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SPECIAL AUDIT REPORT

OF THE

AUDITOR-GENERAL

OF THE UNIVERSITY OF NAIROBI ON FINANCIAL, PROCUREMENT AND HUMAN
RESOURCE MANAGEMENT.

JANUARY 2017

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List of Abbreviations

The following abbreviations are used in this work plan

Abbreviation	Full Name
AGRA	Alliance for Green Revolution in Africa
AIE	Authority to Incur Expenditure
BBK	Barclays Bank of Kenya
CAE	College of Architecture and Engineering
CAVS	College of Agriculture and Veterinary Sciences
CBA	Collective Bargaining Agreement
CBPS	College of Biological and Physical Sciences
CEES	College of Education and External Studies
CHS	College of Health Sciences
CHSS	College of Humanities and Social Sciences
CHUNA	University of Nairobi Co-operatives
CLE	Council of Legal Education
CPRC	College Procurement Review Committee
DVC	Deputy Vice Chancellor
DVC(A&F)	Deputy Vice Chancellor Administration and Finance
GOK	Government of Kenya
HELB	Higher Education Loans Board
IDRC	International Development Research Centre
KCB	Kenya Commercial Bank
KRA	Kenya Revenue Authority
NHIF	National Hospital Insurance Fund
NSSF	National Social Security Fund
O/D	Overdraft
OP	Office Of The President
PAC	Public Accounts Committee
PAYE	Pay As You Earn
PMCT	Project Management Committee Team
PPDA	Public Procurement and Disposal Act
PPOA	Public Procurement Oversight Authority
SEMIS	Seed Enterprise Management Institute
SEMIS-CAVS	Seed Enterprise Management Institute- College of Agriculture and Veterinary Sciences
SWA	Student Welfare Authority
TORs	Terms of Reference
UON	University Of Nairobi
VAT	Value Added Tax
VC	Vice Chancellor
W.E.F	With Effect From

1. Executive Summary

1.1 Background and Introduction

Background

1.1.1 The University of Nairobi (UoN) is a body corporate established under the Universities Act, 2012 of the Laws of Kenya and the University of Nairobi Charter. It is a pioneer institution of Higher Education in Kenya and the region.

1.1.2 In October, 2015 the Parliamentary Departmental Committee on Education inquired into alleged management crisis at the University of Nairobi following a request by the Member of Parliament for Navakholo Constituency, Hon. Emmanuel Wangwe.

1.1.3 Following the inquiry, the University of Nairobi Vice-Chancellor, Prof. Peter Mbithi vides letter reference No. UON/CA/VC/AD/VOL.1, dated January 19 2016, requested my office to carry out a special audit on the University financial, procurement and human resource management. On March 7, the Vice-Chancellor sent a follow-up letter specifying the scope of the special audit.

Introduction

1.1.4 The various issues raised were analyzed into the following auditable areas as detailed in **appendix 1**:

- Financial management processes;
- Procurement management processes;
- Governance issues;
- Tribalism and nepotism; and
- Weaknesses, possible abuse of these weaknesses, areas of improvement, conclusion and recommendations.

1.1.5 The special audit scope covered the period from 1 July 2014 to 30 November 2015. The actual assignment and reporting was carried out between May 2016 and December 2016. The special audit report is structured as follows;

1. Executive summary
2. Introduction and Background
3. Detailed Findings
4. Appendices

1.1.6 The detailed findings set out in this special audit report should be read in its entirety in order to comprehend fully the approach to and findings of our work. The special audit reports on the terms of reference as requested, and reported on facts as understood, with the aim of informing the users in their deliberations and decision making processes.

1.2 Summary of Findings

Financial Management

1.2.1 The University of Nairobi has an approved Financial Regulations that guides management in making prudent financial decisions on the institutions resources. These regulations and procedures were designed to ensure operational compliance with various laws and regulations.

1.2.2 According to Part IV Section 35 of the Universities Act, 2012, the University Council should approve the policies and budgets which are implemented by the Executive Management Board of the University of Nairobi.

University's Cash Position and Bank Overdrafts

1.2.3 The special audit noted the University of Nairobi has an history of shortages in funding from the exchequer, dating back to 2009. This was noted to have continued to date, for example, for the period under review, the special audit noted the University of Nairobi received capitation from the Government of Kenya (GoK) totaling Kshs.5,256,457,003 against a request of Kshs.6,681,131,000 and thus a shortage of Kshs.1,424,673,997 (21%).

- 1.2.4 The University of Nairobi is also expected to raise its revenues internally and had been recording shortfalls as well. For example, for the period under review, the special audit noted the University of Nairobi was expected to raise Kshs.8,004,114,000 but only managed Kshs.6,359,447,000 which was a shortfall of Kshs.1,644,667,000 (26%).
- 1.2.5 Further, there was a staff salary review for Universities after the signing of the Collective Bargain Agreement in 2010. The University of Nairobi made a payment on behalf of other universities and is since claiming this amount of Kshs.194,757,890 from the Government. The University is making a further claim of Kshs.627,725,562 from the Government for delayed pension receipts. These total claims amount to Kshs.822,483,452.
- 1.2.6 Following the aforementioned liquidity pressures, the University of Nairobi's Executive Management Board decided to engage in an overdraft facility with Barclays Bank of Kenya Limited. Their justification for these overdraft facility was based on the three aforementioned cases; the shortfalls in exchequer releases, the shortfalls in internally generated revenue and the salaries reviews of 2010 and pension payments whose transfers were delayed from the Government.
- 1.2.7 During the period under review, the special audit noted that the institution used this overdraft facility at their Barclays Bank Market Branch Account No. 8245515 to the tune of Kshs.450,000,000, to remedy delays in exchequer releases by the Government of Kenya to the University of Nairobi. These overdraft has accrued cumulative interest of Kshs.74,715,993 between May 2014 and December 2015. The overall cash position of the University as at 30 November 2015 was a credit balance of Kshs.872,659,353. These funds at the Barclays Bank Market Branch Account No. 8245515 may have been idle cash and not earning any interests.
- 1.2.8 The University of Nairobi does not have a policy governing the overdrafts borrowing. However, it was noted that the University overdraft borrowing is governed by a memo dated 22 September 2015 prepared by the University's

Finance Department for the Vice-Chancellor that had been approved by the University Council. Despite the University Council's approval, the overdraft facility was not in compliance with the Public Finance Management Act, 2012 - Section 51 (1), (2) and (3) that requires the Cabinet Secretary in charge of the National Treasury to approve any intended borrowing, refinancing and repayment of loans and interests.

Statutory and other Outstanding Deductions

- 1.2.9 The special audit noted that the University of Nairobi had six statutory deductions in their payrolls namely; Kenya Revenue Authority (KRA), Pension Scheme, National Hospital Insurance Fund (NHIF), National Social Security Fund (NSSF), Higher Education Loans Board (HELB) and University of Nairobi Co-operative (CHUNA).
- 1.2.10 The special audit noted that the University of Nairobi did not remit Kshs.673,555,030 being the statutory deductions from staff salaries to the respective institutions as detailed in **table 3** and **appendix 2**.

Procurement Process Management

- 1.2.11 The University of Nairobi had a Procurement Plan for the Year 2014/2015 as per Section 20 (1) of the Public Procurement Regulations, 2006. The procurement process at the University of Nairobi is initiated by a user department through a requisition and then sent to the Procurement Department for further processing. After approval, the Procurement Department determines the procurement method. For contracts, an advertisement is placed in the daily newspapers and bidders are invited to tender and thereafter evaluated based on a set-out criteria. The lowest responsive bidder is then awarded the Contract as per the laid down procurement laws and regulations.
- 1.2.12 According to the University of Nairobi Projects Department, there were thirteen (13) capital expenditure projects implemented during the period under review.

The total project costs for these thirteen projects amounted to Kshs.3,052,202,567, as detailed in **appendix 3**. Excluded from this amount is Kshs.22,256,785 used for the purchase of motor vehicles. The special audit profiled and reviewed six (6) of these projects as shown in **table 4** of the detailed findings section of this special audit report. These included:

University of Nairobi Towers

- 1.2.13 Tender No. UON/T/P/01/2011-2012 for the construction of the proposed University of Nairobi Towers was initially advertised on 13 October 2011. The tender bid was opened on 17 November 2011, evaluations conducted on 22 November 2011, and The Tender Committee awarded the tender on 11 June 2012. This was based on the evaluation's committee recommended bidder, M/s. China Wu Yi Company Ltd, at a cost of Kshs.3,150,000,000. Despite M/s. Landmark Holdings Ltd having submitted a lower bid of Kshs.3,121,717,509 as detailed in **appendix 4**.
- 1.2.14 M/s. Landmark Holdings Ltd petitioned the award to the Public Procurement Administrative Review Board (PPARB) protesting the decision of the Tender Committee on the ground that they were not notified by the University of Nairobi of a correction of an arithmetic error on their bid, contrary to Section 63(2) of Public Procurement and Disposal Act, 2005.
- 1.2.15 M/s. Landmark Holdings Ltd had quoted Kshs.3,121,717,509, but the bid amount was revised upwards to Kshs.3,195,133,363 at the evaluation stage to correct their bid document arithmetic error of Kshs.73,415,854. Upon receiving this complaint, the Public Procurement Administrative Review Board annulled the Tender on 28 June 2012.
- 1.2.16 Consequently, the tender No. UON/T/06/2012-2013 was re-advertised in the Daily Nation and Standard newspapers of 15 August 2012 and 22 August 2012 respectively.

1.2.17 The scope of works comprised the construction of an ultra-modern, multi-storey building in its Main campus which included twenty-two storey and three basements floors. The project was meant to form part of the strategy for future development of the University. The bids were opened on 11 September 2012. Out of twenty-two (22) firms that purchased the bid, twelve (12) firms responded as detailed in **appendix 5**.

1.2.18 Technical evaluation was then done on 20 September 2012 and the evaluation committee recommended three firms to proceed to financial evaluation; M/s. China Wu Yi Co. Ltd., M/s. Shengli Engineering Construction (Group), M/s China Jiangxi International [K] Ltd. Mr. K. Mwangi of the Ministry of Higher Education and Mr. Oudo from the Architectural Association of Kenya were invited as observers at the evaluation committee meeting as required by Regulation 12(8) of the Public Procurement and Disposal Regulation, 2006, since the cost of the project was above Kshs.50,000,000.

1.2.19 The lowest bidder who met all the set out criteria was M/s. China Wu Yi Company Ltd at a project cost of Kshs.2,224,171,965. The tender committee approved the award of tender No. UON/T/06/2012-2013 for construction of the proposed University of Nairobi Towers to M/s. China WU Yi Co Ltd at a negotiated contract price of Kshs.2,275,183,265. The Contract was signed on 8 February 2013. The special audit noted that the University of Nairobi Towers is now complete but has not yet been handed over to the University management.

Kisumu Campus Complex

1.2.20 The tender No. UON/T/06/2011-2012 for the proposed Kisumu Campus Complex was advertised in the Daily Nation Newspaper and the Standard Newspaper on 12 July 2011. The bids were opened on 09 August 2011. All the seventeen (17) firms that purchased the bid document responded as detailed in **appendix 6** of the detailed findings section of this special audit report.

- 1.2.21 The technical and financial evaluation was done on 12 September 2012. The evaluation committee recommended M/s. Laton Engineering Ltd who was the most responsive bidder that met the set-out criteria at the financial evaluation at a total cost of Kshs.462,554,357. The notification letters to all bidders were sent on March 2, 2012. The contract was signed on 13 March 2012, and M/s. Laton Engineering Ltd accepted the award vide letter ref: LT/GE/10/203 dated 19 March 2012.
- 1.2.22 The work commenced on 13 March 2012 but was terminated 4 years later on 15 March 2016. The termination was due to little progress on agreed performance targets as per the contractor's work programme. The work was taken over by the University of Nairobi Engineers upon termination.
- 1.2.23 The cost was adjusted upward by approximately 2.35 per cent to Kshs.473,408,852 citing adjustment in prime cost sum as the rationale for the variation. The University Executive Management Board have assessed there is 78.59 per cent level of completion of works as at September 2016. The total amount paid at the time of this special audit report was Kshs.372,034,219. The balance of Kshs.101,374,632 has been taken by management to be the consideration of the work being undertaken by the University of Nairobi Engineers. Management does not anticipate additional cost overrun to complete the project.
- 1.2.24 A physical inspection of the Kisumu Campus Complex in September 2016 noted that the University Engineers were on site and working on the remaining parts and carrying out repair works. The value of defective work was estimated at Kshs.13,318,314, and is factored in the adjusted total cost of Kshs.473,408,852.
- 1.2.25 The special audit however noted that the project does not have a separate bank account, thus, all weekly payments for the casual workers who are engaged on the project were disbursed through the personal account of Mr. David Wafula - Clerk of Works at the University of Nairobi, based in Kisumu. He had received a total disbursement of Kshs.7,756,342, of which Kshs.5,797,342 was paid through his

personal bank account while Kshs.1,959,000 was disbursed in cash. All money requested by Mr. David Wafula were supported by payment schedules approved by the Project Manager of the University.

