



KIBABII UNIVERSITY




2019

ANNUAL REPORT AND
FINANCIAL
STATEMENTS

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



Kibabii University ISO 9001:2015 Certified

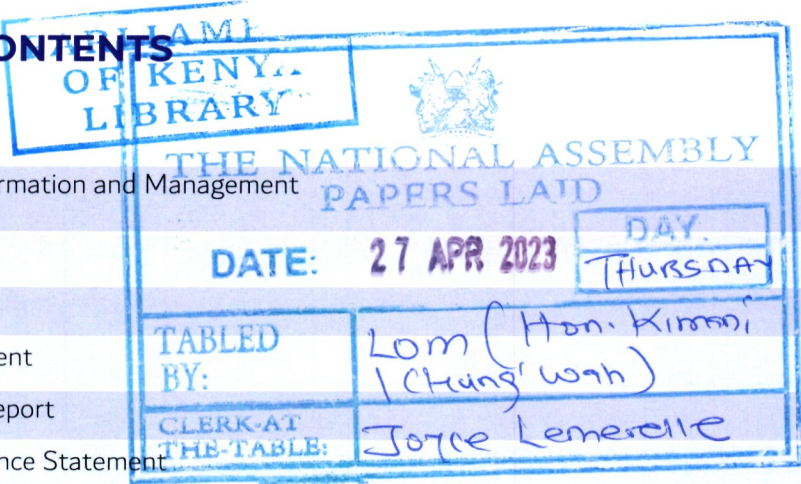
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APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized					Total Transfers during the Year
	as per bank statement			Statement of Financial Performance	Capital Fund	Deferred Income	Receivables	Others - must be specific	
Ministry of Education	02 AUG 18	Recurrent	47,169,845.00	47,169,845.00	0	-	-	-	47,169,845.00
Ministry of Education	30 AUG 18	Recurrent	47,169,845.00	47,169,845.00	0	-	-	-	47,169,845.00
Ministry of Education	01 OCT 18	Recurrent	47,169,843.00	47,169,843.00	0	-	-	-	47,169,843.00
Ministry of Education	07 NOV 18	Recurrent	47,169,845.00	47,169,845.00	0	-	-	-	47,169,845.00
Ministry of Education	23 NOV 18	Development	19,934,149.00	0	19,934,149.00	-	-	-	19,934,149.00
Ministry of Education	03 DEC 18	Recurrent	44,339,654.00	44,339,654.00	0	-	-	-	44,339,654.00
Ministry of Education	27 DEC 18	Recurrent	44,339,654.00	44,339,654.00	0	-	-	-	44,339,654.00
Ministry of Education	01 FEB 19	Recurrent	46,226,447.00	46,226,447.00	0	-	-	-	46,226,447.00
Ministry of Education	13 FEB 19	Development	38,445,641.00	0	38,445,641.00	-	-	-	38,445,641.00
Ministry of Education	07 MAR 19	Recurrent	46,226,447.00	46,226,447.00	0	-	-	-	46,226,447.00
Ministry of Education	22 MAR 19	Recurrent	20,750,000.00	0	20,750,000.00	-	-	-	20,750,000.00
Ministry of Education	28 MAR 19	Recurrent	43,396,257.00	43,396,257.00	0	-	-	-	43,396,257.00
Ministry of Education	02 MAY 19	Recurrent	47,169,845.00	47,169,845.00	0	-	-	-	47,169,845.00
Ministry of Education	31 MAY 19	Development	58,017,645.00	0	58,017,645.00	-	-	-	58,017,645.00
Ministry of Education	06 JUN 19	Recurrent	47,169,845.00	47,169,845.00	0	-	-	-	47,169,845.00
Ministry of Education	28 JUN 19	Recurrent	47,169,844.00	47,169,844.00	0	-	-	-	47,169,844.00
Ministry of Education	09 JUL 19	Recurrent	50,723,315.90	50,723,315.90	0	-	-	-	50,723,315.90
Total			742,588,121.90	643,886,327.90	137,147,435.00	-	-	-	742,588,121.90



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KEY ENTITY INFORMATION AND MANAGEMENT

BACKGROUND INFORMATION

The name 'Kibabii'

The name 'Kibabii' has profound historical significance. The word 'Kibabii' linguistically linked to one of the local communities means livestock returning to a cowshed or a sanctuary. Symbolically, the University is a place where people from all walks of life would come to gather for purposes of gaining knowledge and skills, a place of sanctuary from ignorance. The University is located off Bungoma- Malaba road, seven kilometers from the central business district (CBD) of Bungoma town. The University sits on a 28.3 hectares piece of land.

The History of Kibabii University

The establishment of Kibabii University (KIBU) is traced to the origins of Kibabii Teachers' Training College, the precursor to the current University. The History of a Teacher Training College in Kibabii dates back to the pre-independence period. The idea was initiated by the Mill Hill Fathers in 1932. This college trained P4 Teachers between 1932 and 1942 and P3 between 1958 and 1961 in the current St. Mary's High School, Kibabii. In 1962 however, the College was moved to Eregi.

The proposed Kibabii Teachers Training College in Bungoma South District remained a mirage for more than twenty years until 19th September, 2007,

when the process of actualizing this dream was initiated. The 3rd president of the Republic of Kenya, His Excellency President Mwai Kibaki graced the ground breaking ceremony at the proposed site. The construction works at the College were immediately commenced with the completion of construction and operationalization date for the college set for the 25th of May 2011. During this period, the project employed 700 workers thus contributing to employment creation in Bungoma County.

After inauguration, leaders from Bungoma County requested His Excellency President Mwai Kibaki to declare the newly constructed facilities for Kibabii Diploma Teachers' College to be converted to Kibabii University College. This request was accepted and formalized by Legal Notice No. 115 of August 2011 that established Kibabii University College as a constituent College of Masinde Muliro University of Science and Technology.

The journey to becoming a fully-fledged university was completed on 14th November 2015 when Kibabii received Charter from His Excellency President Uhuru Kenyatta.

- KEY ENTITY INFORMATION AND MANAGEMENT



OUR IDENTITY; LOGO AND CORPORATE COLORS

The features appearing on the University Logo have the following meanings attached to them:-



Map of Africa - Kibabii University is in Africa, a continent with a lot of potential.

Globe - Kibabii University is a member of a global network of Universities and other institutions of higher learning

The Five Stars – Are an indication that Kibabii University is destined for greater achievements

The Shield - Indicates protection or defense of our core values

The orbitals around the globe depict cohesiveness-Kibabii University shall be one family working together with strong family values.

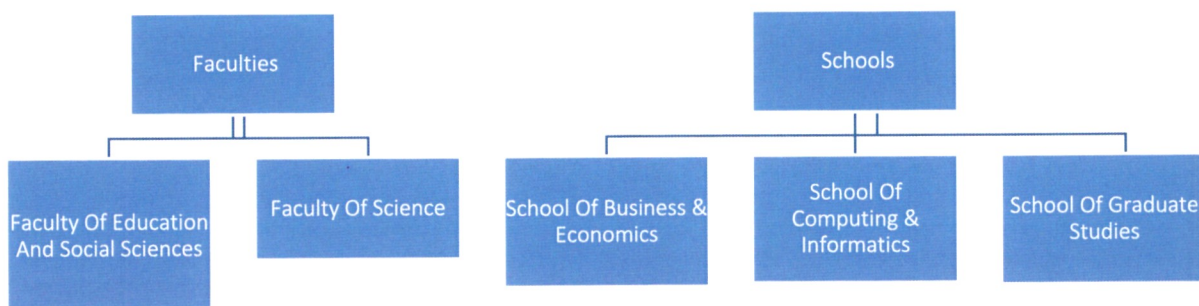
The Ribbons - Depict unlimited creativity and resilience

KEY ENTITY INFORMATION AND MANAGEMENT

ACADEMIC PROGRAMMES



SCHOOLS AND FACULTIES



OUR STRATEGIC PILLARS

In the year 2016, the University launched its 5 year strategic plan that runs from 2016-2020. The plan is in its 4th year of implementation and it is currently under review to incorporate the Big Four Agenda. The plan focuses on the following six strategic directions that guide the University's operations as it strives to achieve its mission and realize its Vision



Promote and Maintain Excellence in Teaching and Learning



Support and Sustain Advancement in Research, Consultancy and Extension



Enhance Administrative, Financial and Human Resource Management Systems



Invest in Marketing, Public Relations and Linkages



Expand, Maintain and Improve Physical Infrastructure and Structures.



Improved Implementation of Health Service

The University shall engage in the discovery of new knowledge and skills for addressing the scientific, socio-economic and technological concerns nationally, regionally and internationally.

PRINCIPAL ACTIVITIES

The mandate of the University, as contained in the Kibabii University Charter (2015) are/is to;

- a) Provide directly, or in collaboration with other institutions of higher learning, facilities for university education including technological, scientific, professional education and research;
- b) Advance knowledge and its practical application by research, innovation and other means;
- c) Disseminate the outcomes of research by various means, and commercially exploit the results of such research;
- d) Participate in technological innovation as well as in the discovery, creation, transmission and enhancement of knowledge, and to stimulate the intellectual life in the economic, social, cultural, scientific, and technological development;
- e) Contribute to industrial and technological development of society in collaboration and

partnership with industry and other organizations;

- f) Develop quality and relevant programmes for degrees, diplomas and certificates;
- g) Establish colleges, faculties, schools, centres, institutes, departments, and other resources and administrative units as may be appropriate;
- h) Inculcate and promote a culture of innovation, critical inquiry and creativity in art, science, technology, engineering, and education, amongst staff, students, and society;
- i) Develop an institution of excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application to society;
- j) Provide a multi-level system of education and training that is relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between educational levels;
- k) Provide high quality facilities for educational, research, residential, commercial, cultural, social, recreational, sporting, and other activities;
- l) Facilitate student mobility between programmes of study at different universities;
- m) Participate in commercial ventures and activities that promote the objectives of the institution;
- n) Foster the general welfare of staff, students, and the community;
- o) Provide opportunities for development and further training for the staff of the institution;
- p) Develop and provide educational, cultural, professional, technical and vocational services to the community, and in particular foster corporate social responsibility;
- q) Facilitate the development, provision, and expansion of services, programmes, and other products in ways that are easily accessible and which reflect the principles of equity and social justice; Conduct examinations, and grant such academic awards as may be provided for in the Statutes, and to syndicate examinations for awards at other institutions as may be approved by Senate;
- r) Determine who may teach, what may be taught, and how it may be taught in the University;
- s) Promote social-economic development in line with the country's development agenda; and
- t) Ensure University sustainability and adoption of the best practices in University management and institutionalization of systems of checks and balances.

PHILOSOPHICAL STATEMENTS



PHILOSOPHY

Kibabii University embodies the view that Science, Technology and Innovation are critical for sustainable utilization of material and human resources for the posterity of the universe



VISION

To be a global and dynamic University of excellence in Science, Technology and Innovation



MISSION

To achieve excellence in generation, transmission and enhancement of new knowledge in Science, Technology and Innovation through quality Teaching, Research, Training, Scholarship, Consultancy and Outreach programmes.



MOTTO

Knowledge for Development

OUR VALUES

To undertake its mission and realize its vision, Kibabii University upholds the following six (6) Core values, which are anchored in the acronym EASIIA:-

To operationalize the core values, "KIBU aspires to produce scholars who embody Excellence, Accountability and Transparency, Social responsibility, Innovation, and are of Integrity while utilizing their Academic freedom in performing their duties".

EXCELLENCE

The University shall ensure quality teaching, research and provision of excellence in teaching, research and provision of service to the public.

ACCOUNTABILITY AND TRANSPARENCY

The University staff shall explain the rationale of activities done and avoid any actions that might border on any malpractice.

SOCIAL RESPONSIBILITY

The University shall promote awareness and provide leadership in responding to issues and problems affecting the society.

INTEGRITY

The University staff shall have common decorum reflected in their personal appearances, interactions and conducts.

INNOVATION

The University shall provide opportunities for the creation of new ideas and products for teaching, learning and well-being of the society.

ACADEMIC FREEDOM

The University shall encourage the spirit of free and critical thought, and reflective inquiry among students and staff.



KEY MANAGEMENT

The University's governance and management is under the following key organs:

- University Council
- University Management Board
- Senate



FIDUCIARY MANAGEMENT

The key management personnel who held office during the financial year ended 30th June 2021 and who had direct fiduciary responsibility were:

DESIGNATION	NAME
Vice Chancellor	Prof. Isaac Ipara Odeo
Ag. Deputy Vice Chancellor (Administration, Finance and Development)	Prof. Donald Namasaka Siamba
Deputy Vice Chancellor (Planning, Partnerships, Research and Innovation)	Prof. Dr.-Ing. Benedict M. Mutua
Deputy Vice Chancellor (Academics and Students Affairs)	Prof. Solomon Igosangwa Shibairo
Registrar (Academic Affairs)	Prof. Ernest Sangai Mohochi
Ag. Deputy Registrar (Administration and Human Resource)	Mr. Martin Shikuku Wasike
Registrar (Planning, Partnerships, Research and Innovation)	Prof. Barack Abonyo
Dean of Students	Dr. Alice Chemutai Mutai
Director, ICT	Dr. Samuel Mbugua
Deputy Finance Officer	CPA. Benjamin Musina Oduori
Deputy University Librarian	Ms. Nduku Charles Kilei
Procurement Officer	Ms. Jessica Wanyonyi
In-charge Health Services Department	Mr. Johnstone Eshirera

FIDUCIARY OVERSIGHT ARRANGEMENTS

Audit and Risk and Compliance Committee activities

The University Council has established a Committee which provides oversight on the University's financial and other management as outlined on page 38 of this report. The University also has an Internal Audit Department that reports to the Council Committee.

Parliamentary Committee activities

The Vice Chancellor is accountable to the National Assembly for the University's financial management. The Constitution of Kenya, 2010 135(3) subject to clause (4), requires that the accounts of all governments and State organs be audited by the Auditor-General. Upon Audit, the Annual reports and financial statements are submitted to the National Assembly to ascertain whether the finances of the University were prudently managed.

HEADQUARTERS

Kibabii University
Off Bungoma-Chwele Road
P.O. Box 1699 – 50200,
BUNGOMA

BANKERS

Kenya Commercial Bank
Bungoma Branch
P. O. Box 380, 50200
BUNGOMA

Absa Bank Kenya PLC
Bungoma Branch
P. O. Box 91, 50200
BUNGOMA

Standard Chartered Bank Kenya Limited
Bungoma Branch
P. O. Box 2531, 50200
BUNGOMA

Equity Bank Limited
Bungoma Branch
P. O. Box 2450 - 50200
BUNGOMA

National Bank of Kenya Limited
Bungoma Branch
P. O. Box 25 - 50200
BUNGOMA

CONTACTS

Telephone: (254)
0708-0859934/0734-831729
E-mail: enquiries@kibu.ac.ke/vc@kibu.ac.ke
Website: www.kibu.ac.ke

Family Bank Limited
Bungoma Branch
P. O. Box 1068 – 50200
BUNGOMA

Cooperative Bank of Kenya Limited
Bungoma Branch
P. O. 1964 - 50200
BUNGOMA

INDEPENDENT AUDITORS

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

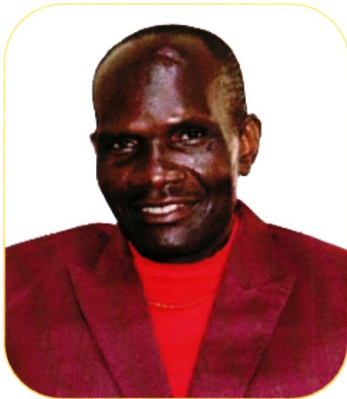
PRINCIPAL LEGAL ADVISOR

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



Dr. Ernest Mwangi Njoroge,
CHAIRMAN OF COUNCIL

Joined in 2017 as the Chairman of Council. Holds a Bachelor of Veterinary Medicine (UON); a MSc. Clinical Studies, Medicine (UON); an MBA Strategic Management (Africa Nazarene University); and a PhD Clinical Studies, Epidemiology (UON). He has over 24 years of teaching, management and leadership experience working with University of Nairobi, NGOs, European Union, and USAID Kenya and East Africa.



Mr. Francis Asunah,
INDEPENDENT MEMBER

Date of Birth, 29th December, 1963,

Joined in 2017 as a member of Council and Chairman, Governance and Human Resource Committee of the University Council. He is also the Council representative in the University Staff Pensions Board of Trustees. He holds a Bachelor of Science, Geology (UoN) and Master of Engineering, Hydrology and Water Resources (IHE Delft, The Netherlands). Mr. Asunah has broad expertise of over 33 years in areas of Hydrology (MHSK), Geology (MGSK/ RGeol), Water resources engineering (CMIEK), Corporate Governance, Arbitration & Alternative Dispute Resolution (ADR) and Environmental management in both public and private sectors. Currently, he is a Technical Advisor at Rural Water & Sanitation Organization (WATERSAN) and the Vice – Chairman of the Centre for Corporate Governance (CCG) Alumni Network; and an Accredited Mediator of the High Court of Kenya. He was recently appointed as a Director and elected as the Kenya Country Representative to the Institute of Chartered Mediators and Conciliators (EA)



Mr. Hussein Abdi Farah,
INDEPENDENT MEMBER

Date of Birth, 28th August 1960,

Joined in 2017 as a Council member. He is Chairman Awards and Sealing Committee of Council. Mr. Farah holds a Certificate in Medical Laboratory Technology (MTC, Kakamega), Diploma in Medical Laboratory Technology (KMTC, Nairobi), MSc. in Medical Microbiology (LSHTM, UK), and Postgraduate Diploma in Medical Microbiology (LSHTM, UK). He is a seasoned Microbiologist. His experience spans over 20 years. Currently, he is the Chief Executive Officer at Fiveways Medical & Diagnostic (K) Limited.



