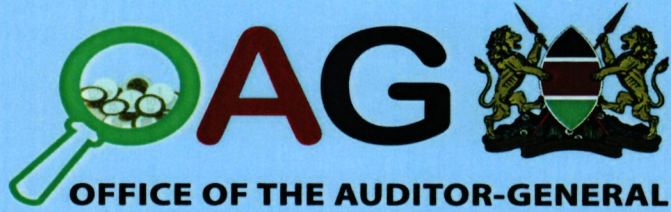


REPUBLIC OF KENYA



Enhancing Accountability

REPORT

PARLIAMENT
OF KENYA
LIBRARY

THE NATIONAL ASSEMBLY	
DATE:	09 NOV 2022
TABLED BY:	Hon Kimani Ichungwa, MP
CLERK AT THE TABLE:	Wendie Wangari

OF

THE AUDITOR-GENERAL

ON

KIBABII UNIVERSITY

**FOR THE YEAR ENDED
30 JUNE, 2020**





23 JUN 2022

RECEIVED

KIBABII UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 30TH JUNE, 2020

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



Kibabii University ISO 9001:2015 Certified

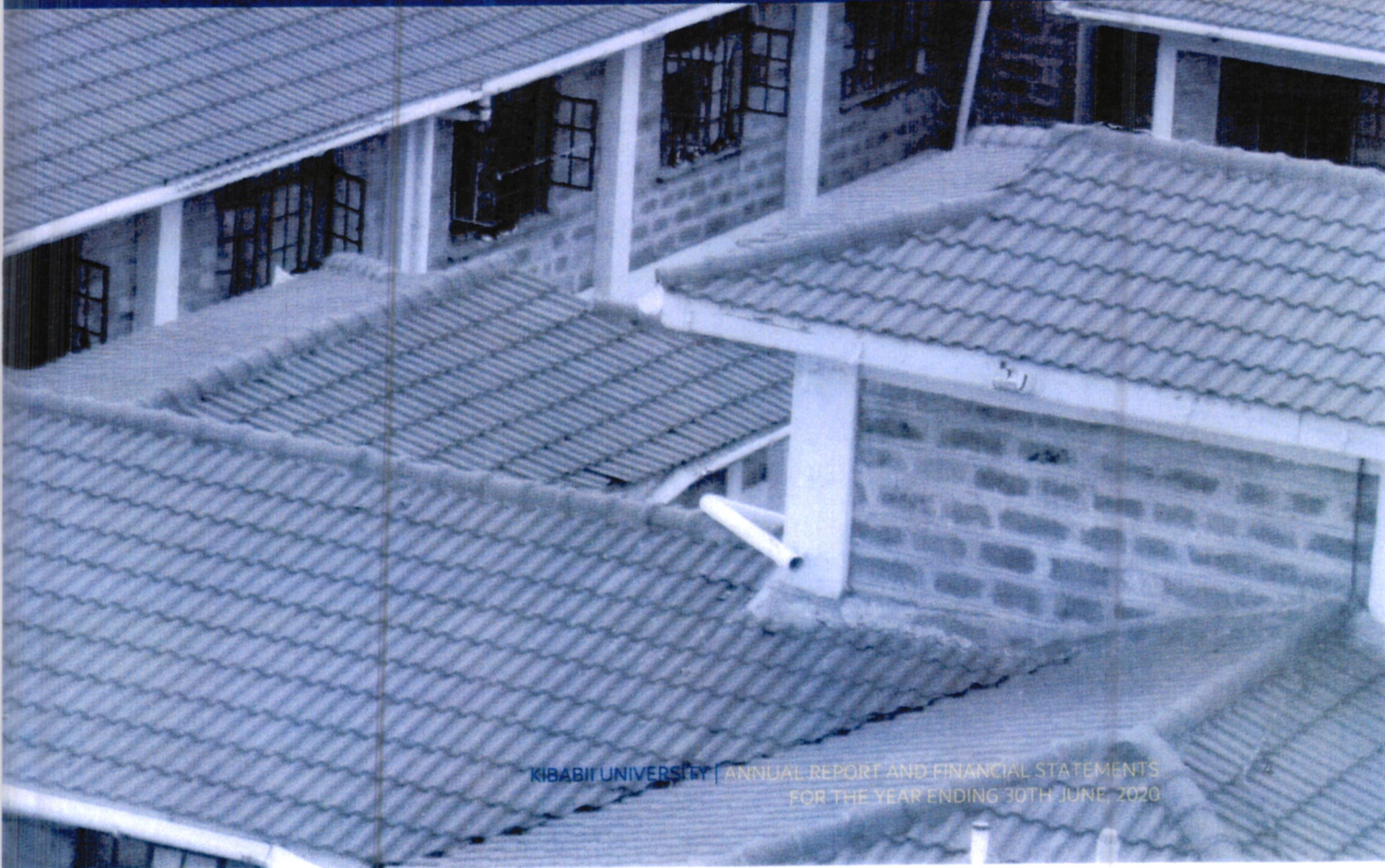


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KEY UNIVERSITY INFORMATION AND MANAGEMENT





Background information

The name 'Kibabii'

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

The History of Kibabii University

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

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

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

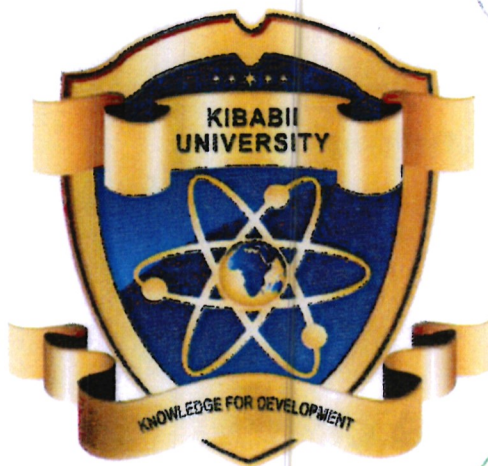
After inauguration, leaders from Bungoma County requested His Excellency President Mwai Kibaki to declare the newly constructed facilities for Kibabii Diploma Teachers' College to be converted to Kibabii University College. This request was accepted and formalized by Legal Notice No. 115 of August 2011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

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



Our Identity; Logo and Corporate Colors

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



Map of Africa - Kibabii University is in Africa with a lot of potential and something good can come out of Africa

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

The Five Stars - Indication of Kibabii University destined for greater achievements

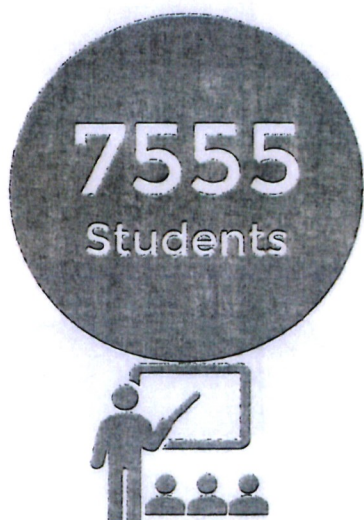
The Shield indicates protection or defense of our core values

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

The Ribbons - Depicts unlimited creativity and resilience



KIBU at a Glance



Academic Programmes



Schools and Faculties





Principal Activities

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

- a) Provide directly, or in collaboration with other institutions of higher learning, facilities for university education including technological, scientific, professional education and research;
- b) Advance knowledge and its practical application by research, innovation and other means;
- c) Disseminate the outcomes of research by various means, and commercially exploit the results of such research;
- d) Participate in technological innovation as well as in the discovery, creation, transmission and enhancement of knowledge, and to stimulate the intellectual life in the economic, social, cultural, scientific, and technological development/other organizations;
- e) Contribute to industrial and technological development of society in collaboration and partnership with industry and other organizations;
- f) Develop quality and relevant programmes for degrees, diplomas and certificates;
- g) Establish colleges, faculties, schools, centres, institutes, departments, and other resources and administrative units as may be appropriate;
- h) Inculcate and promote a culture of innovation, critical inquiry and creativity in art, science, technology, engineering, and education, amongst staff, students, and society;
- i) Develop an institution of excellence in teaching, training, scholarship, entrepreneurship, research, consultancy, community service, among other educational services and products, with emphasis on technology and its development, impact and application to society;
- j) Provide a multi-level system of education and training that is relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between educational levels;
- k) Provide high quality facilities for educational, research, residential, commercial, cultural, social, recreational, sporting, and other activities;
- l) Facilitate student mobility between programmes of study at different universities;
- m) Participate in commercial ventures and activities that promote the objectives of the institution;
- n) Foster the general welfare of staff, students, and the community;
- o) Provide opportunities for development and further training for the staff of the institution;
- p) Develop and provide educational, cultural, professional, technical and vocational services to the community, and in particular foster corporate social responsibility;
- q) Facilitate the development, provision, and expansion of services, programmes, and other products in ways that are easily accessible and which reflect the principles of equity and social justice;



Principal Activities

- r) Conduct examinations, and grant such academic awards as may be provided for in the Statutes, and to syndicate examinations for awards at other institutions as may be approved by Senate;
- s) Determine who may teach, what may be taught, and how it may be taught in the University;
- t) Promote social-economic development in line with the country's development agenda; and
- u) Ensure University sustainability and adoption of the best practices in University management and institutionalization of systems of checks and balances.



PHILOSOPHY

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



VISION

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



MISSION

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



MOTTO

Knowledge for Development



Our Values

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

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

EXCELLENCE

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

ACCOUNTABILITY AND TRANSPARENCY

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

SOCIAL RESPONSIBILITY

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

INTEGRITY

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

INNOVATION

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

ACADEMIC FREEDOM

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



FIDUCIARY OVERSIGHT ARRANGEMENTS

Audit and Risk and Compliance Committee activities

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

Parliamentary Committee activities

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

HEADQUARTERS

Kibabii University
Off Bungoma-Chwele Road
P.O. Box 1699 – 50200,
BUNGOMA
Tel. 020-2028660/0708-0859934
/0734-831729
Email: enquiries@kibu.ac.ke

BANKERS

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

Barclays Bank Limited
Bungoma Branch
P. O. Box 91, 50200
BUNGOMA

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

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

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

CONTACTS

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0708-0859934/0734-831729
E-mail: enquiries@kibu.ac.ke
Website: www.kibu.ac.ke

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

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

INDEPENDENT AUDITORS

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

PRINCIPAL LEGAL ADVISOR

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



UNIVERSITY COUNCIL



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

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



UNIVERSITY COUNCIL



Mr. Hussein Abdi Farah,
MEMBER

Date of Birth, 28th August 1960,

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



Mr. Vincent Moseti Nyabiosi,
MEMBER

Date of Birth 28th September 1984,

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



UNIVERSITY COUNCIL



**Eng. Mwaka Mungatana,
MEMBER**

Date of birth: 16th October, 1964

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



**Dr. Joyce Wanjiru Ngure,
MEMBER**

Date of birth: 15th May 1977

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

She is currently an Assistant Director Research in the Ministry of Education in the Directorate of Research Science and Technology as well as a Project Coordinator for the National Physical Sciences and Research Laboratories.



UNIVERSITY COUNCIL



**Mr. Michael Jasper Obonyo,
Rep Cabinet Secretary, The
National Treasury, Ex-Officio**

Date of Birth 7th April, 1970,

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



**Mr. Tom Mboya Wambua,
MEMBER**

Date of birth: 1968

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



UNIVERSITY COUNCIL



**Mr. Francis Asunah,
MEMBER**

Date of Birth, 29th December, 1963,

Joined in 2017 as a member of Council and Chairman Governance and Human Resource Committee of the University Council. He is also the Council representative in the University Staff Pensions Board of Trustees. He holds a Bachelor of Science, Geology (UoN) and Master of Engineering, Hydrology and Water Resources (IHE Delft, The Netherlands). Mr. Asunah has broad expertise of over 30 years in areas of Hydrology, Geology, Water resources engineering, Corporate Governance, Arbitration & Alternative Dispute Resolution (ADR) and Environmental management in both public and private sectors. Currently, he is a Technical Advisor at Rural Water & Sanitation Organization (WATERSAN) and the Vice - Chairman of the Centre for Corporate Governance (CCG) Alumni Network; and a Mediator of the High Court of Kenya.



**Prof. Isaac Ipara Odeo
Vice Chancellor
SECRETARY TO COUNCIL**

Date of Birth 19th May, 1955,

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



Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:



Prof. Isaac Ipara Odeo
Vice Chancellor

Date of Birth 19th May, 1955,

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



Prof. Donald Namasaka Siamba
DVC (Administration, Finance and Development)

Date of Birth 14th October, 1960,

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



Fiduciary Management



Prof. Dr.-Ing. Benedict M. Mutua
Deputy Vice Chancellor (Planning,
Partnerships, Research and Innovation)

Date of Birth 30th November, 1966,
Joined in 2016 as a member of the
Management Board. He holds a B.Sc.
(Eng.) (Egerton University), MEng. Sc.
The University of Melbourne Australia,
Ph.D. and Post Doc. (Universität für
Bodenkultur-BOKU, Vienna Austria).
He has over 25 years of teaching and
research experience at the university
level. He has held various leadership
positions at Egerton University and been
involved in research projects both at
National and Global levels. He has
special research interests in Water
Resources Engineering and Applied
Hydrology.



Prof. Julius Kiprop Maiyo
Ag. Deputy Vice Chancellor
(Academics and Students Affairs)

Prof. Maiyo joined in 2020 as a
member of Management Board.
He holds B.Ed Arts (Economics &
Mathematics) (Moi University) MPhil
Economics of Education and
Management (Moi University),
Masters in Business Administration
(MBA). Indian School of Business
Management and Administration;
Doctor of Philosophy (PhD) in
Education (Interdisciplinary)
University of Pune and has over 15
years teaching experience at
institutions of higher learning. He has
also held various leadership positions
at the same



Fiduciary Management



Dr. Ruth Atidah Mitalo
Registrar (Administration & HR)

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



Prof. Ernest Sangai Mohochi
Registrar (Academics & Students Affairs)

Joined in 2018 as Registrar (Academic and Students Affairs), Prof. Mohochi holds a Bachelor of Arts (Kiswahili) (Egerton University), Master of (Kiswahili) (Egerton University) and Ph.D. (Kiswahili) (Egerton University). He has over 24 years of experience in teaching at Institutions of Higher Learning.



Fiduciary Management



Prof. Barack Abonyo
Registrar (Planning, Partnerships, Research
and Innovation)

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



Dr. Alice Chemutai Mutai
Dean of Students

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



Fiduciary Management



Prof. Samwel Mbugua
Director, ICT

Date of Birth 10th October, 1964, Joined in 2014 as Director ICT and Senior Lecturer in the Department of Information Technology. He holds a Master of Science in Computer Based Information Systems of the University of Sunderland and PhD in Information Technology from Masinde Muliro University of Science and Technology. He is a Chartered Engineer and an assessor for Chartered Engineer registration for the Engineering Council (UK). Dr. Mbugua is a member of the ACM and BCS. He has over 20 years of service in both civil service and institutions of higher learning.



Ms. Nduku Charles Kilel
Deputy University Librarian

Date of Birth 11th August, 1973, Ms. Nduku joined in 2018 as Deputy Librarian. He holds a Bachelor of Library and Information Science and Master of Library Information Science from Kenyatta University. He previously worked for Jaramogi Oginga Odinga University of Science & Technology, South Eastern Kenya University, Kenya Methodist University and Gikumene Girls Secondary School libraries. She has over 20 years work experience in institutions of higher learning libraries.



Fiduciary Management



Ms. Jessica Wanyonyi
Procurement Officer

Date of Birth 29th June, 1970,
Joined in 2018 as Head of Procurement Department. She holds a Bachelor of Science Purchasing and Supplies Management and MSc. Procurement and Logistics both from Jomo Kenyatta University of Agriculture and Technology. Ms Wanyonyi has over 10 years' experience in procurement and supplies functions. She is also a member of the Institute of Purchasing and Supplies Management and Kenya Institute of Management.



CPA Benjamin Musina Oduori
Deputy Finance Officer

Date of Birth 1st August, 1972,
Joined in 2013 as Deputy Finance Officer. Mr. Oduori holds BBM (Accounting & Finance) (Moi), MBM (Accounting) (Moi), and CPA (K). He is a professional accountant with over 18 years' experience in auditing and assurance and finance at the institutions of higher learning. He is a member of ICPAK and ICIFA.



Fiduciary Management



Ms. Jacqueline A. Wanjala
Legal Officer

Joined Kibabii University in August 2015 as legal officer. She Holds a Bachelor of Laws (LLB) University of Nairobi and Diploma in Law from Kenya School of Law (KSL). She is an Advocate of the High Court of Kenya, having been admitted in 1993. Miss Wanjala is a member of the Law Society of Kenya with 27 years of experience as an Advocate. She has 11 years experienced in the University Sector.



Ms. Johnstone Eshirera
In-charge Health Unit

Date of Birth 29th October, 1970, joined Kibabii University in 2012 as Deputy Senior Clinical Officer and Head of Department of Health services. Previously worked for Masinde Muliro University and Ministry of health respectively. Has both administrative and clinical experience of more than 18 years of service. Trained up to master's level in Community health at Great Lakes University, University of Liverpool (UK), Moi University and Kenya Medical Training College. Holds professional Diplomas in Community Health, Sexual and Reproductive Health in Developing Countries and Clinical Medicine and Surgery.



CHAIRMAN'S STATEMENT

On behalf of Kibabii University Council, I am pleased to present the Annual Report for the 2019/2020 financial year. The focus marshalled at the beginning of the year placed University operations on a positive trajectory until the outbreak of Coronavirus 2019 (COVID-19) pandemic, which affected all facets of our operations.

The University is committed to providing high quality teaching, research and extension services commensurate to the expectations of faculty, staff, students and other stakeholders through embracing modern approaches that allow the provision of efficient and reliable services. That the University was awarded ISO 9001:2015 Certification, is a testament to the fact that the University meets the International Standards and further that her processes comply with regulatory and statutory requirements. In addition, we continue to fully embrace performance management. This year Performance Contracting was cascaded to all staff and initial assessment indicates that they successfully delivered prescribed performance outputs on time.

Academic Programmes

The University continues to offer competitive academic programmes. I am therefore happy to note that the University was competitively selected by the Inter-University Council of East Africa (IUCEA) as a Regional Centre of Excellence to host Master of Science in Information Technology and Master of Business Administration which attracted six international students. This speaks volumes about the resource capacities available at Kibabii University.

2019 Graduation Ceremony

The 4th Graduation Ceremony presided over by His Excellency Hon. Uhuru Kenyatta C.G.H., President of the Republic of Kenya and Commander-in-Chief of the Defence Forces and Chancellor of Kibabii University was successful. A total of 1863 graduands distributed in terms of 42% female and 58% male were conferred with degrees and awarded diplomas and certificates. We registered a modest but notable growth of 159, an increase from 1704 graduands during 2018/2019 financial year.

Partnership and Linkages

In a bid to enhance research and visibility, the University has sealed strategic collaborative partnerships with over fifty agreements and memoranda of understanding signed with reputable institutions and organizations.

Administration and Human Resource

To us excellence has remained a trade mark. To sustain this, Council completed the recruitment process for senior management staff including the Registrar (Administration and Human Resource) and Deputy Vice Chancellor (Administration, Finance and Development), to provide continued improvement in University leadership.

Capital Development Projects

I am happy to note that the University now has the necessary infrastructure to provide a conducive teaching and learning environment. One of the most recent accomplishments in this direction is the completion of the Women Students Hostel designed to provide the much needed accommodation for 412 students. It is instructive to note that these achievements are attributed to a large extent to the financial prudence exercised by the Council and Management.

In 2019/2020 financial year, the University revised the Strategic Plan 2016-2020 to align it to the Government's Big 4 Agenda and the Medium-Term Plan (MTP) III of 2018-2022.



CHAIRMAN'S STATEMENT

The University continues to compete favourable nationally and globally. It is in this regard that I am pleased to report that the University was ranked position 15 in Kenya and 8038 globally on webometric ranking at the close of the 2019/2020 financial year. This was an improvement from position 19 in Kenya and 9060 Globally in January, 2020 ranking.

As I finish, it is imperative that I mention the role of the University in community service. Notable among the many activities pursued is the University donation of liquid soap, hand sanitizers and masks to Bungoma County Government and the Kibabii Community to contribute to the interventions towards the containment of COVID-19 pandemic in Bungoma, within its Corporate Social Responsibility mandate.

Finally, we have been able to record the above achievements courtesy of the unwavering support of the Chancellor, a far sighted Council, committed Senate, and focused Management, faithful Staff, disciplined students and valuable stakeholders who have worked round the clock to ensure that the University competes favourably with her peers.

Thank you.

Dr. Ernest Mwangi Njoroge
CHAIRMAN OF COUNCIL



VICE CHANCELLOR'S REPORT

Dear Stakeholders,

I would like to take this opportunity to highlight the successes and challenges of the financial year 2019/ 2020. First, it is notable that the end of this FY has been one of the most challenging in recent memory. There was the advent of the Novel COVID-19 pandemic that is still with us. The sudden closure severely impacted on our operations. This has meant higher expenses with little or no income from our main IGU. Despite these, we have continued to nurture our strategic directions towards becoming a regional giant in Higher Education. To this end, great strides have been made towards accreditation of the School of Nursing and we continue apace to ensure that we will be ready to admit pioneer students in the near future.