School of Pharmacy

- 1.2.26 The tender No. UON/T/51/2010-2011 for the construction of the School of Pharmacy building was advertised in the Daily Nation Newspaper on 22 April 2010. Thirteen (13) bids were purchased and all bidders responded according to the Tender Committee minutes of 29 September 2010, and detailed in **appendix 7**.
- 1.2.27 After the financial and technical evaluation, the tender for the construction of the proposed School of Pharmacy Phase - 1 Main Works was awarded to M/s. N.K Brothers Ltd at a cost of Kshs.152,903,392 as the lowest responsive evaluated bidder as per set-out criteria. The day the contract was signed would not be confirmed. The contract period was ninety-seven (97) weeks from the date of commencement. The notification letters to all bidders were sent on 1 October 2010.
- 1.2.28 Physical inspection of the project confirmed that works is still in progress despite the aforementioned timeframe of delivery of 97 weeks. The project should have been completed before the end of 2012. The University Management have attributed the delays of completion to cash flow challenges.

Proposed SEMIs Phase II CAVS-UON.

- 1.2.29 The tender No. UON/T.22/2010-2011 for the proposed SEMIs was advertised in the Standard Newspaper on 21 February 2011. The closing date for submission of tender was 15 March 2011. Ten (10) firms submitted their bids as per the tender opening minutes dated 15 March 2011, as detailed in **appendix 8**.
- 1.2.30 The evaluation committee recommended two bidders to the tender committee as detailed in the **table 7**. M/s. Elephant Construction Limited was most responsive

and lowest evaluated bidder and was awarded the contract at a negotiated contract sum of Kshs.97,281,022 to construct a SEMIs seed processing facility at the University of Nairobi. Notification letters to both the winner and the unsuccessful bidders were sent on 26 January 2012. The project has not been implemented because the University did not allocate resources for its implementation.

Renovation of the Vice Chancellor's Residence

1.2.31 The Vice-Chancellor's residence was unoccupied by the two former University of Nairobi Vice-Chancellors, and thus, the residence remained idle during their tenures. Most of the facilities in the residence were dilapidated and required refurbishment to be habitable according to a Maintenance Survey Report dated 11 December 2014, done by Arch. Jared Odwallo of the Department of Construction and Maintenance. Arch. Jared Odwallo in his report highlighted and recommended the need for several repair works in the official residence, guest wing and servant quarters.

1.2.32 The University Management noted that the renovation and procurement of materials was done in phases considering there was no storage facility on site and to avoid pilferage. The special audit noted some of the renovations works were incidental, and thus, the needs were identified in the process of the actual renovation, necessitating additional purchases.

1.2.33 The Construction and Maintenance Department recommended procurement of following items and services:

- Assorted Furniture;
- Assorted Kitchen Equipment;
- Renovation works; and
- Fencing works.

1.2.34 Procurement of materials for renovation was done at two levels as per the requirement of the procurement regulations; by the procurement committee for material costing below Kshs.500,000 that costed Kshs.8,228,156 and by the tender

committee for materials costing more than Kshs.500,000 that costed Kshs.9,662,858, all of which are detailed in **appendix 9**. A total of Kshs.17,891,014 was spent on renovation and purchase of furniture and equipment. The University Management noted the materials for renovations were of different supply categories and could therefore not be sourced from the same suppliers, and thus could not be lumped together under one tender.

Ganda Police Post

- 1.2.35 On 21 January 2014, the Manager, Construction and Maintenance in a memo No. UON/CMD/MAL made a request to the Procurement Manager to procure works for construction of a Police Post at Ganda Research Station in Malindi. The work was divided into building and fencing at a cost of Kshs.5,580,214 and Kshs.4,771,523 respectively.
- 1.2.36 The tender committee meeting held on 24 March 2014 approved the use of a restricted tender method noting it was specialized works that involved build pre-fabricated houses with five rooms and an armory, but few firms existed in that market.
- 1.2.37 On 9 June 2014, the then Vice-Chancellor, Prof. George Magoha, appointed Prof. Gichunge as Chairman of the Technical Evaluation Committee for the proposed construction of police post at Ganda Research Station. Tenders were received from nine (9) firms as shown in **table 8**. The tenders were evaluated and on 14 August 2014, the tender committee recommended M/s. Multi-Trio Agencies to be awarded the contract at Kshs.5,580,214 being the most responsive and lowest bidder which was inadvertently equal to the requisition costs.
- 1.2.38 Notification of award of contract and regret letters were all sent to on 22 August 2014. The project has since been completed and fenced off, however the building is not occupied to date. The University Management have noted that the police post as currently built can only accommodate five police officers and thus seen

as a security threat to police officers themselves. The post therefore awaits expansion to accommodate more police officers.

Procurement of Motor Vehicles

i. Procurement of sixty-two (62) seater's buses

- 1.2.39 The University in its Procurement Plan for the financial year 2014/2015 planned to procure motor vehicles valued at Kshs.64,017,000 as is requirement by procurement regulations.
- 1.2.40 On 16 December 2014, Dr. Julius M. Ogola - Coordinator Transport and Garage wrote an internal memo Ref. UON/TRAN/4/2 9128 to the Deputy Vice-Chancellor (Administration & Finance) for the approval to procure the new motor vehicles for various University Units totaling Kshs.86,000,000, as detailed in the **table 9** of the detailed findings section of this report. This request of Kshs.86,000,000 was higher than the budgeted amount of Kshs.64,017,000 by Kshs.21,983,000.
- 1.2.41 Further, the special audit noted the University management used a supply branch circular Ref No. SB/P/4/5/VOL.XXV111/ (92) dated 4 December 2012 to support the procurement of the motor vehicles that are all petrol-propelled. The tender committee approved the award for the supply and delivery of two (2) sixty-two (62) seater isuzu buses on July 29 2015 for use at the College of Agriculture and Veterinary Sciences (CAVS) and College of Architecture (CAE) to M/s. General Motors E.A. Limited at a total cost of Kshs.21,200,000, inclusive of VAT and registration charges. The supplier was notified on 7 August 2015 vide letter Ref. UON/PROC/CA/1/8.
- 1.2.42 On 31 October 2015, M/s. General Motors E.A. Limited issued a sales invoice to the University for the two buses amounting to Kshs.21,200,000 (after discount of Kshs.800,000). The vehicles were inspected by the Inspection and Acceptance Committee on 16 December 2015 and payment made on 21 January 2016. The vehicles registration numbers are KCE 397D and KCE 398D.

ii. Procurement of Ambulances

- 1.2.43 During the period under review, the University initiated procurement of two ambulance vehicles. This procurement was initiated by the Principal in charge of the College of Education and External Studies. The Principal noted the high running and maintenance costs of the current ambulance motor vehicle (registration number KAN 963U) as justification for the need.
- 1.2.44 On 9 February 2015 the tender committee approved the award for a contract to M/s. Toyota Kenya to supply and deliver a Toyota Ambulance Hiace to the College of Education and External Studies at a total cost of Kshs.5,923,514, inclusive of VAT and registration charges.
- 1.2.45 On 11 February 2015 the University notified M/s. Toyota Kenya vides Letter Ref: PROC/T/LOA/VOL.1, the award of contract for supply and delivery of one (1) ambulance at a cost of Kshs.5,923,514. On 30 April 2015 a Purchase Order No. PO00288640 was issued to M/s. Toyota Kenya for the supply of an Ambulance Toyota Hiace registered as KDH 222R-LEMDY.
- 1.2.46 The University did not execute the contract and the procurement process stalled. Another Purchase Order No. PO00288641, dated 30 April 2015 for a Toyota Land Cruiser Hardtop HZJ78R-JMRSS 4.2L Ambulance at a cost of Kshs.7,674,158, was later issued to M/s. Toyota Kenya.
- 1.2.47 On 31 December 2014 the University deposited Kshs.1,056,785, with M/s. Toyota Kenya for the aforementioned Land Cruiser Ambulance. The contract was not executed even after depositing the amount of Kshs.1,056,785 with M/s. Toyota Kenya. The money is still held by M/s. Toyota Kenya since December 2014 to-date, yet no ambulance has been delivered. The procurement process was stopped by the Finance Officer without the knowledge of University management. The University risks losing the deposited amount without receiving the ambulance.

Governance Issues

Guidelines on taking / handing over of an office by senior University staff

- 1.2.48 The University has no documented policy to guide staff handing over procedures. However there are existing practices as evidenced by handing over reports, for example, Prof. Peter Mbithi as the immediate former Deputy Vice-Chancellor (Administration & Finance) prepared a handover report dated 01 October 2015 to the incoming Deputy Vice-Chancellor (Administration & Finance), Prof. Bernard Njoroge, before assuming his current Office as Vice-Chancellor. Prof. Bernard Njoroge, Deputy Vice-Chancellor (Administration & Finance) was on suspension at the time of this audit and therefore could not prove hand-over procedures on his part or to acknowledge receipt of hand-over notes from the current Vice-Chancellor.
- 1.2.49 During the 147th University Executive Management Board meeting held on 30 September 2015, the Board discussed the termination of post-retirement contracts for Mr. Michael Karue – Chief Finance Officer, Ms. Rebecca Ngondo - Chief Legal Officer and Mr. Peter Igiria – Chief Internal Auditor as per the University Council resolution. Mr. Michael Karue – Chief Finance Officer was present in that meeting.
- 1.2.50 On the same date, 30 September 2015, the Vice-Chancellor, Prof. Peter Mbithi, held a consultative meeting with Ms. Rebecca Ngondo – Chief Legal Officer on these new developments of the University Council resolutions. Ms. Rebecca Ngondo then subsequently presented her handing over notes dated 29 September 2015, her name-tag and the parking lot.
- 1.2.51 There was no evidence that Mr. Peter Igiria - Chief Internal Auditor had a meeting with the Vice-Chancellor, Prof. Peter Mbithi, on the University Council resolution on termination of his contract with the University, however, on 1 October 2015 both Mr. Michael Karue – Chief Finance Officer and Mr. Peter Igiria – Chief Internal Auditor, handed over their functions at the University to Mr. Peter Busienei and Ms. Anna Muriungi respectively.

Duties and responsibilities of the Vice-Chancellor and the Deputy Vice-Chancellor (Administration & Finance)

- 1.2.52 Section 34 of the Universities Act, 2012, provides that a University shall be governed in accordance with the provisions of its Charter granted by the Act and statutes made by its Council. This Section further provides that the University Management Board shall be responsible for implementation of the policies of the University, assist in the day to day management of the University and undertake such other functions as shall be set out by the Charter.
- 1.2.53 Section 39(2) provides that the Vice-Chancellor shall be the Chief Executive of the University and shall be the academic and administrative head of the University and has the overall responsibility for the direction, organization, administration and programmes of the University and such other duties as may be provided for in the Charter.
- 1.2.54 Article 15 (a) of the Charter provide that the Council shall in consultation with the Chancellor appoint from among the professors of the University, two or more Deputy Vice-Chancellors, who shall, under the general authority of the Vice-Chancellor, exercise such powers and perform such duties as may be provided for by the statutes.
- 1.2.55 Articles 20(1)(a) and 20(2)(a)-(e) provides that the Deputy Vice-Chancellors are members of the University Executive Board. The function of the University Executive Board is to assist the Vice-Chancellor in the day to day management of the University.
- 1.2.56 Article 22(4) of the Charter provides that the senior management staff of the University shall consist of the Vice-Chancellor, The Deputy Vice-Chancellors, and the Principals of Colleges within the University.

1.2.57 Based on the aforementioned legislative provisions, the special audit noted no evidence of interference of the duties of the Deputy Vice-Chancellor (Administration & Finance) by the Vice-Chancellor as alleged. Further, these said legislative provisions are explicit that the Vice-Chancellor is the academic and administrative head of the University and has the overall responsibility for the direction, organization, and administration of programmes of the University and such other duties as may be provided for in the Charter. It is therefore apparent that all other officers in the University work under a delegated authority of the Vice-Chancellor.

Tribalism and nepotism Claims.

1.2.58 The recruitment and termination of employment for all University staff is informed by the relevant legislation, policies and procedures as detailed in the Human Resources Manual.

1.2.59 Recruitment commences when a vacant position arises or a new structures is created that lead to new roles and responsibilities. Heads of Departments obtain delegated authority to recruit from either the Vice-Chancellor or the Deputy Vice-Chancellor (Administration & Finance). Once authority to recruit is given, a job description and specification will be developed.

1.2.60 The circumstances for termination of employment are contained in the terms and conditions of service. When one is under probation, services may be terminated by either party giving the other one months' notice or by payment of one month's basic salary in lieu of notice.

1.2.61 On first appointment, employment may be terminated at any time by either party giving the other a written notice of intention to terminate the appointment or by either party paying the other party basic salary in lieu of notice, as prescribed in the respective terms of service and CBAs.

1.2.62 Any member of staff may be removed from office without notice by the University Council if they are of the opinion that the member of staff concerned has met summarily dismissal criteria.

1.2.63 All employees on permanent and pensionable terms shall retire at the age of sixty (60) years for non-teaching staff and seventy (70) years for teaching staff. However, members of staff with disability shall retire at the age of sixty-five (65) years as per government regulations.

1.2.64 An employee on pensionable terms shall be eligible for early/voluntary retirement upon attainment of the age of 50 years and having served at least 3 years as per labor laws.

Specific cases of recruitment and termination

1.2.65 During the period under review, the University recruited 446 staff and promoted 290 members of staff of different cadres as per the detailed findings section of this report. There was no single community that was represented by more than one third as per the National Cohesion and Integration Act, Part 2, Section 2.

1.2.66 On promotion, one community dominated the list of the officers promoted during the period under review. The highest number of employees promoted from one community is ninety-four (94) which was 32 per cent of the number promoted, thus, against the spirit of the one third rules as per the National Cohesion and Integration Act, Part 2, Section 2.