CPA Vincent Mosei Nyabiosi,
INDEPENDENT MEMBER

Date of Birth 28th September 1984,

Joined in 2017 as a Council member. He is the Chairman Audit, Risk and Compliance Committee of Council. Mr. Nyabiosi holds a Bachelor of Laws (Hons) (UoN), Diploma in Law (KSL), Master of Law, Public Finance & Financial Services Law (UoN), CPA and CPS. He has over 10 years' experience in Tax Management and as Lecturer at the Strathmore School of Law. Currently, he is Regional Tax Manager - East Africa at MIH East Africa Limited.



Mr. Michael Jasper Obonyo,
Rep Cabinet Secretary,
The National Treasury,

Date of Birth 7th April, 1970,

He joined in August, 2015 as a Council member. He is highly experienced in information communication matters in areas of public relations. He is currently Public Relations Officer in the Pensions Department, National Treasury. Mr. Obonyo holds a B.A. (Hons) UoN, Kenya (1992); a PGD (Mass Communication), Kenya Institute of Mass Communication (KIMC), Kenya (1998); and a Master of Arts in Communication Studies, UoN, Kenya (2011).



Eng. Mwaka Mungatana,
INDEPENDENT MEMBER

Date of Birth: 16th October, 1964

Eng. Mungatana joined in September, 2018. He is the Chairman Strategy, Finance and Development Committee of Council. He holds BSc (Hons) in Mechanical Engineering and MBA (Business Administration) from University of Nairobi, and currently pursuing PhD in Business Administration (Supply Chain Management) at Jomo Kenyatta University of Agriculture and Technology. He is a Corporate member of the Institute of Engineers of Kenya (IEK) and a Registered Engineer (EBK). He is currently the Chief Technical and Environmental Officer, Tsavo Power Company Ltd. He has previously worked for Kenya Pipeline Company Ltd, Kenya Breweries Company Ltd and Kenya Power and Lighting Company Ltd.



Mr. Tom Mboya Wambua,
INDEPENDENT MEMBER

Date of Birth: 1968

Mr. Mboya joined in December, 2018. He is a business man and a consultant in strategic management and risk management. He has interests in banking, insurance, distribution, real estate and security services. He holds an MBA degree, a Bachelor of Commerce both from the University of Nairobi and is currently pursuing a Ph.D. in Strategic Management at Jomo Kenyatta University. He is the Honorary Consular General for Iceland in Kenya. He is a founder and CEO of various companies. Previously, he worked for British American Tobacco Company, until 2009 when he ventured into private business. He has wide international business exposure.



Dr. Joyce Wanjiru Ngure
Rep. PS,
State Department for University Education
and Research, Ministry of Education.

Date of Birth: 15th May 1977

Dr. Ngure joined in December, 2018 she holds a PhD, Vegetable Sciences (Horticulture), Nanning Agricultural University, China, Masters in Horticulture (Olericulture), Egerton University and BSc in Horticulture, Egerton University

She is currently an Assistant Director Research in the Ministry of Education in the Directorate of Research Science and Technology as well as a Project Coordinator for the National Physical Sciences and Research Laboratories she replaces Mr. Jacob Onyiego who left in December, 2018.



Prof. Isaac Ipara Odeo
SECRETARY

Date of Birth 19th May, 1955,

Joined in 2013 as the Chief Executive and Secretary of Council. Holds B.ED (Arts) (UON), M.ED (Kenyatta University), and PhD (Moi University). He is an educationist with over 30 years of teaching experience at institutions of Higher learning. Prof. Odeo has also held various leadership positions in the same institutions.

MANAGEMENT TEAM

THE CHANCELLOR



His Excellency Hon. Uhuru Kenyatta, C.G.H., BA (Amherst), D.Litt. (Hon) (Moi) President of the Republic of Kenya, and Commander-in-Chief of the Defence Forces, Chancellor of Kibabii University.

Date of Birth 26th October, 1961.

H.E. Hon. Uhuru Kenyatta has been the Chancellor of Kibabii University since 2015. He holds a Bachelor of Arts in Political Science and Economics from Amherst College, United States), D.Litt. (Hon) (Moi). President Uhuru Kenyatta was elected the 4th President of the Republic of Kenya on the 4th of March, 2013. In line with the country's vision of creating a globally competitive and prosperous nation, in 2015, Hon. Uhuru Kenyatta initiated The Presidential Digital Talent Programme (PDTP) whose focus was: To develop ICT freshly qualified graduates by equipping them with business principles for the management of ICT through a yearlong internship programmes. President Uhuru Kenyatta has set the Big Four Agenda which aims at providing universal health care, food security, affordable housing and enhance manufacturing. He has a wealth of experience in leadership, administration and management both in public and private sectors.

MANAGEMENT TEAM

CHAIRMAN OF COUNCIL



**Dr. Ernest Mwangi Njoroge,
CHAIRMAN OF COUNCIL**

Joined in 2017 as the Chairman of Council. Holds a Bachelor of Veterinary Medicine (UON); an MSc. Clinical Studies, Medicine (UON); an MBA Strategic Management (Africa Nazarene University); and a PhD Clinical Studies, Epidemiology (UON). He has over 24 years of teaching, management and leadership experience working with University of Nairobi, NGOs, European Union, and USAID Kenya and East Africa.



**Prof. Isaac Ipara Odeo,
Date of Birth 19th May, 1955, Vice Chancellor**

Joined in 2013 as the Chief Executive and Secretary of Council. Holds B.ED (Arts) (UON), M.ED (Kenyatta University), and PhD (Moi University). He is an educationist with over 30 years of teaching experience at institutions of Higher learning. Prof. Odeo has also held various leadership positions in the same institutions.

MANAGEMENT TEAM



Prof. Dr.-Ing. Benedict M. Mutua
Deputy Vice Chancellor (Planning,
Partnerships, Research and Innovation)
Date of Birth: 30th November, 1966,

Joined in 2016 as a member of the Management Board. He holds a B.Sc. (Eng.) (Egerton University); a MEng. Sc. The University of Melbourne Australia, Ph.D; and a Post Doc. (Universität für Bodenkultur-BOKU, Vienna Austria). He has over 25 years of teaching and research experience at the university level. He has held various leadership positions at Egerton University and has been involved in research projects, both at National and Global levels. He has special research interests in Water Resources Engineering and Applied Hydrology.



Prof. Donald Namasaka Siamba
Ag. DVC (Administration, Finance and Development)
Date of Birth: 14th October, 1960

Joined in 2019 as a member of Management Board. Holds Bachelor of Veterinary Medicine (BVM) (UON); an M.Sc. Vet. Pathology & Microbiology. (UON); and a Ph.D. Zoology (Parasitology) (Moi University). He is an educationist with a wide research, teaching and administration experience of over 30 years at research institutions and institutions of higher learning. Prof. Siamba has also held various leadership positions at the same institutions.



Prof. Solomon Igosangwa Shibairo, Deputy Vice Chancellor
(Academic & Students Affairs)
Date of Birth: 17th October, 1960

Prof. Shibairo joined in 2013 as a member of Management Board. He holds B.Sc. (Agric) (UON), M.Sc. (Agronomy) (UON), and Ph.D. (Plant Science) (University of British Columbia) and has over 24 years teaching experience at institutions of higher learning. He has also held various leadership positions at the same institutions.

MANAGEMENT TEAM

Prof. Ernest Sangai Mohochi,
Registrar (Academic Affairs)
Date of Birth: 12th January 1969

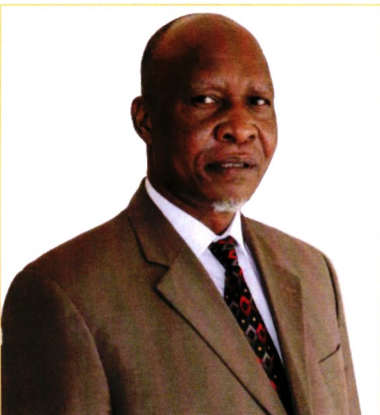


Joined in 2018 as Registrar (Academic Affairs). He holds a PhD (Kiswahili Studies), MA (Kiswahili Studies) and BA (Kiswahili and Sociology) from Egerton University. He also holds Single Subject Diplomas in Sales and Sales Management, and Marketing Management (ICM, London). Prof. Mohochi has served in different positions in the university set up including Head of Department and Dean of School. He has also served as chairperson of the following professional associations: CHAKITA (Kenya National Kiswahili Association), CHAKAMA (the East African Kiswahili Association), as well as its Kenyan chapter and Association of Kiswahili Departments in East African Universities. He has a working experience of 26 years involving teaching and leadership in Institutions of Higher Learning.



Mr. Martin Shikuku Wasike, Ag. Deputy Registrar (Administration and Human Resource)
Date of Birth: 1977

Dr. Mitalo joined in January 2020 as Registrar (Administration & Human Resource). She holds a PhD in Human Resource Management - UoN, MBA (Human Resource Management) – UoN, BBA (Human Resource Management - First Class Honours) – KEMU, Certified Public Secretary of Kenya (CPS-K) and Diploma in Human Resource Management (Technical University of Kenya). She has over 19 year's administrative and Human Resource experience at institutions of higher learning. She is a member of the Institute of Human Resource Management (IHRM) and Institute of Certified Secretaries (ICS).



Prof. Barack Abonyo
Registrar (Planning, Partnerships, Research and Innovation)
Date of Birth: 8th January 1969

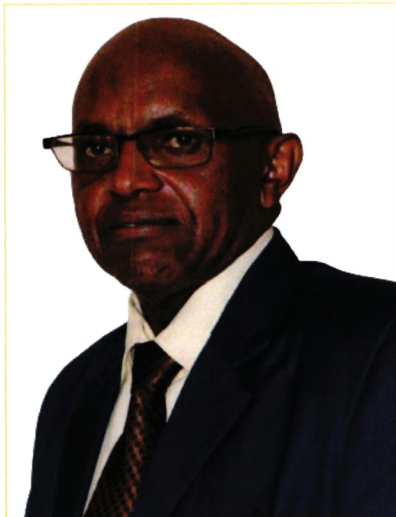
Joined in 2018 as Registrar (Partnerships, Planning & Innovation), Prof. Abonyo holds a Bachelor of Science (Kenyatta University), Master of Philosophy (Moi) and Ph.D. (East Carolina University). He has over 27 years of experience in teaching both at Institutions of Higher Learning and High School levels.

MANAGEMENT TEAM



Dr. Alice Chemutai Mutai
Dean of Students
Date of Birth: 22nd July, 1968

Joined in 2019 as Dean of Students. She holds a Bachelor of Education (Arts) (Moi University), Master of Philosophy (M.Phil) in Educational Guidance and Counselling, (Moi University), and Doctor of Philosophy in Counselling Psychology (PhD) (Egerton University). Dr. Chemutai is a member of the Kenya Universities Professional Counsellors Association (KUPCA). She has over 29 years' experience in both students affairs and library management in institutions of higher learning.



Dr. Samuel Mbugua,
Director ICT
Date of Birth 10th October, 1964,

Joined in 2014 as Director ICT and Senior Lecturer in the Department of Information Technology. He holds a Master of Science in Computer Based Information Systems of the University of Sunderland and PhD in Information Technology from Masinde Muliro University of Science and Technology. He is a Chartered Engineer and an assessor for Chartered Engineer registration for the Engineering Council (UK). Dr. Mbugua is a member of the ACM and BCS. He has over 20 years of service in both civil service and institutions of higher learning.



CPA Benjamin Musina Oduori
Deputy Finance Officer
Date of Birth: 1st August, 1972

Joined in 2013 as Deputy Finance Officer. Dr. Oduori holds BBM (Accounting & Finance) (Moi), MBM (Accounting) PhD (Finance) (Moi), and CPA (K). He is a professional accountant with over 20 years' experience in auditing and assurance and finance at the institutions of higher learning. He is a member of ICPAK and ICIFA.

MANAGEMENT TEAM



Ms. Nduku Charles Kilei
Deputy University Librarian
Date of Birth: 11th August, 1973

Ms. Nduku joined in 2018 as Deputy University Librarian. She holds a Bachelor of Library and Information Science and a Master of Library Information Science from Kenyatta University. She previously worked for Jaramogi Oginga Odinga University of Science & Technology, South Eastern Kenya University, Kenya Methodist University and Gikumene Girls Secondary School libraries. She has over 20 years work experience in institutions of higher learning libraries.



Ms. Jescah N. Wanyonyi,
Procurement Officer
Date of Birth 29th June, 1970

Joined in 2018 as Head of Procurement Department. She holds a Bachelor of Science Purchasing and Supplies Management and MSc. Procurement and Logistics both from Jomo Kenyatta University of Agriculture and Technology. Ms. Wanyonyi has over 10 years' experience in procurement and supplies functions. She is also a member of the Institute of Purchasing and Supplies Management and Kenya Institute of Management.



Mr. Eshirera E.M. Johnstone,
Senior Clinical Officer
Date of Birth 29th October, 1970

Joined Kibabii University in 2012 as Deputy Senior Clinical Officer and Head of Department of Health services. Previously worked for Masinde Muliro University and Ministry of health respectively. Has both administrative and clinical experience of more than 18 years of service. Trained up to master's level in Community health at Great Lakes University, University of Liverpool (UK), Moi University and Kenya Medical Training College. Holds professional Diplomas in Community Health, Sexual and Reproductive Health in Developing Countries and Clinical Medicine and Surgery.



CHAIRMAN'S STATEMENT

On behalf of the Kibabii University Council, I am pleased to present the Annual Report for the 2018/2019 financial year. It was a productive financial year and I have enjoyed being part of the dynamic team at Kibabii. The education sector is currently facing reforms with the focus area being quality over quantity as the strategic driving force to the Ministry of Education.

Kibabii University remains committed to all its stakeholders in executing its mandate as outlined in the 2016-2020 strategic Plan whose overall theme is to achieve Global excellence in University Education. The University is mandated to execute the various strategic directions as set out in the Plan, marking its third year of execution.

New Programs

I am pleased to report that in the year under review, the School of science, School of Computing and Informatics and School of Business and Economics presented three Programmes to the Commission for University Education for accreditation which were Bachelor of Nursing, Masters of Science in computer science and Bachelor of Science in Co-operative and Entrepreneurship Management respectively.

We endeavor to provide solutions to gaps in skills and Competencies most relevant in our developing economy. The council believes that these programs will better position our schools and faculties as dynamic and innovative market leaders, while providing the University an avenue for growth.

2018 Graduation

I would like to present to you a synopsis of the graduands from the past FY. In November 2018, The University had 1,704 students graduating. The breakdown was as follows: 77% were undergraduate degrees, 1.5% Masters' degrees and 3.5% PhDs.

Financial Performance

In the financial year ending June 30th2019, the University continued to post a positive financial performance. This is attributed to prudent financial management. We also recorded an increase in student enrolment in the Government Sponsored Programme.

During the year under review the University continued with the construction of a Women Students hostel which is expected to provide adequate hostel facility in an environment that will ensure security and appropriate social environment for the students.

As I finish, I would like to extend my sincere gratitude to Kibabii University Council, the Vice Chancellor and his entire Management Board, staff members, Students, partners and donors, for their commitment and collaboration towards the University. I am optimistic that the University is headed to a prosperous future that can only bode well for this great Institution.

Thank you

Dr. Ernest Mwangi Njoroge,

CHAIRMAN OF COUNCIL



The impressive annual results were as a result of our continued focus on the three strategic pillars; promote and maintain excellence in teaching and learning, advancement in research, innovation, partnerships and linkages, enhanced administrative, financial and human resource management systems, invest in marketing and public relations, expand, maintain and improve physical facilities and infrastructure and provide quality health care services. We at Kibabii University have continued creating networks and maintained strategic alliances at the regional and global level. The value of these alliances cannot be overemphasized and are aimed at ensuring the University has a competitive advantage. We have invested in opportunities to provide exposure, synergy, knowledge sharing and expertise. All these is aimed at contributing to intellectual and human capital. Kibabii University also hosted the National Drama and Films Festival which put the institution in the National and Global arena.

Increased infrastructure

In the last FY, we were fortunate that our fund raising efforts bore fruit as the University received a Grant from the National Research Fund. These funds will go towards equipping a forensic ICT Hub. The funding secured for this Hub project was Kshs.64.6 Million.

The Kibabii University 2016 - 2020 Strategic Plan places technology at the apex of the factors crucial for learning and teaching in the 21st Century. During the financial year 2018/2019 the University continued to invest in technology. We maintained internet bandwidth, continued with IT systems automation, and improved IT network & equipment; this has seen the University have facilities with more stable internet connectivity to cater for both the staff and students.

Conferences

Academic workshops and conferences are essential for the growth of Kibabii University. It provides a basis for benchmarking, networking and research. There were multiple conferences, seminars and workshops organized during the year by the University. These were largely successful and valuable lessons were gathered. The highlight in the year was Kibabii University's Annual International Conference. It addressed matters of Enhancing Food Security and Universal Health care for Sustainable Development and attracted attendance by experts in different fields from public and private sectors, academic researchers, students from institutions of higher education and young professionals in industry. We are proud to have hosted these events and are sure that these Conferences and Seminars continue to provide learning opportunities for young scholars and students and have the potential to create immense research impact for Kibabii University.

2019 and beyond

While the achievements of the past years have put us in a position of strength, our effort in the coming days will be doubled so that we can meet our long term objective of being a globally recognized Centre of learning. We will continue to face competition from both the public and private Universities and find ourselves hampered by diminishing Government support. We shall have to be innovative to stay afloat. To this end, we shall endeavor to become more visible by using generally accepted parameters of measure to place ourselves. For one, ISO certification will help us earn our place as a certified super brand. Our strategic plan is the key direction that remains our guiding blueprint and our emphasis based on the six pillars therein. Our collective effort will make us and our actions will help actualize this dream of a University serving society and the world. I wish to convey my gratitude to all staff, both academic and administrative and the students who together, are lending form to our collective dream. Together we shall triumph.

Thank you

Prof. Isaac Ipara Odeo,
VICE CHANCELLOR



CORPORATE GOVERNANCE STATEMENT

The University Council, presided by the Chairman is a body established to govern the University. The Council provides strategic direction, exercises control and remains accountable through effective leadership, enterprise, integrity and good judgment. It is diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the University.