During the year in review, four (4) academic programmes were accredited by the Commission of University Education (CUE) while seven (7) others have been forwarded for review and approval. We also hope to grow our distance learning student population and an application for approval to be a TVET course provider has also lodged.

During the 2019/2020 financial year, our research capacity increased with the number of faculty with PHD increasing to fifty-three (53). This increase in human capital has realized an increase in the number of active researchers and will go a long way in achieving our research agenda.

There was a marked increase in enrolment during the 2019/2020 Academic year. KIBU welcomed a total of 1793 undergraduate students, an increase of 71.57% from the previous year. The University also received 6 International students from the region, on IUCEA Scholarships.

As a University, we continue to grow our alumni in numbers, quality and diversity. Just to provide an overview, in the 4th Graduation Ceremony conducted during the year, the University had one thousand eight hundred and sixty-three (1,863) students graduating, representing a modest growth from one thousand seven hundred and four (1704) in its Third (3rd) Congregation in 2018. The breakdown was as follows: thirty-one (31) Certificates accounting representing 1.66 %, two hundred and seventeen (217) Diplomas accounting for 11.65 %, one thousand five hundred and seventy-four (1574) Bachelor's degrees accounting for 84.49 %, thirty (30) Masters' degrees accounting for 1.61 % and ten (10) PhDs accounting for 0.54 %. This is a strong indication that the overall number of graduates keeps rising without compromising quality.

In the past Financial Year, the University through the support of the Government of Kenya constructed a new hostel for female students with a bed capacity of 412. The University now has five Hostels, three for female and two for male students and this has enabled the University to raise accommodation capacity from the previous 1,536 to 1,948 students.

The Innovation Hub funded under the EU-AHEAD project was completed during the year in review, the ICT hub funded to the tune of Kshs.64.6 Million by the National Research Fund is also well on course and set to house an incubation centre and a forensic laboratory. These two projects contribute to a great extent the University's capacity for research and innovation as well as provided a good platform for the University to deliver on its mandate given the current circumstances, with the pandemic; this is the direction to go as the current direction is towards non-contact learning.



VICE CHANCELLOR'S REPORT

We also had a successful installation of the surveillance equipment to the tune of Kshs.7.9 Million. This will further ensure that security is enhanced within the university premises.

It is hoped that these additions will provide the framework needed to develop the human capital as the Kibabii University 2016 - 2020 Strategic Plan places technology at the apex of the factors crucial for learning and teaching in the 21st Century.

During the period, the University recorded growth in the University's net worth from Kshs.2.374 Billion to Kshs.2.6 Billion; this represents a 5.5% growth from the previous year. The University also recorded a growth in funding for research. However, there was a marked decline in our surplus numbers from Kshs.10.338 million reported last year to Kshs.0.887 million. This can be partly attributed to the effects of the worldwide pandemic and the resultant closures to all learning institutions.

Last but not least, my sincere gratitude goes to Kibabii University Council, the entire Management Board, our members of staff, the student fraternity, partners and donors, for their continued commitment and collaboration. I am confident that the University shall prosper and become a beacon of success in the entire region. We are also happy to announce that our Chairman of Council received a term extension, for another 3 years. We commit our full support to him in his stewardship towards this great University.

Prof. Isaac Ipara Odeo,
Vice Chancellor



REVIEW OF KIBABII UNIVERSITY'S PERFORMANCE FOR FY 2019/2020

Kibabii University has six strategic directions and objectives within its 2016-2020 Strategic Plan. The strategic directions are as follows:

- Direction 1:** Promote and Maintain Excellence in Teaching and Learning
- Direction 2:** Support and Sustain Advancement in Research, Consultancy and Extension
- Direction 3:** Enhance Administrative, Financial and Human Resource Management Systems
- Direction 4:** Invest in Marketing, Public Relations and Linkages
- Direction 5:** Expand, Maintain and Improve Physical Infrastructure and Structures.
- Direction 6:** Improved Implementation of Health Services.

The University develops its annual work plans based on the 6 directions. Assessment of the University's performance against its annual work plan is done on a quarterly basis. The University achieved its performance targets set for the FY 2019/2020 period under its (6) strategic directions, as indicated below:

Strategic Direction	Objective	Key Performance Indicators	Target	Achievement
Direction 1: Promote and Maintain Excellence in Teaching and Learning	To offer quality and market driven programmes in conformity with CUE and TVET Standards	Accredited new programmes	7	4
	To achieve a substantial increase in student completion	Graduation rate	2377	1863
	To integrate ICT in academic programmes	Programmes with ICT Programmes	56	56
	To expand library Resources	No. of Library resources initiated	2	2
	To strengthen student welfare service	No of student welfare services initiated	3	3
Direction II: Advancement in Research, Innovation, Partnerships and Linkages	To Strengthen Research in the University	Staff and graduate students equipped with Knowledge on management of research projects	40 staff 30 Students	62 35
	To enhance Research Collaboration	Signed collaboration MoUs	4	4
	To enhance safety of research and innovations	IPR registration	2	8 Applications 1 Patent 2 Copy Rights 2 Trademarks Registered
	To improve Community Outreach Services	Community Outreach activities conducted	3	4



REVIEW OF KIBABII UNIVERSITY'S PERFORMANCE FOR FY 2019/2020

Strategic Direction	Objective	Key Performance Indicators	Target	Achievement
	To enhance research	Research proposals submitted for funding	12	23
	To enhance dissemination of research findings	Publish books, book chapters and peer reviewed articles in reputable journals	1 University level book Chapter 65 articles	1 book 9 book Chapters 67 journals
Direction III: Enhance Administrative, Financial and Human Resource Management Systems	To strengthen the University's administrative quality management systems	Implementation of QMS		ISO 9001:2015 Re-Certification Launch of ISMS 270001
	To Improve efficiency of service provision	Reduced lead time in serving students, real time updating of student deposits	Integration with banks	95%
	To promote good corporate governance	University Council and Management equipped with governance skills	one training on governance and Mwongozo	University Council and UMB trained on corporate governance
	To increase the use of ICT in the University operations			Use of ICT in teaching, learning and meeting s implemented
	To Enhance Safety and Security of Students, Staff and stakeholders	Reduced insecurity incidents		CCTV surveillance installed Kibabii police post established
	To attract, develop and retain competent staff	Reduced staff turnover rates	Recruitment Promotion Training	53 staff Members 12 Staff Members 25 Staff Members
	To enhance financial resource mobilization	Growth in A.I.A	377million	456 million
	To enhance prudent financial management	Reduced pending bills Honouring statutory obligations	1%	The University did not have any outstanding statutory obligation as at the close of the FY
Direction IV: Invest in Marketing, Public Relations and Linkages	To promote KIBU's image through enhancement of its visibility	PR and Marketing office established Participation in Shows and Exhibitions No. of adverts on print media & Electronic media coverage		Public Relations & Marketing Office was established 3 exhibitions Graduation ceremony was aired live on TV, The University ran a two week prime time advertisement on TV and 5 adverts were done on print media
	To strengthen marketing of the University and its programmes	Increased awareness of the University and her programmes		53 Secondary Schools hosted / visited during the reporting period



REVIEW OF KIBABII UNIVERSITY'S PERFORMANCE FOR FY 2019/2020

Strategic Direction	Objective	Key Performance Indicators	Target	Achievement
Direction V: Expand, Maintain and Improve Physical Infrastructure and Structures.	To expand and upgrade physical infrastructure through completion of planned constructions for intended use	Completion of the Women Student Hostel	1	One student hostel that will house 412 students was completed during the year
	To enhance energy management and conservation	Reduced cost of electricity and water	10%	30%
Direction VI: Improved Implementation of Health Services.	To Upgrade Kibabii University Health Centre from level 3A to level 4 hospital	Approval of University Health centre as level 4 hospital	Level 4 hospital	Health policy was approved
	To enhance Service Delivery	Improved referral services and enhanced sterilization services	Procurement of an ambulance and electronic autoclave	A Modern ambulance and an electronic autoclave were procured during the year
	To promote health within the community	A community with health seeking behaviour	Community outreaches/ medical camp	2 Community outreaches and 1 free medical camp
	To enhance healthy learning and working environment	Prevention of communicable diseases	Quarterly fumigation of University premises	Fumigation on quarterly basis Proper waste management & clean environment maintained



CORPORATE GOVERNANCE STATEMENT

The University Council, presided by the Chairman is a body established to govern the University. The Council is appointed in accordance with the Universities Act, 2012 (No. 42 of 2012) by the Cabinet Secretary in charge of Ministry of Education. The Council provides strategic direction, exercises control and remains accountable through effective leadership, enterprise, integrity and good judgment. It is diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the University. The Council retains responsibility for establishing and maintaining the institution's overall control of financial, operational and compliance issues as well as implementing strategies for the long term success of the Institution.

The membership of the Council includes:

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

Appointment and Removal of Council Members

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

ii. Any removal of a Council member under (i) above, shall be through formal revocation.

Council Charter

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

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

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



CORPORATE GOVERNANCE STATEMENT

Ethics and Conduct

The Council adheres to the Code of Conduct and Ethics for State Corporations (SCs) which focuses on ethical conduct and integrity at the workplace.

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

Conflict of Interest Policy & Disclosures

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

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

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

Council Remuneration

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

Council Succession

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

Council Performance

The Council conducts an annual evaluation to appraise its performance. The Council evaluation provides an opportunity for Council members to identify strengths, collective skill gaps and individual areas of improvement. The Council also reviews the performance of each Committee against the agreed Terms of Reference. It also evaluates the performance of the Vice Chancellor.

Governance Audit

The Council is required to ensure that a governance audit of the organization is undertaken on an annual basis. The purpose of the governance audit is to ensure that the organization conforms to the highest standards of good governance.



CORPORATE GOVERNANCE STATEMENT

The governance audit covers the following parameters among others: Leadership and strategic management; Transparency and Disclosure; Compliance with Laws and Regulations; Communication with stakeholders; Council independence and governance; Council systems and procedures; Consistent shareholder and stakeholders' value enhancement; and Corporate Social Responsibility and investment.

Council Induction and Continuous Professional Development

In FY2019/2020, new Council members were inducted in order to familiarize themselves with their responsibilities as Members of Council, general principles of corporate governance and Council practices. The induction programme provided the Council members with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics. Members of the University Council were also inducted on Mwongozo and trained on Corporate Leadership and Governance and Improving Board Performance. These sessions were specifically selected in order to update the Council members on emerging issues pertaining governance, audit and financial reporting, and management of State Corporations.

Our Council's Composition

Diversity

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

Council Responsibilities

The University Council undertakes the following responsibilities;

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



CORPORATE GOVERNANCE STATEMENT

4. Monitors and evaluates the implementation of strategies, policies, and management criteria and plans of the University.
5. Constantly reviews the viability and financial sustainability of the University, and does so once every year.
6. Ensures that the University complies with all the relevant laws, regulations, governance practices, accounting and auditing standards.

University's Council Programme/Almanac

Kibabii University Council has a minimum of four (4) meetings as provided by the State Corporations Act and capped at a maximum of six (6) for each financial year. The University has four (4) committees that assist in the smooth running of its affairs. The committees also have a minimum of four (4) meetings per year. The Council receives regular updates from each of the committees.





COMMITTEES OF COUNCIL

To effectively discharge its mandate, the Council establishes Committees with specific terms of reference.

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

In the financial year 2019/2020 the Council approved the following committees;

1. Audit, Risk and Compliance Committee;
2. Governance and Human Resource Committee;
3. Strategy, Finance and Development Committee; and
4. Awards and Sealing Committee.

Other than the stated Committees, an Ad-hoc Committees may be established as need arises.

The Council membership and meeting attendance during the financial year 2019/2020 is as indicated below;

NAME	1 ST QUARTER		2 ND QUARTER	3 RD QUARTER			4 TH QUARTER	
	DATE	DATE	DATE	DATE	DATE	DATE	DATE	DATE
	22 nd July, 2019	20 th Sept. 2019	22 nd Nov, 2019	30 th Jan. 2020	14 th Feb. 2020	7 th March 2020	27 th May, 2020	19 th June, 2020
Dr. Ernest Mwangi Njoroge	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Hussein Abdi Farah	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Francis Asunah	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Vincent Nyabiosi	✓	✓	✓	✓	✓	✓	✓	✓
Eng. Mwaka Mungatana	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Michael Obonyo	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Joyce Ngure	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Tom Wambua	✓	✓	✓	✓	✓	✓	✓	✓
Prof. Isaac I. Odeo		✓	✓	✓	✓	✓	✓	✓



COMMITTEES OF COUNCIL

GOVERNANCE AND HUMAN RESOURCE COMMITTEE

This Committee is charged with the responsibility of reviewing and providing advisory opinion on University Statutes; making recommendations to Council on staff welfare related issues; recommend to Council improvement in the job grading classification as the Committee may consider appropriate and provide, oversight in matters of human resource, including salaries, disciplinary matters and appointments and promotions of Professors, Associate Professors and equivalent Administrative and Library Grades.

Membership and meeting attendance during the FY2019/2020 is as below listed:

NAME	1 ST QUARTER		2 ND QUARTER		3 RD QUARTER	4 TH QUARTER	
	DATE	DATE	DATE	DATE	DATE	DATE	DATE
	23 rd July, 2019	9 th Aug. 2019	19 th Oct. 2019	21 st Nov, 2019	17 th Jan, 2020	17 th April, 2020	24 th April, 2020
Mr. Francis Asunah	✓	✓	✓	✓	✓	✓	✓
Mr. Tom M. Wambua	✓	✓		✓	✓	✓	✓
Eng. Mwaka Mungatana	✓	✓	✓	✓	✓	✓	✓
Mr. Michael J. Obonyo	✓	✓	✓	✓	✓	✓	✓
Dr. Joyce W. Ngure	✓	✓		✓	✓	✓	✓
Prof. Isaac I. Odeo	✓	✓	✓	✓	✓	✓	✓

AUDIT, RISK AND COMPLIANCE COMMITTEE

This committee's mandate is to review and provide advisory opinions on Internal and External Auditors' reports and make recommendations for the improvement of the internal controls. The committee also monitors and evaluates management's response to and implementation of internal control recommendations. This include, internal Audit reports, PIC recommendations, external audit reports, Risk management, PFM systems and special assignments. This committee also provides advice on Quality and Performance Monitoring.

Membership and meeting attendance during the FY2019/2020 is as below listed:

NAME	1 ST QUARTER	2 ND QUARTER	3 RD QUARTER	4 TH QUARTER	
	DATE	DATE	DATE	DATE	DATE
	13 th Sep. 2019	14 th Dec. 2019	21 st March, 2020	12 th June, 2020	13 th June, 2020
Mr. Vincent M. Nyabiosi	✓	✓	✓	✓	✓
Mr. Hussein Abdi Farah	✓	✓	✓	✓	✓
Mr. Michael J. Obonyo	✓	✓	✓	✓	✓
Dr. Joyce W. Ngure	✓	✓	✓	✓	✓



COMMITTEES OF COUNCIL

AWARDS AND SEALING COMMITTEE

The mandate of the committee is to; Receive and consider graduation list for award of Certificates, Diplomas and conferment of Degrees and make recommendations to the Council; Receive and Consider the graduation booklet and make recommendations to the Council; Ensure that the processing of Certificates and Transcripts is done diligently and with integrity ; Receive and consider proposals to Council and nominations for the award of Degrees; Recommend to Council award of Honorary Degrees.; Authorize on behalf of the Council the application of the University seal to documents.

Membership and meeting attendance for the FY2019/2020 is as listed below:

NAME	1 ST QUARTER	2 ND QUARTER		3 RD QUARTER	4 TH QUARTER
	DATE	DATE	DATE	DATE	DATE
	N/A	15 th November, 2019	21 st November, 2019	31 st January, 2020	N/A
Mr. Hussein Abdi Farah	-	✓	✓	✓	-
Mr. Francis Asunah		✓	✓	✓	-
Mr. Vincent M. Nyabiosi	-	✓	✓	✓	-
Mr. Michael J. Obonyo	-	✓	✓	✓	-
Dr. Joyce W. Ngure	-	✓	✓	✓	-

STRATEGY, FINANCE AND DEVELOPMENT COMMITTEE

The mandate of the committee is to oversee infrastructure development and maintenance, review in year and annual financial reports and budgets and make recommendations to Council and act on behalf of council in reviewing the University strategic plan

Membership and meeting attendance for the FY2019/2020 is as below:

NAME	1 ST QUARTER		2 ND QUARTER	3 RD QUARTER	4 TH QUARTER
	DATE	DATE	DATE	DATE	DATE
	11 th July, 2019	14 th September, 2019	12 th October, 2019	17 th January, 2020	10 th April, 2020
Eng. Mwaka Mungatana	✓	✓	✓	✓	✓
Mr. Francis Asunah	✓	✓	✓	✓	✓
Mr. Tom M. Wambua	✓	✓	✓	✓	✓
Mr. Michael J. Obonyo	✓	✓	✓	✓	✓
Dr. Joyce Ngure	✓	✓	-	✓	✓
Prof. Isaac I. Odeo	-	✓	✓	✓	✓



COMMITTEES OF COUNCIL

COUNCIL'S KEY ACHIEVEMENTS

Council's key achievements in the 2019/2020 financial year include:

- ❖ Approval of Quarterly Reports and Financial Statements
- ❖ Approval of Budget Estimates for Financial Year 2019/2020
- ❖ Performance Contract for the Financial Year
- ❖ Attainment of ISO 9001:2015 Re-Certification
- ❖ Approval of Revised Strategic Plan 2016-2020
- ❖ Approval of Revised Kibabii University Statutes, 2020
- ❖ Approved Annual Procurement Plan 2019/2020
- ❖ Successful recruitment of the Deputy Vice Chancellor (Administration, Finance and Development)
- ❖ Recruited a total of 33 staff, 18 were administrative while 15 were academic staff.
- ❖ Successful 4th Graduation Ceremony
- ❖ Completion of Women Students Hostel Phase I
- ❖ Establishment of Office of Career Services
- ❖ Improvement of University Webometric ranking in Kenya
- ❖ Approval of the following Policies and procedure manuals;
 - a. Open and Distance Electronic Learning Policy
 - b. Kibabii University Alumni Association Constitution
 - c. Innovation Management Policy
 - d. Resource Mobilization Strategy
 - e. Whistle Blower Policy
- ❖ Procured Medical Insurance and Group Personal Accident Insurance for members of staff and Council.
- ❖ Approved Succession Plan for Top University Management Staff
- ❖ Proposed Council Almanac for 2020/2021 Financial Year

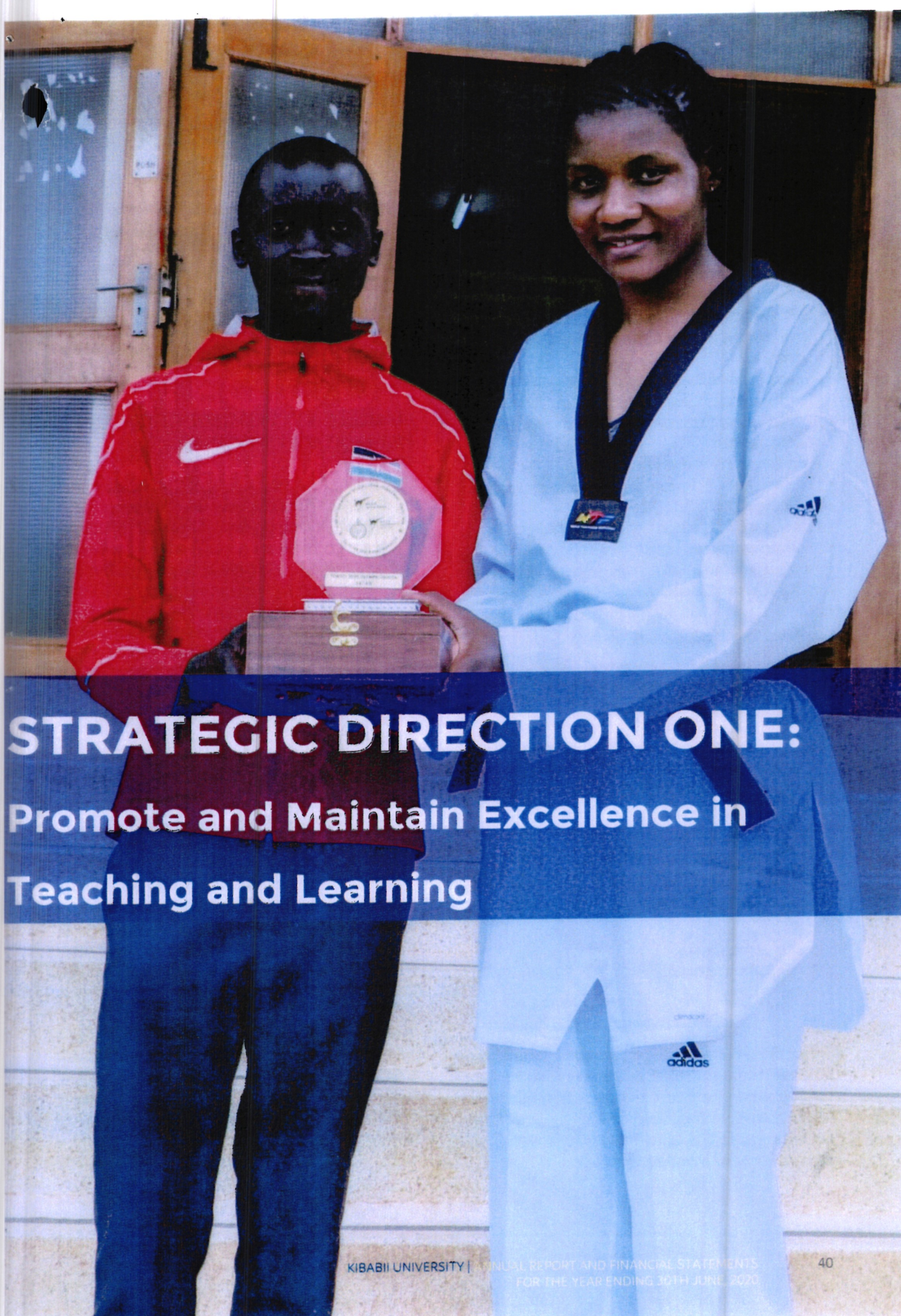


MANAGEMENT DISCUSSION AND ANALYSIS

The 2019/2020 financial year has seen a subdued performance in the achievement of revenue targets. With the raging COVID-19 pandemic, many institutions including ours have had to reassess risks, and cope with the deep uncertainty that has culminated into the current global economic crisis. Despite this, the University has made progress in changing its mode of operations, enabling it deliver on its mandate of providing quality teaching, research and extension services, by way of employing technology in carrying out its operations especially in teaching, seminars, training and meetings.