Terminations of service at the University

1.2.67 During the period under review, the services of Mr. Peter Igiria Muthiora - Chief Internal Auditor, Mr. Michael Karue – Chief Finance Officer and Ms. Rebecca Waigwe Ngondo - Chief Legal Officer were terminated on the basis of discontinuing of their post retirement contracts. The University was implementing the provision of Office of the President circular OP/CAB.2/7A dated 14 February

2014 on retention in service of officers beyond the mandatory retirement age for these three cases.

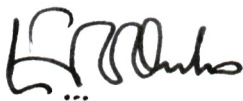
1.2.68 Mr. Stephen Simon Kiboi was appointed as a Legal Officer (Grade A) in the Office of the Vice-Chancellor on 30 March 2007. He accumulated 211 leave days before he was requested to proceed on compulsory leave to utilize his leave days. He resumed duty on 25 July 2016. His services had therefore not been terminated as was alleged.

1.3 Weaknesses, responsibility and recommendations.

	Weakness/Irregularities	Responsibility	Amount in question. (Kshs.)	Recommendations
1	Failure to ensure realistic budgeting as part of prudent financial management, especially with the internally generated revenues	Executive Management Board	1,644,667,000	Prudent and realistic budgeting practices.
2	Failure to ensure realistic spending by realigning their budgetary requests and actual capitation exchequer releases to priority spending.	Executive Management Board	1,424,673,997	Prudent and realistic spending practices.
3	Failure to collect long outstanding debts with Government and third parties to meet revenue shortfalls <ul style="list-style-type: none"> - Kshs.194,757,890. owed by other Public Universities that was paid by University during the CBA salaries agreement of 2010; and - Kshs.627,725,562 owed by Government for delayed pensions remittance to the University 	Executive Management Board	822,483,452	Proactive debt collection practices to avoid liquidity concerns. Sign enforceable contracts with third parties including other public universities so as to enable remedial actions in case of debt arbitration.
4	Failure to adhere to Section 51 (1),(2) and (3) of Public Finance Management Act, 2012 as regards entering into a debt arrangement with a financial institution	Executive Management Board	450,000,000	Ensure compliance with PFM Act and its regulations
5	Failure to adhere to Section 51 (1),(2) and (3) of Public Finance Management Act, 2012 as regards entering into a debt arrangement with a financial institution and incurring financing costs	Executive Management Board	74,715,993	Ensure compliance with PFM Act and its regulations
6	Failure to remit statutory deductions, deducted from staff to the respective institutions.	Executive Management Board	673,555,030	This amount should be remitted to the respective institution immediately to avoid accruing penalties.
7	Use of restricted tendering and other methods for procurement and tendering as below: <ul style="list-style-type: none"> - Use of restricted tendering for the construction of Ganda Police Post without proper justification and approval at a cost of Kshs.10,351,737; and - Renovation works and sourcing of materials for the Vice-chancellors residence without tender at a cost of Kshs.17,891,014. 	Executive Management Board	28,242,751	The UoN should always use the recommended method of procurement and give valid justification whenever they use other allowed methods.
8	Advance payment for an ambulance car that has not been delivered.	Chief Finance Officer	1,056,785	The head finance should take any responsibility if the University doesn't get value for this money already paid.
9	Failure of timely completion of infrastructures projects being undertaken by the University; School of Pharmacy (Kshs.152,903,392), Proposed SEMs Phase II (kshs.97,281,022)	Executive Management Board	250,184,414	Ensure good project management practices is adhered too, to avoid delays in delivering facilities that will benefit the University.
10	Failure to adhere to the provisions of the National Cohesion and Integration Act, Part 2, Section 2 as regards promotions at the University	Executive Management Board	Non-Monetary (32% skewed promotions)	Ensure compliance with the said Act and its regulations.
11	Failure to adhere to good human resource practices for utilization of leave days and continued extension of staff contracts beyond the mandatory retirement age, against the Presidential Circular No. OP/CAB.2/7A.	Executive Management Board	Non-Monetary (Human Resources Practices)	Ensure compliance with the said circular and adherence to Human Resources Policies and Procedures.

1.4 Conclusion

Except for the aforementioned infractions which may or not have direct financial losses to the University of Nairobi, the Institution has put in place an adequate governance structure that leverages of the Universities Charter, the Universities Act, 2012, the Public Finance Management Act 2012, the relevant Procurement Laws and Regulations, the Constitution of Kenya and other relevant Circulars as applicable to the Executive Management Board of the University. The Executive Management Board should therefore ensure compliance with the said legislative frameworks as they execute their management functions and prudently report to the University Council.



FCPA EDWARD R.O. OUKE, CBS
AUDITOR-GENERAL

13 January 2017

2. Detailed Report

2.1 Background and Introduction

Background

- 2.1.1 The University of Nairobi is a body corporate established under the Universities Act, 2012 of the Laws of Kenya and the University of Nairobi Charter. It is a pioneer institution of Higher Education in Kenya and the region.
- 2.1.2 Its origin can be traced to the Royal Technical College of East Africa, which was established in 1956 to offer education and training in technology and business. In 1960, the Royal Technical College of East Africa was affiliated to the University of London as a constituent college and began to offer degrees of the University of London for some of its academic programs.
- 2.1.3 In 1963, the Royal College became the Nairobi University College, a constituent college of University of East Africa. Subsequently, the University of Nairobi was established in 1970 from the Nairobi University College.
- 2.1.4 Currently, University of Nairobi has the College of Architecture and Engineering (CAE), College of Agriculture and Veterinary Science (CAVS), College of Biological and Physical Sciences (CBPS), College of Education and External Studies (CEES), College of Health Science (CHS) and the College of Humanities and Social Sciences. These are therefore referred as the user departments for purposes of procurement at the University.

Introduction

- 2.1.5 In October, 201, the Departmental Committee On Education Science and Technology inquired into alleged management crisis at the University of Nairobi following a request by Hon. Emmanuel Wangwe, the Member of Parliament for Navakholo Constituency.

2.1.6 On 19 January 2016 the Vice-Chancellor Prof. Peter Mbithi wrote a letter to my office requesting for a special audit on the University finance, procurement and human resource management. On March 7, 2016, the Vice-Chancellor did a follow-up letter specifying the period and areas to be covered.

2.2 Terms of Reference (ToRs)

2.2.1 The following are the ToRs as derived from the correspondences between the University and my office: Details of how the allegations were converted into the TORs are in **appendix I**.

Financial Management

- I. Review cash management and position for the period under review;
- II. Review expenditures on capital projects incurred within the period under review; and
- III. Review the borrowings, if any, and the procedure and approvals sought for the borrowings.

Procurement Management

2.2.2 Review all capital projects implemented within the period and confirm if they complied with the Public Procurement and Disposal Act, 2005 and its Regulations 2006 in all aspect and in particular if there were:

- I. Needs assessment that triggered the procurement;
- II. Budget for the procurements;
- III. Fair tender evaluations and awards; and
- IV. Physical verification of the capital projects.

Governance Issues

2.2.3 Review the governance structure of the university with emphasis on appointment, duties and responsibility of the senior members of staff of the university. Further establish the chain of command within the university establishment.

- I. Review the procedures to assume or hand over an office for senior University staff members; and

- II. Review what the law provides for in terms of responsibilities of the VC and the DVC (A&F) and confirm if these responsibilities are undertaken according to these guidelines.

Tribalism and Nepotism

2.2.4 Review the procedures followed in recruitment and separation of members of staff of the University of Nairobi. Establish whether the human resource policies were followed in the following areas.

- I. The University recruitment and separation policy and confirm if they were complied with during the period.
- II. Specifically, confirm if there were any employment terminations/compulsory leave for the Finance Officer, the Chief Legal Officer, the Chief Internal Auditor, and an officer in legal office and whether the right procedures were applied.

2.3 Scope of Work and limitations of work

Scope of Work

2.3.1 The audit covered the period from 1 July 2014 to 30 November 2015. The audit was carried out at University headquarters, Coast and Kisumu branches. The audit did not require an external party to assist in interpretation of any project implemented by the university.

Limitation

2.3.2 Historical information was sought but was not readily available during the audit field work, thus, created delays in the timely completion of this special audit.

2.4 Audit Approach/Methodology

2.4.1 The audit team held various consultative meetings with the University Management Board to agree on the ToRs among other issues. The team applied the following methods to gather information;

Document Review;

2.4.2 The team reviewed budget estimates, Universities Act, Authority to Incur Expenditure (AIEs), contract agreements, PPDA, tender registers, tender files, contracts, payment voucher registers, payment vouchers, cashbooks, human resources policy, government circulars, and internal audit reports among other documents.

Analytical review;

2.4.3 The team analyzed the documents and compared, where applicable, the results with similar results of the previous years.

Interviewing;

2.4.4 The team interviewed the following officers in the process of gathering information

Table 1: List of interviewees

	Name	Designation	Dates
1.	Prof. Peter Mbithi	Vice Chancellor	11 and 27 May 2016
2.	Prof. Kibwage	College Principal	12 July 2016
3.	Prof. Aduda	College Principal	14 July 2016
4.	Dr. Stephen Malu	Campus Director	8 Sept 2016
5.	Dr. Dismas Bulinda	Registrar-Human Resource Planning and Development	31 May 2016, 28 June 2016 and 12 July 2016
6.	Robert Lugwe	Director SWA	12 July 2016
7.	Alex Jaleha	Campus Director	31 August 2016
8.	Stephen Fanaka	Campus Co-ordinator	7 Sept 2016
9.	Polycarp O. Ouma	Store -Keeper	1 Sept 2016
10.	Charles Busienei	Finance Officer	30 May 2016
11.	Lydia Kiibutu	Senior Accountant	10 June 2016
12.	Jurrett Odwallo	University Architect	28 June 2016
13.	Andrew Mbuku	University Quantity Surveyor	31 May 2016
14.	Joseph Mokaya	Procurement Department	13 June 2016
15.	Peter Ngari	Deputy Finance Officer	12 July 2016
16.	Damaris Kavoi,	Senior Accountant	31 May, 7 & 29 June, 27 July 2016
17.	Simon Kiboi	Legal Clerk	17 June 2016
18.	Stanley Mwangi	College Bursar	1 July 2016
19.	Thomas Nganga	College Bursar	14 July 2016
20.	James Mwololo	College Bursar	13 July 2016

	Name	Designation	Dates
21.	Richard Ombui	College Bursar	27 July 2016
22.	Kimeli Joseph	College Bursar	29 June 2016
23.	David Wafula	Clerk Construction and maintenance	31 August 2016
24.	David Sereti, Tenai,	Transport Department	28 July and 2 August 2016
25.	Stephen Mugwika	Transport Department	2 August 2016

3.0 Detailed Findings and Observations

3.1 Financial Management

3.1.1 The University of Nairobi has an approved Financial Management Manual/Regulations that guide prudent financial management of the University resources. The financial regulations and procedures are designed to ensure operational compliance with the Universities Acts, related guidelines, processes, procedures, circulars and orders from the Ministry of Finance, Ministry of Education and the University Council.

3.1.2 They also outline the responsibilities of all the sections in Finance, Internal Audit and Procurement Departments in the management of the University resources at all its units. According to Part IV Section 35 of the Universities Act, 2012, the University Council should approve the policies and budget of the University which are implemented by the University Management Board. All the University policies were approved by the University Council.

University's Cash Position and Bank Overdrafts

3.1.3 The Special Audit noted the University had a long history of underfunding by the exchequer dating back to 2009. This trend continued to the period under review. For example, during the period under review, the UoN received Government Capitation releases of Kshs.5,256,457,003 against a budgeted request of Kshs.6,681,131,000. There was therefore underfunding of Kshs.1,424,673,997.

3.1.4 Further, The UoN was expected to raise Kshs.8,004,114,000 internal revenue, but only managed to raise Kshs.6,359,447,000, hence a deficit of Kshs.1,644,667,000. The total deficit for the period was therefore Kshs.3,069,340,997. Details are given in the **table 2** below:

Table 2: GOK underfunding and Revenue overestimates

Details	GoK in Kshs.	Revenue Collection In Kshs.	Totals in Kshs.
Amount in Ksh expected	6,681,131,000.00	8,004,114,000.00	14,685,245,000.00
Amount Received/Collected	5,256,457,003.00	6,359,447,000.00	11,615,904,003.00
Deficit	1,424,673,997.00	1,644,667,000.00	3,069,340,997.00

- 3.1.5 The University made a claim to other public universities of Kshs.194,757,890, being amounts paid by the University of Nairobi on behalf of other universities during the signing of the CBA agreement of 2010 and delayed pension of Kshs.627,725,562, in respect of pension money not remitted by GOK as a result of CBA salaries review dated 2010. The University has written several letters to the Ministry of Education on the subject matter but there has not been any response from the Ministry.
- 3.1.6 The need for overdraft was therefore triggered by GoK underfunding, under collection of revenue and the salaries reviews of 2010. Due to this underfunding experienced, the University entered into an agreement of a bank overdraft of Kshs.450,000,000 with Barclays Bank of Kenya (BBK) market branch. The overdraft facility was managed through the University bank account No. 8245515. The overdraft facility was to take care of the delay of exchequer release so as to pay salaries and other urgent obligations before they receive funds from the exchequer. The overall cash position of the university as at 30 November 2015 was Kshs.872,659,353. credit and had no evidence that the balance was attracting any interest.
- 3.1.7 The UoN did not have a policy governing the borrowing from banks. However, the special audit confirmed that the University overdraft borrowing is governed by a memo dated 22 September 2015, prepared by the Finance Department to Vice-Chancellor and approved the University Council.