The membership of the Council includes:

1. 6 independent Members appointed by the Cabinet Secretary in charge of Education
2. One (1) member representing the Principal Secretary in charge of the State Department of University Education and Research
3. One (1) Member representing the National Treasury
4. The Vice Chancellor as an ex-officio Member.

Appointment of Council Members

- i. Every appointment is by name and by notice in the Kenya Gazette but ceases if the Council member:
 - a) Serves the appointing authority with a written notice of resignation; or
 - b) Is absent, without the permission of the Chairperson, from the three consecutive meetings; or
 - c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
 - d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Council; or
 - e) Conducts himself in a manner deemed by the appointing authority to be inconsistent with membership of the Council.
- ii. Any removal of a Council member under (i) above, shall be through formal revocation.

Council Charter

The Council has a Charter that defines the Council's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. It provides the Council members with an opportunity to think creatively and critically about how their strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance. It helps the Council in directing the organization to maximize the long term value of services provided for all stakeholders.

The Charter is reviewed annually and is available to all members of the Council for application and is posted on the Kibabii University's website for the information of stakeholders.

The members of Council have committed themselves to the service of Kibabii University and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their activities.

Ethics and Conduct

The Council adheres to the Code of Conduct and Ethics for State Corporations (SCs) which focuses on ethical conduct and integrity at the workplace. It defines the University Councils' commitment to the highest standards of behaviour so as to contribute to the achievement of the national development goals. The Code sets out expectations for individual behaviour necessary to meet these standards and includes requirements and guidance to help carry out their roles with integrity and in compliance with the law. By exemplifying the ethical behaviours and corporate values described in the Code, the University Council is expected to uphold Article 10 of the Constitution of Kenya, 2010 on National Values and Principles of Governance and Chapter 6 on Leadership and Integrity.



CORPORATE GOVERNANCE STATEMENT

Conflict of Interest Policy & Disclosures

A conflict of interest may arise where a Council member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Council member's official duties and responsibilities. Conflict may also arise where a Council member uses their office for personal gain.

Council members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a Council member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Council. In so reporting, the Council member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Council member shall abstain from decisions where the conflict exists.

The Corporation Secretary keeps a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Council for recording, any other business or interest likely to create a potential conflict of interest.

Council Remuneration

Council members are remunerated for their services in accordance with State Corporations Act provisions and/or guidance from the State Corporations Advisory Committee. In line with best practice, the remuneration includes Honoraria for the Chair of Council and allowances for all members on attendance of Council meetings.

Council Succession

The Kibabii University Council has put in place a succession plan for both the Council and Management, which is reviewed regularly.

Council Performance

The Council conducts an annual evaluation to appraise its performance. This evaluation is carried out in accordance with the Board Evaluation Tool. The Council evaluation provides an opportunity for Council members to identify strengths, collective skill gaps and individual areas of improvement. The Council also reviews the performance of each Committee against the agreed Terms of Reference. It also evaluates the performance of the CEO and Corporation Secretary. The Council's 2018/2019 FY evaluation is scheduled to be carried out in the third quarter of 2019/2020 FY by State Corporations Advisory Committee (SCAC).

Governance Audit

The Council is required to ensure that a governance audit of the organization is undertaken on an annual basis. The purpose of the governance audit is to ensure that the organization conforms to the highest standards of good governance. The governance audit covers the following parameters among others: Leadership and strategic management; Transparency and Disclosure; Compliance with Laws and Regulations; Communication with stakeholders; Board independence and governance; Board systems and procedures; Consistent shareholder and stakeholders' value enhancement; and Corporate Social Responsibility and investment.

Council Induction and Training

When new Council members are appointed, the University organizes for induction in order to familiarize themselves with their responsibilities as Members of Council, general principles of corporate governance and Council practices. The induction programme provides the Council members with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics. The current Council members were inducted in the 2018/2019FY.



Our Council's Composition Diversity

The University Council has 9 members, 8 males and 1 female, who combined give various inputs borrowing from their areas of expertise in the fields of Clinical studies, Epidemiology, Geology, Hydrology, Arbitration, Environmental Management, Law, Strategic Management, Governance, Laboratory Technology, Medical Microbiology, Public Finance, Taxation, Communication and Human Resource Management

In the year under review, one Board Member Mr. Onyiego the representative of the Principal Secretary Ministry of Education was replaced by Dr. Joyce Ngure in November, 2018.

Council Responsibilities

The University Council undertakes the following responsibilities;

1. The Council is the governing body of the University through which the University acts and undertakes the following;
 - a) Administers the property and funds of the University in a manner and for the purposes which promotes the interest of the University; but the Council does not charge or dispose of immovable property of the University except in accordance with the procedures laid down by the Government of Kenya;
 - b) Receives, on behalf of the University, donations, endowments, gifts, grants or other moneys and make disbursements there from to the University or other bodies or persons;
 - c) Provides for the welfare of the staff and students of the University;
 - d) May enter into association with other universities, or other institutions of learning, whether within Kenya or otherwise, as the Council may deem necessary and appropriate; and
 - e) May, after consultation with the Academic Board, make regulations governing the conduct and discipline of the students of the University.
2. All documents, other than those required by law to be under seal, made on behalf of the Council, and all decisions of the Council may be signed under the hand of the Chairman, the Vice Chancellor or any other members of the Council generally or specifically authorized by the Council in that behalf.
3. Ensures that a proper management structure is in place and that the structure functions to maintain corporate integrity, reputation and responsibility.
4. Monitors and evaluates the implementation of strategies, policies, and management criteria and plans of the University.
5. Constantly reviews the viability and financial sustainability of the University, and does so once every year.
6. Ensures that the University complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.



COMMITTEES OF COUNCIL

The members of Council have committed themselves to the service of Kibabii University and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, persons of integrity, socially responsive, as well as promote excellence and exercise fairness in all their dealings.

THE COUNCIL MEETINGS ATTENDANCE

The Council consists of nine members inclusive of the Vice Chancellor as the secretary. The council members and their meeting attendance are indicated below;

NAME	1 ST QUARTER			2 ND QUARTER	3 RD QUARTER	4 TH QUARTER	
	DATE	DATE	DATE	DATE	DATE	DATE	DATE
	14 th July, 2018	28 th July, 2018	22 nd Sept., 2018	22 nd Nov., 2018	11 th January, 2019	12 th April, 2019	13 th April, 2019
Dr. Ernest Mwangi Njoroge	✓	✓	✓	✓	✓	✓	✓
Mr. Hussein Abdi Farah	✓	✓	✓	✓	✓	✓	✓
Mr. Francis Asunah	✓	✓	✓	✓	✓	✓	✓
Mr. Vincent Nyabiosi	✓	✓	✓	✓	✓	✓	✓
Mr. Jacob Onyiego	✓	✓	✓	✓	Replaced	-	-
Mr. Michael Obonyo	✓	✓	✓	✓	✓	✓	✓
Prof. Isaac I. Odeo	✓	✓	✓	✓	✓	✓	✓
Eng. Mwaka Mungatana	-	-	-	✓	✓	✓	✓
Dr. Joyce Ngure	Replaced Mr. Onyiego w.e.f December 2018				✓	✓	✓
Mr. Tom Wambua	Replaced Ms. Harriette Chiggai w.e.f December 2018				✓	*	*

The biographies of the Council Members are published on page 11-13. These Council Members possess a broad range of skills, qualifications and experiences required to direct the affairs of the University.



COMMITTEES OF COUNCIL

COUNCIL COMMITTEES

The Council Committees facilitate decision-making to assist the Council in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Council of its duties and responsibilities. Council Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Council.

In the financial year 2013/2014 the Council approved the following committees;

GOVERNANCE AND HUMAN RESOURCE COMMITTEE

This committee discharges the responsibility of appointments and promotions of Professors, Associate Professors and Equivalent Administrative and Library Grades.

Membership is as below listed:

NAME	1 ST QUARTER	2 ND QUARTER			3 RD QUARTER	4 TH QUARTER				
	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE
	23 rd August, 2018	5 th Oct., 2018	13 th Oct, 2018	15 th Nov, 2018	15 th Feb., 2019	5 th Apr 2019	6 th Apr 2019	10 th Apr 2019	11 th Apr 2019	8 th June 2019
Mr. Francis O. Asunah	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Eng. Mwaka Mungatana	Was appointed in November 2018 as an independent member				✓	✓	x	✓	✓	✓
Dr. Joyce Ngure	Was appointed in December 2018				✓	✓	✓	✓	✓	✓
Mr. Tom M. Wambua	Was appointed in December 2018 replacing Ms. Harriet Chiggai				✓	x	x	✓	✓	✓
Mr. Michael J. Obonyo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Isaac I. Odeo	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓



COMMITTEES OF COUNCIL

Mandate

- a) To examine the format and the contents of the University Statutes and make appropriate recommendations to Council for appropriate legislation as provided for in the Kibabii University Charter.
- b) To make recommendations to Council on staff welfare related issues.
- c) To recommend to Council improvement in the job grading classification as the Committee may consider appropriate.
- d) To review and make recommendations to Council on Salaries, Terms and Conditions of Service as and when necessary or when directed to do so by Council from time to time for all University employees.
- e) To consider appeals and make appropriate recommendations to Council.
- f) To consider and advise Council on action to be taken with regard to staff disciplinary matters.
- g) To recommend an appropriate disciplinary measure on staff member where necessary.
- h) To consider qualified candidates for filling vacant positions in the University for Professors, Associate Professors and Equivalent Administrative and Library Staff (Scale 14 and above).
- i) The Council shall delegate appointment and promotion of Staff of Scale 13 and below to the University Management.
- j) To interview candidates who are considered to have met the job requirements in accordance with the announcement inviting applications for the positions of Professors, Associate Professors and Equivalent Administrative and Library Grades.
- k) To recommend to Council the appointment of suitable candidates(s) after considering all the requirements for the post or in case of there being no suitable candidate to recommend re-advertisement for the positions of Professors, Associate Professors and Equivalent Administrative and Library Grades.

AUDIT, RISK AND COMPLIANCE COMMITTEE

Membership is as below listed:

NAME	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER		4 TH QUARTER
	DATE	DATE	DATE	DATE	DATE
	15 th September, 2018	17 th November, 2018	2 nd February, 2019 (Special)	30 th March, 2019	14 th June, 2019
Mr. Vincent M. Nyabiosi	✓	✓	✓	✓	✓
Mr. Hussein Abdi Farah	✓	✓	✓	✓	✓
Mr. Michael J. Obonyo	✓	✓	✓	✓	✓
Dr. Joyce W. Ngure	-	-	✓	✓	✓



COMMITTEES OF COUNCIL

Mandate

- a) To examine Internal and External Auditors' findings and recommendations for the improvement of the internal controls. Monitor management's response to and implementation of internal control recommendations.
- b) To assist the Vice Chancellor in enhancing internal controls in order to improve efficiency, transparency and accountability.
- c) To resolve unsettled and unimplemented Public Investment Committee's (PIC) recommendation.
- d) To enhance communication between Management, internal and external audit and fostering an effective internal audit function.
- e) To evaluate adequacy of management procedures with regard to issues relating to risk management, control and governance.
- f) To review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws regulations, procedures, plans and ethics.
- g) To perform an independent review of the financial statements to ensure the integrity and transparency of the financial reporting process.
- h) To initiate special audit/investigation on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency in consultation with the Vice Chancellor.
- i) To review and assess, at least annually, the Audit Committee's Charter and submit changes to the Committee for approval by the Council.
- j) To advice on Quality and Performance Monitoring.
- k) To perform other oversight functions as may be requested by the University Council from time to time.

AWARDS AND SEALING COMMITTEE

Membership is as listed below:

NAME	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
	DATE	DATE	DATE	DATE
	15 th September, 2018	22 nd November, 2018		
Mr. Hussein Abdi Farah	✓	✓	-	-
Mr. Francis O. Asunah	✓	✓	-	-
Mr. Vincent M. Nyabiosi	x	✓	-	-
Mr. Jacob Onyiego	✓	✓	-	-
Mr. Michael J. Obonyo	✓	✓	-	-
Dr. Joyce Ngure	-	-	-	-



COMMITTEES OF COUNCIL

Mandate

- To receive and consider graduation list for award of Certificates, Diplomas and conferment of Degrees and make recommendations to the Council
- To receive and Consider the graduation booklet and make recommendations to the Council
- To ensure that the processing of Certificates and Transcripts is done diligently and with integrity
- To receive and consider proposals to Council and nominations for the award of Degrees.
- To recommend to Council award of Honorary Degrees.
- To authorize on behalf of the Council the application of the University seal to documents.

STRATEGY, FINANCE AND DEVELOPMENT COMMITTEE

Membership is as below:

NAME	1 ST QUARTER		2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
	DATE	DATE	DATE	DATE	DATE
	27 th July, 2018	21 st Sept. 2018	12 th October, 2018	10 th Jan. 2019	12 th April, 2019
Ms. Harriet Chiggai	✓	✓	✓	Has been replaced	
Mr. Francis Asunah	✓	✓	✓	✓	✓
Dr. Joyce Ngure	She was appointed w.e.f December 2018			✓	✓
Mr. Michael J. Obonyo	✓	✓	✓	✓	✓
Prof. Isaac I. Odeo	✓	✓	✓	✓	✓
Eng. Mwaka Mungatana	-	-	-	✓	✓
Mr. Tom M. Wambua	Replaced Ms. Harriette Chiggai w.e.f December 2018			✓	✓

Mandate

- To act on behalf of Council except in so far as the Council may wish to limit its powers in any respect. However, the Committee shall pay due regard to the necessity to refer matters of major importance to the Council for final approval and shall not have the power to approve the Annual Estimates and Expenditure.
- To take charge of all arrangements for erection of new buildings once the finances have been made available.
- To receive and consider reports on the performance of various contractors.
- To be responsible for authorizing expenditure for all maintenance works with the provision that the Committee will have the authority to delegate the minor maintenance works to an executive sub-committee of the University.
- To provide progress reports on development projects to Council.
- To recommend and effect as appropriate any modification in physical facilities as may be necessary.
- To consider and make recommendations to Council on acquisition of new fixed assets including land and to advise Council on utilization of such assets and land.
- To act on behalf of the Council in implementing and reviewing of the University Strategic Plan.

THE COUNCIL'S KEY ACHIEVEMENTS IN 2018/2019



Approval of:

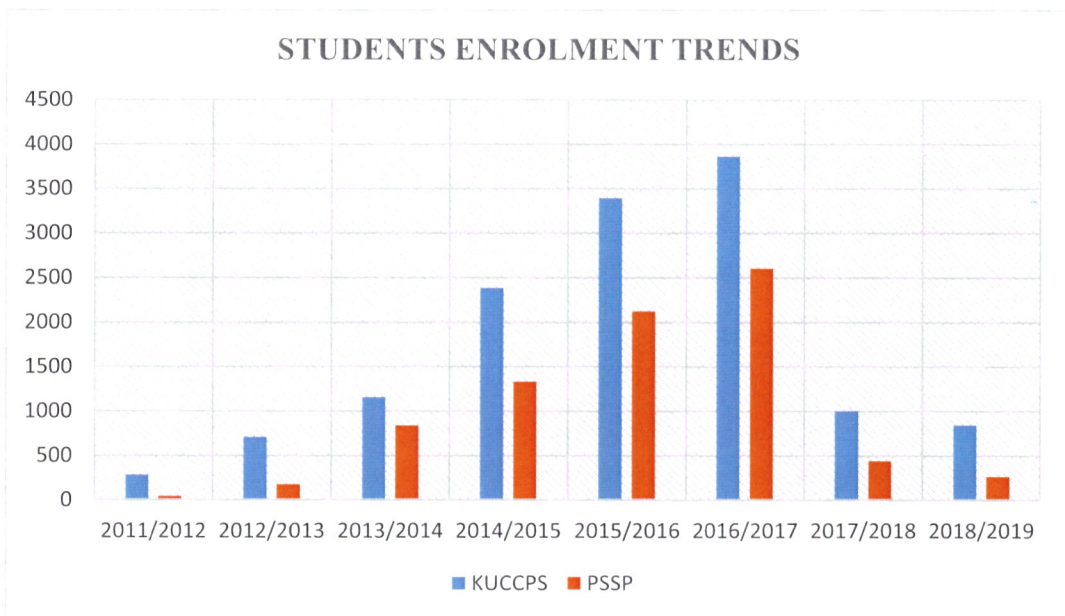
- i) Students Organization of Kibabii University Constitution
- ii) Corporate Social Responsibility Policy
- iii) Kibabii University Health Policy
- iv) Kibabii University Strategic Plan 2016-2020
- v) Kibabii University Scheme of Service for Teaching and Administrative Staff
- vi) Collective Bargaining Agreements for UASU, KUSU and KUDHEIHA
- vii) Kibabii University Staff Establishment for 2018-2022
- viii) Quarterly Reports and Financial Statements
- ix) Budget Estimates for each Financial Year
- x) Membership to Council Standing Committees and their Terms of Reference
- xi) Performance Contract for each Financial Year
- xii) ICT Strategic Plan



The University has a strategic plan 2016-2020 that is in the final phase of implementation. The strategic plan outlines six strategic directions that guide the University towards achievement of its mandate.

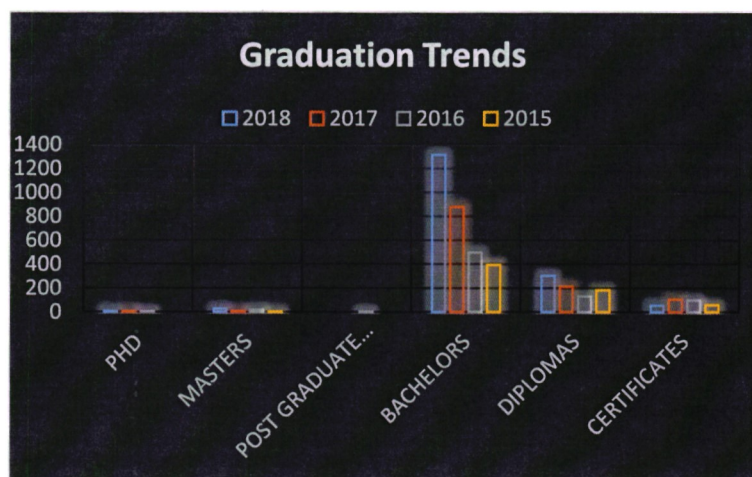
Enrolment

The University over academic years between 2011/2012 and 2016/2017 experienced growth in student's enrolment. In the academic years between 2017/2018 to date the University's student's enrolment declined. This is attributed to low number of students who passed KCSE examination due to measures put in place by Ministry of Education to curb cheating and improve quality of education in Kenya. Currently, the University student population stands at 7059 students across all programmes. The pictorial below show the University's students enrolled in first year over the academic years.