The 2019/2020 financial year marked the final year of implementation of the University's first five year strategic plan. It is time to look back and review our successes and missteps. The following are some of the highlights of the achievements under each of the six (6) strategic directions in the University's 2016-2020 strategic plan;





STRATEGIC DIRECTION ONE:

Promote and Maintain Excellence in Teaching and Learning

NEW ACADEMIC PROGRAMMES

Kibabii University, in its growth trajectory, initiated the development of new Programmes in response to market demands.

During the reporting year;

- 2 Bachelors, 6 Masters and 2 PhD programmes were developed and approved by senate
- Four (4) were accredited by the Commission for University Education (CUE);
- BSc. in Entrepreneurship and Cooperatives Management
- Master of Education in Kiswahili
- Masters of Business Administration & Management (MBA) with IT
- Master of Science in Computer Science
- 7 programmes (listed) were forwarded to the Commission for University Education (CUE) for accreditation.

S/N	NAME OF PROGRAMME	DATE SUBMITTED TO CUE
1.	Bachelor of Science in Nursing	17 th June 2020
2.	Master of Science in Logistics and Supply Chain Management	17 th June 2020
3.	Master of Science in Digital Security and Forensics	17 th June 2020
4.	Master of Arts in Kiswahili	17 th June 2020
5.	Masters of Science in Computer Science	18 th February 2019
6.	PhD in Kiswahili	17 th June 2020
7.	PhD in Business Administration	17 th June 2020

The University is in the process of launching the accredited programmes and continues to develop more Programmes and short courses. Additionally, Faculties/Schools initiated processing of a total of twenty-three (23) programmes for Senate approval.

S/N	FACULTY/SCHOOL	NO. OF NEW PROGRAMME(S)
1.	Faculty of Education and Social Sciences	8
2.	Faculty of Science	7
3.	School of Business and Economics	4
4.	School of Computing and Informatics	4

EMBRACING TVET EDUCATION AS A PILLAR TO DEVELOPMENT

Realizing the central role of Technical and Vocational Education and Training in Kenya's Development Agenda, Kibabii University embarked on a journey towards accreditation by Technical and Vocational Education and Training Authority (TVETA) in order to expand opportunities to the many high school graduates who chose to pursue TVET. Towards this end, The Directorate of Technical and Vocational Education and Training (TVET) in conjunction with the Faculties and Schools acquired 35 TVET programs from Curriculum Development Assessment and Certification Council (CDACC) ready for launching upon completion of the accreditation process.

The University is in the final stages of meeting all requirements for accreditation, having trained trainers, subjected itself to external inspection by the Public Health Department, and completed requisite forms. Once accredited KIBU will launch the programs that are ready per School/Faculty, broken-down as follows: School of Business and Economics (SOBE) - 17 programmes, School of Computing and Informatics (SCAI) - 13 programmes, Faculty of Education and Social Sciences (FESS) - 4 programmes and Faculty of Science (FS) - 1 programme.

TURNING TO TECHNOLOGY FOR TEACHING AND LEARNING THROUGH ODEL

While it has been clear for a long time now that technology is increasingly gaining prominence in education as is the case in other sectors, the outbreak of Covid-19 pandemic has awoken even those who were slow in taking that line of thinking. Kibabii University already had a Directorate of Open, Distance and e-Learning and a robust Directorate of ICT working on providing support in ensuring that KIBU programmes take maximum advantage of emerging technologies in teaching and learning. The Directorate of ICT continued to provide services by ensuring the required infrastructure is available and functional during the year under review in the following broad areas: ERP, Network, User Support, Website, Maintenance and Systems administration. Notable achievements include the following:

- Successful launch of the CCTV system, which has enhanced the security of equipment and people, and led to improved invigilation of examinations with very few irregularities reported.
- One hundred and two (102) members of staff created their research profiles on Google Scholar and fifty-seven (57) on ORCID.
- Successful negotiation for sixteen (16) website backlinks.
- Improved webometric ranking locally from position 19 to 15 and globally from position 9060 to position 8038.
- Launched ISO 27001:2013 Information

Security Management Systems.

The University continued to build capacity of staff through training in order to enable them continue teaching through the online platforms. Deans of Schools and Faculties and Chairpersons of academic departments were trained on Basic Skills of Managing Online Teaching and Learning. The training was aimed at equipping them with skills on how they can enable students to interact with content in a self-directed manner through Moodle, which is a learning management system of choice at Kibabii University. The same was later offered to all members of academic staff in the University.

Secondly, staff were trained on how to conduct virtual meetings using various platforms. As a result, University Management (UMB), Senate, Deans' Committee and other organs of the University have continued discharging their functions.

STUDENT ENROLMENT

Kibabii University has witnessed a steady growth in new student numbers over the years. The 2019-2020 Academic Year saw an increase in first year student numbers from 973 in 2018/2019 to 1201 in 2019/2020 as shown in the following tabulation.

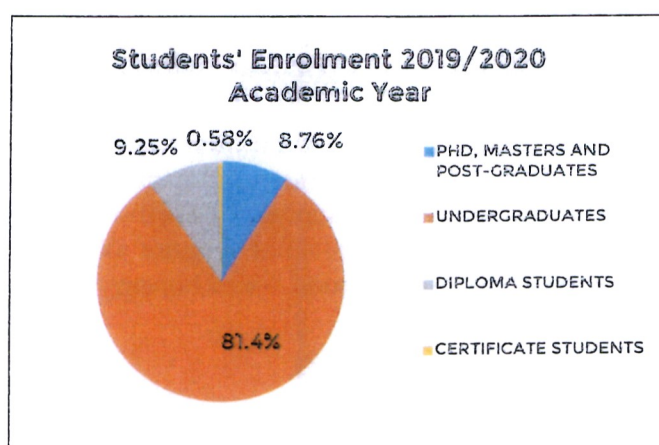
Undergraduate Students' Statistics

Undergraduate student numbers; a comparison of 2018/2019 and 2019/2020 Academic Years

FACULTY/ SCHOOL	2018/2019				Sub Total	2019/2020				Sub Total	TOT AL	%age growth
	GSSP		PSSP			GSSP		PSSP				
	M	F	M	F		M	F	M	F			
Faculty of Education and Social Sciences	279	184	97	85	517	327	272	93	87	769	1386	19.37%
School of Business and Economics	39	36	36	20	203	114	93	15	3	202	405	-0.25%
School of Computing and Informatics	21	21	6	2	50	70	19	3	1	93	143	30.07%
Faculty of Science	68	26	2	1	97	100	37	0	0	137	234	17.09%
TOTAL	456	287	133	91	967	611	396	101	93	1201	2168	10.79%

2019/2020 ACADEMIC YEAR STUDENT ENROLMENT BY LEVELS

LEVEL	2019/2020	% ENROLMENT
PHD, MASTERS AND POST-GRADUATE DIPLOMA	662	8.76%
UNDERGRADUATES	6150	81.40%
DIPLOMA STUDENTS	699	9.25%
CERTIFICATE STUDENTS	44	0.58%
GRAND TOTAL	7555	100



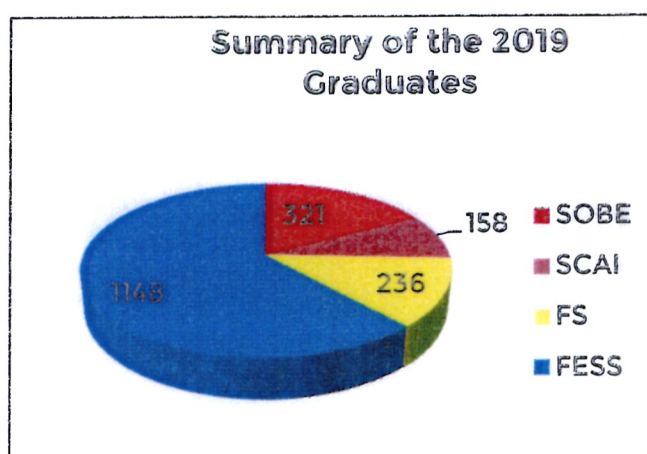
INTERNATIONALIZATION OF HIGHER EDUCATION

Internationalization has emerged as an important aspect of higher education as it gives students an opportunity to expand their worldview by interacting across borders. As a result, education plays a big role in developing a multicultural global citizen. As a first step towards this goal, in 2019-2020, KIBU received six (6) international students in the School of Graduate Studies. Four (4) students were admitted for Master of Business Administration (MBA) and two (2) admitted for Master of Science in Information Technology (MSc. IT). This resulted from a competitive process in which the Schools of Computing and Informatics (SCAI) and the School of Business and Economics (SOBE) submitted applications to a call to universities to host students from Member States of the East African Community in identified programmes.

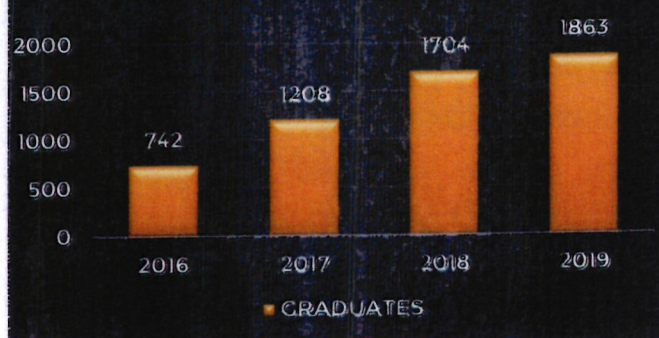
The program is a collaboration between the Inter University Council for East Africa (IUCEA) and the German Development Bank (KfW). The University expects to receive students in the second batch under the program in the two (2) programmes as it awaits a response from the IUCEA on additional applications that were submitted in respect to other programmes including: MSc in Pure Mathematics; MBA (HR); MSc in Computer Science; MBA with IT; MSc in Physics; and MSc in Applied Mathematics.

GRADUATION

On 22nd November 2019, Kibabii University held the Fourth (4th) Congregation for the Conferment of Degrees and Award of Diplomas and Certificates. The University had one thousand eight hundred and sixty three (1,863) students graduating, representing a modest growth from one thousand seven hundred and four (1704) in its Third (3rd) Congregation in 2018. The breakdown was as follows: thirty one (31) Certificates accounting representing 1.66 %, two hundred and seventeen (217) Diplomas accounting for 11.65 %, one thousand five hundred and seventy four (1574) Bachelor's degrees accounting for 84.49 %, thirty (30) Masters' degrees accounting for 1.61 % and ten (10) PhDs accounting for 0.54 %.



TREND OF KIBU GRADUATES FROM THE YEAR 2016 TO 2019



STUDENT WELFARE SERVICES

In executing its mission, the University strengthened the students' welfare support system by appointing more wardens, peer counsellors, chaplaincy and operationalizing the office of career services, among other activities.

MENTORSHIP ACTIVITIES

Kibabii University places a lot of premium on mentorship of its students and prospective students as a way of impacting the nearby community and society at large.

School Mentorship Activities

Thirty-eight (38) schools visited the University in the year under review for the programme. As a result fifty (50) students joined the University in the Academic Year 2019/2020. The visiting schools were from Bungoma, Busia, Trans Nzoia, Nandi, Nakuru, Vihiga, Kakamega and Kisumu Counties. This helps to market and position the University as a national institution that endeavours to offer knowledge and skills for national development.

Mentorship outreaches

The University conducted mentorship outreach visits to schools comprising staff and students. Eighty (80) schools were visited in the year under review, among them was St. Brigids Kiminini girls which secured 16th position country wide in K.C.S.E. with over 90 students scoring grade A and A-(Minus).

Further proof of the impact that this programme is having is given in the letter of appreciation received from Kapsabet High school for receiving academic mentorship since 2015.

"...as a matter of fact, our partnership with Kibabii University has enabled our school set on an upward trajectory and thus realizing sterling results from 2015 to date. We were then a newly established national school located in the rural county of Nandi but at the moment, we are the most preferred boy school nationally. Going by the 2019 school selection media survey, 30,000 boys preferred joining our school yet our capacity is hardly 400 students. Truly speaking, we are greatly indebted to you our good and institute mentoring institution through Dr. Wafula Robert. In this year 2020; our candidates are really psyched up after sharing with them on the subject: power of positive mind in driving success agenda early in the year. We do believe they will surmount all the setbacks caused by the Covid-19 pandemic."



Above: Mentorship session at Kapsabet Boys High School

Careers and Cultural Week

This year's Careers and cultural week's event with the theme "Embracing Cultural Diversity and Innovations for Global Prosperity" took place from 12th to 15th February, 2020.

Students from diverse backgrounds displayed opulence and rich cultural dances clustered into Kenyan Counties with similar practices. The University welcomed the first group of international students who were treated to the 'hakuna matata' Kenyan culture.

Other activities that took place during the fete included: games and sports, cultural songs and dances, traditional foods and talent search. Students were also entertained with various outdoor competitions.



There were entries in various categories e.g. Rap, dancing, spoken word, poetry, singing and eating competition.

There was a beauty pageant Competition which aimed at selecting Mr. and Miss Kibabii, Mr. Flex and Miss Jumbo.

The event was partly sponsored by Soft drinks manufacturer Coca Cola, Super Loaf, Family Bank, Kwenji Water and Safaricom Limited

GAMES AND SPORTS

Our students participated in various sporting activities during the year in review; a highlight of the major successes include;

- **KUSA Western Games 2019/2020:**

Soccer men crowned KUSA Western Soccer

- **League champions of 2019/2020.**

HomaBay open Taekwondo Championship:
First Position for both Men and Women Categories.

The University also successfully hosted the Open Friendly Tournament for build-up purposes with the Kenya Taekwondo Talent Academy on 16th March 2020.

Kibabii University students shine in the international arena

The University during the year in review celebrated the victory of two of her students; 1) Faith Ogallo a third year Social Work student, who made the University and Kenya proud at the Olympic qualifiers in Rabat, Morocco. The 12th all African Games silver medalist and Dubai G2 bronze medalist earned Kenya Taekwondo a slot at the Olympics in Tokyo Japan and will represent Kenya in the middle/heavyweight category at the games and 2) Benson Moshon who emerged winner at the KUSA Cross Country race held at Egerton University. Mr. Moshon, who is also the all African University Games Silver medalist, was to proceed to Morocco in March, 2020 for the 10th World University cross country games. The games were postponed due to COVID-19.

The two were named KIBU's sports ambassadors and will be branded as the University's sports heroes.

STRATEGIC DIRECTION ONE:

STUDENTS' LEADERS ELECTIONS

The Students successfully elected their leaders on 13th March, 2020. The elections for the Electoral College Nominees and Student Council were held on the same day. The swearing in of the newly elected leaders and handing over was done on 19th March, 2020.

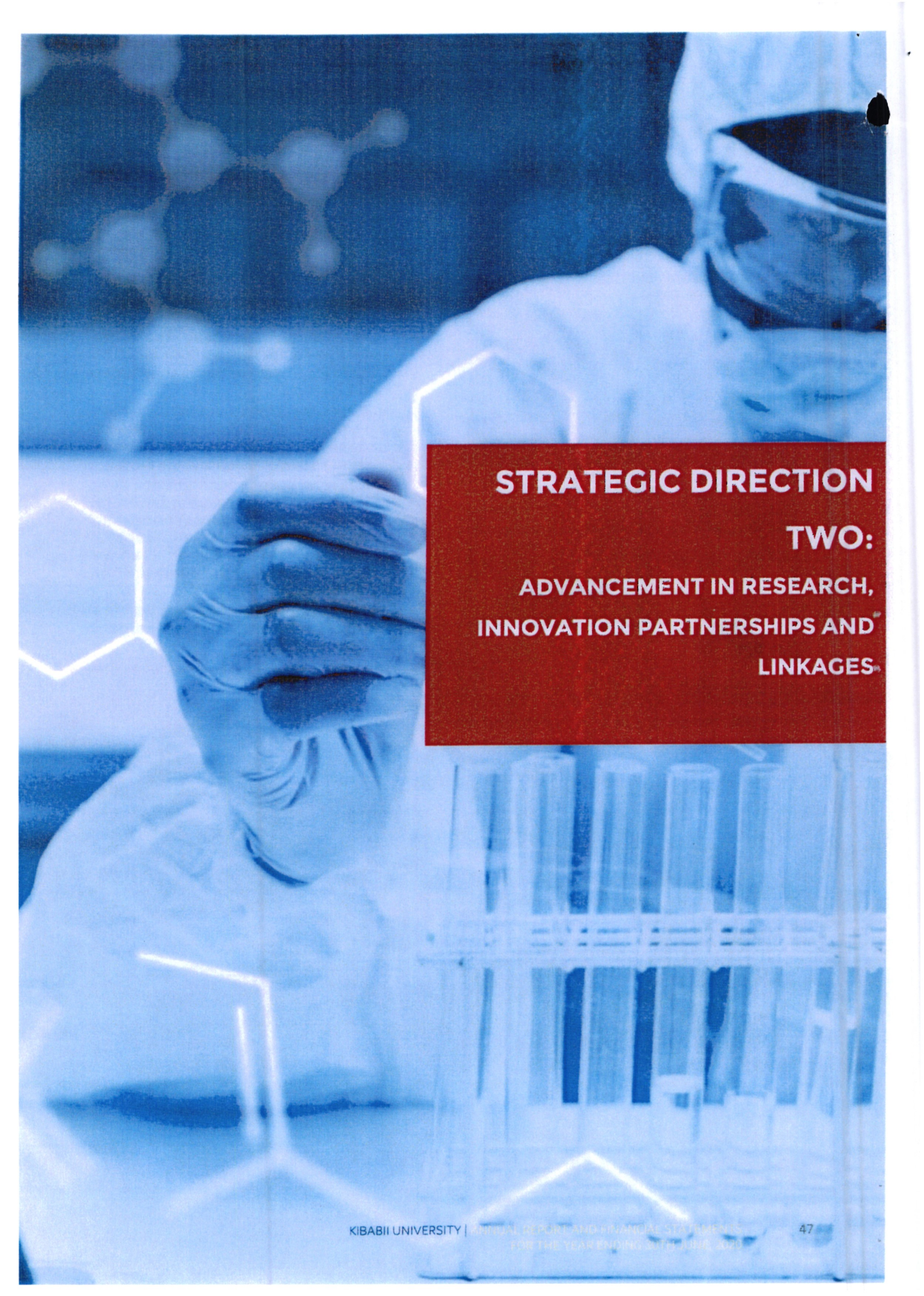


STUDENT COUNSELLING ;

Our achievements during the 2019/2020 FY

- Appointment of a committee to establish University online Counselling services to offer psycho-social support amidst the COVID-19 pandemic challenges and beyond.
- Virtual meetings successfully held with peer counsellors with the aim of assessing the psychosocial well-being of students while at home.
- Successful training of student Peer Counsellors who serve as the link between the students' body and counselling section and mobilize students to attend various behaviour change forums in the University
- Successful hosting of gender talks in collaboration with student Accommodation





STRATEGIC DIRECTION

TWO:

**ADVANCEMENT IN RESEARCH,
INNOVATION PARTNERSHIPS AND
LINKAGES**

Kibabii University's, in its Strategic Plan 2016 - 2020, seeks to advance in Research and Innovation through strategic Partnerships for the benefit of society. This strategic direction is anchored in the University's vision and demonstrates the importance placed on research and innovation activities in the University. Indeed, one of the major functions of the University is to "participate in the research, transmission and preservation and enhancement of knowledge and to stimulate the intellect participation of students in the economic, social, cultural, scientific and technological development of Kenya".

Status of Research and Innovation at the for the year 2019/2020

Research

KIBU endeavours to strengthen research in the University as one of its Strategic Objectives. The University emphasizes multi-disciplinary and multi-institutional collaborative research by engaging diverse professionals/researchers from other institutions locally and internationally in a number of research projects. In 2019/2020, a total of six research projects worth Ksh. 190 Million were on-going. This included Ksh. 9 Million worth of student scholarships.