Statutory and Payroll Deductions from the UON Staff Members

3.1.8 The UoN make Kenya Revenue Authority (KRA), Pension Scheme, National Hospital Insurance Fund (NHIF), National Social Security Fund (NSSF), Higher Education Loans Board (HELB) and University of Nairobi Co-operative (CHUNA SACCO) monthly payroll and statutory deductions.

3.1.9 During the period under review, the UoN ought to have paid Kshs.5,609,576, 077, as total statutory and payroll deductions as per the payrolls. The actual RTGS payments were reviewed and highlighted that the University had remitted only Kshs.4,936,021,047 to various institutions. The UoN therefore had not remitted Kshs.673,555,030 being the statutory and payroll deductions to various institutions as summarized in **table 3** and detailed in **appendix 2**.

Table 3: Statutory payroll deductions not remitted to various institutions.

	KRA	PENSION	NHIF	NSSF	HELB	CHUNA SACCO	Total Unremitted
	Variance	Variance	Variance	Variance	Variance	Variance	
Jul-14	140,029.95	34,770,331.35	1,600.00	163,546.50	0.00	56,926.80	35,132,434.60
Aug-14	34,122.30	35,177,340.30	19,669.00	149,426.00	57,574.25	-24,378.00	35,413,753.85
Sep-14	34,542.15	34,912,413.45	0.00	144,427.00	5,012.00	6,206.50	35,102,601.10
Oct-14	-3,488,709.35	38,906,190.70	1,600.00	2,400.00	0.00	-168,224.70	35,253,256.65
Nov-14	21,245.00	35,294,406.10	640.00	151,426.00	0.00	-3,877.95	35,463,839.15
Dec-14	894,117.65	34,587,334.90	1,280.00	146,326.00	0.00	63,892.20	35,692,950.75
Jan-15	6,922.15	34,882,393.05	320.00	144,026.00	4,329.30	112,206.40	35,150,196.90
Feb-15	22,319.00	35,109,629.60	1,200.00	160,926.00	14,822.80	114,073.30	35,422,970.70
Mar-15	-3,662,376.90	36,953,211.25	3,520.00	800.00	0.00	54,652,781.95	87,947,936.30
Apr-15	-44,040.75	35,302,116.40	32,410.00	194,950.00	0.05	93,237.90	35,578,673.60
May-15	140,125.00	34,486,519.60	77,720.00	150,850.00	4,183.80	102,435.75	34,961,834.15
Jun-15	-5,649,354.15	35,194,283.25	73,770.00	146,850.00	0.00	130,458.45	29,896,007.55
Jul-15	1,336,095.20	35,860,807.05	130,510.00	144,250.00	3,147.00	128,380.55	37,603,189.80
Aug-15	13,849,439.00	35,095,075.80	132,550.00	144,250.00	28,845.40	291,677.60	49,541,837.80
Sep-15	-3,519,095.00	37,120,501.35	154,100.00	400.00	6,898.90	-306,716.30	33,456,088.95
Oct-15	158,954.65	35,394,458.30	141,000.00	144,450.00	0.00	75,303.30	35,914,166.25
Nov-15	5,626,447.00	40,387,618.55	171,910.00	2,400.00	0.50	-165,083.75	46,023,292.30
Total	5,900,782.90	609,434,631.00	943,799.00	1,991,703.50	124,814.00	55,159,300.00	673,555,030.40

3.2 Procurement Process Management.

3.2.1 The University of Nairobi had a Procurement plan for the financial year 2014/2015 which was in line with Section 20 [1] of the Public Procurement Regulations, 2006. The regulations states that "A procurement Entity shall prepare a procurement

plan under Sec. 26[3][a] of the Act for each Financial year as part of the Annual Budget preparation process".

- 3.2.2 All the procurement processes were initiated by the user department(s) through requisitions sent to the procurement department. The procurement department then checks whether the items being requested were included in the procurement plan and the budget for that financial year. If the item was planned and budgeted for, authorization is sought from the Vice-Chancellor for the initiation of the procurement process.
- 3.2.3 After the requisition is approved, the procurement department determines the method of procurement to be used. For open tenders, an advertisement is placed in the daily papers and bidders are invited to participate. Thereafter evaluation based on set out criteria is carried out and the lowest responsive bidder is awarded the contract as per the laid down public procurement laws and regulations.
- 3.2.4 The project department of the University of Nairobi implemented thirteen (13) capital projects in the period under review amounting to Kshs.3,052,202,567, as detailed in **appendix 3**. Excluded from this is Kshs. 22,256,785, used for the purchase of motor vehicles. The special audit profiled and analyzed six (6) projects as shown in the **table 4** below, and the following were observed.

Table 4: Capital Projects undertaken by the University.

	Name of the Project	Location	Cost in Kshs as per Contracts
1	University of Nairobi Towers	Main Campus	2,275,183,265.00
2	Kisumu Campus Complex	Kisumu	462,554,359.00
3	School of Pharmacy	Kenyatta Hospital Nairobi	152,903,392.60
4	SEMI's phase II CAVS-UON.	Upper Kabete Campus	97,281,022.00
5	Renovation of the Vice Chancellor's Residence	Nairobi	17,434,324.00
6	Ganda Police Post	Malindi	5,580,214.80
7	Procurement of Motor Vehicles	Various	22,256,785.00
	Total		3,033,193,362.40

Needs Assessment

3.2.5 The detailed needs assessment of most projects were analyzed in the **table 5** below and the following were noted:

Table 5: Need Assessment

	Name of the Project	What triggered the need
1	University of Nairobi Towers	The project was started due to: <ul style="list-style-type: none"> • limited space at the University that resulted to renting of teaching space for evening students • To accommodate the increasing number of students arising from the introduction of new academic programmes at the University. • To house administration offices for the University.
2	Kisumu Campus Complex	The need to develop the property was occasioned by increase in enrollment of students at Kisumu Campus beyond the capacity of the existing building
3	School of Pharmacy	The project was designed to cope with the increasing student population, and provide specialized equipment for competitive research and consultancy activities. The expansion project was to provide an ultra-modern customized facility that will cater for teaching, research and service the needs of the School of Pharmacy.
4	SEMs phase II CAVS-UON.	The University started the project so as to enhance the capacity of the Seed Companies through short-term training that will boost seed business technology transfer and hence maximizing output of quality seeds to small scale farmers in Sub-Saharan Africa region.
5	Renovation of the Vice Chancellor's Residence	This was an existing UON facility but it was not utilized due to non-occupancy for a long time, much of it had become dilapidated and required renovation for it to be occupied.
6	Ganda Police Post	The project was started as way of securing the University land which was in constant threat by encroachers. The land is earmarked for a research station to support academic programmes for students. Therefore the University partnered with the State Department on National Security to put up a structure that would be used as a Police Post so that permanent security personnel are stationed at the site.
7	Procurement of Motor Vehicles	This was to replace the old vehicles as per the University policy.

Management of Tenders

University of Nairobi Towers

- 3.2.6 The Tender No. UON/T/P/01/2011-2012 for the construction of the proposed University of Nairobi Towers was initially advertised on 13 October 2011 in the dailies. The tender was opened on 17 November 2011. Six (6) firms submitted their bids documents as detailed in **appendix 4**.
- 3.2.7 The bids evaluation by the evaluation committee for both technical and financials were done on 22 November 2011. The evaluation committee recommended M/s. China Wu Yi Company Ltd for the award of the contract at Kshs.2,046,268,470. The tender committee in its meeting held on 11 June 2012 awarded the contract to the lowest bidder M/s. China Wu Yi Company Ltd at a tender sum of Kshs.2,046,268,470, despite the company having put in a bid of Kshs.3,150,000,000.
- 3.2.8 After the award, one bidder M/s. Landmark Holdings Ltd made a petition to the Public Procurement Administrative Review Board (PPARB) protesting the decision of the tender committee. M/s Landmark Holdings Ltd protested on the ground that they were not notified by the University on the correction of an arithmetic error on their bid contrary to Section 63(2) of PPDA 2005. The section *provides that the procuring entity shall give prompt notice of the correction of an error to the person who submitted the tender*. M/s Landmark Holdings Ltd had quoted Kshs.3,221,717,509 but the amount was corrected to Kshs.3,195,133,363. at evaluation stage. Their bid document therefore had an arithmetic error of Kshs.73,415,854.
- 3.2.9 Upon receiving this complain, the Public Procurement Administrative Review Board annulled the tender on 28 June 2012. Consequently, the tender No. UON/T/06/2012-2013 was re-advertised in the Daily Nation and Standard newspapers on 15 August 2012 and 22 August 2012 respectively. The tender closing date was 11 September 2012.

3.2.10 The scope of works for the Tender No. UON/T/06/2012-2013 was construction of an ultra-modern multi-storey building in its Main campus. It included twenty-two storey floors and three basement floors. The project was meant to form strategic part of the future development of the University. Out of twenty-two (22) firms that purchased the bid documents, twelve (12) firms tendered for the job as detailed in **appendix 5**.

3.2.11 Mr. K. Mwangi from the Ministry of Higher Education and Mr. Oudo from the Architectural Association of Kenya were the two observers who participated in the tendering process as outsiders as required by Regulation 12(8) of the Public Procurement and Disposal Regulation, 2006, since the cost was above Kshs.50,000,000. The regulation states..... *"To enhance transparency of the procurement process, the procuring entity shall invite in addition to the representative of various departments, at least two observers to attend its meeting in cases where the value of the contract is estimated to be above Kshs50,000,000."*

3.2.12 The technical evaluation was done on 20 September 2012 and the evaluation committee recommended M/s. China Wu Yi Co. Ltd. M/s. Shengli Engineering Construction (Group), M/s. China Jiangxi International [K] Ltd for financial evaluation. M/s. China Wu Yi Company Ltd was evaluated and found to be the most responsive and the lowest bidder at Kshs.2,275,183,265. The technical evaluation committee once again recommended M/s. China Wu Yi Co. Ltd to be awarded the tender for the proposed construction of the University Of Nairobi Towers at Kshs.2,275,183,265.

3.2.13 The tender committee approved the award of Tender for construction of the proposed University of Nairobi Towers to M/s. China WU Yi Co Ltd at a negotiated contract price of Kshs.2,275,183,265. The contract was signed on 8 February 2013. At the time of audit, the project was fully completed but had not been handed over to the University Management Board.

Kisumu Campus Complex

- 3.2.14 The tender No. UON/T/06/2011-2012 for the proposed Kisumu Complex –Main Contract works was advertised in the Daily Nation and the Standard Newspapers on 12 July 2011. The bids were opened on 09 August 2011. All the seventeen firms (17) firms that purchased the bids submitted them back as detailed in **appendix 6**. The bid evaluation was done on 12 September 2012. The evaluation committee recommended M/S Laton Engineering Ltd for the award of the contract at a cost of Kshs.462,554,359.
- 3.2.15 The Notification Letters to the winning and unsuccessful bidders were sent on 02 March 2012. The contract was signed on 13 March 2012 between UoN and M/s. Laton Engineering Ltd. M/s. Laton Engineering Ltd accepted the award vide letter Ref: LT/GE/10/203 dated 19 March 2012. The work commenced on 13 March 2012 but was terminated on 15 March 2016, 4 years later. The termination was said to be due to little or no progress on agreed performance targets as per the contractor's work programme. The work was taken over by the University Engineers after termination.
- 3.2.16 The contract cost was varied upwards by 2.35 per cent to Kshs.473,408,852, citing adjustment in prime cost as the main reason for the variation. According to the University Management Board, the work is 78.59 per cent completed as at September 2016 and the total amount paid so far is Kshs.372,034,219, with a balance of Kshs.101,374,632, being the cost of work undertaken by the UoN Engineers.
- 3.2.17 The physical inspection carried out in September 2016 revealed that the University Engineers were working on the remaining work and carrying out repair works occasioned by delays by the main contractor. The value of defective work is estimated at Kshs.13,318,314. This is part of the balance of the work to be done by the university and was included in the contract variation.

3.2.18 The UoN did not have a bank account in Kisumu to cater for the weekly payments for the casual workers who are engaged on the project. Consequently, the funds were sent to the personal account of an employee, Mr. David Wafula - Clerk of Works based in Kisumu. Mr. David Wafula had received a total Kshs.7,756,342, of which Kshs.5,797,342.00 was through his personal bank account while the Kshs.1,959,290.00 was in cash as detailed in the **table 6** below. All money requested by Mr. David Wafula were supported by the payment schedules that are approved by the Project Manager of the University.