Graduation

During the Year under Review, the University held its 3rd Graduation Ceremony where a total of 1704 students graduated among them, there were 6 PhD, 26 Masters, and 1314 Bachelor's degrees were conferred and 302 Diplomas and 56 Certificates awarded. Below supervisors present a candidate to be awarded a PhD by the University Chancellor at the third graduation.



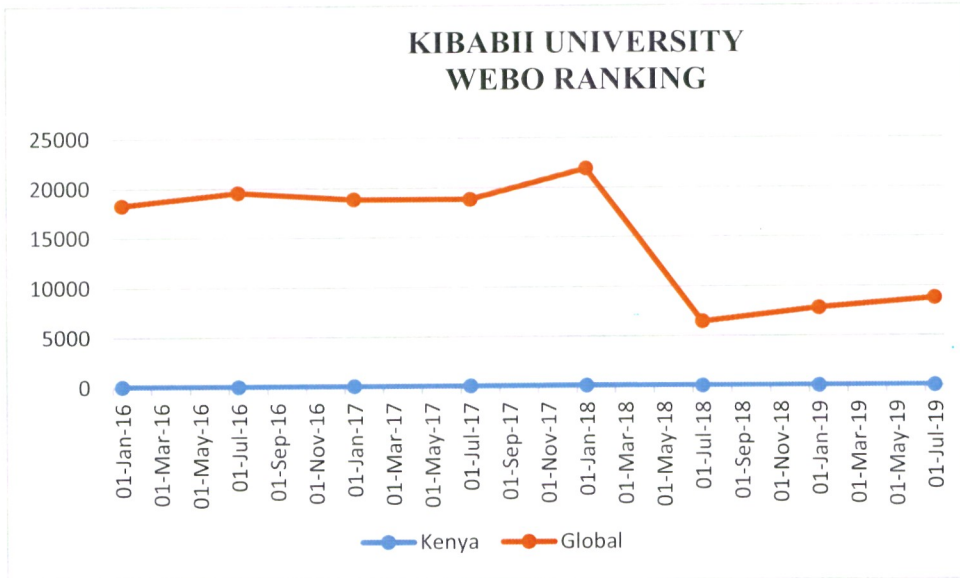


MANAGEMENT DISCUSSION AND ANALYSIS

Kibabii University Webometric Ranking Trends

The University has continued to monitor its performance against Institutions of higher learning globally.

The graph and table below shows the University's Webometric Ranking both locally and globally.



Date	Kenya	Global
16-Jan-16	46	18279
31-Jul-16	50	19555
17-Jan-17	62	18875
31-Jul-17	62	18856
18-Jan-18	71	21916
31-Jul-18	10	6441
19-Jan-19	14	7819
31-Jul-19	16	8767

From the table, it can be seen that Kibabii University has hovered between 6, 000 and 22,000 positions globally. A lower ranking indicates the University is doing well.



STUDENT AFFAIRS REPORT

The Kenya National Drama and Film Festivals

The Kenya National Drama and Film festivals were held in Kibabii University from 3rd to 13th April 2019. Kibabii University won a total of twenty (20) awards on the following activities:

- i. Creative Modern Dance awards
- ii. Creative Cultural dance
- iii. Special awards

The event was attended by the Deputy President and cabinet Secretary Ministry of Education among other dignitaries.



Games and Sports

The University participated in various sporting activities which included National KUSA events, Rwanda Genocide Cup, Dodoma among other events. The University was awarded with various trophies in different activities.



National Music Festival

The Kibabii University choir participated in National Music Festival held at Dedan Kimathi University in Nyeri County on 9th August, 2018.

The University Choir Participated in twelve (12) items as follows. Out of the twelve (12), six items took position 1; three items took position two (2); one item took position three (3); another one item took position five (5) and the final item took position nine (9).





6th Careers and Cultural week 2019

This annual event took place between 20th and 23rd March, 2019. This year's theme was Embracing Cultural Diversity for National Cohesion, Innovation and Holistic Development. The event kicked off with an interdenominational service, graced by renowned gospel musician Gloria Muliro and Reuben Kigame. Which was followed by was talent search where several groups presented different items in the following categories: Dancing competitions, DJ, Comedy, singing and Rapping. The second day saw various Key note speakers; Nairobi County Senator, Hon Johnson Sakaja, Kenya film Classification Board (KFCB) C.E.O Dr. Ezekiel Mutua, and Boniface Igathe, Equity bank, addressing students on different topical areas.



Student Elections

Students Affairs Department organized for two successful student's elections, the first one was held between 2nd and 6th November 2018 and the second was carried out successfully on 26th April 2019. All the vacant positions were filled.



RESEARCH & INNOVATION

Research Income

In the year under review, the University received Kshs.0.341million towards student research. The University also received research grants from European Union AHEAD project and National Research Fund for ICT HUB Infrastructure of Ksh.3.34 million and Ksh. 64.6 million respectively.

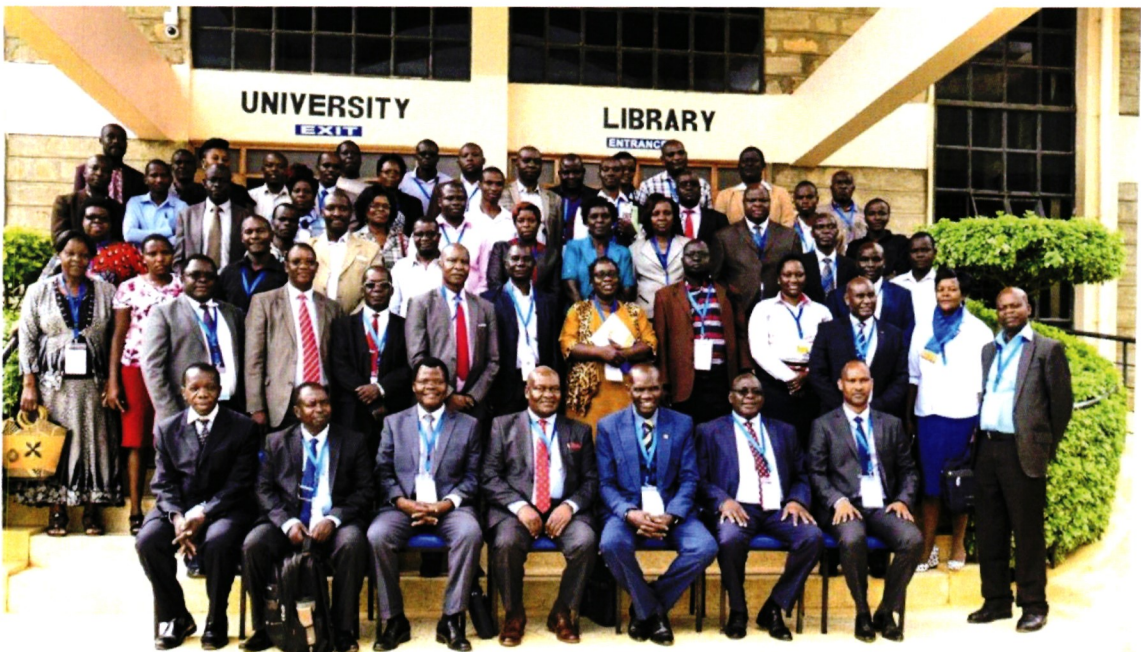
University Research Fund

During the year under review, the University funded the University Research Fund which saw a team of researchers awarded funds to conduct research through a competitive process. The researcher's received a grant of Kshs.0.3 million each to support their research.

Conference and Workshops

Fourth International Conference

The Division of Planning, Partnerships, Research and Innovation hosted the 4thKibabii University International Conference; this was themed "Enhancing Food Security and Universal HealthCare for Sustainable Development" which attracted over 100 participants.



4TH INTERNATIONAL CONFERENCE

DATE 12TH - 14TH JUNE, 2019 VENUE: KIBABII UNIVERSITY MAIN CAMPUS, BUNGOMA, KENYA

THEME: "Enhancing Food Security and Universal Health Care for Sustainable Development"

ENHANCE ADMINISTRATIVE, FINANCIAL AND HUMAN RESOURCE MANAGEMENT SYSTEMS

The University acknowledges the fact that Human and financial resources are very important resources which require proper administration to ensure the University runs smoothly to achieve its mandate. To ensure that the University programmes run smoothly, KIBU has employed competent teaching and administrative staff distributed across various cadres.

During they are under review Kibabii University was ISO 9001:2015 Certified by SGS. The University implemented Quality Management System based on the ISO 9001:2015 standard.

In the prior year the University invested in an ERP system that continues to help manage both its administrative and financial operations. It also employed austerity measures to ensure that the limited financial resources are utilized well while giving priority to essential and critical activities.

INVEST IN MARKETING, PUBLIC RELATIONS AND LINKAGES

The University continues to make strides in increasing its visibility despite the limited financial resources. During they year under review the University participated in various shows and Exhibitions to market its products and increase its visibility including, The Bungoma ASK show, Jua Kali Exhibition held in Eldoret during the financial year and the devolution Conference that was held in Embu County.

EXPAND, MAINTAIN AND IMPROVE PHYSICAL INFRASTRUCTURE AND STRUCTURES

The University continues to develop infrastructure to ensure that student's needs are met. The Women Students Hostel is 85% complete. The hostel will house 420 students. The project aims to help the University to achieve the Big Four Agenda of the Government on affordable housing.



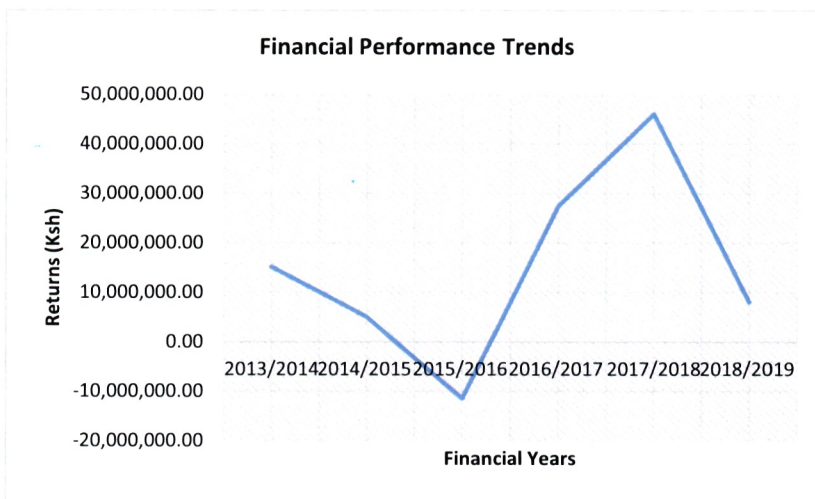
The Proposed Women Students Hostel under construction

IMPROVED IMPLEMENTATION OF HEALTH SERVICE

The University operates a level 3 A hospital facility and is in the process of getting the University Health Facility accreditation by NHIF so as to offer services not only to the Students and staff of Kibabii University, but also to the surrounding Community. This initiative will increase access to Health care and contribute to the achievement of the Government's Big Four Agenda on universal health care..

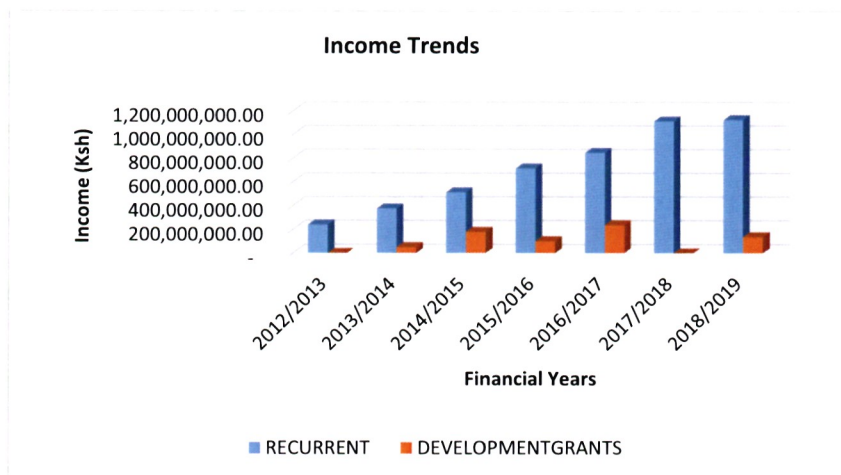
FINANCIAL PERFORMANCE

The University recorded a growth in revenue resulting in a surplus of Kshs.8.02 million in the year under review. The University has maintained positive results over the years.



Total Income

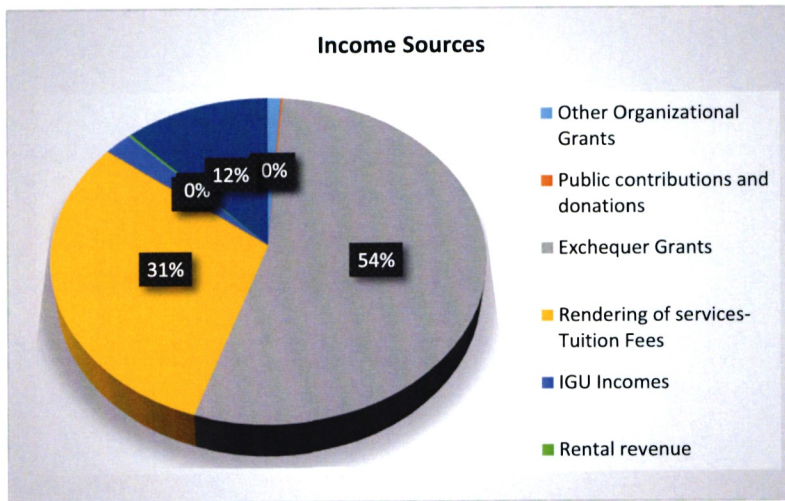
Our total income increased marginally from Kshs. 1.111 billion to Ksh. 1.260 billion in the previous financial year. This comprised of 64% from recurrent government capitation, and 36% A.I.A.Tuition fees contributed the biggest percentage of the A.I.A income.



IMPROVED IMPLEMENTATION OF HEALTH SERVICE

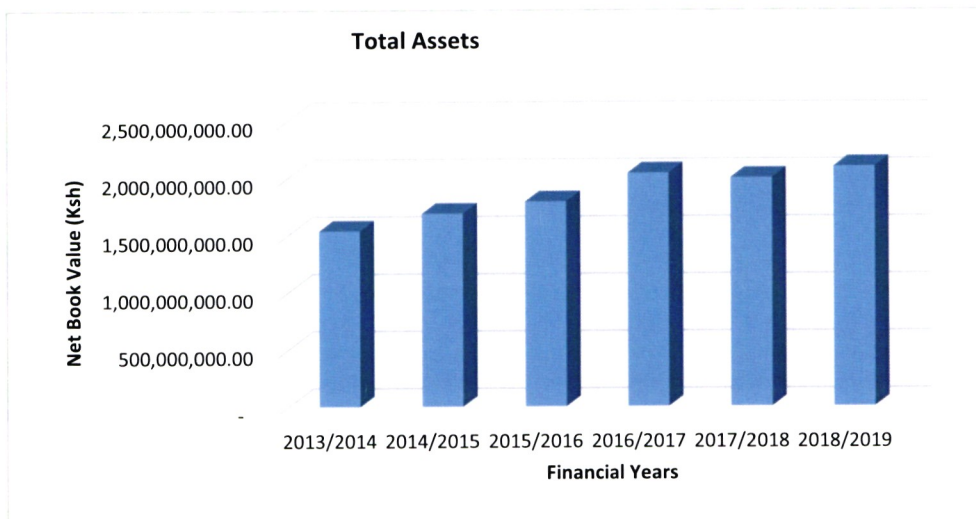
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FINANCIAL PERFORMANCE



Total Assets

The total assets grew from net book value of Ksh.1.995 Billion to Ksh. 2.093 Billion in the year under review. This exhibits a growth of 4.9% to the prior year's net book value.



COMPLIANCE WITH STATUTORY REQUIREMENTS

In the year under review, Kibabii University complied with all the statutory obligations except for the NSSF contributions accrued since inception for staff in the middle and senior levels as a result of practices inherited from Masinde Muliro University of Science and Technology. Negotiations are underway to resolve the matter and implementation in the future period. During the year under review the University had three ongoing cases (a) Number Bungoma NCPetitionno15of 2016. David Murambi and two(2)others VS the Country Government of Bungoma and Kibabii University for trespass to property . The total exposure to the University is Ksh.2.5Million. The University seeks an out of court settlement through mediation and went ahead to arrange for a tripartite meeting, where all parties were represented. Subsequently, a follow-up meeting was scheduled for March 22nd2019, where the petitioner was to come with their independent survey or to ascertain the acreage of the land where the alleged trespass occurred. However, this did not materialize as the petitioner and their lawyer did not show up. The University continues to pursue this avenue for amicable resolution. b) Bungoma Employment and Labour Relations Court CauseNo.61of 2018 walubengo Singoro Muliro VS Kibabii University. The liability is yet to be determined. c)Kisumu Employment and Labour Relations Court Cause No.61 of 2018 Prof Shem O. Aywa VS The Chairman of Council ,The Chancellor Kibabii University and Public Service Commission. The liability has not been determined.