On-going Donor Funded Research Projects

Through strategic partnerships, the following research projects were initiated during the 2019/2020 financial year:

PI	Project Title	Donor Agency
Prof. Franklin Wabwoba	Kibabii University Information Communication and Technology Hub (KICTH) Infrastructure Project	NRF - Kenya
Dr. Patrick O. Owoche	DIES Management of Internationalization (MoI) Project	DAAD
Mr. Kennedy S. Munyole	Transforming Energy Access - Learning Partnership (TEA-LP) Project	DfiD/ Carbon Trust
Prof. Benedict M. Mutua	African Higher Education Leadership in Advancing Inclusive Innovation for Development (AHEAD) Project	EU
Prof. Julius K. Maiyo	DIES National Multiplication Trainings Project	DAAD
Dr. Paul O. Ong'anyi	DIES/CREST Training Course for Supervisors of Doctoral Candidates at African Universities	DAAD
Dr. Joshua O. Abuya	DIES/CREST Training Course for Supervisors of Doctoral Candidates at African Universities	DAAD
Mr. Stephen O. Nyaare	Spatail Distribution, Capacity and Cooperation among Disaster Risk Management Actors in Kenya Project	NRF - Kenya
Dr. Alice Nambiro Wechuli	Technology Enabled Learning	Commonwealth of Learning

University Research Fund

Kibabii University invests in its staff by establishing University Research Fund (URF) Programme. The fund competitively offers seed research grants to budding researchers for purposes of capacity building as they prepare to manage major research projects. The following URF funded research projects were funded during the FY2019/2020.

University funded Research Projects

PI	Project Title
Dr. Tom G. Ekisa	Innovative Agribusiness Approach to Cassava (<i>Manihot esculenta</i>) and Millet (<i>Eleusine spp</i>) Value Chain Enhancement Project
Dr. Munir M. Muganda	Universal Health Care Needs Assessment for the Aging Population in Kanduyi Sub-County, Kenya Project
Dr. Ben W. Nyongesa	Socio-Economic and Cultural Correlates of Social Vices among Students of Kibabii University and their Impact in the Neighbourhood Project

Research Proposals Developed and Submitted for Donor Funding

In 2019/2020, a total of twenty three (23) multi-disciplinary research proposals were developed and submitted for local and international donor funding, representing a 48% increase from those developed in the previous year.

Research Proposals Developed and Submitted for International Donor Funding

S/No.	Title of Research Proposal	Donor Agency	Amount
1.	Improving the Post-Graduate Supervision Capacity and Mentorship of Faculty for Quality Outputs and Timely Completion Rates in the Humanities and Social Sciences	CODESRIA	US 50,330
2.	Enhancing rapid COVID-19 testing as an efficient tool for circumventing the exponential transmission and spread in LREB, Kenya	ELRHA, UK	£ 1,348,726
3.	Accounting Implication of COVID-19 on IFRS 9 Implementation on Kenya Financial Services Sector	IAAER/KPM G	US 25,000
4.	Enhancing Best Practices on Professionalization of Distance and Online Doctoral Supervision in HEIs in Africa	CODESRIA	\$ 35,000
5.	Technology Enabled Learning (TEL)	COL, Canada	CAD 11,568
6.	Academic Mobility for Sustainable Information and Communication Technology Human Capital Development (AMSTHD)	Africa Union (AU) and European Union (EU)	€ 1,385,128

STRATEGIC DIRECTION TWO:

7.	URBAN CLIMATE CHANGE LABS: EU	EURO
	Strengthening HEI'S Urban Climate Action Capacities In Africa & Latin America Through Co-Creation Living-Labs For Social And Ecological Problem-Solving	
8.	Project-based Learning for Empowering Graduates in Sustainable Digital Innovation and Start-up Creation- (ProDigi)	EU € 975,335
9.	Project-based learning for empowering graduates in sustainable digital innovation and start-up creation - ProDigi	EU € 975,335
9.	Academic Mobility for Sustainable Information and Communication Technology Human Capital Development.	EU € 1,385,128
9.	Solar PV Workforce Skills Centre	SlovakAid €10,090
12.	Enhancing the Role of Information Communication Technology-Based Interventions in Promoting Mental Wellbeing among Older People in East Africa	IUCEA/APH Open RC

Photo: Kibabii University Team participating in AHEAD Project Transnational Capacity Building Workshop and Project Management meeting at Kyambogo University, Kampala-Uganda in November, 2019



Research Proposals Developed and Submitted for Funding Locally

SN	Title of Research Proposal	Donor Agency	Amount (in KShs. Millions)
1.	Evaluation of Indigenous herbal products for the management of COVID 19 pandemic in Kenya	NRF	20M
2.	Establishment of a centre for Analysis of Anti-Cancer African Medicinal Plants (CAAMP)	NRF	30M
3.	Enhancing rapid COVID 19 Testing by a consortium of University personnel as an Efficient Tool for Circumventing Exponential Transmission and spread of the Disease in the Lake Region Economic Bloc Rural Population	NRF	20M
4.	Leverage Digital Financial Infrastructure in containing COVID 19 pandemic and Strengthening Economic Recovery among Counties Bordering Lake Victoria Kenya	NRF	20M
5.	Effect of COVID 19 in the livelihoods of the Communities in the Lake Victoria Region of Kenya	NRF	20M
6.	Psycho-Social Approach to Risk Communication and Community Engagements in Kenya's COVID-19 Response	NRF	20M
7.	Assessing Environmental Risk factors and Cancer hotspots mapping in Meru and Bungoma Counties; Implementation research model for comprehensive Cancer Surveillance in Kenya	NRF	30M
8.	Effectiveness of School based interventions on uptake of Human Papilloma Virus (HPV) vaccine among girls aged 10 years for cervical cancer prevention in Kenya. A cluster randomised control trial	NRF	20M
9.	Development of an Early Warning Protocol for the Control of Desert Locusts Invasion in Kenya	NRF	20M
10.	Locust, Schistocerca Gregaria, Mitigation Strategies for Managing Outbreaks to Reduce the Threat to Food Security	NRF	20M
11.	Modelling a Multi-Agent Patient Management Robot	NRF	20M

Participation in Research Fora

KIBU supports its staff and students training and exposure by sponsoring them to attend local and international research, innovation and related fora to share ideas and best practices, and disseminate research outputs. During the year in review, the University facilitated fifteen (15) staff and three (3) students to attend such fora.

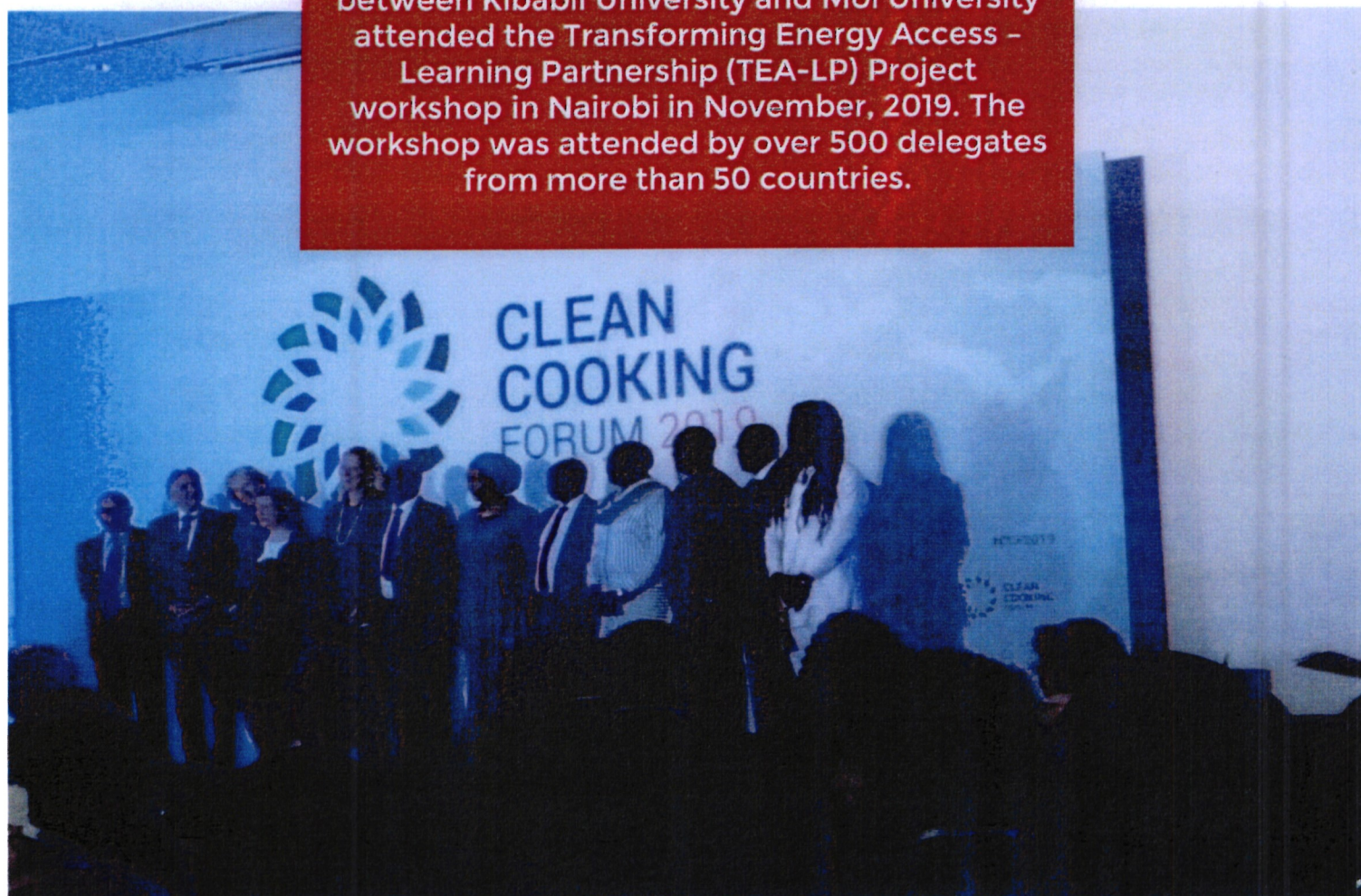
Research Events Attended in 2019/2020 FY

Attendee/s	Event Description	Venue and Date
Prof. Isaac Ipara Dr. Kadian W. Wanyama Dr. Patrick O. Owoche Mr. Erick W. Wamalwa	Inter-University Council of East Africa Induction Workshop for Scholarships	Entebbe, Uganda 5 th - 7 th February 2020
Mr. Anios Nyongesa	CHAWAKAMA National Convention	Embu University March 6 th - 7 th 2020
Prof. Benedict M. Mutua	GACOPA International Delegates and Scientific Conference	Kigali Rwanda March 5 th - 7 th 2020
Dr. Henry S. Nandalenga Mr. Makarios W. Wanjala	1 st General Assembly on Austria-Africa-UniNet and kick off meeting for African and Austrian Universities and Research Institutions	Vienna, Austria February 28 th - March 2 nd 2020
Prof. Julius K. Maiyo	IMLD, Mother Language Conference	Masinde Muliro University February 9 th - 21 st 2020
Dr. Fred W. Simiyu	Connectivity Beyond Classroom: Employability Skills for Global Teacher Education International Conference	University of Pune and H.G.M. Azan College of Education in India February 6 th - 7 th 2020.
Dr. Laura N. Mamuli Dr. Leunita M. Makila Mr. Stanslaus J. Waswa	CHAKAMA 2019 International Conference	Maasai Mara University November 8 th - 9 th 2019
	2 nd Annual Forensic Victimology and Victim Support Kenya	University of Nairobi October 22 nd - 24 th 2019
	Biennial Research and Innovation Conference	Kenyatta University October 22 nd - 25 th 2019
	American Heart Association & Rescue Services Conference	Nairobi October 16 th to 18 th 2019
Ms. Lucy N. Namusonge	International Conference	Makerere University, Uganda October 14 th - 16 th 2019
Three students	Inter Universities Investigative Journalism Competition for Journalism Students	Mombasa, Nairobi and Kisumu 8 weeks in October-November, 2019
Mrs. Domitila N. Sibilike	International Conference	University of Plymouth, UK July 17 th - 19 th 2019

Research Events Organized

Title of Event	Event Description	Facilitator and Date
Training Workshop	Navigation of Research Funding Opportunities and Research Grant Management	Research Beeline Ltd June 11 th 2020
Training Workshop	Enhancing Change Project Management for Economic Sustainability in Higher Education Institutions in Kenya	NMT Project March 3 rd – 6 th 2020
Training Workshop	Research Funding Opportunities and News	Research Beeline Ltd January 23 rd 2020
Training Workshop	Research Output Packaging for Better Webometric Ranking	TCC-Africa September 12 th 2019

PHOTO: The multidisciplinary research team between Kibabii University and Moi University attended the Transforming Energy Access – Learning Partnership (TEA-LP) Project workshop in Nairobi in November, 2019. The workshop was attended by over 500 delegates from more than 50 countries.



INNOVATION

The future of any society will depend on its level of investments in transformative innovations now. Kibabii University endeavors to unlock this potential by investing heavily in the establishment of innovation hubs. In its Strategic Plan 2016-2020, promotion and preservation of innovation is one of its strategic objectives. In promoting innovation, the University has furnished the recently established Innovation Hub with state of the art equipment funded by the AHEAD Project at a cost of Kshs. 1.7m. The University is also in the process of completing the NRF funded Kibabii University Information Communication and Technology Hub (KICTH) at a cost of KShs. 67m. KICTH will consist of the following state of the art laboratories in furtherance of research and innovation in the University:

1. Forensics
2. E-learning and video conferencing
3. Mobile computing, and
4. Incubation centre

The Hubs are accessible to a large number of staff, students and other external stakeholders and with the strong mentorship programme. They help nurture and mature innovative

business ideas for purpose of commercialization. The two hubs have positioned Kibabii University as a Centre of Excellence in ICT, Research and Innovation in the region.

The University's robotics project has been the Centre of attraction in both local and regional shows and exhibitions. In the 2019/2020 FY, the University supported a team of staff and students to a tune of Kshs. 526,000 to prepare robots and participate in the ROBOKEN competition organized by the National Commission for Science, Technology and Innovation (NACOSTI).

To institutionalize a culture of innovation and spur student and staff interest in innovation, Kibabii University started rolling out annual Innovation Challenge. The 2019/2020 Inaugural Challenge was sponsored by the European Union Funded AHEAD Project and focused on the "Big 4 Agenda", and drew a lot of interest from diverse Staff and Student participants

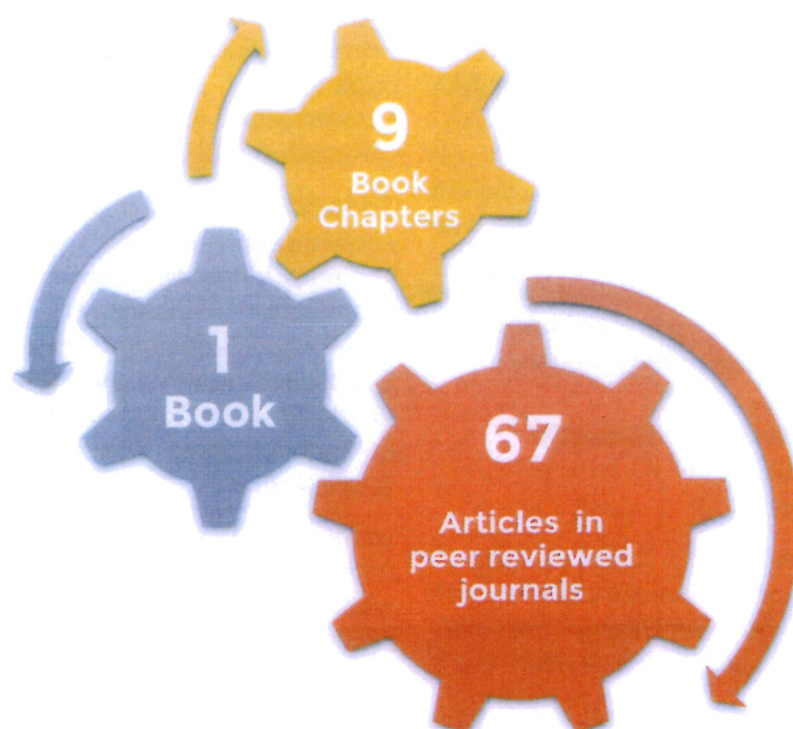
In an effort to preserve innovation, in the year 2019/2020, the University registered two (2) trademarks, two (2) copyrights and one (1) patent.

STATUS OF KIBU IP ASSETS REGISTRATION

TITLE OF INNOVATION	INVENTOR NAMES	IP REF NO. /REG BODY	IP TYPE	STATUS
KIBU (Acronym)	Kibabii University	TM No:106924 Kenya Industrial Property Institute (KIPI)	Trademark	Certificate of Registration of Trademark issued
Kibabii University Official Logo	Kibabii University	TM No:106923 Kenya Industrial Property Institute (KIPI)	Trademark	Certificate of Registration of Trademark issued
Exceptional Citizens Android Application	Mr. John Eloto	LT-014898 Kenya Copyright Board(KECOBO)	Copyright	Certificate of Registration of a copyright work issued
The 365 Business Plan Canvas	Dr.Mugand a Munir	LT-014897 Kenya Copyright Board(KECOBO)	Copyright	Certificate of Registration of a copyright work issued
An Engine that Applies the Principle of Coupled Force to Produce Mechanical Energy	Mr.Peter Prichani	KIPI/PAT/GF/019 (764)	Patent	Search was successful. Recommended to draft final specification and apply for patent/utility model

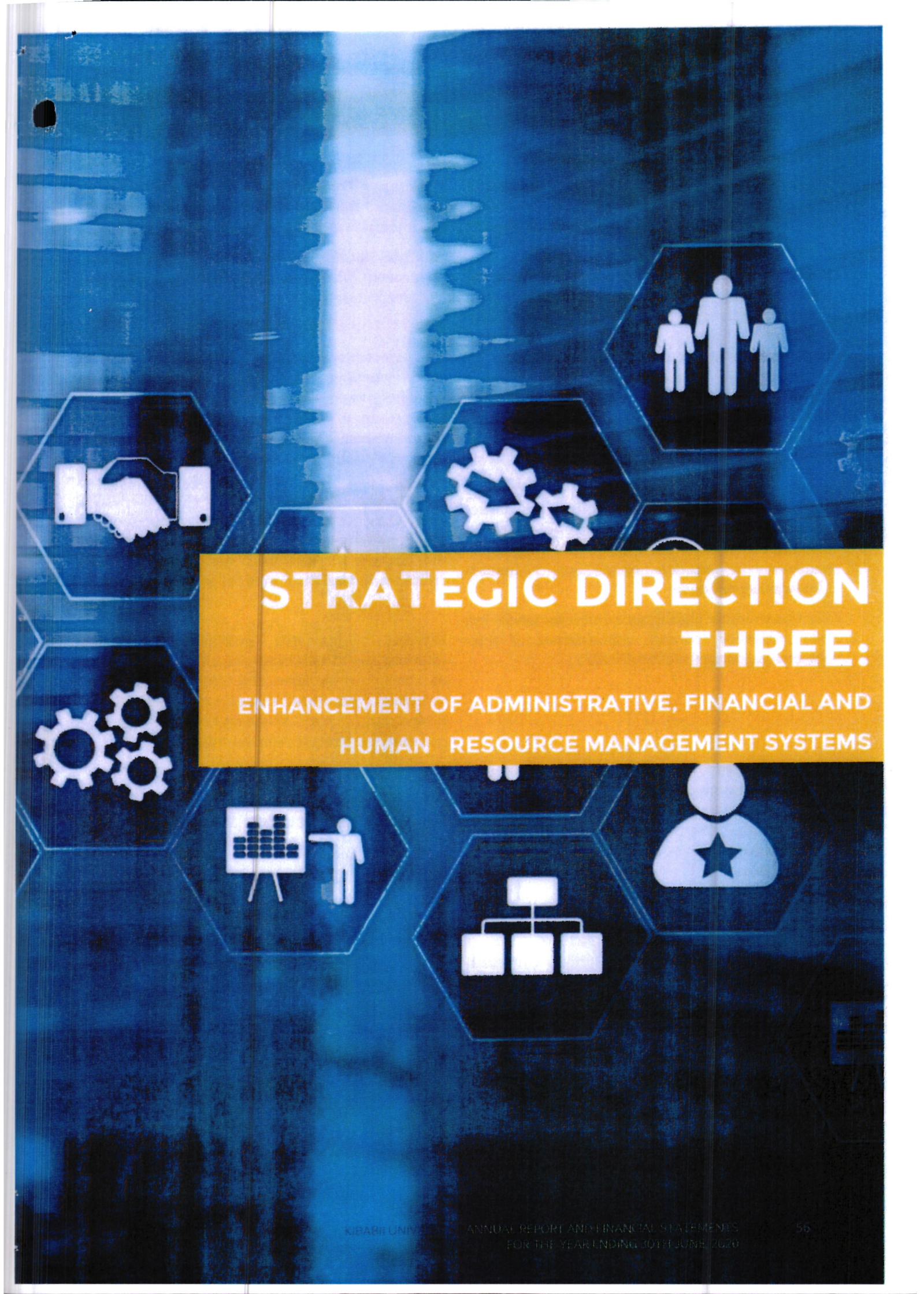
PUBLICATIONS DURING THE 2019/2020FY

It is in the culture of the University to engage its scholars in disseminating their research findings and outputs in high impact peer reviewed journals. In the year 2019/2020, 77 items including University level books and book chapters and peer reviewed journal articles were published representing 8.5% increase from the previous reporting period.