Table 6: Amount received by Mr. David Wafula for casual workers

DATE	RECEIVED (Kshs)	PAYMENT MODE	RECEIVED FROM
13/04/2016	44,400.00	RECEIVED CASH	OUKO
16/06/2016	48,790.00	RECEIVED CASH	OUKO
20/04/2016	70,000.00	RECEIVED CASH	ODWALLO
20/04/2016	30,000.00	RECEIVED CASH	MBUKU
23/04/2016	70,000.00	RECEIVED CASH	ODWALLO
23/04/2016	20,180.00	RECEIVED CASH	MBUKU
14/05/2016	284,554.00	RECEIVED CASH	ODWALLO
21/05/2016	322,426.00	RECEIVED CASH	ODWALLO
28/05/2016	322,426.00	RECEIVED CASH	ODWALLO/NYANJE
06-04-16	373,257.00	RECEIVED CASH	NYONJE
06-11-16	373,257.00	RECEIVED CASH	NYONJE
Sub -total	1,959,290.00		
30/04/2016	259,448.00	BANK STATEMENT	
05-07-16	240,000.00	BANK STATEMENT	
18/06/2016	399,463.00	BANK STATEMENT	
25/06/2016	399,463.00	BANK STATEMENT	
07-02-16	424,615.00	BANK STATEMENT	
07-09-16	424,615.00	BANK STATEMENT	
16/07/2016	420,000.00	BANK STATEMENT	
23/07/2016	460,922.00	BANK STATEMENT	
30/07/2016	453,037.00	BANK STATEMENT	
08-06-16	453,037.00	BANK STATEMENT	
13/08/2016	453,037.00	BANK STATEMENT	
20/08/2016	453,037.00	BANK STATEMENT	
27/08/2016	503,341.00	BANK STATEMENT	
03-09-16	453,037.00	BANK STATEMENT	
Sub -total	5,797,052.00		
TOTAL RECEIVED	7,756,342.00		

School of Pharmacy

3.2.19 The tender No. UON/T/51/2010-2011 for the construction of the School of Pharmacy building was advertised in the daily Nation newspaper on 22 April 2010. Thirteen (13) bidders purchased the tender document and all the thirteen bidders submitted their bids. Details of the bids submitted are in **appendix 7**.

3.2.20 The tender for the construction of the proposed School of Pharmacy Phase-1 Main works was awarded to the lowest evaluated bidder M/S N.K Brothers Ltd at Kshs.152,903,392. The contract period was ninety-seven (97) weeks from the date of commencement. The notification letters both to the winner and the unsuccessful bidders were sent on 1 October 2010. The project has been going on but due to cash flow challenges, the project has not been completed.

Proposed SEMIs phase II CAVS-UoN.

3.2.21 The tender No. UON/T.22/2010-2011 for the proposed SEMIS was advertised in the Standard Newspaper on 21 February 2011. Ten firms submitted their bids as detailed in **appendix 8**. Both the technical and financial evaluation committee evaluated the bids and recommended two bidders to the tender committee as detailed in **table 7** below.

3.2.22 M/s. Elephant Construction Limited was the lowest evaluated bidder and was awarded the contract for the construction of SEMIs seed processing facilities at UON phase 2 at a total cost of Kshs.97,281,022. Notification Letters to both the winner and the unsuccessful bidder were sent on 26 January 2012. The project has not been implemented because the University did not allocate resources for its implementation.

Table 7: Bidders recommended for SEMIs

Code.	Firm.	Tender Sum.	Corrected Tender Sum. (Kshs)	Construction Duration.	Rank.
02.	TKM Maestro Ltd.	106,890,830.00	106,890,830.00	52 wks.	2.
05.	Elephant construction Ltd.	97,111,847.60	97,281,022.00	34 wks.	1.

Renovation of the Vice Chancellor's Residence

3.2.23 According to the maintenance Survey Report carried out by the Department of Construction and Maintenance of UoN on 10 December 2014, there were several works that needed urgent attention in terms of repairs and maintenance.

Due to this Facility's non-occupation for a long time, much of its facilities had become dilapidated and therefore refurbishment had to be carried out for it to be habitable.

3.2.24 The renovation bills of quantities for the official residence, guest wing and servant quarters were developed by construction and maintenance manager Arch. Jared Odwallo through his memo dated 11 December 2014. The renovation and procurement of materials was carried out in phases as some of the works were incidental and the need was identified in the process of the actual renovation, necessitating need for additional purchases.

3.2.25 The Construction and Maintenance Department recommended procurement of following items and services:

- Assorted Furniture;
- Assorted Kitchen Equipment;
- Renovation works; and
- Fencing works.

3.2.26 Procurement of materials was done at two levels. First, by the University tender committee for amounts exceeding Kshs.500,000 and secondly by the procurement committee for amounts below Kshs.500,000. Details of these items are in **appendix 9**. Items worth Kshs.9,662,858, were procured by the tender committee while items worth Kshs.8,228,156 were procured by the procurement committee. A total of Kshs.17,891,014, was spent on this renovation.

3.2.27 The renovation of the main house and Guest wing were done and fully furnished and the house occupied by the current VC. The fencing and other works are also complete.

Ganda Police Post

- 3.2.28 On 21 January 2014, the Manager, Construction & Maintenance made a request to the Procurement Manager vide an internal memo Ref: UON/CMD/MAL, to procure the construction of a Police Post at Ganda Research Station in Malindi.
- 3.2.29 The works were mainly building and fencing at a contract sum of Kshs.5,580,214 and Kshs.4,771,523 respectively. Initially the University intended to construct a fabricated building structure but this was later shelved and replaced with a conventional house at the above cost.
- 3.2.30 The tender committee meeting held on 24 March 2014 approved for constructing a five room house and armory. They indicated that this was a specialized work and few firms existed in the market for the construction of an armory.
- 3.2.31 In a letter dated 9 June 2014, the Vice-Chancellor, Prof. George Magoha appointed Prof. Gichunge as chairman of the technical evaluation committee for the proposed construction of police post at Ganda Research Station. Nine firms tendered as summarized in **table 8** below:

Table 8: Tenders for the Ganda Police Post

	FIRM	TENDER SUM
01	Jyan Construction Servises	5,834,353.40
02	KithusiKula Trading Company	5,274,624.40
03	Multi-Trio Agencies	5,583,694.80
04	Tilicon Development Company Limited	5,176,476.80
05	Jonga Constructor Limited	4,067,806.80
06	Casuarina Enterprises Limited	5,976,934.80
07	Muto Enterprises Company	5,946,779.00
08	Likada Constructors Limited	5,848,237.00
09	Alanea Company Ltd	4,994,148.00

3.2.32 On the preliminary evaluation, seven (7) companies were eliminated on various reasons and therefore did not proceed to financial and technical evaluation. Two companies were recommended to proceed to technical and financial evaluations. On 14 August 2014, the tender committees met and deliberated on the tender. They recommended M/s. Multi-Trio Agencies who was the lowest evaluated bidder and most responsive at a tender sum of Kshs.5,580,214.

3.2.33 Notification of award of contract was sent to Ms. Multi-Trio Agencies on 22 August 2014. Regret letters were also sent to other bidders on the same date. The project was completed and fenced off, however the building is not occupied. The Police Post can only accommodate five police officers and this is a security threat to the officers. The post therefore awaits expansion to accommodate more police officers.

Procurement of Motor Vehicles

Procurement of 62 seater's buses

3.2.34 Section 26(3) of the Public Procurement and Disposal Act, 2005, provides that all procurements shall be within the approved budget of the procuring entity and shall be planned for through an annual procurement plan. The University in its procurement plan for the financial year 2014/2015 planned to procure Motor Vehicles for Kshs.64,017,000.

3.2.35 On 16 December 2014, Dr. Julius M. Ogola - Coordinator Transport and Garage wrote an internal memo Ref. UON/TRAN/4/2 9128) to the Deputy Vice-Chancellor (A&F) for the approval of purchase of new motor vehicles for University Units. The lists detailed the various types of motor vehicles that the University planned to procure in the financial year which amounted to Kshs.86,000,000 as detailed in the **table 9** below. This request was higher than the budget approval of Kshs.64,017,000.

Table 9: Proposed Purchase of Motor Vehicles for UoN

	Type Of Motor Vehicle	Qty	User Department	Estimated Cost (Ksh)
1	Procurement of 62 seater bus	2	CAVS	22,000,000.00
2	Procurement of 62 seater bus	1	Central Transport	11,000,000.00
3	Procurement of 62 seater bus	1	CAE	11,000,000.00
4	Procurement of 14 seater microbus	1	Central Transport	8,000,000.00
5	Procurement of 4x4 utility vehicle	1	Central Transport	7,000,000.00
6	Procurement of for Disabled students (special configured)	1	Dean of Students	8,000,000.00
7	Procurement of 7 tonnes low sided lorry	1	Construction and Maintenance	7,000,000.00
8	Procurement of saloon car (1500 cc)	1	DVC (A&F)	3,000,000.00
9	Procurement of saloon car (1500 cc)	1	DVC (SA)	3,000,000.00
10	Procurement of saloon car (1500 cc)	1	DVC (AA)	3,000,000.00
11	Procurement of saloon car (1500 cc)	1	Registrar, Administration	3,000,000.00
TOTAL				86,000,000.00

3.2.36 During the period under review, the UoN only purchased two (2) sixty-two (62) seater buses registration numbers KCE 397D and KCE 398D at Kshs.21,200,000 after a discount of Kshs.800,000. The University used a supply branch circular Ref: No. SB/P/4/5/VOL.XXV1111/(92) for the procurement of Fire Fighting vehicles, buses and pickups petrol-propelled dated 4 December 2012. The circular was issued by the Ministry of Public Works, Supplies Branch, therefore, the UoN did not go to tender.

3.2.37 On July 29 2015, the tender committee approved the award to supply and deliver two (2) sixty two (62) seater isuzu buses for use at the College of Agriculture and Veterinary Sciences (CAVS) and College of Architecture (CAE) to M/s. General Motors who are dealers at a total cost of Kshs.21,200,000 inclusive of VAT and registration charges. They were notified of the award on 7 August 2015 vide letter Ref: UON/PROC/CA/1/8.

3.2.38 On 31 October 2015, General Motors E.A. Ltd issued a sales invoice to the University for the two buses amounting to Kshs.21,200,000. The vehicles were inspected by the Inspection and Acceptance Committee on 16 December 2015 and payment made on 21 January 2016.

Procurement of Ambulances

- 3.2.39 During the same period the UoN initiated procurement of two ambulance vehicles which were not eventually purchased. This procurement was initiated by the Principal, College of Education and External Studies after an accident at the college that was not handled properly because of lack of an ambulance.
- 3.2.40 On 16 December 2014, the Principal, College of Education and External Studies vide letter Ref: UON/CEES/1/11 wrote to the Deputy Vice-Chancellor (Administration and Finance), requesting for the purchase of a new ambulance for the College of Education and External Studies due to high running cost and frequent breakdown and hence high maintenance costs of the current ambulance registration number KAN 963U.
- 3.2.41 On 9 February 2015, the tender committee approved the award of contract to M/s. Toyota Kenya for supply and delivery of a Toyota Hiace Ambulance for the College of Education and External Studies at a total cost of Kshs.5,923,514, inclusive of VAT and registration charges.
- 3.2.42 M/s. Toyota Kenya was notified of the award on 11 February 2015 vide Letter Ref: PROC/T/LOA/VOL.1. On 30 April 2015 a Purchase Order No. PO00288640 was issued to M/s. Toyota Kenya for the supply of an ambulance.
- 3.2.43 The University did not execute part of their contract and therefore the procurement process stalled. On 30 April 2015, the UoN issued another Purchase Order No. PO00288641 for an Ambulance Toyota Land Cruiser Hardtop HZJ78R-JMRSSS 4.2L at a cost of Kshs.7,674,158.
- 3.2.44 On 31 December 2014, the UoN deposited Kshs.1,056,785 with Toyota Kenya for the Land Cruiser Ambulance vehicle. The UoN did not execute the contract fully even after a deposit was made. The amount of Kshs.1,056,785 is still held at M/s. Toyota Kenya from December 2014 to the time of this audit yet no ambulance

was delivered. The UoN therefore risk losing these funds if a follow up is not done to either recover the money or complete the contract and receive the vehicle.

3.3 Governance at the University of Nairobi

Guidelines on taking / handing over by senior University staff

- 3.3.1 There is no documented policy guideline on staff taking /handing over at the UoN. However as per the UoN practice, there is always handing /taking over as evidenced by handing over reports. It was noted that the former DVC (A&F) Prof. Peter Mbithi, the current UON VC prepared handover report dated 01 October 2015, to the incoming DVC (A&F) Prof. Bernard Njoroge before assuming his current office.
- 3.3.2 During the one forty seventh (147th) meeting of the University Executive Management Board held on 30 September 2015, the Board discussed termination of post-retirement contracts for Mr. Michael Karue – Chief Finance Officer (CFO), M/s. Rebecca Ngondo – Chief Legal Officer (CLO) and Mr. Peter Igiria ç (CIA), as per the University Council resolutions. The resolution was that their contracts be terminated. Mr. Michael Karue – Chief Finance Officer was present in that meeting.
- 3.3.3 On 30 September 2015 the Vice-Chancellor, Prof. Peter Mbithi held a consultative meeting at Vice-Chancellor Committee Room with M/s. Rebecca Ngondo - Chief Legal Officer. The purpose of the meeting was to brief M/s. Ngondo on the resolution of the University Executive Council. In that meeting she presented her handing over notes dated 29 September 2015, name-tag and the parking lot.
- 3.3.4 On 1 October 2015, Mr Michael Karue – Chief Finance Officer and Mr. Peter Igiria – Chief Internal Auditor, handed over to Mr. Peter Busienei and M/s. Anna Muriungi as Acting Chief Finance Officer and Acting Chief Internal Auditor respectively. This was after Mr. Peter Igiria had a lengthy discussion with the Vice-Chancellor on the issue.

3.3.5 This therefore confirmed that there was handover of the University property and functions by the retired officers.

Duties and responsibilities of the VC and the DVC (A&F)

3.3.6 Section 34 of the Universities Act, 2012, provides that a University shall be governed in accordance with the provisions of its Charter granted by the Act and statutes made by its Council.