KEY PROJECTS AND INVESTMENT DECISIONS THE UNIVERSITY IS PLANNING/IMPLEMENTING

i) Women Students Hostel(Ongoing)

The project will increase access to University education in line with the sustainable development goal on education. The project is financed by the Government of Kenya and is at 85%completion.

ii) School of Nursing (A planned Project)

The aim of the project is to promote research, innovation and healthcare. This will contribute to reduction of diseases and therefore increase productivity in our society. The project is intended to be financed by the Government of Kenya. The University defended its proposal at the Nursing Council of Kenya and approval was given to establish the school. The university has equipping the school with basic equipment's to enable its operation. Teaching positions for the school were also filled. On the other hand the Nursing Council of Kenya did a second inspection of the school for the purpose of approval to the enable it start operations. The University is hopeful that the approval will be granted.

iii) Proposed Water Supply Project (A planned Project)

The project will increase water supply to the University and reduce water born infections within the University. The facility needs continuous maintenance and continuous supply of operational consumables. The project is intended to be financed by the Government of Kenya.

MAJOR RISKS FACING THE UNIVERSITY

The University financial assets are trade receivables and cash and short term deposits which arise directly from its operations. The University has financial liabilities comprising trade and other payables.

The University has exposure to the following risks:

- i. Market risks
- ii. Liquidity risks
- iii. Credit risks

The Council has overall responsibility for the establishment and oversight of the University's risk management framework.

The University's risk management policies are established to identify and analyze the risks faced by the University, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in economic conditions and the organization's activities. The Vice Chancellor oversees how management monitors compliance with the University's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the University.

Market risks

Interest rate risk

The University has no interest bearing borrowings or investment and is financed by cash generated from its operations. This risk was therefore not applicable in the quarter under review.

Foreign currency risk

The University undertakes certain transactions denominated in foreign currencies, mainly the US Dollar. This results in exposures to exchange rate fluctuations. The balances impacted in this regard are the balance due to payments in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilizing matching of assets and liabilities.

Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. Typically, the University ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and political violence. All liquidity policies and procedures are subject to review and approval by the Council. All capital investments are funded by the Government.

Credit risk

Credit risk is the risk of financial loss to the University if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. The University receives fees from students which minimizes the credit risk exposure. The University has a student's fees payment policy which defines how and when fees are supposed to be paid hence minimizes credit risk.

All the University's receivables are fully performing and are expected to be repaid.

Bank balance includes cash in hand and deposits held with banks. Bank balances are not restricted to any use by the client.

Material Arrears in Statutory/Financial Obligations

Kibabii University did not have any material arrears in statutory/financial obligations as at the end of the year under review.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORT

Our People

Staff Team Building Exercise

Kibabii University organized a successful staff team building exercise on 28th June, 2019 held at Rock Garden Hotel in Bungoma town. The team took part in bonding and fun activities such as zumba, multi-legged race game, trivia games in a bid to foster effective communication, team work, accountability, problem solving and decision making among staff. Speaking at the event, the Vice Chancellor, Prof. Isaac Ipara Odeo hoped that the exercise would enhance productivity at work place.



Photo: The University staff participating in a team building activity at Rock Garden Hotel in Bungoma town

Tree Planting

Kibabii University, through Environmental Management and Mainstreaming Committee procured a total of Five Hundred (500) assorted tree seedlings for planting during the 2019 long rains. A total of three hundred (300) seedlings were planted in the University compound. In addition, the Committee sent a further 100 seedlings for planting at the University's plot in Sirisia as requested by the University Farm Manager.



In addition, in keeping with our Corporate Social Responsibility Policy, the University donated one hundred (100) seedlings to Kenya Forest Service for planting to mark the 2019 World Day of the Forest. This year's regional celebrations were marked at Kibabii Diploma Teachers Training College, Kimaiti Campus in Bungoma County.

Public Contribution

KIBU Community Outreach at Bungoma Referral Pediatrics Wing

Kibabii University staff visited Bungoma Teaching and Referral Paediatrics Wing, as part of its Community Outreach, on 11th December, 2018. The team led by Dr. Wasike and accompanied by Mr. Mulati the in charge Community outreach activities at the University shared the afternoon with the patients in the spirit of Christmas. Patients were gifted with goodies and words of encouragement to help them be part of the festivities, despite their circumstances. The feedback was truly moving, with patients showing their appreciation both with words and emotion.

The University also donated several items to the help the Administration in the smooth running of the hospital. The event was graced by among others, the Hospital Administration and a representative from the Ministry of Health Bungoma County.



Tree Planting

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Free medical camp

As an Initiative in support of one of the Big Four Agenda of the government, The University in partnership with the Ministry of Health, Bungoma County provided Community Outreach Services and a free medical camp at Chepkube and Cheptais in Mt. Elgon Sub-County on 14th & 15th February, 2019. The main activities included; General medical examinations and referrals where necessary, Health talks on hygiene and Ant-jiggers campaign. The university staff shared a cake with the community in the spirit of cohesion, love and Valentines

ISO 9001:2015 CERTIFICATION AND AUDIT

During the year under review, the Management System Recertification Audit was done by the SGS body. The main objective of the surveillance audit was to determine the conformity of the management system based on ISO 9001: 2015. The audit team concluded that the University established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives. The audit team recommended that, based on the results of the audit and the system's demonstrated state of development and maturity; the management system's certification be granted to the University. During the same year, the University launched the Information Security Management System based on ISO 27001: 2013 Standard.

QUALITY MANAGEMENT SYSTEMS (QMS) INTERNAL AUDIT BASED ON ISO 9001:2015 STANDARD

The University carried out the 2nd QMS Internal Quality Audit based on ISO 9001:2015 Standard between 4th June, 2019 and 6th June, 2019 in the sampled academic and administrative departments. This was done with a view to ensure compliance with the ISO 9001:2015 Standard. Below is the ICT Directorate during the ISO 9001:2015 Standard audit activity.

EDUCATION

Training to staff

The University supported staff to attend trainings at different levels both local and abroad. In the year under review Kibabii University facilitated four staff to undertake Senior Management Course at the Kenya School of Management. The University also sponsored staff to attend conferences, seminars and undertake trainings where they earned CPD hours in their professional areas.



ABOVE: Staff from ICT Directorate and Security Department attended a three days CCTV training at Paleo hotel and spa in Thika on 26th-28th June, 2019 and the University held a one-day training workshop on Intellectual Property Rights Management on 27th June, 2019 in Senate Boardroom.

Mentoring Students from Chesamisi High School and Silungai Girls Secondary

Kibabii University Vice Chancellor, Prof. Ipara Odeo led the Academic Advisory and Career Mentorship team in mentoring and advising the visiting form four students from Chesamisi High School (Prof. Odeo's former school) and Silungai Girls Secondary on 7th June, 2019.

Students were enlightened on:

- Kibabii University Academic Programmes
- Current market career trends
- Importance of working hard to realize their dream of pursuing University education



TECHNOLOGY

Kibabii University now under CCTV Surveillance

The University in quarter three installed a comprehensive Closed Circuit Television (CCTV) surveillance system which is now at 80% completion and operational. The surveillance system comprises a mixture of fixed position cameras and pan/tilt/zoom cameras both at internal and external locations. These cameras are linked to the Security Control Room via a dedicated and secure fibre optic network. CCTV live feed will be monitored 24hrs a day, 7 days a week. The CCTV system is a strategic component of the University's commitment to safety, security and crime prevention.



REPORT OF THE UNIVERSITY COUNCIL

The Council submit their report together with the audited financial statements for the year ended June 30, 2019 which show the state of the University's affairs.

Principal activities

The principal activities of the University continue to be provision of higher education, research and extension services.

Results

The results of the University for the Year ended June 30, 2019 are set out on page 54.

Council Members

The members of Council who served during the year are shown on pages 11 - 13. During the year one Council Member; Mr. Onyiego who was the representative of the Permanent Secretary, Ministry of Education, State Department of University Education and Research left due to his transfer to Turkana County as County Director of Education and Dr. Joyce Ngure was appointed in his place with effect from December, 2018. In the year under review the following two Council members were also appointed; Eng. Mwaka Mungatana and Mr. Tom Mboya Wambua with effect from September, 2018 and December, 2018 respectively.

Auditors

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

By Order of Council



Prof. Isaac I Odeo

Council Secretary

Bungoma

Date: 20th September, 2019

STATEMENT OF COUNCIL RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act and Section 47 of the Universities Act, 2012 require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2019. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities' Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of the University's transactions during the financial year ended June 30, 2019, and of the University's financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

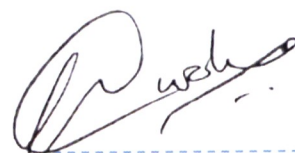
The University's financial statements were approved by the University Council on **20th September, 2019** and signed on its behalf by:



Chairman of Council



Vice Chancellor



Council Member

REPUBLIC OF KENYA

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NAIROBI HUB
P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KIBABII UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2019

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kibabii University set out on pages 1 to 43, which comprise of the statement of financial position as at 30 June, 2019, statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kibabii University as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act 2012 and the Public Finance Management Act, 2012.

Basis for Opinion

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

Emphasis of Matter

Long Overdue Students Fee Debtors

As disclosed under Note 21(a) to the financial statements, the statement of financial position reported total current receivables of Kshs.266,385,511 as at 30 June, 2019 which includes an amount of Kshs.259,442,332 being student debtors fee. An aging analysis performed on the individual balances revealed that an amount of Kshs.59,812,807 has remained outstanding for over 1 year in contravention of the University's fees management policy. Although the Management has indicated that the cases are being investigated through

Report of the Auditor-General on Kibabii University for the year ended 30 June, 2019

debtor's circularization to ascertain recoverability, the exercise had not been concluded as at the time of audit.

In the circumstances, the recoverability of the student fee debtor balances of Kshs.59,812,807 could not be confirmed and the huge fees arrears continue to impact negatively on the University's budget implementation due to low revenue collection.

My opinion is however not modified in respect of this matter.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Non-Compliance with the Law on Fiscal Responsibility - Wage Bill

The statements of receipts and payments reflects an expenditure of Kshs.809,525,632 on compensation of employees representing 63% of the total receipts of Kshs.1,280,941,516 comprising revenues from both exchange and non-exchange transactions, and capital grants. This contravenes Section 26(1a) of the Public Financial Management Act (National Government Regulations), 2012, which provides the limit for compensation of employees at 35% of the total receipts.

Consequently, Management is in breach of the law.

2. Non-Compliance with Law on Ethnic Composition

During the year under review, review of the human resource records revealed that, out of four hundred and sixteen (416) employees, three hundred and nineteen (319) representing 76.7% are from one ethnic community. This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

The Management is in breach of the law.

3. Irregular Variation of Construction of Academic Block Phase II (Main Works) Contract

As disclosed under Note 23 to the financial statements, the property, plant and equipment balance of Kshs.2,093,070,461 constitutes buildings with a net book value of Kshs.891,851,597. The buildings includes an Academic Block Phase II (Main Works) which was constructed under contract No.KIBUCO/50/14-15 at a contract sum of Kshs.206,799,010. A review of the final account revealed that the University varied the contract by Kshs.16,977,920. Though the variations were requested through site instructions and approved by the Accounting Officer, there was no certificate from the tenderer making a justification for such cost in line with Section 139(2) of the Public Procurement and Asset Disposal Act, 2015.

In the circumstances, it was not possible to ascertain whether the University obtained value for the money paid on the project.

4. Delayed Delivery of a Surveillance System

As disclosed under Note 18 to the financial statements, the total expenditure of Kshs.219,427,973 under general expenses includes Kshs.13,190,910 in respect of payments for security services. A review of payment records revealed that a local consultant was awarded a tender to supply, install, test and commission a CCTV surveillance system on 27 July, 2018. The project was to be completed in twelve (12) weeks. However, on 15 December, 2018, the contractor requested for an extension of time by a period of twenty (20) weeks and committed to complete the project by 30 June, 2019. On 10 June, 2019, the contractor informed the University's Management that the installation and testing of the CCTV system had been finalized and invited the users for training. However, the project was yet to be handed over and commissioned as at the time of audit in August, 2019.

Physical audit verification undertaken in September, 2019 revealed that the contractor was not on site as at the time of audit and it was not certain when the project would be delivered as per the specifications, although the Management availed a new performance bond by the contractor executed on 15 October, 2019,

Consequently, the University may not obtain value for money in the implementation of the system due to delays in completion.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Overall Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Conclusion

Weaknesses in Information Communication and Technology Infrastructure

Review of the University ICT governance documents and interviews with the Management revealed that the following weaknesses:

i) Weaknesses in Control Environment

Review of the University ICT governance documents and interviews with the Management revealed that there is no ICT Strategy Committee at the council level and no defined ICT training program on key staff members. The University does not also have a formally documented and approved processes to manage change request and upgrades made to all financial and performance information systems.

Further, there are no policies in place which cover physical access to sensitive ICT environments as well as procedures to cover environmental controls. As a result, there was no documented and tested emergency procedure .

In addition, there are no processes in place to review user access rights on the system and if the rights are in line with their responsibilities while there is no formally documented and approved user management standards and procedures

ii) Lack of Disaster Recovery Plan and Business Continuity Plan

The University does not have a Disaster Recovery Plan and a Business Continuity Plan. However, although the Enterprise Resource Planning (ERP) system is set to back up daily, such backups are not verified and checked for successful completion. Further, the University does not use the timetable module which is part of the ERP system, a necessity when part time lecturers, both internal and external make claims for payment.

Consequently, the university faces the risk of disruption of services in case of disasters, and due to unauthorized ICT infrastructure access and system changes.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective

processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and the University Council

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

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

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

The University Council is responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of giving an assurance on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. . If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


Nancy Gathungu
AUDITOR-GENERAL

Nairobi

07 April, 2021

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Revenue from non-exchange transactions			
Other Organizational Grants	6	12,036,403	4,684,665
Public contributions and donations	7(a)	1,868,800	587,110
Exchequer Grants	8	605,440,687	578,650,261
Other Incomes	9	19,836,626	19,815,690
		639,182,516	603,737,726
Revenue from exchange transactions			
Rendering of services- Tuition Fees	10	340,668,426	355,116,730
IGU Incomes	11	26,229,122	21,588,750
Rental revenue	12	2,589,840	2,559,700
Administrative Revenue	13	132,920,377	128,760,593
Total revenue from exchange transactions		502,407,765	508,025,773
Total Revenue		1,141,590,281	1,111,763,499
Expenses			
Employee costs	14(a)	807,209,275	758,957,443
Remuneration of Council Members	15	16,095,810	10,830,969
Depreciation and amortization expense	16	75,200,842	76,032,324
Repairs and maintenance	17	8,590,542	7,827,223
General expenses	18(a)	219,427,973	204,935,674
Marketing Costs	19	4,728,084	7,119,849
Total expenses		1,131,252,526	1,065,703,482
Surplus before tax		10,337,755	46,060,017
Taxation		-	-
Surplus/(deficit) for the period/year		10,337,755	46,060,017
Remission to National Treasury		-	-
Net Surplus for the year		10,337,755	46,060,017

The notes set out on pages 64 to 85 form an integral part of these Financial Statements.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2019

	Notes	2018-2019	2017-2018
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	20	255,607,072	123,888,544
Receivables from exchange transactions	21	317,108,827	270,207,917
Inventories	22	8,496,382	16,910,382
		581,212,281	411,006,843
Non-current assets			
Property, plant and equipment	23	2,093,070,461	1,995,348,326
Intangible assets	24	9,066,096	18,105,048
		2,102,136,557	2,013,453,374
Total assets		2,683,348,838	2,424,460,217
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	25	201,550,835	127,769,349
Refundable deposits from customers	26	40,214,144	16,511,776
Provisions	27	66,965,673	55,249,896
		308,730,652	199,531,021
Total liabilities		308,730,652	199,531,021
Net assets		2,374,618,186	2,224,929,196
Reserves		2,135,864,168	2,016,328,623
Accumulated surplus		238,754,018	208,600,573
Capital Fund		2,374,618,186	2,224,929,196
Total net assets and liabilities		2,683,348,838	2,424,460,217

The Financial Statements set out on pages 54 to 85 were signed on behalf of the University Council by:



ACCOUNTING OFFICER
 Prof. Isaac Ipara Odeo
 DATE: 20/09/2019



HEAD OF FINANCE
 CPA Dr. Benjamin Oduori
 ICPAK MEMBER NO: 7492
 DATE: 20/09/2019



CHAIRMAN OF COUNCIL
 Dr. Ernest Mwangi Njoroge
 DATE: 20/09/2019

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019

	Capital Reserves	Revaluation reserves	Revenue Reserves	Total
At July 1, 2016	362,552,705	1,407,099,296	97,182,525	1,866,834,526
Revaluation gain	-	27,386,000	-	27,386,000
Total comprehensive income	-	-	27,406,595	27,406,595
Capital/Development grants received during the year	238,517,630	-	-	238,517,630
Transfer of depreciation/amortisation from capital fund to retained earnings	-	-	37,951,436	37,951,436
At June 30, 2017	601,070,335	1,434,485,296	162,540,556	2,198,096,187
At July 1, 2017	601,070,335	1,434,485,296	162,540,556	2,198,096,187
Revaluation gain	-	-	-	-
Total comprehensive income	-	-	46,060,017	46,060,017
Capital/Development grants received during the year	588,682	-	-	588,682
Transfer of depreciation/amortisation from capital fund to retained earnings	-19,815,690	-	-	-19,815,690
At June 30, 2018	581,843,327	1,434,485,296	208,600,573	2,224,929,196
At July 1, 2018	581,843,327	1,434,485,296	208,600,573	2,224,929,196
Revaluation gain	-	-	-	-
Total comprehensive income	-	-	10,337,755	10,337,755
Capital/Development grants received during the year	139,351,235	-	-	139,351,235
Transfer of depreciation/amortization from capital fund to retained earnings	-19,815,690	-	19,815,690	0
At June 30, 2019	701,378,872	1,434,485,296	238,754,018	2,374,618,186