PARTNERSHIPS AND COLLABORATIONS

- MoU with Commonwealth of Learning (COL) to implement a Technology-Enabled Learning platform at KIBU
- MoU with Research Beeline Limited to support access to research funding platform/ data base) to KIBU researchers
- MoU with Austria - Africa UNiNet to facilitate research and training
- MoU with Rongo University on the African Library Project.



STRATEGIC DIRECTION THREE:

ENHANCEMENT OF ADMINISTRATIVE, FINANCIAL AND
HUMAN RESOURCE MANAGEMENT SYSTEMS

STRATEGIC DIRECTION THREE

STRATEGIC DIRECTION THREE: ENHANCE ADMINISTRATIVE, FINANCIAL AND HUMAN RESOURCE MANAGEMENT SYSTEMS

KIBU considers efficient and prudent financial, administrative and human resources management as key to the realization of the Strategic Directions. Good financial management ensures maximum application of resources to intended areas, thereby contributing to the attainment of objectives. However, good financial management is only possible where there are good administrative management practices.

Once performance outputs and performance standards have been set, the quality assurance system should be able to function as a sensor, comparator and corrector. The University endeavors to establish and adhere to Quality Management System.

We share some highlights of strides made by the University towards achievement of this objectives during the 2019/2020FY;

QUALITY ASSURANCE IN TEACHING, LEARNING AND ADMINISTRATION

The University undertook the following activities with the aim of ensuring quality:

- Quality assurance forums for class representatives, academic and administrative staff;
- Audit of marks for graduating students;
- Online course evaluation; and
- Review of quality assurance tools.

In addition, in 2019/2020, the University accomplished the following:

- QMS External Quality Audit based on ISO 9001:2015 Standard (Re-certification Audit): Kibabii University underwent a QMS External Quality Audit based on ISO 9001:2015 Standard (Re-certification Audit), successfully conducted by SGS Kenya, who recommended re-certification.

Training of Quality Management System Lead Auditors: Two Quality Management System (QMS) lead auditors were trained on QMS

Internal Audits: The University conducted two (2) internal QMS Audits in February and June, 2020 respectively.

PERFORMANCE CONTRACTING

The University signs a performance contract every year which is aligned to its strategic plan and the government Agenda. This Contracts are then cascaded to members of staff for purposes of implementation. At the end of every financial year an evaluation is conducted to measure the University's performance against agreed targets. The evaluation for the year 2018/2019 was done during the reporting period where the University scored. Some of the areas where the University performed very well included while was noted as an area for improvement.

EMPLOYEE WELFARE

Kibabii University acknowledges the importance of its human resource in achieving its strategic objectives and ensures that their welfare is prioritized through capacity building, provision of a good working environment and offering competitive remuneration.

Employee Distribution By Gender

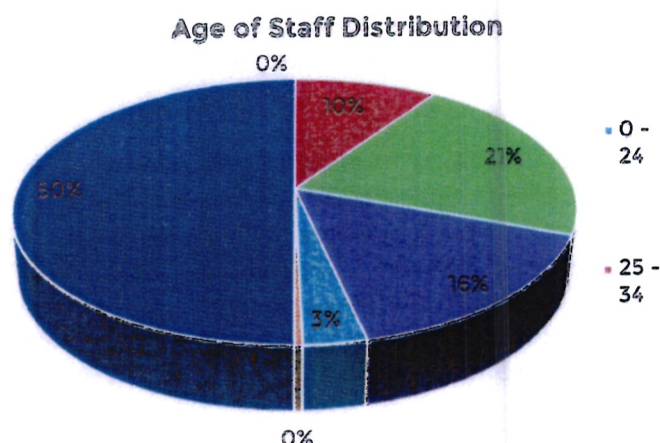
Staff establishment met gender ratio and age representation as illustrated below:

204 MALE STAFF	184 FEMALE STAFF	TOTAL STAFF 388
		
53%	47%	

STRATEGIC DIRECTION THREE:

Age of Staff Distribution

Age Category (Yrs)	No. of Staff
0 - 24	0
25 - 34	74
35 - 44	165
45 - 54	122
55 - 64	24
65 AND ABOVE	3
TOTAL	388



Persons Living With Disability

Two (2) staff living with disability (PLWD) were in Employment for the period ending 2019/2020 and Kibabii University will continuously encourage recruitment of PLWD.



Occupational Safety and Health

The University is registered with Directorate of Occupational Safety and Health. It has since constituted an Occupational Safety and Health Committee.

Staff Training

- The University supported a staff from the Faculty of Science to attend a Mathematics summer school in the University of Durban, South Africa.
- One staff was supported to attend a workshop on Contacts of Minutes and Minutes writing that was held at Kenya School of Government from 8th to 11th October, 2019.
- The University selected a team of Seven Researchers to attend a training workshop organized by National Research Fund (NRF) on capacity building to enhance Research skills.
- The University nominated and supported three (3) staff from the School of Computing and Informatics (SCAI) to attend a virtual IBM Skills training on cloud application developer. The training was organized and facilitated by IBM in 2020.
- The University supported one member of staff to attend a Dialogue on Innovative Higher Education Strategies (DIES) online Training Course on Management of Internationalization. The course is organized by DIES courtesy of Leibniz Universität Hannover, the German Academic Exchange Service (DAAD), and the German Rectors' Conference (HRK). It is aimed at qualifying managers of international affairs and linkages at Universities in developing countries to manage the processes and tasks of internationalization in the area of higher education.

STRATEGIC DIRECTION THREE

- The University also conducted training needs analysis that led to (5) members of staff to be facilitated to attend Senior Management Courses at Kenya School of Government and nine (9) members of staff were facilitated to attend short courses.

Staff Induction

The Administration and Human Resource Department organized for an induction training of its newly appointed staff for two days on 10th and 11th February, 2020. Staff induction gives new staff the insight of the institution they are working in and enables them to adjust for efficient service delivery. The exercise was facilitated by internal members of staff led by the Vice chancellor. It was conducted for two days covering a wide range of issues that are quite fundamental to newly appointed members of staff to familiarize themselves with the mandate and what Kibabii University stands for.

Staff Recruitment and Promotion

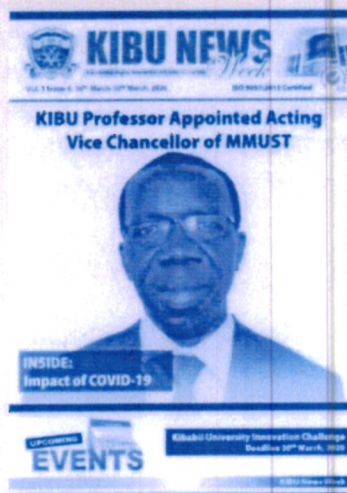
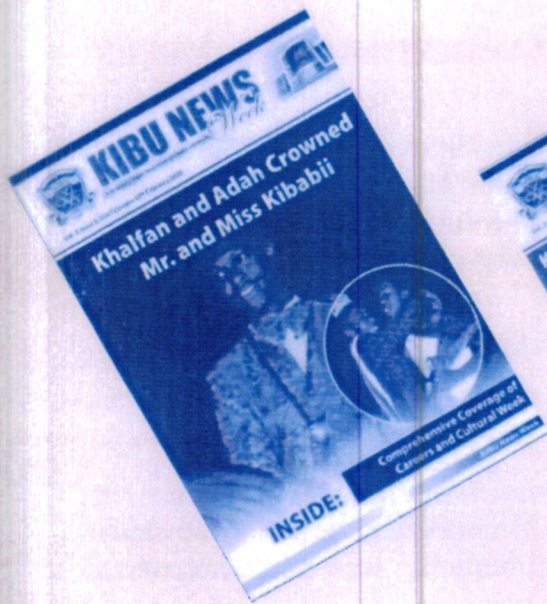
During 2019/2020 Financial Year, fifty three (53) staff were recruited into the service of Kibabii University and fourteen (14) internal staff who had attained required qualifications were promoted to fill staffing gaps as per scheme of service.

Kibabii University has a reward and recognition policy to motivate staff. It also serves to build a better employment deal, hold on to good employees and to reduce employee turnover. The University also has non-financial rewards such as recognition, training, development and increased job responsibility. The reward system also increases staffs willingness to work in the University leading to enhanced productivity.

The University has a salary raise reward system that serves to build a better employment deal, hold on to good employees and to reduce employee turnover. The University also has non-financial rewards such as recognition, training, development and increased job responsibility. The reward system also increases staffs willingness to work at the University and enhance their productivity.

Photo: A section of new staffers taking the oath of secrecy during induction event





STRATEGIC DIRECTION FOUR: INVESTMENT IN MARKETING AND PUBLIC RELATIONS



STRATEGIC DIRECTION FOUR

STRATEGIC DIRECTION FOUR: INVEST IN MARKETING AND PUBLIC RELATIONS

Marketing and Public Relations are important aspects of the University in promoting its public image. During the year in review, the University established the Public Relations and Marketing Office to coordinate activities aimed at promoting Kibabii University's image through enhancement of its visibility; and strengthen marketing of the University and her programmes.

The following are highlights of Public relations and Marketing activities during the FY2019/2020;

Participation in Shows and Exhibitions

The University participated in the 2019 ASK Bungoma Satellite Show where, its innovations and research outputs were show cased. The University entered to compete in five (5) classes during the show and won in four. The University was also honoured to publish three articles in the show catalogue.

KIBU in collaboration with the Ministry of Trade, County Government of Bungoma jointly sponsored four (4) Kibabii University staff to participate in the 20th East African Community MSME Trade Fair in Kigali Rwanda. KIBU was the only University from Kenya at the International Trade Fair. The University used the opportunity to showcase their innovations as well as market the University and its Programmes during the ten-day event. The following innovations were displayed at the exhibition by University staff:

- a) Vegetable Drier Panel
- b) Building Construction Robotic
- c) Accounting Management Information System; and
- d) School Information Management System

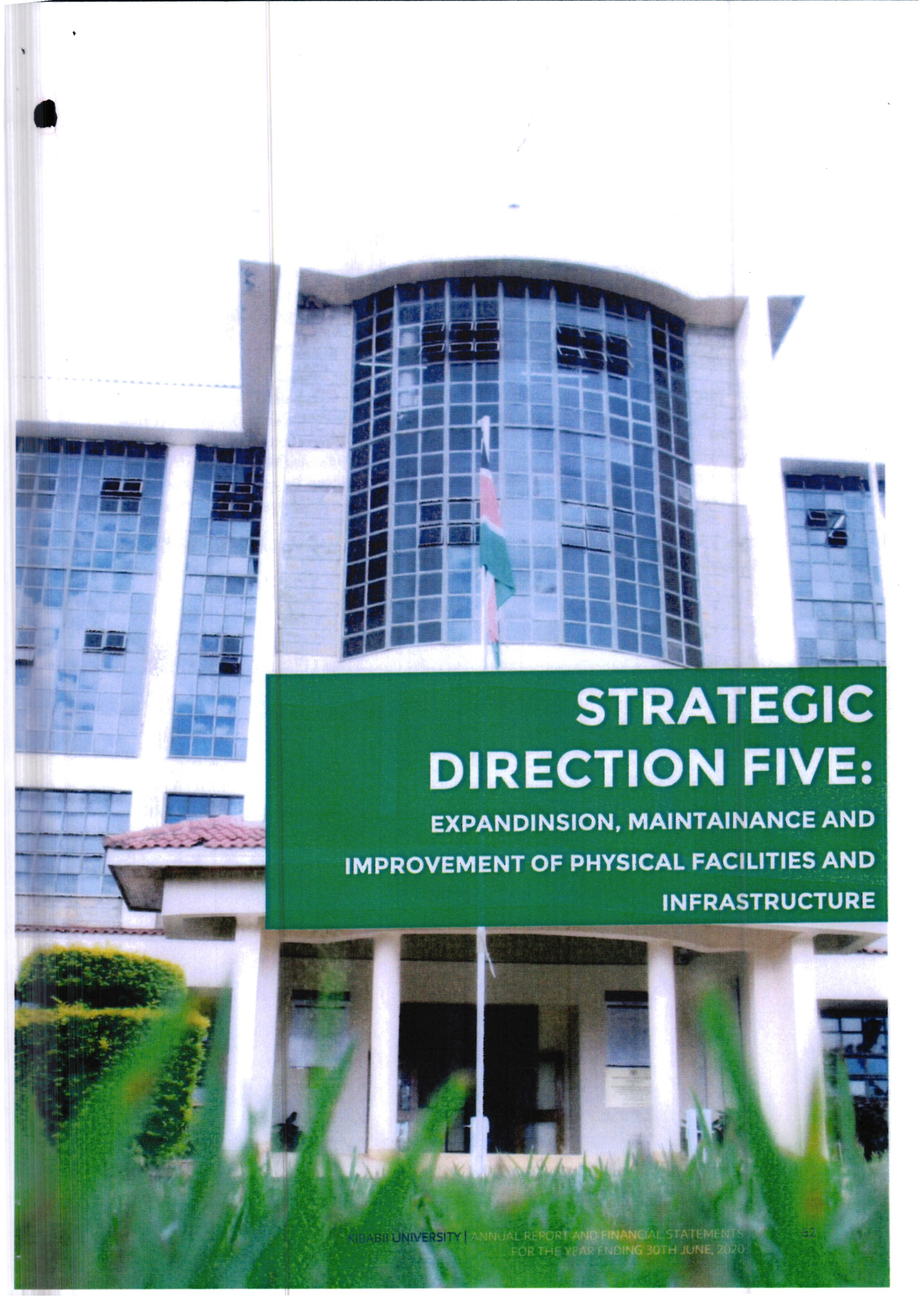
KIBU's the vegetable drier panel innovation selected as one (1) of the best ten (10) unique innovations.

The University was honoured to publish one (1) article; "Desert locusts 'invasion in Kenya: Sustainable Management Approach" in the Eldoret National Show, ASK Show Catalogue

The University also participated in the Nation Media Group Careers Expo themed 'Connecting you to your Future' that was held at Jomo Kenyatta Sports Ground in Kisumu. The two-day event attracted 28 Universities and Colleges and was attended by students from a number of Secondary Schools and Colleges. It also laid a platform for Universities to interact with high school graduates.

Launch of a Bi-Monthly Newsletter

To ensure the University activities, events, research interests and student engagements are well captured and communicated both internally and externally, the Public Relations Office launched a newsletter dubbed "KIBU NEWSWEEK". By the time of this review, the editorial team had hit 8 releases and upbeat to do more in the coming financial year.



STRATEGIC DIRECTION FIVE:

**EXPANDINSON, MAINTAINANCE AND
IMPROVEMENT OF PHYSICAL FACILITIES AND
INFRASTRUCTURE**

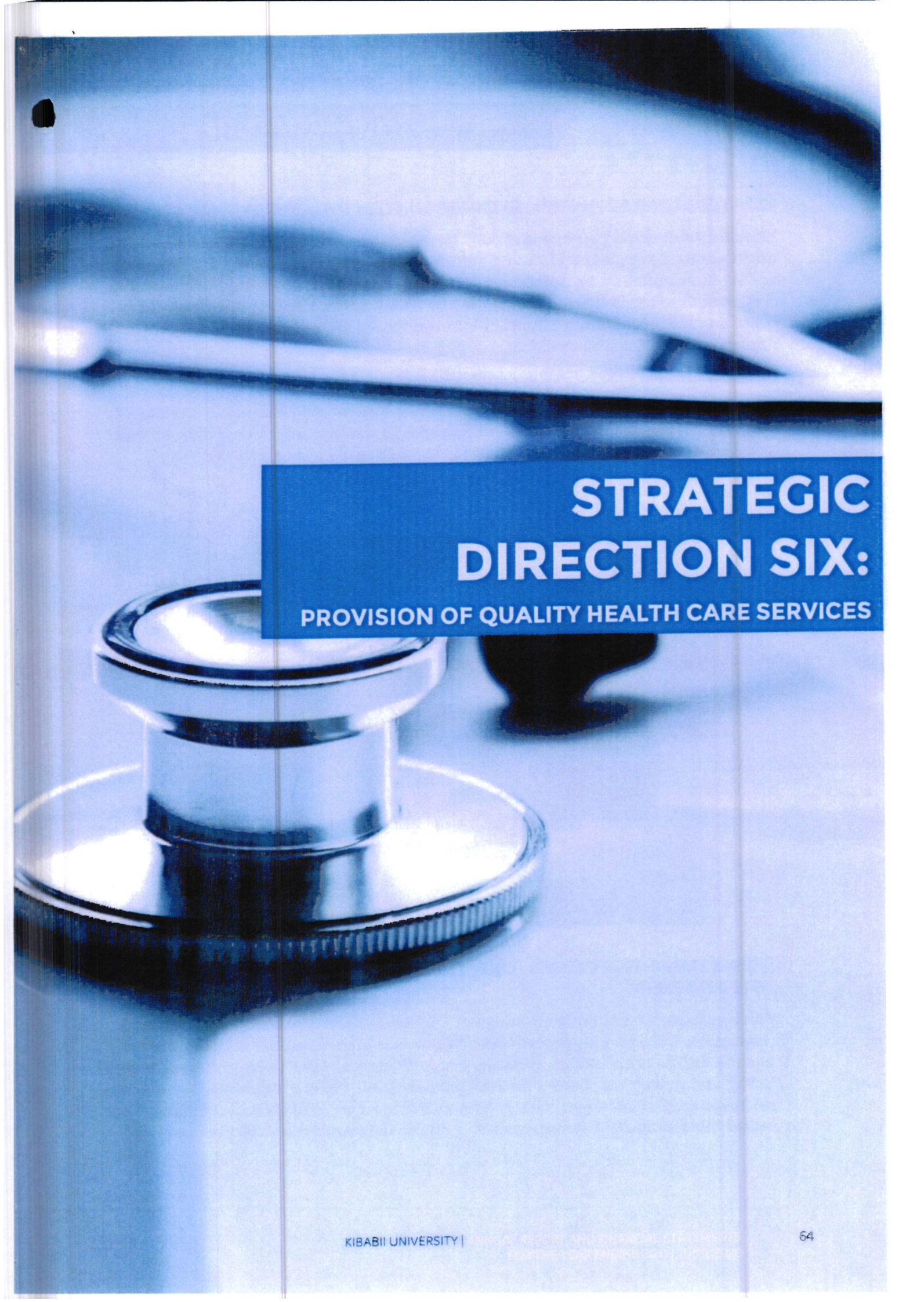
STRATEGIC DIRECTION FIVE:

STRATEGIC DIRECTION FIVE: EXPAND, MAINTAIN AND IMPROVE PHYSICAL FACILITIES AND INFRASTRUCTURE

To ensure excellence in teaching, learning, consultancy, research and extension KIBU's has continued to expand, maintain and improve its physical facilities and infrastructure. Some of the successes recorded in expansion of physical infrastructure during the year in review were;

Construction of a New Hostel

The University through the support of the government constructed a new hostel for female students with a bed capacity of 412, raising the number of Hostels to five, three for female and two for male students. This has raised the Universities accommodation capacity from the previous 1,536 to 1,948 students. In constructing this facility, the University ensured that it was accessible by persons living with disabilities by providing rooms on the ground floor for easy access, provision of two special toilets and bathrooms in every hostel, provision of ramps at both entrances of the hostel and provision of self-contained rooms for persons living with disabilities.