3.3.7 Section 35 provides the roles of the council which are:

- employment of staff;
- approval of the statutes of the University and cause them to be published in the Kenya Gazette;
- Approval of the policies of the University;
- Approval of the budget; and
- Recommend for the appointment of the vice chancellors and principals of constituent colleges through a competitive process.

3.3.8 Section 34 of the Universities Act provides that the management board shall be responsible for implementing the University policies, assist in the day to day management of the University and undertake such other functions as shall be set out by the Charter.

3.3.9 Section 39(2) provides that the Vice-Chancellor shall be the Chief Executive of the university and shall be the academic and administrative head of the University and has the overall responsibility for the direction, organization, administration and programmes of the University and such other duties as may be provided for in the Charter.

3.3.10 The legal notice No.192 dated 1 March 2013 granted a Charter to the University. Article 15 (a) of this Charter provides that the Council shall in consultation with the Chancellor, appoint from among the professors of the University, two or more Deputy Vice-Chancellors, who shall, under the general authority of the Vice

Chancellor, exercise such powers and perform such duties as may be provided for by the statutes.

University Executive Board

3.3.11 Articles 20(1) (a) and 20 (2) (a) to (e) provide that the Deputy Vice-Chancellors are members of the University Executive Board. The function of the Board is to assist the Vice-Chancellor in the day to day management of the University. The responsibility of this board are outlined below:

- The efficient management of the human, physical, and financial resources of the University;
- The implementation of the University's policies;
- Making policy proposals to the Council and Senate on issues that have a University wide application;
- The coordination of the University strategic and development plans; and
- Any other matter related to the University.

3.3.12 Article 22(4) of the Charter provides that the senior management staff of the University shall consist of the Vice-Chancellor, The Deputy Vice-Chancellors, and the Principals of Colleges within the University.

3.3.13 From the University structure therefore, all employees are working under delegated authority. There was therefore no evidence of interference of duties of the Deputy Vice Chancellor by the Vice-Chancellor as alleged. Further, the Vice-Chancellor is the academic and administrative head of the University and has the overall responsibility for the direction, organization, administration of programmes of the University and such other duties as may be provided for in the Charter.

3.4 Tribalism and nepotism.

University's Recruitment and employment termination guidelines

3.4.1 According to the HR manual, the recruitment and termination of employment for all members of staff of the University is informed by the relevant legislation, policies and procedures which include the following:

- Constitution of Kenya 2010,
- Employment Act, Part 2 section 5 article 3(a) states that; no employer shall discriminate directly or indirectly, against an employee or prospective employee or harass an employee or prospective employee on grounds of race, color, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, pregnancy, mental status or HIV status,
- Persons with Disability Act,
- National Cohesion and Integration Act,
- Universities Act 2012,
- Leadership and Integrity Act,
- Public officer Ethics Act,
- Collective Bargaining agreements,
- University of Nairobi Statutes,
- University of Nairobi Human Resource Policy,
- University of Nairobi Gender Policy,
- University of Nairobi Disability Policy,
- Promotion and Establishment Manual (the Kagiko Report).

The process of recruitment

3.4.2 Recruitment commences when vacant positions arise or when the University has carried out job analysis that leads to new structures which necessitate new roles and responsibilities. Heads of departments shall obtain authority to recruit from, as appropriate, the Vice-Chancellor or the Deputy Vice-Chancellor (Administration and Finance). Once authority to recruit is given, a job description and specification will be provided by the recruitment department or unit.

- 3.4.3 The University recruits competitively either by internal advertisements where internal staffs are recruited. Advertisement is circulated through the intranet, memos, notice boards, staff meetings, email and other media or externally where both internal and external applicants compete for the vacant advertised positions. Advertisement is circulated through print and electronic media, the internet, employment consultancies and agencies.
- 3.4.4 On receipt of applications, the relevant office will constitute a short listing committee that peruses the applications and ensures that there are three references from each candidate and a reference check is conducted for all shortlisted candidates.
- 3.4.5 Applicants are invited for interview through a formal letter (supported by evidence of delivery or receipt), e-mail, short message services or telephone calls. Applicants will receive at least seven days' notice of the time, date and venue of the interview.
- 3.4.6 The main method of interviewing is by face to face engagement or through video conferencing. Where necessary, the interview may include presentation, selection test, work sample or practical.
- 3.4.7 The Code of Conduct for interviewing panels at the University are:
- Members of panel shall declare any conflict of interest.
 - Panel members shall be guided by an objective scoring criteria drawn from the job requirement as described in the advertisement.
 - An interviewing panel will rank candidates based on the scoring criteria and make recommendations for their appointment.
 - The minutes of an appointment committee will be approved within seven days of the date of interview, and letters of offer will communicate to successful candidates within two weeks.

- The relevant officer will communicate to unsuccessful candidates informing them of the outcome of the interview.
- On reporting for duty, an employee undergoes induction arranged by the head of department.

Guidelines for termination of employment

3.4.8 The terms and conditions of service provide for circumstances under which termination, dismissal and retirement of employees can be carried out.

Termination

3.4.9 When on probation, services may be terminated by either party giving the other one month's notice or by payment of one month's basic salary in lieu of notice. One can be terminated before completing probationary period.

3.4.10 On first appointment, employees may be terminated at any time by either party giving the other a written notice of intention to terminate the appointment or, alternatively, by either party paying the other basic salary in lieu of notice, as prescribed in the respective terms of service and CBAs.

3.4.11 The Vice-Chancellor may under special circumstances, waive in whole or part, the period of notice.

Dismissal

3.4.12 Any member of staff may be removed from office without notice by council if the Council is of the opinion that the member of staff concerned has:

- Carried out his duties in a manner amounting to gross inefficiency or for failure or inability to perform the duties of his/her office or to comply with his appointment;
- Any physical or mental incapacity which the council shall deem to be such as to render the person concerned unfit to hold office; or

- Committed conduct of scandalous or disgraceful nature which the council shall deem to be such as to render the person concerned unfit to hold office; or
- Been convicted of a felony or misdemeanor which the council shall deem to be such as to render the person concerned unfit to continue to hold office; or
- Contravened the code of conduct and ethics for public universities; or
- If a member of staff is absent from his/her place of work without permission for ten consecutive days, he shall be deemed to have automatically forfeited his appointment. However, if such a member of staff subsequently gives an acceptable explanation for his absence, he may be re-instated in his former appointment or grade.

Retirement

Normal retirement

3.4.13 All employees on permanent and pensionable terms shall retire at the age of sixty (60) years for non-teaching staff and seventy (70) for teaching staff. However, members of staff with disability shall retire at the age of sixty five (65) years as per government regulations. Prior to retirement, the employer shall issue a written reminder to the retiring employee at least twelve (12) months before retirement date.

Early Retirement

3.4.14 An employee on pensionable terms shall be eligible for early retirement upon attainment of the age of 50 years and having served at least 3 years in compliance with university of Nairobi pension scheme 2007 Trust Deed Rules.

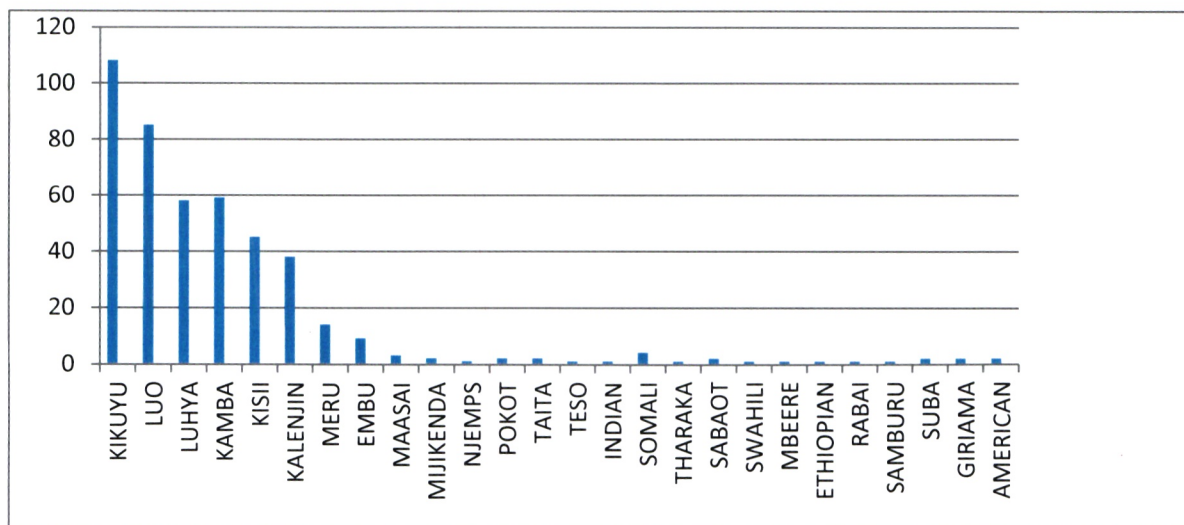
Retirement on Medical grounds

3.4.15 If a member of staff serving under prescribed terms of service is prevented by illness from carrying out his/her duties beyond the period of sick leave and in the opinion of the medical board (set up by council) the illness is not susceptible to reasonable prospect of treatment, the council may terminate/retire the member of staff on medical grounds.

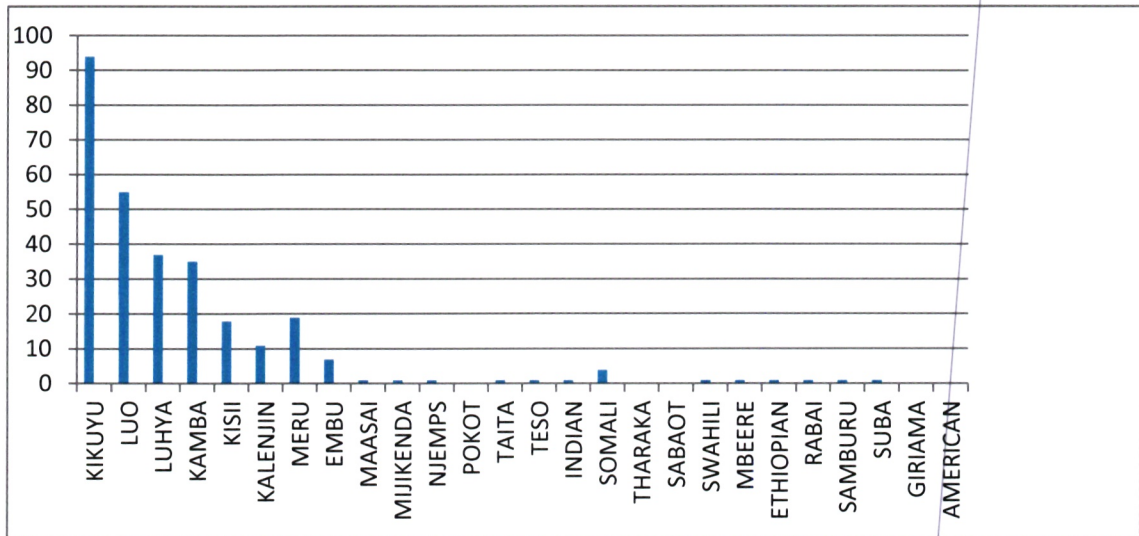
Specific cases of recruitment and termination at the University

3.4.16 During the period under review, the University recruited four hundred and forty-six (446) and two hundred and ninety (290) members of staff as in **appendix 10**. The data availed were analyzed and summarized as indicated below:

Graphical Representation of Recruitments



3.4.17 The data above shows the number of officers recruited within the period under review. The National Cohesion and Integration Act, Part 2, section 2, states that; 'No public establishment shall have more than one third of its staff from the same ethnic community. From the four hundred and forty six (446) employees, a third of this one hundred and forty-eight (148). From the recruitment made there is no single community that was over represented.



Graphical Representation of Promotions

3.4.18 This data shows the number in terms of ethnic distributions promoted in the period under review. There was one ethnic community that was overrepresented in the period under review. One community had received ninety four (94) promotions out of the total promotions done and this was above the one third thresholds and therefore against the spirit on the National Integration and Cohesion legislative provisions.

Terminations of service at the University

3.4.19 Three officers of the University were terminated because the UON council decided to terminate their contracts. This was part of the implementation of the OP circular No. OP/CAB.2/7A. The officers whose contracts were terminated were Peter Igiria Muthiora - Chief Internal Auditor, Michael Karue PN/9869 - Finance Officer and Rebecca Waigwe Ngondo CN/116743 - Chief Legal Officer.

Mr. Peter Igiria Muthiora - Chief Internal Auditor

3.4.20 Mr. Peter Igiria Muthiora of ID No. 3111024 joined the University on 14 May 1986 as a Deputy Finance Officer. On 19 February 2002 vide letter ref CN/11656 he was notified that he was to retire from the service of the University and his last day of service was 20 October 2002.

3.4.21 From 20 October 2002 to 20 October 2016 his employment was on contract which was renewed after every two years. On 28 September 2015 his contract was terminated in line with Office of the President circular OP/CAB.2/7A dated 14 February 2014 on retention in service of officers beyond the mandatory retirement age.

3.4.22 He was issued with a certificate of service on 28 September 2015. He was paid his terminal dues on 9 October 2015 amounting to Kshs 1,645,353.00 which comprised his last basic pay for the remaining period of the contract to 20 October 2016.