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE, 2019

		2018-2019	2017-2018
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Other Organizational Grants	6	12,036,403	4,684,665
Public contributions and donations	7(b)	519,800	587,110
Exchequer Grants	8	605,440,687	578,650,261
Rendering of services	10	340,668,426	253,892,818
IGU Revenue	11	26,229,122	21,588,750
Rental revenue	12	2,589,840	2,559,700
Administrative Revenues	13	132,920,377	128,760,593
Total Receipts		1,120,404,655	990,723,897
Payments			
Compensation of employees	14(b)	731,580,801	743,338,215
Remuneration of directors	15	16,095,810	10,830,969
General expenses	18(b)	201,784,243	181,752,747
Repairs and Maintenance	17	8,590,542	8,104,703
Marketing Costs	19	4,728,084	7,119,849
Total Payments		962,779,480	951,146,483
Net cash flows from operating activities		157,625,175	39,577,414
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		-162,559,882	-51,733,619
Proceeds from sale of property, plant and		0	0
Net cash flows used in investing activities		-162,559,882	-51,733,619
Cash flows from financing activities			
Capital Development Grants		136,653,235	0
Net cash flows used in financing activities		136,653,235	0
Net increase/(decrease) in cash and cash equivalents		131,718,528	-12,156,205
		131,718,528	-12,156,205
Cash and cash equivalents at 1 JULY	20	123,888,544	136,044,749
Cash and cash equivalents at 30 JUNE	20	255,607,072	123,888,544

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2019

Item Code	Budget Summary Details	Original Budget	Adjustments	Final Budget	Actual Income & Expenditure	Performance Difference	% Performance variation	Explanatory Notes
		2018/2019 KShs.	2018/2019 KShs.	2018/2019 KShs.	2018/2019 kshs	2018/2019 KShs.		
	INCOME							
	<u>Income from Exchequer</u>							
100	Exchequer Grants	566,038,134.00	39,402,552.96	605,440,686.96	605,440,686.96	-	0	
	<u>Income from Other Government Agencies</u>		-		-	-	-	
101	National Research Fund; ICT Grant	2,740,640.00	-	2,740,640.00	2,740,640.00	-	0	
102	National Research Fund; Student Research Grants	4,000,000.00	-3,659,000.00	341,000.00	341,000.00	0.00	0	
103	National Drama Festival Hosting Income	3,000,000.00	2,664,750.00	5,664,750.00	5,614,750.00	50,000.00	1	
	Sub - Total	71,600,000.00	514,750.00	72,114,750.00	69,112,375.00	3,002,375.00		
	<u>Income from Non-Governmental Agencies</u>		-			-	0	
104	European Union - AHEAD Project Grant	3,340,013.00	-	3,340,013.00	3,340,013.00	-	0	
	Sub - Total	2,740,483.45	-	2,740,483.45	3,340,013.00	-	0	
	<u>Appropriations in Aid (A-I-A)</u>		-			-	0	
105	Tuition Fees	267,704,950.00	72,963,476.00	330,889,242.00	340,668,426.00	9,779,184.00	-3	
106	Administrative & Related Charges	68,756,225.45	41,216,131.55	105,822,021.45	110,767,357.00	4,945,335.55	2	
107	Students Accommodation Fees	9,228,000.00	5,427,852.00	14,655,852.00	15,904,652.00	1,248,800.00	-9	
108	10 % Research Income	5,000,000.00	-	5,000,000.00	0	5,000,000.00	100	1
109	Field Trips/Attachment/School Practice Courses	15,946,000.00	4,500,000.00	20,446,000.00	22,153,020.00	1,707,020.00	-8	
110	Alumni Association Fee	1,300,000.00	795,000.00	2,095,000.00	2,290,700.00	195,700.00	-9	
	Sub - Total	367,935,175.45	33,067,940.00	401,003,115.45	404,501,912.00	-3,498,796.55	-1	
	<u>Income from IGU's</u>		-			-	0	
111	Rental Income & other Income	8,980,225.75	800,000.00	9,780,225.75	10,623,610.00	-843,384.25	-9	
112	Consultancy Fees	300,000.00	-	300,000.00	-	300,000.00	100	2
	Sub - Total	9,280,225.75	2,800,000.00	12,080,225.75	12,870,279.40	-790,053.65	-7	
	Total A-I-A	377,215,401.20	35,867,940.00	413,083,341.20	417,372,191.40	-4,288,850.20	-1	
	Gross Income	1,017,594,018.65	77,935,242.96	1,026,929,261.61	1,031,218,111.81	-4,288,850.20	0	

FINANCIAL STATEMENTS

EXPENDITURE								
(i) Administrative Costs								
(a) Compensation to Employees								
0	Personal Emoluments	307,574,244.50	-5,100,000.00	302,474,244.50	306,274,250.66	-3,800,006.16	-1	
1	Gratuity & Pensions Contributions	86,969,870.00	2,576,439.02	89,546,309.02	80,659,808.84	8,886,500.18	10	
2	House Allowance	146,197,728.00	-	146,197,728.00	144,016,338.10	2,181,389.90	1	
3	Other Personal Allowances	30,761,040.00	-	30,761,040.00	29,911,507.96	849,532.04	3	
4	House to Office Allowance	48,836,300.00	-11,000,000.00	37,836,300.00	41,250,797.33	-3,414,497.33	-9	
5	Casual Wages/locums	-	5,500,000.00	5,500,000.00	5,158,731.00	341,269.00	6	
6	Passage and Leave Expenses	2,809,520.70	-2,330,000.00	479,520.70	499,500.00	-19,979.30	-4	
7	Part-Time Lecturers Costs and PSSP Disbursements	54,500,000.00	32,350,000.00	86,850,000.00	87,916,500.00	-1,066,500.00	-1	
Sub - Total		<u>677,648,703.20</u>	<u>21,996,439.02</u>	<u>699,645,142.22</u>	<u>695,687,433.89</u>	<u>3,957,708.33</u>		
(b) Staff and Students Welfare								
200	Medical Bill Expenses	10,000,000.00	16,000,000.00	26,000,000.00	25,794,060.00	205,940.00	-2	
201	Public Health expenses	-	100,000.00	100,000.00	96,140.00	3,860.00	4	
202	Purchase of drugs	5,000,000.00	-1,200,000.00	3,800,000.00	4,188,149.60	-388,149.60	-10	
203	Inter-University Games & Other Student Activities	2,500,000.00	272,000.00	2,772,000.00	2,781,951.00	-9,951.00	-10	
204	Purchase of Uniform & soap	-	-	-	-	-	0	
205	Public Celebrations & Staff Welfare	250,000.00	200,000.00	450,000.00	383,272.00	66,728.00	-2	
206	Alumni Association Expenses	1,300,000.00	-	1,300,000.00	324,245.00	975,755.00	75	3
207	Student Expenses	2,000,000.00	1,500,000.00	3,500,000.00	3,508,165.00	-8,165.00	1	
208	Choir, Drama & Clubs	2,100,000.00	902,000.00	3,002,000.00	2,921,974.00	80,026.00	-6	
209	Coaching & Mentorship	400,000.00	-150,000.00	250,000.00	240,477.00	9,523.00	2	
210	HIV & AIDS, Gender Mainstreaming, Disability Mainstreaming and Other Related Activities	440,000.00	-50,000.00	390,000.00	382,120.00	7,880.00	21	4
211	Purchase of Sports Equipment	380,000.00	-50,000.00	330,000.00	310,900.00	19,100.00	2	
212	Student Admission Expenses	350,000.00	-70,000.00	280,000.00	307,754.00	-27,754.00	-10	
213	SGC Elections & Training	1,400,000.00	271,000.00	1,671,000.00	1,520,730.00	150,270.00	1	
214	Car Loan & Mortgage Scheme	-	-	-	-	-		
215	KIBUCOSA-SGC	2,200,000.00	-	2,200,000.00	1,993,386.00	206,614.00	-3	
216	Transport Operating Expenses	9,300,000.00	4,000,000.00	13,300,000.00	12,750,352.00	549,648.00	5	

FINANCIAL STATEMENTS

217	Office of The Vice Chancellor Expenses	2,000,000.00	-400,000.00	1,600,000.00	1,597,717.00	2,283.00	0	
218	Travelling & Accommodation Expenses	4,000,000.00	4,623,833.00	8,623,833.00	10,232,617.00	-1,608,784.00	-7	
219	External Travelling & Accommodation Exp.	500,000.00	-	500,000.00	506,653.00	-6,653.00	-1	
220	Postal & Courier Expenses	272,875.00	-	272,875.00	290,596.00	-17,721.00	-6	
221	Telephone Expenses	3,200,000.00	-700,000.00	2,500,000.00	3,269,687.00	-769,687.00	1	
222	Office Expenses	600,000.00	-60,000.00	540,000.00	507,819.00	32,181.00	6	
223	Purchase of Stationery	10,000,000.00	-1,600,000.00	8,400,000.00	5,714,899.00	2,685,101.00	2	
224	Council Expenses	10,500,000.00	3,500,000.00	14,000,000.00	16,095,810.00	-2,095,810.00	-8	
225	Audit Fees & Expenses	500,000.00	-	500,000.00	519,253.00	-19,253.00	-4	
226	Purchase of Computers, Printers & Other ICT Infrastructure	3,000,000.00	1,750,000.00	4,750,000.00	4,720,540.00	29,460.00	1	
227	Legal Expenses	500,000.00	-	500,000.00	452,795.00	47,205.00	9	
228	Insurance Expenses	5,000,000.00	-	5,000,000.00	5,364,651.00	-364,651.00	-7	
229	Recruitment & Training Expenses	1,000,000.00	300,000.00	1,300,000.00	835,398.00	464,602.00	-4	
230	Purchase of Motor Vehicles	13,800,000.00	-2,735,000.00	11,065,000.00	11,065,000.00	0.00	0	
231	Purchase of Plant, Furniture & Equipment	1,500,000.00	650,000.00	2,150,000.00	2,015,330.00	134,670.00	6	
232	Performance Contracting Projects	1,000,000.00	-	1,000,000.00	1,021,000.00	-21,000.00	-2	
233	Purchase of Newspapers	500,000.00	420,000.00	920,000.00	969,242.00	-49,242.00	-5	
234	Purchase of Health Services ERP Module	1,000,000.00	-1,000,000.00	-	-	-		
235	CBA Refund	-	17,643,730.00	17,643,730.00	17,643,730.00	0.00	0	
236	Strategic and Master Plan Implementation, Monitoring & Review	1,000,000.00	-250,000.00	750,000.00	458,510.00	291,490.00	9	
237	Valuation Expenses and Tender expenses	720,000.00	-	720,000.00	708,320.00	11,680.00	3	
238	National Drama Festival Hosting Expenses	3,000,000.00	1,500,000.00	4,500,000.00	4,093,568.00	406,432.00	-1	
239	Turkana Learning Centre	-	-	-	-	-		
240	Contingencies	200,000.00	-	200,000.00	187,100.00	12,900.00	6	
241	Performance Contracting	2,501,000.00	-	2,501,000.00	1,887,889.00	613,111.00	1	
242	ISO Implementation	3,200,000.00	489,000.00	3,689,000.00	3,535,526.00	153,474.00	8	
243	IGU Development Expenses	500,000.00	450,000.00	950,000.00	949,039.00	961.00	0	
	Sub - Total	<u>107,613,875.00</u>	<u>46,306,563.00</u>	<u>153,920,438.00</u>	<u>152,146,364.60</u>	<u>155,031,799.05</u>		
	(c) Academic (Teaching, Research, Consultancy & Extension)		-	-		-		
300	Field Trips/Attachments/School Practice supervision	15,500,000.00	-2,750,000.00	12,750,000.00	18,386,588.00	-5,636,588.00	6	

FINANCIAL STATEMENTS

301	Examination Expenses	3,000,000.00	-	3,000,000.00	1,474,720.00	1,525,280.00	-7	
302	External Examiners	2,500,000.00	-	2,500,000.00	2,187,247.00	312,753.00	0	
303	Internet Services	8,500,000.00	-250,000.00	8,250,000.00	8,213,281.00	36,719.00	0	
304	Deans & Senate Committees	300,000.00	-100,000.00	200,000.00	215,366.00	-15,366.00	-8	
305	Seminars and Workshops	2,000,000.00	150,000.00	2,150,000.00	2,127,065.00	22,935.00	1	
306	Graduation Expenses	10,500,000.00	1,964,000.00	12,464,000.00	10,926,580.00	1,537,420.00	-3	
307	Open & Cultural Day Expenses	950,000.00	-110,000.00	840,000.00	875,740.00	-35,740.00	7	
308	Library Expenses & Bindery	700,000.00	200,000.00	900,000.00	892,596.00	7,404.00	1	
309	Books & Journals	7,000,000.00	-1,750,000.00	5,250,000.00	4,253,496.00	996,504.00	-10	
310	Bookshop Expenses	-	-	-	-	-		
311	Caution Money	1,200,000.00	620,000.00	1,820,000.00	1,799,000.00	21,000.00	1	
312	Hire of Transport, Plant & Machinery	50,000.00	-	50,000.00	-	-	100	5
313	Community Based Edu.& Extension services	350,000.00	30,000.00	380,000.00	377,915.00	2,085.00	1	
314	University Research & Conferences	4,200,000.00	-450,000.00	3,750,000.00	3,958,728.00	-208,728.00	-6	
315	Quality Assurance	2,150,000.00	2,500,000.00	4,650,000.00	3,170,166.00	1,479,834.00	1	
316	Curriculum Development and Review	2,219,110.00	-200,000.00	2,019,110.00	1,586,282.00	432,828.00	21	6
317	Laboratory Equipment	4,000,000.00	590,000.00	4,590,000.00	4,581,345.00	8,655.00	0	
318	Teaching Materials	2,000,000.00	-	2,000,000.00	2,553,028.00	-553,028.00	0	
319	School of Nursing Development Expenses	3,000,000.00	-200,000.00	2,800,000.00	2,966,620.00	-166,620.00	-6	
320	Student Research Grant Expenses	4,000,000.00	-2,150,000.00	1,850,000.00	1,680,000.00	170,000.00	9	
321	AHEAD Research Project Expenses	2,740,483.45	-	2,740,483.45	1,607,360.20	1,133,123.25	41	7
322	ICT HUB Infrastructure Equipment Grant Expenses	64,600,000.00	-	64,600,000.00	2,740,640.00	61,859,360.00	95	8
323	Consultancy Expenses	400,000.00	-	400,000.00	-	-	100	9
	Sub - Total	141,859,593.45	-1,906,000.00	139,953,593.45	76,573,763.20	63,127,763.69		
	(d) Support Services							
400	Utilities (Electricity, Water & Conservancy)	16,000,000.00	50,000.00	16,050,000.00	16,763,617.00	-713,617.00	-1	
401	Payment of Rent & Rates	-	1,671,000.00	1,671,000.00	1,812,500.00	-141,500.00	-8	
402	Maintenance of Catering & Hostel Facilities	676,500.00	-200,000.00	476,500.00	475,635.00	865.00	0	
403	Cleaning Services	19,500,000.00	-4,500,000.00	15,000,000.00	14,360,037.00	639,963.00	1	
404	Maintenance of Plant, Furniture & Equipment	1,432,500.00	300,000.00	1,732,500.00	215,240.00	1,517,260.00	0	
405	Services Level Agreement(ABNO) Expenses	2,744,000.00	-	2,744,000.00	2,714,400.00	29,600.00	1	

FINANCIAL STATEMENTS

406	Network Installation and Maintenance	250,000.00	-40,000.00	210,000.00	208,200.00	1,800.00	1	
407	Maintenance of Computers	1,200,000.00	-600,000.00	600,000.00	625,956.00	-25,956.00	4	
408	Maintenance of Buildings	1,675,847.00	300,000.00	1,975,847.00	794,330.00	1,181,517.00	4	
409	Affiliation, Contract Services, Subscriptions & KUCCPS	1,710,000.00	1,350,000.00	3,060,000.00	1,905,769.00	1,154,231.00	1	
410	Maintenance of Water Supplies & Sewerage	350,000.00	1,667,246.00	2,017,246.00	1,215,651.00	801,595.00	0	
411	Maintenance of Playgrounds & Parks	350,000.00	-	350,000.00	277,250.00	72,750.00	-5	
412	Security Services	21,483,000.00	3,491,000.00	24,974,000.00	26,150,979.00	-1,176,979.00	-5	
413	Telecommunication Maintenance	-	-	-	-	-	0	
414	Fungicides, Insecticides & Sanitary Disposals Expenses	2,800,000.00	-	2,800,000.00	2,787,100.00	12,900.00	0	
415	Catering Expenses	14,200,000.00	6,288,994.94	20,488,994.94	17,648,557.00	2,840,437.94	-10	
	Sub - Total	<u>84,371,847.00</u>	<u>9,778,240.94</u>	<u>94,150,087.94</u>	<u>87,955,221.00</u>	<u>-3,214,072.36</u>	-3	
	Total Administrative Costs	<u>1,011,494,018.65</u>	<u>86,528,803.94</u>	<u>1,087,669,261.61</u>	<u>1,024,909,223.00</u>	<u>62,760,038.61</u>	6	
	(ii) Public Relations & Marketing Costs		-			-	0	
500	Advertising & Publicity	5,000,000.00	-390,000.00	4,610,000.00	3,535,350.00	1,074,650.00	0	
501	Publishing & Printing Expenses	350,000.00	-	350,000.00	443,250.00	-93,250.00	3	
502	Show Expenses & University Exhibitions	750,000.00	-	750,000.00	749,484.00	516.00	0	
	Sub - Total	<u>6,100,000.00</u>	<u>-390,000.00</u>	<u>5,710,000.00</u>	<u>4,728,084.00</u>	<u>16,396.00</u>		
	Total Marketing Costs	<u>6,100,000.00</u>	<u>-390,000.00</u>	<u>5,710,000.00</u>	<u>4,728,084.00</u>	<u>16,396.00</u>		
	Gross Expenditure	<u>1,017,594,018.65</u>	<u>86,138,803.94</u>	<u>1,093,379,261.61</u>	<u>1,029,637,307.00</u>	<u>62,776,434.61</u>		
	Budget Surplus/Deficit			-	1,580,804.81			

BUDGET NOTES

1. Research Income

There was a variance of 100% on the budget line since the University did not receive any income from research proposals hence the University is opportunistic that in the new financial year 2019/2020 some funds will be realized.