STRATEGIC DIRECTION SIX:

PROVISION OF QUALITY HEALTH CARE SERVICES

STRATEGIC DIRECTION SIX

STRATEGIC DIRECTION SIX: PROVIDE QUALITY HEALTH CARE SERVICES

Health issues have great impact on a nation and her institutions such as KIBU in de-livering her mandate. In consideration of the government's Big Four Agenda, KIBU has continued to strategically address existing and emerging health trends and health relat-ed issues that may directly or indirectly affect productivity of her staff and students. During the year in review the University is happy to report the following two key achievements;

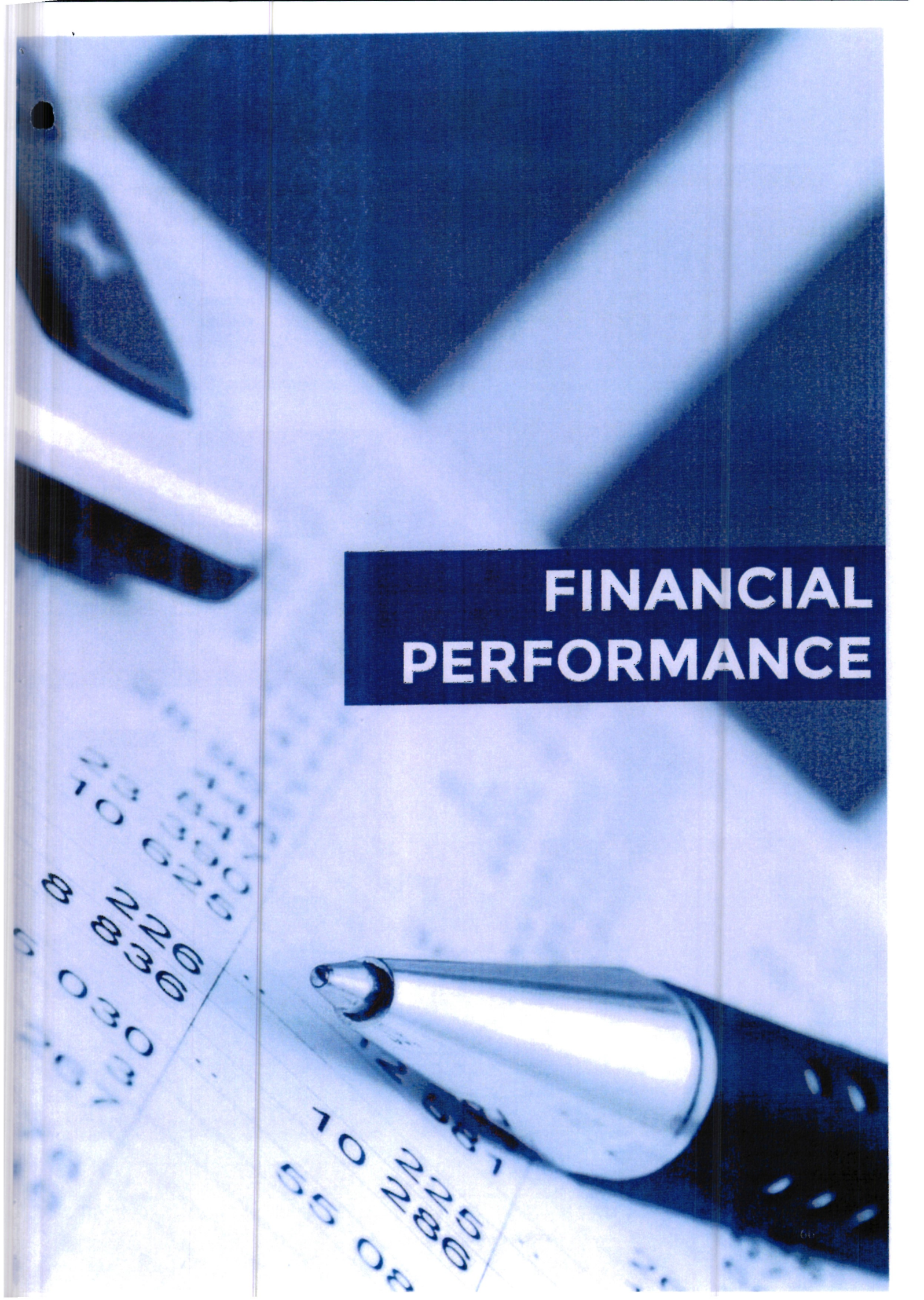
PROCUREMENT OF MODERN AMBULANCE

The University procured a modern ambulance to provide emergency services to staff and students. The ambulance will also serve as an Income Generating Project to the University as it will be hired out to the community at an affordable cost.



PREVENTION AND CONTROL OF SPREAD OF COVID-19 PANDEMIC WITHIN THE UNIVERSITY

With the onset of the global pandemic; COVID-19, The University established a University Covid-19 Response Committee, which spearheaded responses toward containment of the disease. Through this committee staffs were provided with KN95 facial masks and alcohol based hand sanitizers. Hand-wash basins were also installed at the University (main gate) and thermo gun temperature screening for covid-19 introduced at the main gate by health workers and security guards.



FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The global COVID-19 pandemic has had a negative impact on the economy globally. Kibabii University was not spared as revenue targets for the fourth quarter were not met. The University also had to suspend all planned capital development activities due to a downward revision of the University's Capital development budget.

The University had to reassess its risks and revise its budgets to allow for mitigation measures against the risks associated with the COVID-19 disease. To ensure continuity of University business, the University had to incur additional expenses which had not been envisioned at the time of budgeting including; training of faculty and staff as well as putting in place infrastructure to enable the use of internet for meetings, teaching and learning.

Results

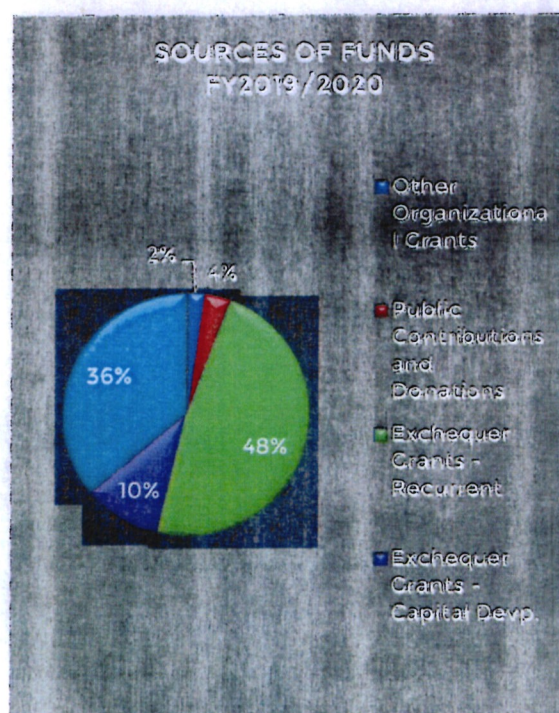
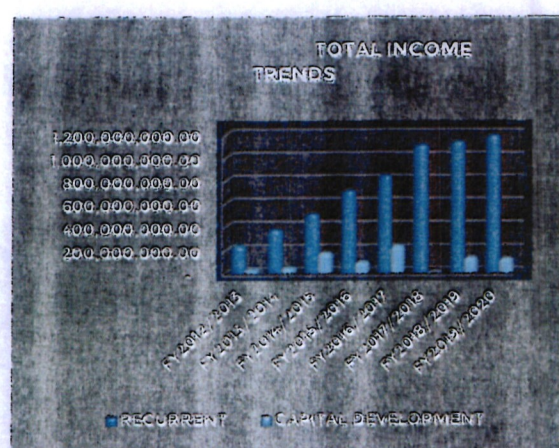
During the year in review, the University recorded a surplus of Kshs. 2.9 million a 64% drop from Kshs. 8.02 million reported last year. This is attributed to the growing needs against an almost stagnant revenue base, the 4th quarter revenue targets were also not met as the University had to suspend its activities in a bid to contain the spread of the COVID-19 disease.

Below is the University financial performance trend over the last 5 years;



Total Income/Sources of Income

Our total income increased by 1% to Kshs. 1.270 billion up from Kshs. 1.260 billion reported last year. This comprised of 48% and 10% from government capitation for recurrent and capital development respectively. 6% from grants and donations and 36% from A.I.A. Tuition fees contributed the biggest percentage (60%) of the A.I.A. income.



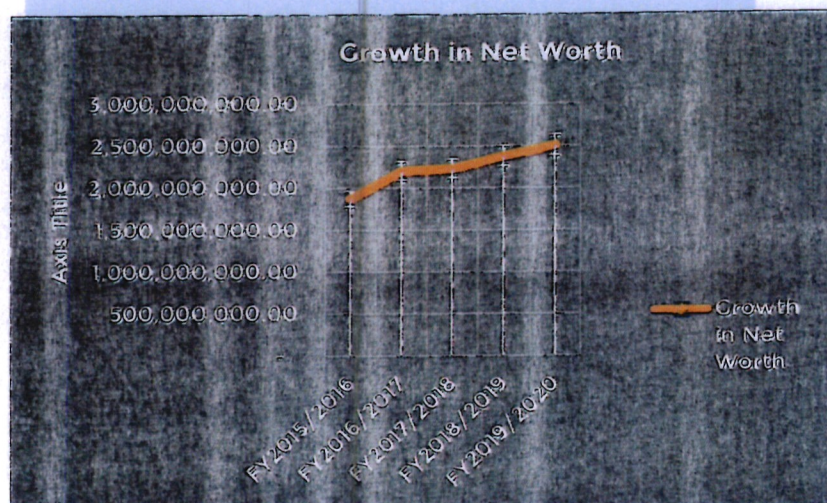
FINANCIAL PERFORMANCE

Development Grants

During the FY2019/2020, the University had a capital development allocation of Kshs. 300,000,000 from the exchequer. Of this allocation, Kshs. 130,424,759 had been received as at the end of quarter 3. The University did not receive the balance of Kshs. 169,575,241 as expected due to revisions made by the government during Supplementary II where capital development was halted by the Government to allow channelling of funds towards the fight against the global pandemic; the Covid-19 disease.

Net Worth

Our net worth grew from Kshs. 2.372 Billion to Kshs. 2.5 Billion in the year under review; this represents a 5.4% growth.



Compliance with Statutory Requirements

In the year under review, Kibabii University complied with all the statutory obligations.

Contingent Liabilities

During the FY2019/2020, the University had four on going cases;

- Bungoma NC Petition no 15 of 2016. David Murambi and two (2) others VS the Country Government of Bungoma and Kibabii University for trespass to property. The total exposure to the University is Ksh. 2.5 Million. The University seeks an out of court settlement through mediation and will continues to pursue this avenue for amicable resolution.

- Bungoma Employment and Labour Relations Court Cause No. 61 of 2018 Walubengo Singoro Muliro VS Kibabii University. The liability is yet to be determined.
- Kisumu Employment and Labour Relations Court Cause No. 61 of 2018 Prof Shem O. Aywa VS the Chairman of Council, the Chancellor Kibabii University and Public Service Commission. The liability has not been determined.
- Bungoma CMC MC ELC No 14 of 2020. Beatrice N. Wanjala and another VS County Commissioner, County Commandant and Vice Chancellor - Kibabii University. This is an injunction restraining the respondents from interfering trespassing, developing, constructing, or in any other way interfering with the Plaintiff's L.R. No East Bukusu/North Kanduyi/888

Key Projects and Investment Decisions the University is Planning/Implementing

- Women Students Hostel (Completed)

The project will increase access to University education in line with the sustainable development goal on education. The project was financed by the Government of Kenya and was completed and commissioned during the 2019/2020 Financial Year

- Kibabii University Information Communication and Technology Hub (KICTH)

This project, which will consist of state of the art forensics, E-learning and video conferencing, Mobile computing, and Incubation laboratories was funded by the National Research Fund.

The Hub will be accessible to a large number of staff, students and other external stakeholders and will help nurture and mature innovative business ideas for purpose of commercialization. The hubs will position Kibabii University as a Centre of Excellence in ICT, Research and Innovation in the region. The project was at 50% completion as at the close of the reporting period.

c) CCTV Surveillance

This Project will enhance security and aid in invigilation in order to ensure continued integrity of University Examinations. The project, which was funded from A.I.A was completed and commissioned during the reporting period.

Planned Projects

a) School of Nursing

The aim of the project is to promote research, innovation and healthcare. This will contribute to reduction of diseases and therefore increase productivity in our society. The project is intended to be financed by the Government of Kenya. The University has submitted the programme to the Commission for University Education (CUE) for Accreditation.

b. Proposed Sports Fields

This project is aimed at keeping the students engaged and will allow them to channel their energies in constructive activities, the sports fields will also be utilized for learning purposes and as an income generation Unit for the University it will also position the University at a strategic advantage over other Universities within the region therefore attracting students. The project is planned for implementation in the FY2020/2021 and will be financed by the Government of Kenya.

c) Proposed Ultra- Modern Student Centre

Establishment of a Business and Students Centre is one of the strategies that have been identified globally as a means of managing students within institutions of higher learning. This project will provide as avenue for engaging the growing number of students and safely maintaining them within the University. It offer a comprehensive facility to house students recreational and socialization needs, it will provide an atmosphere for a common life and cultivated social program for the varied population of the students, faculty and Alumni of the University it will be a focus of University community life where students and staff would have an ample opportunity to interact and also incubate ideas that would go a long way in enhancing innovations. The project is planned for implementation in the 2020/2021 Financial Year and will be financed by the Government of Kenya.

d) Purchase of Laboratory Equipment

In pursuit of its vision of being a global and dynamic University of excellence in Science, Technology and Innovation, Kibabii University plans to equip and modernize its laboratories as a way of working towards the promotion and maintenance of excellence in teaching and learning. The University is in the process of procuring equipment for eleven (11) laboratories at a cost of Ksh. 50 million in the 2020/2021 financial Year. This will go a long way in improving the students learning experience, further enhancing the quality of graduates produced for the local and international labour market. The project will be financed by the Government of Kenya.

Major Risks Facing the University

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

The University has exposure to the following risks:

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

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

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

Market risks

Interest rate risk

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

Foreign currency risk

The University undertakes certain transactions denominated in foreign currencies, mainly the US Dollar. This results in exposures to exchange rate fluctuations. The balances impacted in this regard are the balance due to payments in foreign currencies.

Exchange rate exposures are managed within approved policy parameters utilizing matching of assets and liabilities.

Liquidity risk

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

Credit risk

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

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

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

Material Arrears in Statutory/Financial Obligations

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

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORT



CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORT

KIBU exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on our six strategic directions. In our operations we recognize the need of putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements:

Sustainability strategy and profile

From the year 2016, the education sector reforms that focused on improvement of the quality of Education resulted in a reduction in number of students qualifying for University Education in Kenya. This affected the Higher Education sectors across the country as most of the Universities were unable to absorb students to fill their declared capacity. Kibabii University was equally affected with student numbers decreasing significantly and affecting grossly the Privately Sponsored Student Programme. This meant that this funding stream was grossly affected. The Universities found themselves competing for the same students with other Local Public and Private Universities as well as International Universities.

To ensure sustainability, KIBU has continued to review existing programmes and develop new market driven programmes that will be attractive to students. The University has also invested in its human resource to ensure improved quality of services offered to students and other stakeholders. To enhance student catchment, the University continues to diversify the courses on offer by introducing Technical and Vocational (TVET) courses, and offering online courses which are also aimed at attracting international students.

Environmental Performance

KIBU continues to play a significant role in environmental conservation and sustainability. During the year in review, the University participated in the 2020 National Tree Planting Campaign themed "Panda miti, boresha maisha" at Kaberua Forest Station, Kibuk River in Bungoma County.

Kibabii University led by Vice Chancellor, and members of Kaberua community participated in the tree planting exercise where over 5,000 tree seedlings were planted in Mt. Elgon - a key water catchment tower in the region.

Additionally, the University continues to sustain its greening initiatives by maintaining over 70% green cover by planting and maintenance of flora in all strategic locations in the University.

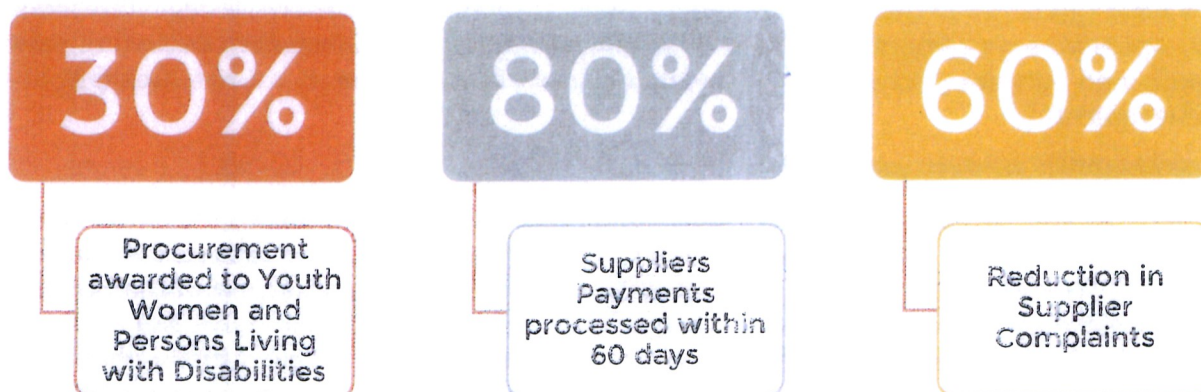
Market place practices

Kibabii University endeavours to maintain the highest standards of ethics and instils a culture of integrity among the members of staff. KIBU adheres to the provisions of the Constitution of Kenya 2010 and carries all its activities and dealings in a transparent manner. This has fostered good supplier and other stake holder relations

The University is also ISO 9001:2015 certified and prides itself in provision of quality services to its stakeholders. Stake holder feedback is used for continuous improvement. To this end, KIBU's products and services are vetted and subjected to externalization to ensure that our students and other customers receive quality services and get value for money.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORT

Supplier relations achievements during the FY2019/2020:



Corporate Social Responsibility Activities during FY2019/2020

Community Engagements

Corporate Social Responsibility (CSR)

- National Education Week.

Distributed sanitary towels to girls sitting KCPE exams in 2019 in Bungoma County.

- Workshop on Project Management

Trained officers in-charge of project implementation in schools within Bungoma County

- Kibabii Police Patrol Base

Construction of the Kibabii Police Patrol base now equipped and Critical Infrastructure Protection Unit (CIPU) enhanced

- Beyond Zero Marathon

KIBU supports the Government Agenda on Health and was represented at the Marathon aimed at improving Maternal health care

- Community Outreach on COVID-19

To help Contain the COVID-19 disease, KIBU sensitized the Community, donated masks, sanitizers and soap to our students, and poor households in the community as well as the market places

- Bungoma Agricultural Show

KIBU Constructed a VIP gate at the Bungoma ASK Show ground and conducted a Free medical Camp during the Bungoma ASK show

- African Library Project

Donated Library materials to Weema Childrens' home

During the fourth quarter of FY2019/2020, the University fraternity made personal and institutional contributions to the government COVID-19 pandemic kitty, thereby boosting its fight against the spread of the disease. Additionally, apart from being actively involved in undertaking research activities on intervention measures, the University also received approval from the Kenya Bureau of Standards to produce sanitizer and liquid soap.

REPORT OF THE UNIVERSITY COUNCIL

The University Council submit their report together with the audited financial statements for the year ended June 30, 2020 which show the state of the University's affairs.

Principal activities

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

Results

The results of the University for the Year ended June 30, 2020 are set out on page 77

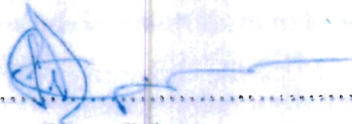
University Council

The members of the University Council who served during the year are shown on page 12-16

Auditors

The Auditor General is responsible for the statutory audit of the University for the year ended June 30, 2020 in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015

By Order of the Council



Prof. Isaac Ipara Odeo
VICE CHANCELLOR

Date: 13/04/2021

STATEMENT OF UNIVERSITY COUNCIL'S RESPONSIBILITIES

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

The Council is responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; safeguarding the assets of the University; selecting and applying appropriate accounting policies; and Making accounting estimates that are reasonable in the circumstances.

