,258</u>	<u>31,686,434</u>	<u>7,571,434</u>	<u>5,891,357</u>	<u>523,029,936</u>
<u>DEPRECIATION</u>						
1st July 1990	5,142,903	—	763,841	1,861,096	1,501,533	9,269,373
CHARGE FOR THE YEAR	3,247,865	—	3,092,260	571,034	1,178,271	8,089,430
30th June 1991	<u>8,390,768</u>	—	<u>3,856,101</u>	<u>2,432,130</u>	<u>2,679,804</u>	<u>17,358,803</u>
NET BOOK VALUE 30 06 91	<u>321,538,685</u>	<u>147,951,258</u>	<u>27,830,333</u>	<u>5,139,304</u>	<u>3,211,553</u>	<u>505,671,133</u>

NOTES:

- Transfers from work in progress included students centre and Prefab. Science offices completed at the cost of Ksh. 1,778,075.60 and 1,125,849.55 respectively.
- Additions to buildings included Ksh. 178,650,168.00 in respect of common lecture buildings, water purification plants and elevated water tanks constructed under grants' in-Aid in PHASE I.
- Additions to equipment included Ksh. 21,688,293 received through Technical Co-operation.

9. **STOCKS AND STORES**

Central store (stationery)	-	913,094.80
Catering store (food provisions)	-	565,430.55
(Drugs & dressings)	-	2,148,992.65
Farm store (farm inputs)	-	528,655.25
Maintenance store (repair material)	-	1,611,629.00
Petrol pump (fuel & lubricants) -		46,255.10
		<u>5,814,057.35</u>

10. **DEBTORS AND DEBIT BALANCE**

Sundry debtors	-	145,631.55
Salary advances	-	3,655.00
Service deposits	-	123,672.00
R.D. cheques	-	36,277.00
Petty cash float (transport)	-	194.10
House loans (HFCK)	-	120.00
Car loans (NBK)	-	510.00
P.A.Y.E	-	394.00
UNION DUES	-	40.00
		<u>310,493.65</u>

11. **SHORT-TERM DEPOSITS**

Held in banks	-	<u>59,751,761.85</u>
---------------	---	----------------------

12. **CASH AND BANK BALANCES**

Cash at bank	-	<u>27,936,119.75</u>
--------------	---	----------------------

13. **CREDITORS AND CREDIT BALANCES**

Sundry creditors	-	7,382,232.25
Caution money	-	1,363,285.00

Nursery school fund	-	176,852.85
Primary school fund	-	92,500.00
Deposits in transit	-	7,308.00
Recruitment mission	-	3,500.00
Christian Union	-	3,500.00
Alumni Association	-	18,250.00
Furniture Loan (KCB)	-	1,215.00
I.H.R.D. Training fund	-	18,756.00
Fundilima Sacco	-	474.00
S.A.Y.E.	-	1,000.00
N.S.S.F.	-	160.00
N.H.I.F.	-	40.00
		<u>9,065,573.00</u>

4. **SUSPENSE ACCOUNT**

Balance b/f	-	2,082,797.00
Adjustment	-	689,950.00
		<u>2,772,747.00</u>

5. **CONTINGENT LIABILITIES**

Guarantees provided to the bank  
for members of staff on:

	<b><u>1991 (KSH)</u></b>	<b><u>1990 (KSH)</u></b>
Car loans.....	2,472,120	—
Housing loans.....	—	—
Furniture loans.....	-	-
	<u>2,472,120.00</u>	

16. **CURRENCY** - These accounts are expressed in Kenya Shillings

17. **LEGAL STATUS** - The University College is a body corporate established in Kenya in the legal notice No. 231, under the Kenyatta University Act (Cap 210).

**SUMMARY OF APPROVED RECURRENT EXPENDITURE  
FOR THE YEAR ENDED 30TH JUNE 1991**

ITEM	DETAILS	APPROVED	ACTUAL EXPENDITURE	
		ESTIMATES	1990/91	1989/90
		1990/91 KSH	KSH.	KSH.
000	Personal emoluments	36,000,000	30,603,418	15,842,809
040	Gratuity and Pension contributions	7,000,000	4,165,571	25,749
050	House Allowance	15,000,000	15,039,687	5,448,408
060	Other personal allowance	500,000	85,165	162,461
080	Passage and leave expenses	2,000,000	1,266,623	446,606
090	Medical Scheme	1,500,000	5,361,536	1,484,417
100	Transport operating expenses	1,000,000	1,062,843	956,599
110	Travelling and accommodation	1,300,000	6,461,375	1,229,186
112	External travelling expenses	140,000	454,026	101,633
120	Postal and telegram expenses	160,000	13,732	22,731
121	Telephone expenses	420,000	969,972	652,862
130	Official entertainment	30,000	306,965	99,722
131	Expenses of boards, committee & conferences	320,000	264,300	270,484
140	Electricity, water and conservancy	1,600,000	2,009,979	1,739,201
144	Gas and fuel for cooking	2,000,000	1,053,146	—
150	Purchase & supplies of production	6,000,000	8,231,012	5,485,943



	(Teaching materials)			
152	Purchase of materials for production	—	—	—
153	Fungicides, Insecticides & sprays	20,000	—	—
160,	Purchase of food and rations	6,000,000	11,702,542	5,851,763
171	Publishing and printing expenses	280,000	671,574	238,473
172	Purchase of uniforms and clothing	300,000	458,683	188,015
173	Library expenses	2,000,000	624,109	380,651
174	Purchase of stationary	900,000	2,475,776	2,342,104
175	Advertising and publicity	260,000	1,858,463	2,072,371
179	Audit fees	20,000	—	—
181		200,000	240,920	158,820
182		—	—	—
183	Contribution in lieu of Rates	—	—	—
184	Contracted professional services	300,000	2,096,767	1,700,664
185	Computer charges	320,000	258,361	192,444
186	Hire of transport plant & machinery	20,000	14,193	22,883
187	Motor vehicle insurance	200,000	880,471	—
190	Miscellaneous other charge	140,000	1,424,036	2,743,516
193	Fees commissions and honoraria	320,000	93,905	50,024
194	Training expenses	1,200,000	71,963	719,839
195	field attachment expenses	320,000	333,190	554,200
196	Post-graduate programme	3,136,000	659,631	1,548
197	Research programme	800,000	55,727	—
218	Insurance premiums	—	861,752	—
221	Inter-University games	—	—	—
230	Purchase of equipment	1,000,000	3,291,679	4,094,274
250	Maintenance of plant, mech. equip.	1,000,000	1,151,707	969,992
260	Maintenance of buildings and stations	320,000	3,203,872	1,999,356

270	Maintenance of water supplies & sew.	360,000	249,149	503,083
280	Maintenance of grounds	200,000	120,707	5,096
295	Renovation of buildings	—	—	309,480
210	Purchase of additional vehicle	—	850,000	1,508,181
	NAIROBI SHOW EXPENSES	—	—	—
	GRADUATION EXPENSES	—	1,463,919	941,448
	GROSS EXPENDITURE	94,586,000	112,462,446	61,517,036

NOTE: Out of the approved budget of KSh. 94,586,000.00 (which included tuition fees but excluded the TSC staff salaries), the government provided KSh. 89,872,818.00, this resulted in a shortfall of KSh. 4,713,182.00.