2. Consultancy Fees

The University did not receive any income from consultancy services due to lack of clients who needed consultancy services from the University, therefore there was significance variance of 100%.

3. Alumni Association Expenses

The University was able to save 75% of the Alumni association expenses budget items, these was as result of austerity measures put in place during the last graduation period.

4. HIV & AIDS, Gender Mainstreaming, Disability Mainstreaming and Other Related Activities

The vote for HIV & AIDS, gender, disability mainstreaming and other activities was underutilized by 21% due to minimal activities that were carried out. The students strike also disrupted the Aids control unit calendar and therefore most activities were not done.

5. Hire of Transport, Plant & Machinery

Cost of hiring transport, plant and machinery was reduced. This was because of acquisition of additional motor vehicles and therefore the institution was able to save 100 % of hiring costs.

6. Curriculum Development and Review

The University saved 21% of the costs budget item. This was due to cost control measures that was put in place by management by giving priority for items that needed more attention in terms of spending.

7. AHEAD Research Project Expenses

There was a significant variance of 41% in the vote of AHEAD research project expenses. These underutilization occurred due to logistical requirement on procurement of project's related equipment's.

8. ICT HUB Infrastructure Equipment Grant Expenses

The University underutilized the budget line item by 95%. These occurred due to late disbursement of funds by the National Research Fund. The funds were disbursed towards the end of the financial year.

9. Consultancy Expenses

The University did not incur costs on the Consultancy services hence a savings of 100% was realized. There were no consultancy activities carried out during the financial year under review.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Kibabii University is established by Kibabii University Charter 2015 and derives its authority and accountability from the University Act 2012. The University is wholly owned by the Government of Kenya and is domiciled in Kenya. The University's principal activity is to provide teaching, research and extension services.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Kibabii University's financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 27.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the University.

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 40: Public Sector Combinations	<p>Applicable: 1st January 2019:</p> <p>The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only) Business combinations and combinations arising from non-exchange transactions which are covered purely under Public Sector combinations as amalgamations.</p>

ii. Early adoption of standards

Kibabii University did not early – adopt any new or amended standards in year ended 2019.

NOTES TO THE FINANCIAL STATEMENTS

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

Rental income

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

b) Budget information

The original budget for FY 2017-2018 was approved by the National Assembly on 15th June, 2017. Subsequent revisions and additional appropriations were made to the approved budget in accordance with specific approvals from the University Council. The additional appropriations were added to the original budget by the University upon receiving the Council approvals in order to conclude the final budget. Accordingly, the University recorded additional appropriations of kshs. 249 million on the 2017-2018 budgets following the Council's approval.

The University's budget is prepared on the same basis as the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, the budget is also prepared on accrual basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, has been presented in the statement of comparison of budget and actual amounts.

NOTES TO THE FINANCIAL STATEMENTS

c) Investment property

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

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 50-year period.

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

d) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Fixed Assets are stated at cost or valuation, less accumulated depreciation. Depreciation is calculated on straight line basis, at annual rates estimated to write off of carrying values of the assets over their expected useful lives. Assets acquired during the year are depreciated from the date of acquisition.

The annual depreciation rates in use are:

Building	2%
Furniture, plant and equipment	12.5%
Motor Vehicles	25%
Computers	33.3%
Library books	20%

Freehold land is not depreciated as it is deemed to have an infinite life

e) Leases

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

NOTES TO THE FINANCIAL STATEMENTS

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

f) Intangible assets

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

The useful life of the intangible assets is assessed as either finite or indefinite.

g) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use.

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

h) Inventories

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

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

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

NOTES TO THE FINANCIAL STATEMENTS

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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

i) Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

The University provides for bad and doubtful debts at a rate of 5% on the value of debtors at the end of the financial year. This amount is recognised as an expense in the statement of financial performance.

Contingent liabilities

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

Contingent assets

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

Nature and purpose of reserves

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

Revaluation Reserves

This represents the change in values of assets after a revaluation that was undertaken during the FY2013/2014. It represents the value of assets previously owned by Kibabii Diploma Teachers Training College transferred to Kibabii University.

NOTES TO THE FINANCIAL STATEMENTS

If the carrying amount of a class of assets is increased as a result of revaluation, the increase is credited directly to revaluation surplus. If the carrying amount of a class of assets is decreased as a result of revaluation, the decrease is recognized in surplus or deficit.

Revaluation increases and decreases relating to Individual assets within a class of property plant and equipment is offset against others within the class. Some or the entire revaluation surplus included in net assets/equity in respect of property, plant and equipment is transferred directly to accumulated surpluses or deficit when the assets are derecognized either by disposing or retiring it.

Capital Reserves

This represents the values of Assets capitalized as a result of Capital development funding received from the Government of Kenya through the Ministry of Education state department of University Education.

Revenue Reserves

This represents Surplus or deficits incurred/ accumulated over time by the University as a result of its activities.

j) Changes in accounting policies and estimates

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

k) Employee benefits

Retirement benefit plans

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

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

Staff Annual Leave Accrual

Employee entitlements of annual leave are recognized when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employee up to the balance sheet date.

l) Foreign currency transactions

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

NOTES TO THE FINANCIAL STATEMENTS

they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2019.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determines an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 27.

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

6. OTHER ORGANIZANATIONAL GRANTS

Description	2018-2019	2017-2018
	KShs	KShs
Actual		
European Union- AHEAD Project Grant	3,340,013	896,665
Research Grants to Students	341,000	0
National Drama & Films Festival Committee	5,614,750	0
NRF Research Grants ICT	2,740,640	0
Total property taxes revenue	12,036,403	4,684,665

7. a) PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2018-2019	2017-2018
	KShs	KShs
Abno Softwares Limited	100,000	200,000
Eldoret Hospital	0	125,000
Bungoma West Medical Services	100,000	0
Robu Cleaning Services	0	100,000
Staff Members	22,800	42,110
others	110,000	70,000
Kenya Commercial Bank	0	50,000
Bungoma Chemist	20,000	0
Barowest	7,000	0
Rich Science World	10,000	0
Mediheal Hospital & Fertility Centre Ltd	100,000	-
Stanbic Bank Limited	50,000	-
Donation of books	1,349,000	-
Total	1,868,800	587,110

These are donations received from individuals and corporate bodies to support the University's activities.

7. b) PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2018-2019	2017-2018
	KShs	KShs
Abno Softwares Limited	100,000	200,000
Eldoret Hospital	0	125,000
Bungoma West Medical Services	100,000	0
Robu Cleaning Services	0	100,000
Staff Members	22,800	42,110
others	110,000	70,000
Kenya Commercial Bank	0	50,000
Bungoma Chemist	20,000	0
Barowest	7,000	0
Rich Science World	10,000	0
Mediheal Hospital & Fertility Centre Ltd	100,000	-
Stanbic Bank Limited	50,000	-
Total	519,800	587,110

8. TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income KShs	Amount deferred under deferred income KShs	Amount recognized in capital fund.	Total grant income during the year	2018-2019
	KShs	KShs	KShs	KShs	KShs
Ministry of Education State Department of University Education and Research	605,440,687	-	138,002,235	743,442,922	605,440,687
Total	605,440,687	-	138,002,235	743,442,922	605,440,687

9. OTHER INCOME

Description	2018-2019	2017-2018
	KShs	KShs
Deferred Income (Depreciation on Building)	19,815,690	19,815,690
Unrealized Currency Exchange Gains	20,936	0
Total deferred income	19,836,626	19,815,690

9. b) Development grants from national government or other development partners should be accounted for in accordance with IPSAS 23 – Revenue from non-exchange transactions. As described under IPSAS 23:14-16, such transfers/grants have stipulations which can be either conditions or restrictions on the transferred assets on which the entity is expected to use or consume the future economic benefit or service potential embodied in an asset for a particular purpose. The transfers from national Government have conditions, i.e., they can only be used for development purposes and hence should be accounted for as provided for under IPSAS 23: paragraph 17 and 44 which states that the entity should recognize the assets and liability. The liability is then recognized in the income statement over the useful life of development assets acquired using the development grants. This will happen after the asset is completed. While the asset is still in progress, no recognition should be done in the income statement.

10. RENDERING OF SERVICES

Description	2018-2019	2017-2018
	KShs	KShs
Tuition fees	340,668,426	355,116,730
Total revenue from the rendering of services	340,668,426	355,116,730

This is the University's main source of revenue from exchange transaction which is fees paid by students for purposes of accessing teaching services from the University.

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER IGU REVENUES

Description	2018-2019	2017-2018
	KShs	KShs
Sale of goods		
Catering Income	8,919,325	6,169,963
Accommodation Income	16,020,352	14,781,219
Farm, Grass income	11,270	8,420
Photocopying & Bindery Services	11,070	101,338
Hire income	1,267,105	527,810
Total revenue from the sale of goods	26,229,122	21,588,750

12. RENTAL REVENUE

Description	2018-2019	2017-2018
	KShs	KShs
Staff House rent	2,589,840	2,559,700
Total rentals	2,589,840	2,559,700

13. ADMINISTRATIVE REVENUE

Description	2018-2019	2017-2018
	KShs	KShs
Activity Fee	6,845,850	7,552,000
Agency Fee	241,328	243,193
Amenity Fee	6,886,850	7,364,320
Application Fee	789,970	903,648
Alumni fee	2,213,000	1,769,000
Students Fines & Penalties	3,726,690	500,600
Computer Fees	35,683,125	36,772,555
Examination fees	8,847,900	9,636,250
Identity Card	451,250	607,800
SGC Collections	2,740,100	3,021,500
Library fee	534,000	465,000
Medical Subsidy	11,292,240	12,186,360
Registration Fee	989,800	1,267,050
School Practice & Attachment/log	23,330,770	22,172,100
Supervision	7,963,500	7,861,050
Thesis Examination Fees	5,030,500	4,362,750
CUE Fees	1,501,525	1,944,550
KUCCPS Fees	1,201,500	1,673,550
Graduation fee	9,502,800	7,515,055
Workshops & Conferences Fee	381,466	382,161
Sundry Income	551,900	560,101
Referral/Supplementary/Remaking & Course Repeat	1,704,771	0
Provision for bad and doubtful debts (Decrease)	509,542	0
Total other income	132,920,377	128,760,593

14.a) EMPLOYEE COSTS

	2018-2019	2017-2018
	KShs	KShs
Salaries and wages	575,117,825	609,494,897
Employee related costs - medical aids	25,794,060	22,637,484
Part time payments	168,392,164	126,825,062
CBA Pension Arrears	16,079,639	0
Service Gratuity Accrued	9,769,235	0
Leave Day Accrued	9,509,552	0
NSSF Arrears	2,546,800	0
Employee costs	807,209,275	758,957,443

14. b) EMPLOYEE COSTS

	2018-2019	2017-2018
	KShs	KShs
Employee costs	807,209,275	0
Part time payments	(53,802,887)	0
Service Gratuity Accrued	(9,769,235)	0
Leave Day Accrued	(9,509,552)	0
NSSF Arrears	(2,546,800)	0
Employee costs	731,580,801	0

15. REMUNERATION OF COUNCIL MEMBERS

Description	2018-2019	2017-2018
	KShs	KShs
Chairman's Honoraria	960,000	960,000
Council Member Allowances	15,135,810	1,480,000
Council transport and meal expenses	0	8,390,969
Total Council expenses	16,095,810	10,830,969

16. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2018-2019	2017-2018
	KShs	KShs
Property, plant and equipment	66,161,890	66,993,372
Intangible assets	9,038,952	9,038,952
Total depreciation and amortization	75,200,842	76,032,324

NOTES TO THE FINANCIAL STATEMENTS

17. REPAIRS AND MAINTENANCE

Description	2018-2019	2017-2018
	KShs	KShs
Maintenance of Catering & Hostel Facilities	2,747,715	2,801,200
Maintenance of Plant, Furniture & Equipment	215,240	1,686,915
Maintenance of Building & Stations	794,330	1,628,952
Maintenance of Water Suppliers & Sewerage	1,215,651	315,720
Maintenance of Playgrounds & Parks	277,250	77,385
Maintenance of Computers & Network Installation Exp.	625,956	1,594,531
Services Level Agreement (ABNO) expenses	2,714,400	0
Total repairs and maintenance	8,590,542	8,104,703

18. GENERAL EXPENSES

Description	2018-2019	2017-2018
	KShs	KShs
Affiliation fees	1,905,769	1,580,717
AHEAD Research Project Expenses	626,081	0
Alumni Association Expenses	324,245	0
Audit fees	519,253	5,600
Bank charges	672,727	284,499
CBA Refund	17,643,730	0
Choir, drama & clubs	2,921,974	1,470,184
Cleaning services	14,360,037	18,972,816
Community based education. Environment & Extension services	377,915	291,272
Couching & mentoring	240,477	173,720
Cultural & careers week	875,740	925,700
Curriculum Development & Review	1,586,282	0
Electricity, water & conservancy	16,763,617	14,272,072
Examination expenses	1,474,720	2,932,270
External examiners	2,187,247	2,378,154
Graduation expenses	10,926,580	15,499,883
Hire of transport	0	91,000
HIV/AIDS expenses	328,120	201,945
ICT Hub Infrastructure Equipment Expenses	2,740,640	0
Purchase of Newspapers	969,242	36,510
Income generating units expense	17,648,557	13,746,346
Insurance and legal expenses	5,817,446	5,802,143
Internet expenses	8,213,281	8,270,315
Inter-university games	2,781,951	2,086,989
ISO & Performance Contracting Expenses	3,535,526	6,558,628

NOTES TO THE FINANCIAL STATEMENTS

Library expenses	892,596	1,213,057
Motor vehicle expenses	12,750,352	7,947,590
National Drama Festival Hosting Expenses	4,093,568	0
Office of Vice Chancellor Expenses	1,597,717	0
Official entertainment	395,738	1,493,340
Other Administrative Expenses	2,470,130	0
Passage & baggage	354,500	2,802,744
Performance contracting projects	2,908,889	335,340
Postal and Courier Services	290,596	247,475
Provision for audit fees	0	580,632
Provision for bad and doubtful debts (Decrease)/increase	0	4,053,779
Public celebrations & funerals	383,272	136,740
Purchase of drugs and Public Health Expenses	2,507,041	0
Purchase of sports equipment	310,900	350,810
Purchase of stationery	5,714,899	6,268,583
Quality assurance	3,170,166	5,077,455
Recruitment & Training	835,398	2,368,120
Rent and rates	2,061,500	10,397,655
Research expenses	3,958,728	4,679,403
School practice	18,386,588	22,527,962
Security services	13,190,910	14,468,388
Seminars & conferences	2,127,065	2,136,135
Senate expenses	204,066	216,200
SGC elections & training	1,520,730	472,000
SGC expenses	1,993,386	2,185,980
Strategic Plan & Master Plan expenses	458,510	615,600
Student expenses	3,815,919	3,246,195
Students research fund expenses	830,000	0
Teaching material	2,553,028	3,411,800
Telephone expenses	3,269,687	3,030,003
Tender expenses & other administrative charges	708,320	1,162,302
Travel & accommodation	10,232,617	7,652,143
Total general expenses	219,427,973	204,658,194

18. b) GENERAL EXPENSES

Description	2018-2019	2017-2018
	KShs	KShs
Total general expenses	219,427,973	-
CBA Refund	(17,643,730)	0
Total general expenses	201,784,243	0

NOTES TO THE FINANCIAL STATEMENTS

19. PUBLIC RELATION AND MARKETING COSTS

Description	2018-2019	2017-2018
	KShs	KShs
Advertising & Publicity	3,535,350	6,280,805
Publishing and Printing	443,250	271,941
University Shows & Exhibitions	749,484	567,103
Total finance costs	4,728,084	7,119,849

20. CASH AND CASH EQUIVALENTS

Description	2018-2019	2017-2018
	KShs	KShs
Current account	255,607,072	121,865,824
Fixed deposits account	0	2,000,000
Total cash and cash equivalents	255,607,072	123,865,824

20 (a) DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2018-2019	2017-2018
		KShs	KShs
a) Current account			
Kenya Commercial Bank Limited	1132024889	57,027,473	19,753,003
Kenya Commercial Bank Limited	1137408375	54,363,284	9,293,348
Kenya Commercial Bank Limited	1137408286	16,055,322	17,925,664
National Bank of Kenya Limited	1281076872600	428,026	437,921
National Bank of Kenya Limited	1001076872600	27,126,628	16,303,781
Equity Bank Limited	480261211508	15,466,137	5,696,355
Equity Bank Limited	500261717898	2,425,993	492,863
Standard Chartered Bank	1020282721	16,821,289	14,834,173
Family Bank Limited	77000029979	49,017,807	31,732,176
Co-operative Bank of Kenya Ltd	1129669927300	15,135,068	3,450,633
Barclays Bank of Kenya Limited	2028252628	1,614,135	1,945,907
Barclays Bank of Kenya Limited (EURO Account)	2040024649	5,320	0
Barclays Bank of Kenya Limited (DOLLA Account)	2040024657	0	0
Sub- total		255,486,482	121,865,824
c) Fixed deposits account			
Equity Bank Limited	0480369612597	0	2,000,000
Sub- total		0	2,000,000
e) Others(specify)			
Cheques in transit		0	-
cash in hand		120,590	22,720
Petty Cash		0	-
Sub- total		120,590	22,720
Grand total		255,607,072	123,888,544

21. a) RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Current receivables		
Students fees debtors	259,442,332	269,633,172
Less: Provision for bad debts	-12,972,117	-13,481,659
Staff debtors	7,404,501	4,752,609
Other debtors	10,010,795	9,303,795
Pre- payments	2,500,000	0
Total current receivables	266,385,511	270,207,917

21. b) RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Exchequer grants(Recurrent)	50,723,316	0
Total current receivables	50,723,316	0
Total receivables	317,108,827	0

22. INVENTORIES

Description	2018-2019	2017-2018
	KShs	KShs
Consumable stores	4,623,787	4,016,759
Medical supplies & Laboratory Chemicals	2,111,495	6,580,945
Electrical, Building & plumbing materials	974,275	5,375,210
Catering	786,825	937,468
Total inventories at cost	8,496,382	16,910,382