Mr. Michael Karue PN/9869 - Finance Officer

3.4.23 Mr. Michael Karue PN/9869 was born in March 1950 and joined the University as an accountant in 1981; he was appointed as an acting Finance Officer on 1 July 2000 and confirmed in that position on 17 February 2005.

3.4.24 On 19 January 2009 he was notified that he would retire from the service of the University on 12 March 2010. On 2 January 2010, he applied for a post retirement employment contract for two years. His request was accepted and offered a post retirement contract for two years w.e.f 13 March 2010. This was later renewed on 13 March 2012, and on 7 February 2014 for a period of 2 years up to March 2016.

3.4.25 His employment contract was terminated vide letter dated 28 September 2015 as per the council resolution following the Circular OP/CAB 2/7A dated 14 February 2014 on retention of service of officers beyond the mandatory retirement age. He was paid terminal dues vide letter dated 14 October 2015 amounting to Kshs.829,810.

M/s. Rebecca Waigwe Ngondo CN/116743 - Chief Legal Officer

- 3.4.26 M/s. Rebecca Waiwe Ngondo was born in 1955. She joined the University in 1980 as an administrative Assistant. She later moved to Kenyatta University in 1987 and returned back to the University of Nairobi in 1996 as a Senior Assistant Registrar (legal Affairs).
- 3.4.27 A letter was issued on 14 January 2014 ref CN116743 Vo.11 (69) on her retirement which was to commence on 26 May 2015. On 27 August 2014 she applied for a post retirement contract which was accepted on 11 September 2014 vide letter Ref. CN/116743/VOL1.11/176. She was offered a post retirement contract as a Chief Legal Officer for a period of one year w.e.f. 27 May 2015 up to and including 26 May 2016.
- 3.4.28 On 28 September 2015 her contract was terminated in reference to an OP circular Ref. OP/CAB.2/7A dated 14 February 2014 on retention of officers beyond the mandatory retirement age. Her post retirement contract was terminated with immediate effect.
- 3.4.29 The officer was informed of the council decision through a letter dated 14 October 2015. She was paid her dues amounting to Kshs.1,121,609, through an RTGS to Cooperative Bank CHUNA FOSA Account No. 9514.
- 3.4.30 The University terminated the post retirement contracts as per the requirement of OP circular No. OP/CAB.2/7A. Although termination was not done immediately the circular was released, the University management and Council were only implementing the government policy and therefore did not victimize anybody in the process.

Mr. Stephen Simon Kiboi PN/19224

3.4.31 He was offered a letter of appointment as a legal clerk grade A in the office of the Vice Chancellor dated 30 March 2007. His appointment was confirmed on 7 May 2007. The officer accumulated two hundred and eleven (211) un-utilized leave days since year 2007.

3.4.32 The officer was requested to proceed on leave and utilize his leave days. The officer went on leave to utilize these days and resumed his office duties on 25 July 2016. His services had therefore not been terminated as alleged.



FCPA EDWARD R.O. OUKO, CBS
AUDITOR-GENERAL

13 January 2017

4.0 Appendices

APPENDIX I

UNIVERSITY OF NAIROBI

ALLEGATIONS AND TORS DERIVED FROM THEM

	AREA	DETAILS AS STATED IN THE ALLEGATION	PROPOSED TOR
1	FINANCIAL MISMANAGEMENT	<p>The University is experiencing financial crisis of unprecedented proportion. Currently the institution is operating with a huge deficit to the tune of 2.6 billion Kenya Shillings and a bank overdraft of 500 million monthly to pay salaries. In addition the University is unable to honour remittance of its statutory deductions. This state of affairs is against the principle of Public Finance Management Act 2012. I urge, Hon. Speaker to require the committee to urgently investigate the following financial issues and report to this House for consideration.</p> <p>(a) The circumstances which led the University to incur such huge expenses, including capital expenditures and enter into such large deficit to appoint of almost being technically insolvent; and,</p> <p>(b) Whether the borrowing obtained necessary approvals;</p>	<ol style="list-style-type: none"> i. Review cash position of the University ii. Review the Statutory deductions deducted from University officers and confirm if they have been remitted to the respective institutions iii. Review all University expenditures including for capital projects incurred within the period. iv. Review the borrowings in terms of bank overdraft, if any, and the procedure used in acquiring the borrowings.
2	PROCUREMENT ISSUES	<p>There are reports and allegations of non-adherence to Public Procurement and Disposal Act (2005) and its regulations and guidelines (2006) in the procurement of goods and services. I urge you, Hon. Speaker to also require the committee to urgently investigate the following procurement issues.</p> <p>(a) Cases of irregular split of tenders including the tender for renovation and furnishing of VC's residence to meet the circumvent procurement requirements;</p> <p>(b) Forceful procurement of vehicles costing Kshs.86m without availability of funds being available;</p> <p>(c) Award of contracts of University staff without following procurement procedures.</p>	<p>Review all the procurements done within the period and confirm if they complied with the Public Procurement and Disposal Act (2005) and its regulations and guidelines (2006) in all aspect and in particular if there were:</p> <ol style="list-style-type: none"> i. Split of tenders especially the renovation and furnishing of the VC;s residence. ii. Need assessment that triggered the procurement iii. Budget for the procurements iv. Fair tender evaluations and awards.
3	GOVERNANCE ISSUES	<p>There is unresolved conflict between the office of the Vice-Chancellor and that of the Deputy Vice-Chancellor, Administration and Finance. The</p>	<ol style="list-style-type: none"> i. Review the procedures in place for a senior University staff at the level of DVC to either assume or hand over an office and confirm

		<p>Committee should also investigate:</p> <ul style="list-style-type: none"> (a) Refusal by the VC to hand over to DVC (A&F); (b) Cases of abuse of powers by the VC gagging the DVC (A&F) on matters of Finance; (c) The handling of administration matter i.e. staff recruitment and redundancy by VC against the University regulations. 	<p>if these procedures were complied with when the current DVC (A&F) assumed the office.</p> <ul style="list-style-type: none"> ii. Review the law/ guidelines on responsibilities of the VC and the DVC (A&F) and confirm if these responsibilities are undertaken according to the law/ guidelines.
4	TRIBALISM AND NEPOTISM	<p>Blatant abuse of office by hiring of people from one community, (13 slots) and irregularly terminating the services of four others all from one other community, i.e. the Finance Officer, the Chief Legal Officer and the Chief Internal Auditor and sent an officer in legal office on compulsory leave. The sacked officers were forcibly ejected from the office without any explanation.</p>	<ul style="list-style-type: none"> i. Review the University recruitment and employment termination law/ guidelines and confirm if they were complied with during the period. ii. Specifically, confirm if there were any employment terminations/ compulsory leave for the Finance Officer, the Chief Legal Officer, the Chief Internal Auditor, and an officer in legal office and whether the right procedures were applied.

Terms of Reference (TORs)

The period in question is 1st July 2014 to 30 November 2015

1. Financial Management

- i. Review cash position of the University
- ii. Review the Statutory deductions deducted from University officers and confirm if they have been remitted to the respective institutions
- iii. Review all University expenditures including for capital projects incurred within the period.
- iv. Review the borrowings in terms of bank overdraft, if any, and the procedure used in acquiring the borrowings.

2. Procurement Management

Review all the procurements done within the period and confirm if they complied with the Public Procurement and Disposal Act (2005) and its regulations and guidelines (2006) in all aspect and in particular if there were:

- i. Split of tenders especially the renovation and furnishing of the VC;s residence.
- ii. Need assessment that triggered the procurement
- iii. Budget for the procurements
- iv. Fair tender evaluations and awards.
- v. Physical Verification of the projects

3. Governance Issues

- i. Review the procedures in place for a senior University staff at the level of DVC to either assume or hand over an office and confirm if these procedures were complied with when the current DVC (A&F) assumed the office.
- ii. Review the law/ guidelines on responsibilities of the VC and the DVC (A&F) and confirm if these responsibilities are undertaken according to the law/ guidelines.

4. Tribalism and Nepotisms

- i. Review the University recruitment and employment termination law/ guidelines and confirm if they were complied with during the period.
- ii. Specifically, confirm if there were any employment terminations/ compulsory leave for the Finance Officer, the Chief Legal Officer, the Chief Internal Auditor, and an officer in legal office and whether the right procedures were applied.

**APPENDIX 2
STATUTORY DEDUCTION PAYABLE AND PAID**

	KRA PAYABLE- FROM PAYROLL			PENSION PAYABLE- FROM PAYROLL			NHIF PAYABLE- FROM PAYROLL			NSSF PAYABLE- FROM PAYROLL			HELB PAYABLE- FROM PAYROLL			CHUNA SACCO PAYABLE- FROM PAYROLL		
	PAID - FROM RGTS	DIFFERENCE		PAID - FROM RGTS	DIFFERENCE		PAID - FROM RGTS	DIFFERENCE		PAID - FROM RGTS	DIFFERENCE		PAID - FROM RGTS	DIFFERENCE		PAID - FROM RGTS	DIFFERENCE	
Jul-14	159,621,247.95	159,481,218.00	140,029.95	70,395,904.65	35,625,573.30	34,770,331.35	1,660,159.00	1,658,559.00	1,600.00	1,196,236.00	1,032,689.50	163,546.50	967,841.40	967,841.40	-	80,424,114.45	80,367,187.65	56,926.80
Aug-14	164,089,306.30	164,055,184.00	34,122.30	70,995,629.85	35,818,289.55	35,177,340.30	1,692,040.00	1,672,371.00	19,669.00	1,170,093.50	1,020,667.50	149,426.00	1,142,220.25	1,084,646.00	57,574.25	81,867,912.80	81,892,290.80	(24,378.00)
Sep-14	183,996,131.15	183,961,589.00	34,542.15	70,779,846.45	35,867,433.00	34,912,413.45	1,668,070.00	1,668,070.00	-	1,142,853.00	998,426.00	144,427.00	1,014,088.30	1,009,076.30	5,012.00	81,886,313.85	81,880,107.35	6,206.50
Oct-14	165,191,915.65	168,680,625.00	-3,488,709.35	77,791,443.20	38,885,252.50	38,906,190.70	1,677,100.00	1,675,500.00	1,600.00	994,646.00	992,246.00	2,400.00	967,510.60	967,510.60	-	81,882,298.40	82,050,523.10	(168,224.70)
Nov-14	167,808,570.00	167,787,325.00	21,245.00	71,629,551.90	36,335,145.80	35,294,406.10	1,693,220.00	1,692,580.00	640.00	3,624,752.50	3,473,326.50	151,426.00	973,177.90	973,177.90	-	82,133,692.95	82,137,570.90	(3,877.95)
Dec-14	154,296,443.65	153,402,326.00	894,117.65	70,707,718.20	36,120,383.30	34,587,334.90	1,657,100.00	1,655,820.00	1,280.00	2,353,452.00	2,207,126.00	146,326.00	920,318.60	920,318.60	-	42,166,815.80	42,102,923.60	63,892.20
Jan-15	189,622,297.15	189,615,375.00	6,922.15	71,559,631.65	36,677,238.60	34,882,393.05	1,674,360.00	1,674,040.00	320.00	2,375,692.00	2,231,666.00	144,026.00	962,694.15	958,364.85	4,329.30	83,529,967.95	83,417,761.55	112,206.40
Feb-15	172,174,350.00	172,152,031.00	22,319.00	71,849,075.00	36,739,445.40	35,109,629.60	1,691,040.00	1,689,840.00	1,200.00	2,400,652.00	2,239,726.00	160,926.00	958,894.95	944,072.15	14,822.80	83,702,746.10	83,588,672.80	114,073.30
Mar-15	165,287,165.10	168,949,542.00	-3,662,376.90	73,870,875.95	36,917,664.70	36,953,211.25	1,685,120.00	1,681,600.00	3,520.00	2,241,226.00	2,240,426.00	800.00	1,004,168.05	1,004,168.05	-	83,304,408.95	28,651,627.00	54,652,781.95
Apr-15	167,427,052.25	167,471,093.00	-44,040.75	72,174,434.25	36,872,317.85	35,302,116.40	7,112,610.00	7,080,200.00	32,410.00	15,397,781.00	15,202,831.00	194,950.00	1,166,415.05	1,166,415.00	0.05	83,932,478.10	83,839,240.20	93,237.90
May-15	168,753,290.00	168,613,165.00	140,125.00	72,017,304.75	37,330,785.15	34,486,519.60	7,179,670.00	7,101,950.00	77,720.00	2,445,440.00	2,294,590.00	150,850.00	1,136,447.80	1,132,264.00	4,183.80	87,317,224.40	87,214,788.65	102,435.75
Jun-15	161,821,738.85	167,471,093.00	-5,649,354.15	71,753,587.20	36,559,303.95	35,194,283.25	7,149,920.00	7,076,150.00	73,770.00	2,425,100.00	2,278,250.00	146,850.00	1,055,777.30	1,055,777.30	-	83,064,297.95	82,933,839.50	130,458.45
Jul-15	164,563,723.20	163,227,628.00	1,336,095.20	72,684,707.00	36,823,899.95	35,860,807.05	7,237,960.00	7,107,450.00	130,510.00	2,439,900.00	2,295,650.00	144,250.00	1,070,326.50	1,067,179.50	3,147.00	81,748,022.45	81,619,641.90	128,380.55
Aug-15	177,730,092.00	163,880,653.00	13,849,439.00	72,190,805.25	37,095,729.45	35,095,075.80	7,260,050.00	7,127,500.00	132,550.00	2,429,300.00	2,285,050.00	144,250.00	1,081,243.70	1,052,398.30	28,845.40	81,661,364.85	81,369,687.25	291,677.60
Sep-15	174,012,512.00	177,531,607.00	-3,519,095.00	74,205,525.85	37,085,024.50	37,120,501.35	7,260,050.00	7,105,950.00	154,100.00	2,286,850.00	2,286,450.00	400.00	1,111,349.00	1,104,450.10	6,898.90	81,433,764.70	81,740,481.00	(306,716.30)
Oct-15	166,432,445.65	166,273,491.00	158,954.65	72,180,037.65	36,785,579.35	35,394,458.30	7,262,000.00	7,121,000.00	141,000.00	2,418,600.00	2,274,150.00	144,450.00	1,023,282.60	1,023,282.60	-	81,370,103.30	81,294,800.00	75,303.30
Nov-15	169,614,683.55	163,988,236.55	5,626,447.00	77,250,565.55	36,862,947.00	40,387,618.55	7,349,660.00	7,177,750.00	171,910.00	2,303,350.00	2,300,950.00	2,400.00	1,133,009.50	1,133,009.00	0.50	81,426,122.95	81,591,206.70	(165,083.75)
TOTALS	2,872,442,964.45	2,866,542,181.55	5,900,782.90	1,234,036,644.35	624,602,013.35	609,434,631.00	72,910,129.00	71,966,330.00	943,799.00	49,645,924.00	47,654,220.50	1,991,703.50	17,688,765.65	17,563,951.65	124,814.00	1,362,851,649.95	1,307,692,349.95	55,159,300.00
PAYABLE																		5,609,576,077.40
PAID																		4,936,021,047.00
DIFFERENCE																		673,555,030.40

APPENDIX 3:

UNIVERSITY OF NAIROBI CAPITAL DEVELOPMENT PROJECTS 1 JULY 2014 TO 30 NOVEMBER 2015

	Title of the Project	Year of Commencement	Contract Price	Status
1	PROPOSED OF UON TOWERS	2013	2,275,183,265.00	Complete and handed over to the University.
2	CONTRUCTION OF KISUMU CAMPUS COMPLEX	2012	462,554,359.00	The contract was terminated due to fundamental breach of the contract.
3	Partial Completion of Pharmacy Building – CHS	2011	152,903,393.00	Still ongoing though with serious financial challenges.
4	Supply and erection of steel water tank - Main campus	2014	9,800,000.00	Ongoing
5	Supply and installation of new pumps - Mombasa Uni Plaza	2014	2,802,948.00	Ended
6	Supply ,fix of aluminum and ceiling works - Chiromo Campus	2014	4,594,238.00	Ended
7	Semis Laboratory – CAVS	2014	49,609,277.00	Almost complete even though the septic tank is not yet complete as at the time of field verification.
8	Supply and installation of digital voltage stabilizer – KSC	2012	5,659,408.00	Ended
9	Construction of police post -Ganda Research Station	2014	5,580,214.80	Ended
10	Construction of Boundary fence - Ganda Station, Malindi	2014	4,771,523.00	Ended
11	Refurbishment of Physics Laboratory - Chiromo campus	2015	3,979,860.00	Ended
12	Interior design and refurbishment -Taifa Hall	2015	34,982,851.21	Ongoing
13	Completed works to installed lecture theatre offices and lab-Upper Kabete		39,781,231.90	Ended
	TOTAL		3,052,202,567.00	

Appendix 4:

Bids returned for Original Bids

S/NO	NAME OF THE FIRM	AMOUNT QUOTED KSHS	BID AMOUNT	BOND
1.	EpcO Builders Ltd	3,591,723,080.00	2,000,000.00	
2.	N.K. Brothers Ltd.	3,949,909,101.00	2,000,000.00	
3.	China Overseas Engineering Group Ltd.	4,251,290,640.98	2,000,000.00	
4.	Landmark Holdings Ltd	3,121,717,509.00	2,000,000.00	
5.	China Wu Yi Ltd	3,150,000,000.00	2,000,000.00	
6.	Twiga Construction Company	5,190,000,000.00	2,000,000.00	

APPENDIX 5
BIDS RETURNED FOR THE RE- ADVERTISED TENDER

CODE.	FIRMS.	TENDER SUM. (Kshs.)
01.	China Wu Yi Co Ltd.	2,224,171,965.00
02.	Shengli Engineering Construction [Group]	3,214,361,389.00
03.	China National Aero-Technology international Engineering Corporation	2,979,118,520.00
04.	Tulsi Construction Ltd.	3,002,843,770.13
05.	Guangxi-Hydro-Electric Construction Bureau	2,202,919,122.00
06.	China Overseas Engineering Group Co Ltd	3,529,323,372.57
07.	Parbat Siyani construction Ltd	3,217,013,277.00
08.	Mavji construction Ltd	2,300,000,000.00
09.	Seyani Brothers Co.[k] Ltd	2,879,911,215.00
10.	Atlas Plumbers & Builders [k] Ltd	2,427,254,270.00
11.	China Jiangxi International [k] Ltd	2,189,387,037.95
12.	N.K Brothers Ltd.	2,681,909,101.00

Appendix 6

Bids purchased and returned for Kisumu Complex

S/N	FIRMS.	BID PRICES (Kshs.)
1.	Erdermann Co. [k] Ltd.	475,540,606.00
2.	Bamco constructors Ltd.	404,747,821.84
3.	Lunao Enterprises	442,859,121.00
4.	Thwama Building	490,341,786.92
5.	Nu-plan Engineering and design Ltd.	481,735,740.00
6.	Epcu Builders Ltd	494,595,174.00
7.	Laton Engineering Ltd	462,554,357.00
8.	TKM Maestro Ltd	474,508,044.52
9.	Dinesh constructions Co. Ltd.	474,892,284.00
10.	Vaghjiyani Ent. Ltd	482,800,484.24
11.	Landmark Holdings Ltd.	480,807,427.00
12.	China Jiangsu Int.	512,551,203.76
13.	Italbuild Imports	467,721,303.20
14.	Speedway Technical co. Ltd	399,134,364.00
15.	Eldo -Rosta Construction Company	466,557,929.28
16.	Ernie Compell and Co. Ltd.	526,845,653.00
17.	N.K Brothers	481,111,909.00

Appendix 7

Bid returned for School of pharmacy

S/N	FIRM	AMOUNT QUOTED (Kshs.)
1.	Skillman Construction Ltd	139,203,520.00
2.	Dinesh Construction Ltd	168,798,777.00
3.	Italbuid Imports	154,125,047.00
4.	Atlas Plumbers and Builders [K] Ltd	94,505,828.00
5.	Ernie Campell and co. Ltd	144,583,280.00
6.	M.R Shah Construction Ltd.	95,750,101.00
7.	Dickways Construction Ltd.	160,673,526.00
8.	Tulsi Construction Ltd	158,948,864.00
9.	Multiplan Investment Ltd	103,142,341.00
10.	Catic International Engineering Ltd	147,571,046.00
11.	N.K Brothers Ltd	174,818,202.00
12.	Nyoro Construction Ltd.	168,105,433.00
13.	Eremo Stores Ltd.	65,445,614.00

Appendix 8:

Bidders Purchased and returned for SEMIS

CODE.	BIDDERS' NAME.	TENDER SUM	BID BOND [KHS.]	BANK.	FORM.	NO. OF COPIES SUBMITTED.
01.	Sanber Ltd.	91,639,375.00	10,000.00	Tausi Assurance	Letter of credit	2
02.	TKM Maestro Ltd.	106,890,830.00	10,000.00	Chase Bank	Letter of credit	2
03.	Dickways construction	Not indicated	10,000.00	Equity bank – different identity-as [Dickways Contribution Ltd] shown the footnote.	Letter of credit	2
04.	Thwama building services	89,271,347.00	10,000.00	Consolidated bank	Cheque	2
05.	Elephant construction Ltd	97,111,847.60	10,000.00	Kenya Orient insurance	Letter of credit	2
06.	Alfatech contractors ltd	81,511,262.80	10,000.00	Equity bank	Letter of credit	2
07.	Buildmore construction ltd.	92,601,923.64	10,000.00	Intra-Africa Insurance	Letter of credit	2
08.	Rocui construction ltd.	96,681,922.60	10,000.00	Intra-Africa Insurance	Letter of credit.	2
09.	Triple Eight construction ltd	92,746,576.20	10,000.00	Cannon Assurance	Letter of credit	2
10.	Njama contractors and Engineers ltd.	97,260,722.00	10,000.00	Equity bank	Letter of credit	2

Appendix 9

Items procured for the Vice Chancellors Residence

NO.	ITEM DESCRIPTION.	FIRM.	VALUE [KSHS]	DATE OF AWARD.
1.	Welding materials.	-Kirindi H/ware -Waka General Agencies. -Sacaros Enterprises. -pentagon H/ware	169,115.00	15/4/2015
2.	Chandelier Light and Decorative mounding	Rakimta Ltd.	307,000.00	15/4/2015
3.	Translucent materials	Marca security	460,967.00	5/3/2015
4.	Cabro paving blocks 60mm thick	Kirindi H/ware	444,850.00	5/3/2015
5.	Fixing gypsum ceiling, skimming and sanding toilets.	Rakimta Ltd.	488,900.00	5/3/2015
6.	Labour for fixing cabro paying.	Alldos Builders Co.Ltd	126,854.00	5/3/2015
7.	Installation of electric fence and razor wire to the guest house	Marco Security	390,494.00	5/3/2015
8.	40ft container	Jefco Trading	430,000.00	5/3/2015
9.	Materials for cabro paving	Geogora Enterprises	229,050.00	5/3/2015
10.	Electrical materials	-Markson supplies -Prinisa trading co. -Epcan enterprises -Heiver enterprises	63,348.00	5/3/2015
11.	Wielding materials	-Markson supplies -prinisa trading co. -Epcan enterprises -sacaros enterprises -pentagon H/Ware	47,663.00	5/3/2015
12.	Roofing materials	-pentagon H/Ware -Mososra enterprises	295,200.00 156,000.00	5/3/2015
13.	Tanks	-pentagon H/Ware	168,000.00	19/2/2015
14.	Plumbing materials for guest house	-Heiver enterprises -sacaros enterprises -pentagon Hardware -Jurefa enterprises	219,345.00	19/2/2015
15.	Welding materials for guest house	-sacaros enterprises -Heiver enterprises -pentagon enterprises	153,345.00	19/2/2015
16.	Fixing granite work top and fabrication of shelves.	Sacleas services	380,000.00	19/2/2015

NO.	ITEM DESCRIPTION.	FIRM.	VALUE [KSHS]	DATE OF AWARD.
17.	Carpentry materials	-sacaros enterprises -pentagon H/Ware -Jurefa enterprises -Heiver enterprises	204,365.00	19/2/2015
18.	Plumbing materials	-sacaros enterprises -Delon H/Ware -Epcan enterprises -Heiver enterprises	414,365.00	19,2/2015
19.	Painting materials	-sacaros enterprises -pentagon H/Ware -Jurefa enterprise -Heiver enterprises	485,465.00	19/2/2015
20.	Carpentry materials	-sacaros enterprise -pentagon H/Ware -Jurefa enterprises -Heiver enterprises	174,880.00	19/2/2015
21.	Electrical materials	-Delon enterprises -Thames Electricals	70,305.00	19/2/2015
22.	Fixing and skirting wood blocks and polyurethane	-Milmani Ltd	330,000.00	19/2/2015
23.	Purpose made doors.	Shah timber mart ltd	278,400.00	16/1/2015
24.	Paints	Kirindi H/Ware and paints.	122,470.00	16/1/2015
25.	Plumbing materials	-sacaros enterprises -Jurefa enterprises -Heiver enterprises	230,585.00	9/1/2015
26.	Fixing gypsum down lighters	Rakitma Ltd.	401,000.00	9/1/2015
27.	Fixing gypsum down polystrene	Rakitma Ltd	497,750.00	9/1/2015
28.	Flooring sanding and gypsum ceiling	Rakitma Ltd	405,500.00	9/1/2015
29.	Fixing of shower cubicals	Iron Art Ltd	82,940.00	9/1/2015
Sub – Totals			8,228,156.00	
30	Supply, installation and commissioning of electric fence and razor wire.	Marco security Ltd	992,380.00	2/1/2015
31	Supply and delivery of assorted Furniture.	• Odds and Ends.	1,939,000.00	9/2/2015
		• Victoria courts trading Ltd.	438,195.00	9/2/2015
		• Furniture palace [k] Ltd.	2,365,820.00	9/2/2015

NO.	ITEM DESCRIPTION.	FIRM.	VALUE [KSHS]	DATE OF AWARD.
32	Supply and delivery of assorted equipment	<ul style="list-style-type: none"> Hot point appliances Ltd Uchumi supermarkets Ltd 	658,670.00 41,180.00	9/2/015 9/2/2015
33	Supply and delivery of Television and TV accessories	<ul style="list-style-type: none"> Hot point appliances Ltd. Uchumi supermarket Ltd 	530,050.00 5,568.00	9/2/2015 9/2/2015
34	Supply of curtains, curtain accessories and carpets.	<ul style="list-style-type: none"> Nishit & co Ltd. Victoria courts Trading Ltd. 	2,235,947.00 456,048.00	9/2/2015 9/2/2015
Sub – Total			9,662,858.00	
GRAND TOTAL			17,891,014.00	