23. PROPERTY, PLANT AND EQUIPMENT

COST	LAND Shs	BUILDINGS Shs	W.I.P Shs	PLANT AND EQUIPMENT Shs	COMPUTERS, PRINTERS & COPIERS Shs	FURNITURE & FITTINGS Shs	MOTOR VEHICLES Shs	LIBRARY BOOKS Shs	TOTAL Shs
At 1 July 2017	96,152,728	990,784,520	900,427,359	16,675,060	27,388,515	53,082,814	55,746,158	37,791,154	2,178,048,308
Valuation	0	0	0	0	0	0	0	0	0
Additions	0	0	18,882,800	2,803,314	5,553,199	1,723,000	15,116,000	7,655,306	51,733,619
Donations	0	0	0	0	0	0	0	588,682	588,682
Transfers/adjustments	0	0	-27,144,000	0	0	0	0	0	-27,144,000
At 30 th June 2018	96,152,728	990,784,520	892,166,159	19,478,374	32,941,714	54,805,814	70,862,158	46,035,142	2,203,226,609
At 1 st July 2018	96,152,728	990,784,520	892,166,159	19,478,374	32,941,714	54,805,814	70,862,158	46,035,142	2,203,226,609
Additions	0	0	138,002,235	2,079,771	4,042,040	3,117,340	11,065,000	4,253,496	162,559,882
Donations	0	0	0	0	0	0	0	1,349,000	1,349,000
Transfer/adjustments	0	0	-1,809,600	1,809,600	0	0	0	0	0
At 30 th June 2019	96,152,728	990,784,520	1,028,358,794	23,367,745	36,983,754	57,923,154	81,927,158	51,637,638	2,367,135,491
Depreciation and impairment									
At 1 July 2017	0	59,301,543	0	7,778,024	18,168,268	24,516,940	17,401,463	13,718,672	140,884,910
Depreciation	0	19,815,690	0	2,434,797	10,969,591	6,850,727	17,715,540	9,207,028	66,993,373
At 1 July 2018	0	79,117,233	0	10,212,821	29,137,859	31,367,667	35,117,003	22,925,700	207,878,283
Depreciation	0	19,815,690	0	2,694,027.00	5,627,318	7,215,537	20,481,790	10,327,528	66,161,890
Prior year adjustment	0	0	0	0	0	-24,857	0	0	-24,857
At 30 th June 2019	0	98,932,923	0	12,906,848	34,765,177	38,608,061	55,598,793	33,253,228	274,065,030
Net book values									
At 30 th June 2019	96,152,728	891,851,597	1,028,358,794	10,460,897	2,218,577	19,315,093	26,328,365	18,384,410	2,093,070,461
At 30 th June 2018	96,152,728	911,667,287	892,166,159	9,265,553	3,803,855	23,438,147	35,745,155	23,109,442	1,995,348,326

a.WIP relates to the total value of materials and labour for unfinished projects.
 b.Donations Relate to donation of books to the University Library. During the year in review the University received book donations from Gabby Ltd and AVIV Books ltd, Professor Ipara Odeo (vice Chancellor), Mr. John Odour&Mr. Erick Ngala Mutumbi.

24. INTANGIBLE ASSETS-SOFTWARE

Description	2018-2019	2017-2018
	KShs	KShs
Cost		
At beginning of the year	27,144,000	-
Additions	0	27,144,000
At end of the year	27,144,000	27,144,000
Additions–internal development	0	-
At end of the year	27,144,000	27,144,000
Amortization and impairment		
At beginning of the year	9,038,952	-
Amortization	9,038,952	9,038,952
At end of the year	18,077,904	9,038,952
Impairment loss	0	-
At end of the year	18,077,904	9,038,952
NBV	9,066,096	18,105,048

25. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2018-2019	2017-2018
	KShs	KShs
Trade payables	7,427,704	22,029,228
Third-party payments (Part-timers claims)	45,443,493	50,000,000
Project Retention Money	22,169,818	13,253,612
NRF Research Grants ICT	61,859,360	-
Pension contributions Due from 2013-2017 CBA	16,507,664	-
CBA Refund due from 2010-2013 CBA	17,643,730	-
HELB account	1,094,462	1,994,805
CDF	9,290,252	16,191,169
County bursary	5,420,600	11,204,661
Other sponsors	2,416,100	3,157,550
Staff imprest recoveries	0	550,490
Kibabii University College Pension Scheme	428,025	437,921
Kibabii University Needy Students Fund	2,425,993	2,492,863
Caution money	8,503,950	7,361,850
KIBU Staff Recoveries	261,084	0
Provision for audit fees	500,000	0
Deposit on staff house rent	158,600	0
Total trade and other payables	201,550,835	128,674,149

26. REFUNDABLE DEPOSITS FROM STUDENTS

Description	2018-2019	2017-2018
	KShs	KShs
Payments received in advance (prepaid fees)	40,214,144	16,511,776
Total deposits	40,214,144	16,511,776

27. PROVISIONS

Description	Leave provision	Gratuity provision	Other provision	Total
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	29,986,264	24,683,000	580,632	55,249,896
Additional Provisions	9,509,552	9,769,235	2,546,800	21,825,587
Provision utilized	0	-10,109,810	0	-10,109,810
Total provisions	39,495,816	24,342,425	3,127,432	66,965,673

The University also makes statutory contribution to National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The University's obligation under the scheme is limited to specific contributions legislated from time to time and the contribution currently stands at Kshs. 400 per employee per month.

28. RECONCILIATION OF CASH GENERATED FROM OPERATIONS

	2018-2019	2017-2018
Surplus for the year before tax	KShs	KShs
Adjusted for:	10,337,755	46,060,017
Depreciation	75,200,842	76,032,325
Non-cash grants received	1,349,000	0
Impairment	-19,815,690	-19,815,690
Contribution to provisions	1,987,240	15,619,228
Working Capital adjustments		
(Increase)/Decrease in inventory	-8,414,000	-8,869,227
Increase in receivables	46,900,910	-79,851,115
Increase in payables	73,781,486	32,679,472
Increase in payments received in advance	-23,702,368	-21,372,796
Net cash flow from operating activities	157,625,175	40,482,214

29. FINANCIAL RISK MANAGEMENT

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

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

(i) Credit risk

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

The University receives fees from students for provision of different services and has a fee policy that defines how and when fees is to paid as well as denial of access to certain services including siting exams which minimizes the exposure to credit risk. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk without taking account of the value of any collateral obtained as at 30th June 2018 is made up as follows:

	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2019				
Receivables from exchange transactions	266,385,511	257,081,716	9,303,795	0
Bank balances	255,607,072	255,607,072	0	0
Total	521,992,583	512,688,788	9,303,795	0
At 30 June 2018				
Receivables from exchange transactions	270,207,917	260,904,122	9,303,795	0
Bank balances	123,888,544	123,888,544	0	0
Total	394,096,461	384,792,666	9,303,795	0

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

The University has significant concentration of credit risk on amounts due from Masinde Muliro University of Science and Technology (MMUST).

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

(ii) Liquidity risk management

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

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

NOTES TO THE FINANCIAL STATEMENTS

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2019				
Trade payables	52,274,222	88,856,187	51,916,476	193,046,885
Provisions	2,546,800	26,658,782	40,076,448	69,282,030
Fees Received in advance	21,424,253	16,647,466	2,142,425	40,214,144
Caution Money	-	-	8,503,950	8,503,950
Total	64,874,128	132,162,435	102,639,299	311,047,009
At 30 June 2018				
Trade payables	50,000,000	19,238,114	52,074,419	121,312,299
Provisions	580,632	38,213,931	16,455,333	55,249,896
Fees Received in advance	8,255,888	7,430,299	825,589	16,511,776
Caution Money	-	-	7,361,850	7,361,850
Total	58,836,520	64,882,344	76,717,191	200,435,821

(iii) Market risk

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

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

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

a) Foreign currency risk

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

The University did not have any foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

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

b) Interest rate risk

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

The University has no Interest bearing borrowings or investments and is financed by cash generated from its operations.

iv) Capital Risk Management

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

	2018-2019	2017-2018
	Kshs	Kshs
Revaluation reserve	1,434,485,296	1,434,485,296
Retained earnings	236,437,661	208,600,573
Capital reserve	701,378,872	581,843,327
Total funds	2,372,301,829	2,224,929,196
Total borrowings	0	0
Less: cash and bank balances	(255,607,072)	(123,888,544)
Net debt/(excess cash and cash equivalents)	(255,607,072)	(123,888,544)
Gearing	(9)	(6)

30. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal Owner of the University. The Government of Kenya exercises full control over the University. Other related parties include

- i) The National Government;
- ii) The Parent Ministry;
- iii) Key management;
- iv) Board of directors;

	2019	2018
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Government	742,588,121	578,650,261
Grants from County Government	-	-
Total	742,588,121	578,650,261
b) Key management compensation		
Directors' emoluments	16,095,810	10,830,969
Compensation to the CEO	9,201,944	9,176,744
Compensation to key management	17,216,286	39,187,119
Total	42,514,040	59,194,832

31. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities	2018-2019	2017-2018
	Kshs	Kshs
Case Number Bungoma NC Petition no 15 of 2016. David Murambi and two (2) others VS the Country Government of Bungoma and Kibabii University for trespass to property.	2,500,000	2,500,000
NSSF	2,546,800	2,550,400
Total	5,046,800	5,050,000

32. CAPITAL COMMITMENTS

Capital commitments	2018-2019	2017-2018
	Kshs	Kshs
Authorised for	1,500,000.00	7,477,000
Authorised and contracted for	300,000,000	178,692,112
Total	301,500,000	186,169,112

These are Capital commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments may be those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing)

33. EVENTS AFTER THE REPORTING PERIOD

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

34. ULTIMATE AND HOLDING ENTITY

The University is a Semi- Autonomous Government Agency under the Ministry of Education. Its ultimate parent is the Government of Kenya.

35. CURRENCY

The financial statements are presented in Kenya Shillings (Kshs).

NOTES TO THE FINANCIAL STATEMENTS

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Employee costs Included Ksh. 30,931,385 in Medical Aids. It was noted that the staff Medical aid was Open ended without limit level attached to staff of various cadres.	<ol style="list-style-type: none"> 1. A Medical Policy was developed and Approved by the University Council, for Implementation. The Policy puts Limits on Medical claims by staff in the Different Cadres. 2. The Medical Expenses for the FY2017/2018 also reduced by Ksh. 8,293,900. 3. The medical cost includes also the student's medical costs which they contributes to the University health scheme. 	VC	Partially Resolved	30 th June 2020
2.	Employee Costs of Ksh. 569,819,005 Constitute 67% of the Total revenue of Ksh. 845,972,657 Contrary to Section 26(1a) of the Public Finance Management Act, 2012- National Government Regulations, 2015, which Puts a cap at 35% of the total receipts	<ol style="list-style-type: none"> 1. In the FY2018/2019 the percentage has reduced to 63%. 2. In the FY2017/2018 this percentage stood at 68%. 3. Kibabii is a Young University that requires a certain threshold of staff especially Academic staff, to offer programmes as required by the Commission for University Education. The University is therefore still expected to recruit in order to attain its Optimum staff numbers. 4. The Core mandate of Kibabii University is the provision of quality teaching, research and Extension services, which requires the engagement of staff to head programmes and supervise research projects by students. For this reason the University expects to reduce this percentage to the expected 35% or less once it has obtained its optimum number of employees and increased its revenue streams. 	University Council	Not Resolved	30 th June 2022



Vice Chancellor

Date: 20/09/2019



Chairman of Council

Date: 20/09/2019..

NOTES TO THE FINANCIAL STATEMENTS

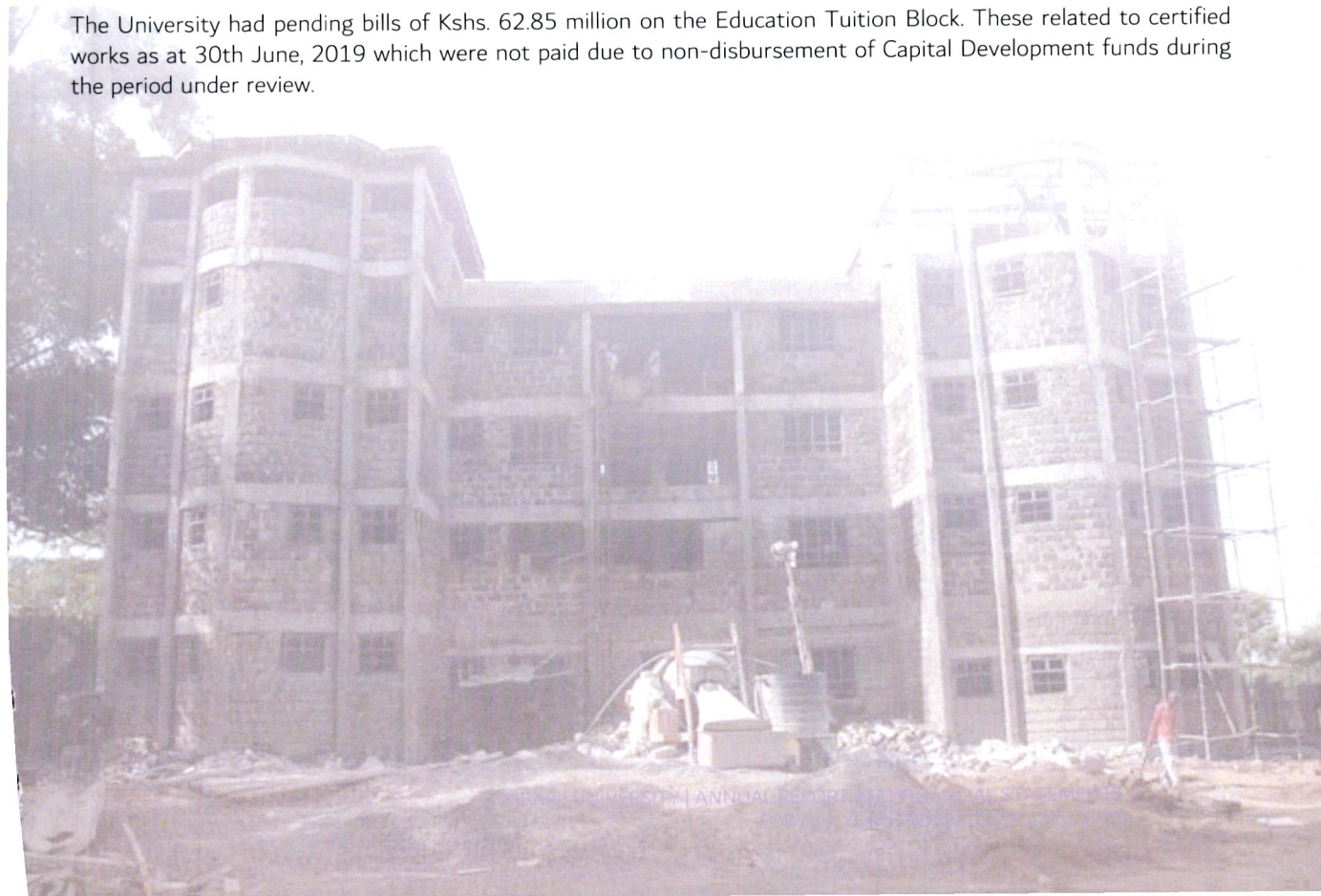
APPENDIX II: PROJECTS IMPLEMENTED BY THE UNIVERSITY

Projects

Status of Projects completion

S. No	Project	Contractor	Contract Sum	Amount Paid	Balance Due	Performance Status	Completion Status
1	Education Tuition Block And Associated Works	MILICONS Ltd	577,083,478	567,815,558	9,267,920	ONGOING	100%
		Philafe Engineering Ltd	35,913,221	22,524,118	13,389,103	ONGOING	100%
		Volcanic Plumbing Works	89,125,300	61,941,710	27,183,590.46	ONGOING	90%
2	Proposed Women Students Hostel And Associated Works	MILICONS Ltd	162,524,102	109,472,376	53,051,726	ONGOING	80%
		Philafe Engineering Ltd	6,418,010	3,958,238	2,459,772	ONGOING	65%
		Volcanic Plumbing Works	9,750,000	2,966,821	6,783,179	ONGOING	65%
			880,814,111	639,281,385	112,135,290.46		

The University had pending bills of Kshs. 62.85 million on the Education Tuition Block. These related to certified works as at 30th June, 2019 which were not paid due to non-disbursement of Capital Development funds during the period under review.



APPENDIX III: INTER-ENTITY TRANSFERS

KIBABII UNIVERSITY				
Break down of Transfers from the State Department of University Education; Ministry of Education				
a.	Recurrent Grants			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
		02 AUG 18	47,169,845.00	FY2018/2019
		30 AUG 18	47,169,845.00	FY2018/2019
		01 OCT 18	47,169,843.00	FY2018/2019
		07 NOV 18	47,169,845.00	FY2018/2019
		23 NOV 18	19,934,149.00	FY2018/2019
		03 DEC 18	44,339,654.00	FY2018/2019
		27 DEC 18	44,339,654.00	FY2018/2019
		01 FEB 19	46,226,447.00	FY2018/2019
	Fee Account	13 FEB 19	38,445,641.00	FY2018/2019
		07 MAR 19	46,226,447.00	FY2018/2019
		22 MAR 19	20,750,000.00	FY2018/2019
		28 MAR 19	43,396,257.00	FY2018/2019
		02MAY 19	47,169,845.00	FY2018/2019
	Fee Account	31 MAY 19	58,017,645.00	FY2018/2019
		06 JUN 19	47,169,845.00	FY2018/2019
		28 JUN 19	47,169,844.00	FY2018/2019
		09 JUL 19	50,723,315.90	FY2018/2019
		Total	742,588,121.90	FY2018/2019

HEAD OF FINANCE DEPARTMENT
KIBABII UNIVERSITY

SIGN: 

HEAD OF ACCOUNTING UNIT
MINISTRY OF EDUCATION

SIGN: 