The University Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the University's Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of The University's transactions during the financial year ended June 30, 2020, and of its financial position as at that date. The Council further confirms the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the financial statements

The University's financial statements were approved by the Council on

12TH APRIL 2020 and signed on its behalf by:



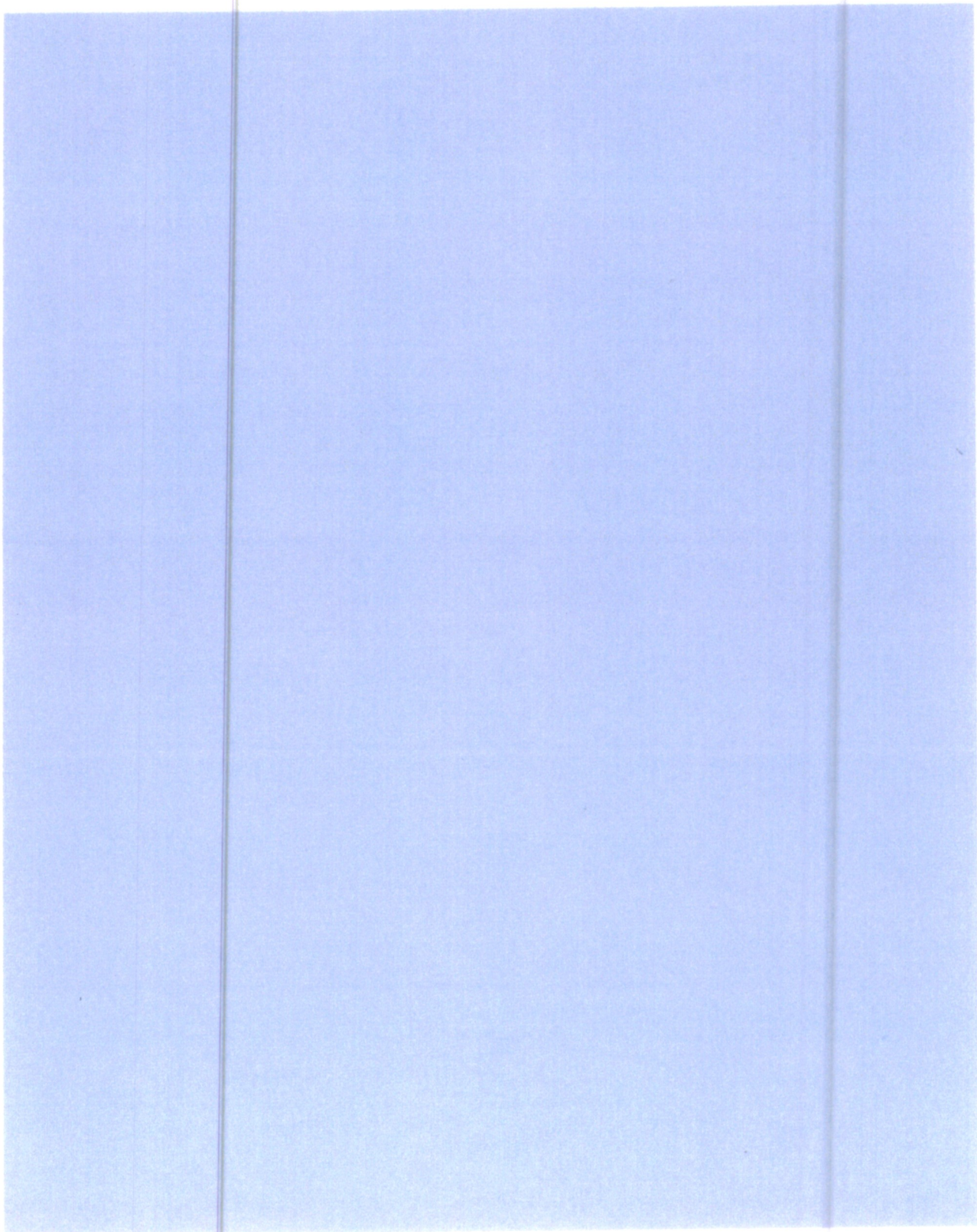
Chairperson of Council



Vice Chancellor

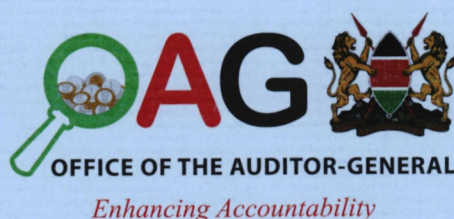
REPORT OF THE UNIVERSITY COUNCIL

REPORT OF THE INDEPENDENT AUDITORS ON THE UNIVERSITY'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2020



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KIBABII UNIVERSITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Kibabii University set out on pages 78 to 118, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Kibabii University as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

Receivables from Exchange Transactions

As discussed in Note 24 to the financial statements, the statement of financial position reflects receivables from exchange transactions balance of Kshs.256,862,020 which includes student debtors fee balance of Kshs.253,644,029. However, examination of supporting documents revealed that an amount of Kshs.28,833,449 of the student's debtors relates to students who have since graduated while an amount of Kshs.2,219,070 relates to students who have deferred their courses. Although clause 14.3 of the student's handbook stipulates that a student can be allowed to defer studies for a period of three years, a total of Kshs.226,700 has been outstanding for a period of more than three years.

Further, an amount of Kshs.123,002,005 relates to students who were active but not reported in the system. Although Management explained that it was the responsibility of the students to report in the system, it has not explained why it has taken too long to enforce compliance. Management has also indicated that the certificates were still under

its custody and would only be issued upon fees clearance. The University has appointed a debt management committee to assess the recoverability of the debts but details of the certificates withheld on fee defaulting, Council minutes approving graduation of students with fee balance and report by the appointed debt management committee were not availed for review.

In the circumstances, the recoverability of the student fee debtor balance of Kshs.253,644,029 could not be confirmed while the huge fees arrears continue to impact negatively on the University's budget implementation due to low revenue collection.

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

Key Audit Matters

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

Other Matter

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

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

The statements of financial performance reflects an expenditure of Kshs.881,784,372 against compensation of employees representing 74% of the total receipts of Kshs.1,193,554,671. This is contrary to the provisions of Regulation 26(1) (a) of the Public Finance Management Regulations, 2015 which limits the Government entity's expenditure on wages and benefits to not more than 35% of the total revenue for the year.

Further, the University spent Kshs.881,784,372 on employee cost against a budgeted figure of Kshs.769,029,392 resulting in an over-expenditure of Kshs.112,754,980. No explanation was provided for the excess expenditure incurred on employee cost during the year under review.

In the circumstances, Management is in breach of the law.

2. Non-Compliance with Law on Ethnic Composition

During the year under review, the total number of employees of University was four hundred and forty (440) out of which three hundred and thirty-one (331) or 75% were members of the dominant ethnic community in the county. Further, the University recruited thirty-three (33) officers during the year under review out of whom nineteen (19) or (58%) were from the dominant ethnic community in the County.

This is contrary to Section 7(1) and (2) of the National Cohesion and Integration Act, 2008 which states that, "all public offices shall seek to represent the diversity of the people of Kenya in employment of staff and that no public institution shall have more than one third of its staff establishment from the same ethnic community".

In the circumstances, Management is in breach of the law.

3. Non-Compliance with the One Third of Basic Salary Rule

Analysis of the University's payroll for the year under review revealed that a number of employees earned a net salary of less than a third (1/3) of the basic salary contrary to Section C.1(3) of the Public Service Commission (PSC) Human Resource Policies, 2016. The Management has not given explanation for failure to comply with the policy.

In the circumstances, Management is in breach of the law.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

Lack of Information and Communication Technology (ICT) Continuity and Disaster Recovery Plan

A review of the University's ICT governance documents revealed that the University did not have an ICT continuity and disaster recovery plan. As a result, no documented and tested emergency procedure had been put in place.

Consequently, the University faces the risk of disruption of services in case of disasters.

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

Responsibilities of Management and The University Council

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect

a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to continue to sustain its service.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

26 January, 2022

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2020

	Notes	2019/2020 Kshs.	2018/2019 Kshs.
Revenue from Non-Exchange Transactions			
Other Organizational Grants	6	29,852,944	12,036,403
Public Contributions and Donations	7	46,100,000	1,868,800
Transfers from Government - Exchequer Grants	8 (b)	662,454,370	605,440,687
Deferred Income recognized	9	-	19,815,690
		738,407,314	639,161,580
Revenue from Exchange Transactions			
Rendering of Services	10	275,795,495	340,668,426
IGU Incomes	11	23,766,216	26,229,122
Rental Revenue	12	2,498,360	2,589,840
Use of Goods and Services	13	112,716,762	132,410,835
Other Incomes	14	40,370,524	509,542
Total revenue from Exchange Transactions		455,147,357	502,407,765
Total Revenue		1,193,554,671	1,141,569,345
Expenses			
Employee costs	15	881,784,372	807,209,275
Remuneration of Council Members	16	18,546,064	16,095,810
Depreciation and Amortization Expense	17	93,481,560	75,200,842
Repairs and Maintenance	18	11,813,200	8,590,542
General Expenses	19	184,567,780	219,427,973
PR & Marketing Costs	20	2,487,942	4,728,084
Total Expenses		1,192,680,918	1,131,252,526
Other gains/(losses)			
Unrealized Gain on foreign exchange transactions	21	-	20,936
Surplus before tax		873,753	10,337,755
Taxation			
Surplus/(deficit) for the period/year		873,753	10,337,755
Remission to National Treasury			
Net Surplus for the year		873,753	10,337,755

The notes set out on pages 84 to 110 form an integral part of these Financial Statements

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2020

	Note s	2019/2020 Kshs.	2018/2019 Kshs.
Assets			
Current Assets			
Cash and Cash Equivalents	22	288,372,660	255,607,072
Receivables from Non-Exchange Transactions	23	52,098,040	50,723,316
Receivables from Exchange Transactions	24	256,862,020	266,385,511
Inventories	25	6,098,479	8,496,382
		603,431,199	581,212,281
Non-current assets			
Property, Plant and Equipment	26	2,204,477,885	2,093,070,461
Intangible Assets	27	27,144	9,066,096
		2,204,505,029	2,102,136,557
Total Assets		2,807,936,228	2,683,348,838
Liabilities			
Current Liabilities			
Trade and Other Payables from Exchange Transactions	28	101,420,581	68,577,768
Refundable Deposits from Customers	29	8,257,650	8,662,550
Deferred Income	30	39,678,125	61,859,360
Employee benefit obligation	31	75,297,222	86,293,582
Payments Received in advance	32	24,767,912	40,214,144
Provisions	33	52,598,040	43,123,248
		302,019,530	308,730,652
Total Liabilities		302,019,530	308,730,652
Net Assets		2,505,916,698	2,374,618,186
Reserves		2,225,482,751	2,135,864,168
Revenue Reserves		280,433,947	238,754,018
Capital Fund		2,505,916,698	2,374,618,186
Total Net Assets and Liabilities		2,807,936,228	2,683,348,838

The Financial Statements set out on pages 78 to 110 were signed on behalf of the University Council by:

VICE CHANCELLOR

NAME:

DATE: 13/4/2021

HEAD OF FINANCE

NAME: CPA Benjamin N. Odhiambo

ICPAK MEMBER NO: 7492

DATE: 13/4/2021

CHAIRMAN OF COUNCIL

NAME:

DATE: 13/4/2021

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

	Capital Reserves	Revaluation Reserves	Revenue Reserves	Total
At July 1, 2018	581,843,327	1,434,485,296	208,600,573	2,224,929,196
Total comprehensive income	0	0	10,337,755	10,337,755
Capital/Development grants received during the year	139,351,235	0	0	139,351,235
Transfer of Depreciation/amortization from capital fund to retained earnings	-19,815,690	0	19,815,690	0
At June 30, 2019	701,378,872	1,434,485,296	238,754,018	2,374,618,186
At July 1, 2019	701,378,872	1,434,485,296	238,754,018	2,374,618,186
Total comprehensive income	0	0	873,753	873,753
Capital/Development grants received during the year	130,424,759	0	0	130,424,759
Transfer of Depreciation/amortisation from capital fund to retained earnings	-40,806,176	0	40,806,176	0
At June 30, 2020	790,997,455	1,434,485,296	280,433,947	2,505,916,698

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE, 2020

	Notes	2019/2020	2018/2019
		Kshs.	Kshs.
Cash Flows from Operating Activities			
Receipts			
Other Organizational Grants	6(b)	7,671,709	12,036,403
Public Contributions and Donations	7(b)	100,000	519,800
Transfers from Government- Exchequer Grants	8(b)	661,079,646	605,440,687
Rendering of Services	10(b)	270,162,670	340,668,426
IGU Revenue	11	23,766,216	26,229,122
Rental Revenue	12	2,498,360	2,589,840
Use of goods and services	13(b)	112,311,862	132,920,377
Total Receipts		1,077,590,463	1,120,404,655
Payments			
Compensation of Employees	15(b)	843,810,124	731,580,801
Remuneration of Council Members	16	18,546,064	16,095,810
General Expenses	19(b)	149,086,523	201,784,243
Repairs and Maintenance	18	11,813,200	8,590,542
PR & Marketing Costs	20	2,487,942	4,728,084
Total Payments		1,025,743,853	962,779,480
Net Cash Flows from Operating Activities	34	51,846,610	157,625,175
Cash Flows from Investing Activities			
Purchase of Property, Plant, Equipment and Intangible Assets	26	-149,850,032	-162,559,882
Net Cash Flows used in Investing Activities		-149,850,032	-162,559,882
Cash Flows from Financing Activities			
Capital Development Grants	8(b)	130,424,759	136,653,235
Net Cash Flows used in Financing Activities		130,424,759	136,653,235
Net increase/(decrease) in Cash and Cash Equivalents		32,421,337	131,718,528
		32,421,337	131,718,528
Cash and Cash Equivalents at 1 July, 2019	22	255,607,072	123,888,544
Cash and Cash Equivalents at 30 June, 2020	22	288,028,409	255,607,072

FINANCIAL STATEMENTS

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

	Original Budget	Adjustment	Final Budget	Consolidated Actual Expenditure	Performance Difference	% Variance	Notes
	Kshs	Kshs	Kshs	Kshs	Kshs		
Revenue from non-exchange transactions							
Other Organizational Grants	66,549,302	(31,310,893)	35,238,409	27,647,544	7,590,865	22	2
Public contributions and donations	-	-	-	46,100,000	(46,100,000)	100	3
Exchequer Grants	610,356,330	-	610,356,330	610,356,330	-	-	
GoK Grants 2017-2021 CBA Arrears	-	52,098,040	52,098,040	-	52,098,040	100	4
Revenue from non-exchange transactions	676,905,632	20,787,147	697,692,779	684,103,874	13,588,905		
Revenue from exchange transactions	-	-	-	-	-		
Rendering of services-Tuition Fees	268,423,921	27,896,389	296,320,310	286,314,495	10,005,815	3	
IGU Incomes	22,000,000	-	22,000,000	23,784,303	(1,784,303)	(8)	
Rental revenue	2,300,000	-	2,300,000	2,498,360	(198,360)	(9)	
Use of goods and services	84,491,480	-	84,491,480	87,385,739	(2,894,259)	(3)	
Total revenue from exchange transactions	377,215,401	27,896,389	405,111,790	399,982,897	5,128,892		
Total Revenue	1,054,121,033	48,683,536	1,102,804,569	1,084,086,771	18,717,797		
Expenses							
Employee costs	697,431,351	19,500,000	716,931,351	793,274,843	(76,343,492)	(11)	
CBA 2017-2021 Arrears	-	52,098,040	52,098,040	-	52,098,040	100	5
Remuneration of directors	16,000,000	2,000,000	18,000,000	18,546,064	(546,064)	(3)	
Depreciation & amortization expense	85,000,000	6,281,389	91,281,389	93,506,156	(2,224,767)	(2)	
Repairs and maintenance	11,600,000	115,000	11,715,000	11,818,440	(103,440)	(1)	
General expenses	238,896,022	(31,310,893)	207,585,129	203,423,297	21,737,295	2	
PR & Marketing Costs	5,193,660	-	5,193,660	3,013,787	2,179,873	42	6
Sub-total expenses	1,054,121,033	48,683,536	1,102,804,569	1,123,582,587	(20,778,018)		
Total Expenses	1,054,121,033	48,683,536	1,102,804,569	1,123,582,587	(20,778,018)		

NOTES TO BUDGETARY VARIANCES**1. The changes between the original and final budget**

The University's approved budget for 2019/2020 financial was of Kshs.1, 054,121,033 and Kshs.300, 000,000 for recurrent and capital development expenditure respectively. The recurrent budget was revised upwards by Kshs.48, 683,536 to a final revised recurrent budget of Kshs.1, 102,804,569 .This revision was informed by additional exchequer grant allocations of Kshs.77, 409,357 out of which Kshs.52, 098,040 was to be utilized for payment of arrears due from the 2017-2021 Collective Bargaining Agreements signed between the three Unions; UASU, KUSU and KUDHEIHA and kshs.27, 896,389 From A.I.A.

In addition to this the University made other revisions to address issues that emerged after initial budget approval which could not be anticipated at the time of budgeting e.g. COVID-19 containment expenses and to ensure that items and/or activities that were not captured are included and vote heads that may have had high allocation re-examined and funds reallocated to budget lines that had lower allocation and require additional funding.

The capital development budget on the other hand was reduced by KSh.169, 575,241 As a result of a budget cut by the government aimed at halting all capital development projects to allow for channeling of funds towards the containment of the novel COVID-19 disease.

2. Other Organizational Grants

The Under expenditure under this vote head resulted from a vendor not honouring their obligations under the contract which led to re advertisement of tenders and therefore delayed implementation

3. Public Contributions and Donations

The University Received Kshs.46 million worth of book donations which had not been anticipated at the time of budgeting, hence the variance

4. GoK Grants 2017-2021 CBA Arrears

The University had not received funds for payment of CBA Arrears from the Government of Kenya as at the end of financial year 2019/20. This was due court disputes on implementation of the collective bargaining agreement

5. CBA 2017-2021 Arrears

This under expenditure resulted from delayed disbursement of funds to pay the 2017-2021 CBA Arrears

6. PR & Marketing Costs

The University was able to save marketing cost by 42%. This was as result of Memorandum of understanding with Nation media who offered to advertise the university programmes for free as an after sale service.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment at fair value and impaired assets at their estimated recoverable amounts. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the University's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 28.

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

Standard	Effective date and impact:
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess: a) The nature of such social benefits provided by the entity; b) The key features of the operation of those social benefit schemes; and c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

Other Improvements to IPSAS	Applicable: 1st January 2021: a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved a) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. a) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard
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ii. Early adoption of standards

The University did not early – adopt any new or amended standards in year ended 30th June 2020.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Rendering of services

The University recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of goods

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

Rental income

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

Budget information

The original budget for FY 2019-2020 was approved by the National Assembly in June, 2019. Subsequent revisions and additional appropriations were made to the approved budget in accordance with specific approvals from the University Council. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University recorded additional appropriations of Kshs. 106,105,746 on the 2019-2020 budgets following the Council's approval.

The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements.

The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section xxx of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Intangible assets

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

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

e) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

f) Inventories

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

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

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

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

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

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

g) Provisions

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

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

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

Contingent liabilities

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

h) Nature and purpose of reserves

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

Revaluation Reserves

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

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

Capital Reserves

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

Revenue Reserves

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

i) Changes in accounting policies and estimates

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

j) Employee benefits

Retirement benefit plans

The University provides retirement benefits for its employees. The University operates a defined contribution plan under which the University pays fixed contributions into a separate fund, and has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

k) Foreign currency transactions

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

the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

m) Related parties

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

n) Cash and cash equivalents

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

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020.

5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The University based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

NOTES TO THE FINANCIAL STATEMENTS

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the University. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

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

The annual depreciation rates in use are:

Building 2%

Furniture, plant and equipment 12.5%

Motor Vehicles 25%

Computers 33.3%

Library books 20%

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 28.

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

Provision for bad debts

The University makes provisions based on

6. (a) OTHER ORGANIZATIONAL GRANTS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Actual		
European Union- AHEAD Project Grant	2,135,302	3,340,013
NRF Research Grants to Students	3,627,600	341,000
National Drama & Films Festival Committee	-	5,614,750
NRF Research Grants ICT	22,866,419	2,740,640
National Multiplication Training Project- By DAAD	1,223,623	-
Total Other Organization Grants	29,852,944	12,036,403

6. (b) OTHER ORGANIZATIONAL GRANTS

Other Organization grants Recognized in the Statement of Financial Performance	29,852,944
Less: Conditional Grant funds received in prior periods	
NRF ICT grant funds received in FY2018/2019 Utilized in FY2019/2020	(22,866,419)
Add: Un expended grants received during the year (deferred income)	
Commonwealth of Learning- Technology- Enabled Learning	685,184
Amount Recognized in Cash flow statement	7,671,709

NOTES TO THE FINANCIAL STATEMENTS

7. (a) PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2019-2020 Kshs.	2018-2019 Kshs.
Abno Softwares Limited	-	100,000
Bungoma West Medical services	-	100,000
Bungoma Chemist	-	20,000
Barowest	-	7,000
Eldoret Hospital	100,000	-
Rich Science World	-	10,000
Mediheal Hospital & Fertility Centre Ltd	-	100,000
Stanbic Bank Limited	-	50,000
Staff Members	-	22,800
Donation of books	46,000,000	1,349,000
others	-	110,000
Total	46,100,000	1,868,800

7. (b) PUBLIC CONTRIBUTIONS AND DONATIONS

Public Contributions and Donations Recognized in the Statement of Financial Performance	46,100,000
Less: Donations In kind	
Books	46,000,000
Amount Recognized in the Statement of Cash flows	100,000

8a) TRANSFERS FROM GOVERNMENT

Description	2019-2020 KShs	2018-2019 KShs
Unconditional grants		
Operational grant	662,454,370	605,440,687
Other grants	-	-
	662,454,370	605,440,687
Conditional grants		
Capital Development grants	130,424,759	138,002,235
	130,424,759	138,002,235
Total government grants and subsidies	792,879,129	743,442,922

8 (b) TRANSFERS FROM MINISTRIES, DEPARTMENTS AND AGENCIES

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs.	Amount deferred under deferred income Kshs.	Amount recognised in capital fund. Kshs.	Total grant income during the year Kshs.	2019-2020 Kshs.
Ministry of Education/ State Department for University Education and Research	662,454,370		130,424,759	792,879,129	792,879,129
Total	662,454,370		130,424,759	792,879,129	792,879,129

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED INCOME RECOGNIZED

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Tuition fees	-	19,815,690
Total Revenue from the Rendering of Services	-	19,815,690

10. (a) RENDERING OF SERVICES - TUITION FEES

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Tuition fees	275,795,495	340,668,426
	275,795,495	340,668,426

10. (b) RENDERING OF SERVICES - TUITION FEES

Rendering of Services - Tuition Fee Recognized in the Statement of Financial Performance	275,795,495
Add:	
Tuition fee Earned in prior period but received in FY2019/2020(Decrease in Receivables from Exchange Transactions)	9,523,491
non cash income - Decrease in provision for bad debts	289,916
Less:	
Tuition fee received in prior period but recognized during FY 2019/2020 (prepaid fees)	15,446,232
Amount recognized in the statement of cash flows	270,162,670

11. IGU INCOMES

Description	2019-2020	2018-2019
	Kshs.	Kshs.
IGU Incomes		
Catering Income	6,615,556	8,919,325
Accommodation Income	16,644,000	16,020,352
Farm, Grass Cutting	87,675	11,270
Photocopying & Bindery Services	46,225	11,070
Hire income	372,760	1,267,105
Total Revenue from the Sale of Goods	23,766,216	26,229,122

12. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Staff House Rent	2,498,360	2,589,840
Total Rentals	2,498,360	2,589,840

NOTES TO THE FINANCIAL STATEMENTS

13. (a) USE OF GOODS AND SERVICES

Description	2019-2020 Kshs.	2018-2019 Kshs.
Activity Fee	5,934,000	6,845,850
Agency Fee	184,586	241,328
Amenity Fee	5,939,000	6,886,850
Application Fee	1,055,612	789,970
Alumni fee	2,815,000	2,213,000
Fines & Penalties	176,034	3,726,690
Computer Fees	29,909,500	35,683,125
Examination fees	7,883,700	8,847,900
Identity Card	421,000	451,250
SGC Collections	3,084,900	2,740,100
Library fee	509,500	534,000
Medical Subsidy	9,757,000	11,292,240
Registration Fee	962,000	989,800
School Practice & Attachment/log	18,324,500	23,330,770
Supervision	7,263,000	7,963,500
Thesis Examination Fees	4,357,000	5,030,500
CUE Fees	1,415,000	1,501,525
KUCCPS Fees	1,522,500	1,201,500
Graduation fee	9,992,000	9,502,800
Workshops & Conferences Fee	201,500	381,466
Sundry Income	234,740	551,900
Referral/Supplementary/Remaking & Course Repeat	774,690	1,704,771
	112,716,762	132,410,835

13. (b) USE OF GOODS AND SERVICES

Use of goods and services - Amount Recognized in the statement of Financial Performance	112,716,762
less:	
Decrease in refundable deposits from customers	404,900
Amount recognized in the statement of cash flows	112,311,862

NOTES TO THE FINANCIAL STATEMENTS

14. OTHER INCOME

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Decrease in other provisions	584,792	-
Provision for bad and doubtful debts (Decrease)	289,916	509,542
Decrease in provision(Leave days)	39,495,816	-
Total other income	40,370,524	509,542

15. (a) EMPLOYEE COSTS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Salaries and Wages	668,320,795	575,117,825
Employee Related Costs - Medical Aids	33,198,185	25,794,060
Part Time Payments	126,248,275	168,392,164
2017-2021CBA Arrears	52,098,040	-
CBA Pension Arrears	-	16,079,639
Service Gratuity Accrued	1,919,077	9,769,235
Leave Day Accrued	-	9,509,552
NSSF Arrears	-	2,546,800
Employee Costs	881,784,372	807,209,275

15. (b) EMPLOYEE COSTS

Compensation of Employees - Amount Recognized in the statement of Financial Performance	881,784,372
Add:	
Employee benefit obligation (Decrease)	10,996,360
Less:	
Provisions - Increase	(9,474,792)
Decrease in provision(Leave days)	(39,495,816)
Amount recognized in the statement of cash flows	843,810,124

16. REMUNERATION OF COUNCIL MEMBERS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Chairman's Honoraria	960,000	960,000
University Council emoluments	17,586,064	15,135,810
Remuneration of Council Members	18,546,064	16,095,810

NOTES TO THE FINANCIAL STATEMENTS

17. DEPRECIATION AND AMORTIZATION EXPENSE

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Property, plant and equipment	84,442,608	66,161,890
Intangible assets	9,038,952	9,038,952
Total depreciation and amortization	93,481,560	75,200,842

18. REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Maintenance of Catering & Hostel Facilities	4,075,370	2,747,715
Maintenance of Plant, Furniture & Equipment	1,059,687	215,240
Maintenance of Building & Stations	2,271,975	794,330
Maintenance of Water Suppliers & Sewerage	1,061,168	1,215,651
Maintenance of Playgrounds & Parks	-	277,250
Maintenance of Computers	268,800	-
Network Installation and Maintenance expenses	361,800	625,956
Services Level Agreement (ABNO) expenses	2,714,400	2,714,400
Total repairs and maintenance	11,813,200	8,590,542

NOTES TO THE FINANCIAL STATEMENTS

19. (a) GENERAL EXPENSES

Description	2019-2020 Kshs.	2018-2019 Kshs.
Affiliation Fees	2,107,544	1,905,769
AHEAD Research Project Expenses	1,321,538	626,081
Alumni Association Expenses	487,455	324,245
Audit Fees	244,621	519,253
Bank Charges	353,988	672,727
CBA Refund	-	17,643,730
Choir, Drama & Clubs	1,176,600	2,921,974
Cleaning Services & Fungicides and Sprays	13,318,827	14,360,037
Community Based Education, Environment & Extension services	381,790	377,915
Couching & Mentorship	86,110	240,477
Cultural & Careers Week	1,019,880	875,740
Curriculum Development & Review	2,713,758	1,586,282
Electricity, Water & Conservancy	11,657,930	16,763,617
Examination Expenses	1,357,200	1,474,720
External Examination Expenses	2,450,008	2,187,247
Graduation Expenses	12,232,132	10,926,580
Hire of Transport	94,000	-
HIV/ AID Expenses	102,680	328,120
ICT Hub Infrastructure Equipment Grant Expenses	-	2,740,640
Income Generating Units Development Expenses	800,733	-
Income Generating Units Expense	15,218,900	17,648,557
Insurance and Legal Expenses	7,299,085	5,817,446
Internet Expenses	8,803,913	8,213,281
Inter-university Games	2,450,032	2,781,951
ISO Implementation	2,074,713	3,535,526
Library Expenses	2,819,568	892,596
Motor Vehicle Expenses	10,849,506	12,750,352
National Drama Festival Hosting Expenses	28,000	4,093,568
Office of Vice Chancellor Expenses	1,336,432	1,597,717
Official Entertainment & Newspapers	958,388	1,364,980
Other Administrative Expenses(CUE & KUCCPS)	3,950,500	2,470,130
Passage & Baggage	412,300	354,500
Performance Contracting	1,898,401	2,908,889
Postal and Courier Services	370,309	290,596
Public Celebrations & Funerals	514,040	383,272
Purchase of Drugs, Medical Lab and Public Health Expenses	3,439,760	2,507,041
Purchase of Sports Equipment	194,650	310,900
Purchase of Stationery	5,763,250	5,714,899
Quality Assurance	607,284	3,170,166
Recruitment & Training	4,011,324	835,398
Rent and Rates	87,000	2,061,500
Research Expenses	3,885,284	3,958,728
School Practice & Industrial Attachment	11,359,814	18,386,588
Security Services	15,774,362	13,190,910
Seminars & Conferences	807,875	2,127,065
Senate Expenses	582,029	204,066
SGC Elections & Training	1,106,345	1,520,730
SGC Expenses	2,171,510	1,993,386
Strategic Plan & Master Plan Expenses	771,300	458,510
Student Expenses	1,656,795	3,815,919
Students Research Fund Expenses	1,422,200	830,000
Teaching Material	2,198,794	2,553,028
Telephone Expenses	2,428,469	3,269,687
Tender Expenses & Other Administrative Charges	1,134,626	708,320
Travel & Accommodation	7,535,108	10,232,617
Open, Distance and Electronic Learning Expenses	1,103,360	-
National Multiplication Training Project Expenses	1,210,991	-
Corporate Social Responsibility Expenses	452,320	-
Covid-19 Mitigation Expenses	630,940	-
Purchase of Uniforms & Clothing	1,774,360	-
Contingencies	1,415,830	-
School of Nursing Development Expenses	138,495	-
Unrealized forex Loss	12,774	-
Total General Expenses	184,567,780	219,427,973

NOTES TO THE FINANCIAL STATEMENTS

19. (b) GENERAL EXPENSES

General Expenses - Amount Recognized in the statement of Financial Performance	184,555,006
Less:	
Inventory (Decrease)	(2,397,903)
Increase in trade payable	(32,498,562)
Decrease in Provision	(584,792)
Amount recognized in the statement of cash flows	149,073,749

20. PUBLIC RELATIONS & MARKETING COSTS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Advertising & Publicity	1,619,280	3,535,350
Publishing and Printing	237,550	443,250
University Shows & Exhibitions	631,112	749,484
Total PR & Marketing Costs	2,487,942	4,728,084

21. GAIN ON FOREIGN EXCHANGE TRANSACTION

Description	2019-2020	2018-2019
	KShs	KShs
Unrealized gain on foreign exchange	0	20,936
Total other income	0	20,936

22 a. CASH AND CASH EQUIVALENTS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Current account	286,368,169	253,486,482
Fixed deposits account	2,000,000	2,000,000
Others	4,491	120,590
Total cash and cash equivalents	288,372,660	255,607,072

22 b. DETAILED ANALYSIS OF THE CASH AND CASH EQUIVALENTS

Financial institution	Account number	2019-2020	2018-2019
		Kshs.	Kshs.
a) Current accounts			
Kenya Commercial Bank Limited	1132024889	109,541,716	57,027,473
Kenya Commercial Bank Limited	1134708375	10,931,356	54,363,284
Kenya Commercial Bank Limited	1137408286	22,365,220	16,055,322
National Bank of Kenya Limited	01281076872600	418,186	428,026
National Bank of Kenya Limited	01001076872600	34,248,043	27,126,628
Equity Bank Limited-508	0480261211508	41,996,507	15,466,137
Equity Bank Limited-898	0500261717898	452,743	425,993
Standard Chartered Bank	01020282721	18,075,969	16,821,289

NOTES TO THE FINANCIAL STATEMENTS

Family Bank Limited	077000029979	46,926,216	49,017,807
Co-operative Bank of Kenya Ltd	01129669927300	70,223	15,135,068
Absa Bank Kenya PLC	2028252628	808,025	1,614,135
Absa Bank Kenya PLC (Euro)	2040024649	531,884	5,320
Absa Bank of Kenya Limited (Dollar)	2040024657	2,081	-
Sub- total		286,368,169	255,486,482
b) Fixed deposits account			
Equity Bank Limited	0480369612597	2,000,000	2,000,000
Sub- total		2,000,000	2,000,000
e) Others(specify)			
cash in hand		-	120,590
Petty Cash		4,491	-
Sub- total		4,491	120,590
Grand total		288,372,660	257,607,072

23. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Current receivables		
Exchequer grants(Recurrent) - June '19	52,098,040	50,723,316
	52,098,040	50,723,316

24. RECEIVABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Current receivables		
Students fees debtors	253,644,029	259,442,332
Less: Provision for bad debts	(12,682,201)	(12,972,117)
Staff debtors	3,687,397	7,404,501
Other debtors	9,712,795	10,010,795
Bank guarantee	2,500,000	2,500,000
Total current receivables	256,862,020	266,385,511
Total receivables	256,862,020	266,385,511

NOTES TO THE FINANCIAL STATEMENTS

25. INVENTORIES

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Consumable Stores	1,456,980	4,623,787
Medical Supplies & Laboratory Chemicals	1,167,480	2,111,495
Electrical, Building & Plumbing Materials	2,841,680	974,275
Catering	632,339	786,825
Total Inventories at Lower of cost and NRV	6,098,479	8,496,382

NOTES TO THE FINANCIAL STATEMENTS

26. PROPERTY, PLANT AND EQUIPMENT

COST	LAND	BUILDINGS	W.I.P	PLANT AND EQUIPMENT	COMPUTERS, PRINTERS & COPIERS	FURNITURE & FITTINGS	MOTOR VEHICLES	LIBRARY BOOKS	TOTAL KShs.
At 1 July, 2018	96,152,728	996,784,520	892,166,159	19,472,574	32,241,714	54,802,814	70,862,158	46,035,142	2,205,226,609
Valuation	-	-	-	-	-	-	-	-	-
Additions	-	-	136,192,633	3,859,371	4,042,040	3,117,340	11,065,000	4,253,496	162,559,862
Donations	-	-	-	-	-	-	-	1,349,000	1,349,000
Transfers/adjustments	-	-	-	-	-	-	-	-	-
At 30th June, 2019	96,152,728	996,784,520	1,028,358,794	23,367,745	36,983,754	57,920,154	81,927,158	51,637,638	2,367,135,491
At 1st July, 2019	96,152,728	996,784,520	1,028,358,794	23,367,745	36,983,754	57,920,154	81,927,158	51,637,638	2,367,135,491
Additions	-	-	133,604,250	6,351,625	7,089,826	1,893,183	-	841,148	149,850,032
Donations	-	-	-	-	-	-	-	46,000,000	46,000,000
Transfer adjustments	-	1,105,877,378	(1,130,045,078)	444,000	7,981,000	15,742,750	-	-	-
At 30th June, 2020	96,152,728	2,096,661,848	31,997,966	30,163,370	52,054,580	75,549,067	81,927,158	98,478,796	2,563,905,523
Depreciation and impairment	-	-	-	-	-	-	-	-	-
At 1 July, 2018	-	79,117,235	-	10,212,621	29,137,859	31,967,667	35,117,003	22,925,700	207,679,383
Depreciation	-	19,815,690	-	2,694,027	5,627,318	7,215,537	20,481,790	10,327,528	66,161,499
Prior year adjustment	-	-	-	-	-	24,857	-	-	24,857
At 30th June, 2019	-	98,932,923	-	12,906,648	34,765,177	39,606,061	55,598,793	33,253,228	274,865,030
Depreciation	-	38,681,176	-	2,981,171	4,875,081	7,380,870	11,533,190	19,181,120	84,442,608
Prior year adjustment	-	-	-	-	-	-	-	-	-
At 30th June, 2020	-	137,614,099	-	15,888,019	39,640,358	45,996,931	66,931,983	52,434,348	358,507,638
Net book values	-	-	-	-	-	-	-	-	-
At 30th June, 2020	96,152,728	1,959,047,749	31,997,966	14,775,851	12,414,322	29,539,156	14,995,175	46,044,438	2,204,477,895
At 30th June, 2019	96,152,728	891,851,597	1,028,358,794	10,460,897	2,218,577	19,315,693	26,378,365	18,384,410	2,093,070,461

NOTES TO THE FINANCIAL STATEMENTS

27. INTANGIBLE ASSETS-SOFTWARE

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Cost		
At beginning of the year	27,144,000	27,144,000
Additions	-	-
At end of the year	27,144,000	27,144,000
Additions-internal development	-	-
At end of the year	27,144,000	27,144,000
Amortization and impairment		
At beginning of the year	18,077,904	9,038,952
Amortization	9,038,952	9,038,952
At end of the year	27,116,856	18,077,904
Impairment loss	-	-
At end of the year	27,116,856	18,077,904
NBV	27,144	9,066,096

28. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Trade payables	45,309,329	7,427,704
Project Retention Money	15,766,937	22,169,818
HELB account	2,629,736	1,094,462
CDF	9,002,920	9,290,252
County Bursary	4,770,350	5,420,600
Other Sponsors	2,622,189	2,416,100
Kibabii University Pension Scheme	418,186	428,025
Kibabii University Needy Students Fund	2,452,743	2,425,993
CBA Refund 2010-2013 Due	17,643,730	17,643,730
KIBU Staff Recoveries	-	261,084
Student Liability Account	344,251	-
IUCEA	460,210	-
Total trade and other payables	101,420,581	68,577,768

29. REFUNDABLE DEPOSITS FROM CUSTOMERS

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Caution Money	8,028,950	8,503,950
Deposit on Staff House Rent	228,700	158,600
TOTAL	8,257,650	8,662,550

NOTES TO THE FINANCIAL STATEMENTS

30. DEFERRED INCOME

Description	2019-2020	2018-2019
	Kshs.	Kshs.
NRF Research Grants ICT Hub	38,992,941	61,859,360
Commonwealth of Learning- Technology-Enabled Learning	685,184	-
TOTAL	39,678,125	61,859,360

31. EMPLOYEE BENEFIT OBLIGATION

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Third-party payments (Part-timers claims)	49,035,720	45,443,493
Pension Contributions Due from 2013-2017 CBA	-	16,507,664
Service Gratuity Due	26,261,502	24,342,425
TOTAL	75,297,222	86,293,582

32. PAYMENTS RECEIVED IN ADVANCE

Description	2019-2020	2018-2019
	Kshs.	Kshs.
Prepaid Fees	24,767,912	40,214,144
Total Deposits	24,767,912	40,214,144

33. CURRENT PROVISIONS

Description	Leave provision	2017-2021 CBA Arrears Provision	Other provision	Totals
	KShs	KShs	KShs	KShs
Balance at the beginning of the year	39,495,816	-	3,627,432	43,123,248
Additional Provisions	-	52,098,040	-	52,098,040
Provision Utilised	(39,495,816)	-	(3,127,432)	(42,623,248)
Total provisions	-	52,098,040	500,000	52,598,040

NOTES TO THE FINANCIAL STATEMENTS

34. CASH GENERATED FROM OPERATIONS

	2019-2020	2018-2019
	Kshs.	Kshs.
Surplus for the year Before Tax	873,753	10,337,755
Adjusted for:		
Depreciation	93,481,560	75,200,842
Non-cash Grants Received	-46,000,000	1,349,000
Unexpended Grants Utilized	-22,866,419	0
Deferred Income	0	-19,815,690
Unrealized Gains	0	
Contribution to Provisions	9,474,792	1,987,240
Working Capital Adjustments		
Increase/ Decrease in Inventory	2,397,903	-8,414,000
Increase/ Decrease in Receivables	8,148,767	46,900,910
Increase/ Decrease in Deferred Income	685,184	0
Increase/ Decrease in Payables	21,097,302	73,781,486
Increase/ Decrease in Payments Received in Advance	-15,446,232	-23,702,368
Net Cash Flow from Operating Activities	51,846,610	157,625,175

35. FINANCIAL RISK MANAGEMENT

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

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

i. Credit risk

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

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by Council. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University's management based on prior experience and their assessment of the current economic environment.

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



NOTES TO THE FINANCIAL STATEMENTS

	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Receivables from exchange transactions	256,862,020	247,149,225	9,712,795	0
Receivables from non-exchange transactions	52,098,040	52,098,040	0	0
Bank balances	288,368,169	288,368,169	0	0
Total	597,328,229	587,615,434	9,712,795	0
At 30 June 2019				
Receivables from exchange transactions	266,385,511	257,081,716	9,303,795	0
Receivables from non-exchange transactions	50,723,316	50,723,316	0	0
Bank balances	255,486,482	255,486,482	0	0
Total	572,595,309	563,291,514	9,303,795	0

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

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

ii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University's

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

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

NOTES TO THE FINANCIAL STATEMENTS

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables	107,581,884	49,035,720	59,778,324	216,395,928
Provisions	52,598,040	0	0	52,598,040
Fees Received in advance	0	0	0	24,767,912
Refundable Deposits to Customers	0	0	8,257,650	8,257,650
Total	160,179,924	49,035,720	68,035,974	302,019,530
At 30 June 2019				
Trade payables	52,274,222	88,856,187	51,916,476	193,046,885
Provisions	2,546,800	26,658,782	40,076,448	69,282,030
Fees Received in advance	21,424,253	16,647,466	2,142,425	40,214,144
Caution Money	-	-	8,503,950	8,503,950
Total	76,245,275	132,162,435	102,639,299	311,047,009

Market Risk

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

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

The University's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day to day implementation of those policies.

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

a) Foreign Currency Risk

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

The carrying amount of the University's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

	Ksh	Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June 2020			
Financial assets			
Investments	0	0	0
Cash	287,838,695	533,965	288,372,660
Debtors	256,862,020	0	256,862,020
Total financial assets	544,700,715	533,965	545,234,680
Financial Liabilities			
Trade and other payables	300,874,136	1,145,394	302,019,530
Borrowings	0	0	0
Total financial liabilities	300,874,136	1,145,394	302,019,530
Net foreign currency asset/(liability)	243,826,579	-611,429	243,215,150
At 30 June 2019			
Financial assets			
Investments	-	-	-
Cash	255,601,752	5,320	255,607,072
Debtors	266,385,511	-	266,385,511
Total financial assets	521,987,263	5,320	521,992,583
Financial Liabilities			
Trade and other payables	308,730,652	-	308,730,652
Borrowings	-	-	-
Total financial liabilities	308,730,652	-	308,730,652
Net foreign currency asset/(liability)	213,256,611	5,320	213,261,931

Foreign currency sensitivity analysis

The following table demonstrates the effect on the University's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant

	Change in currency rate	Effect on Profit before tax	Effect on equity
	Kshs	Kshs	Kshs
2020			
Euro	10%	54,465.80	-
USD	10%	2,081	-
2019			
Euro	10%	532	-
USD	10%	-	-

NOTES TO THE FINANCIAL STATEMENTS

b) Interest rate risk

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

Management of interest rate risk

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

Fair value of financial assets and liabilities

Financial instruments not measured at fair value

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

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

	2019-2020	2018-2019
	Kshs	Kshs
Revaluation reserve	1,434,485,296	1,434,485,296
Retained earnings	280,433,947	238,754,018
Capital reserve	790,997,455	701,378,872
Total funds	2,505,916,698	2,374,618,186
Total borrowings	0	0
Less: cash and bank balances	288,372,660	255,607,072
Net debt/(excess cash and cash equivalents)	-288,372,660	-255,607,072
Gearing	-12	-11

36. RELATED PARTY BALANCES

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal owner of the University. Other related parties include:

- The National Government;
- The Ministry of Education, State Department for University Education and Research;
- Key management;
- University Council;

NOTES TO THE FINANCIAL STATEMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	610,356,330	605,440,687
Grants from County Government	0	0
Donations in kind	0	0
Total	610,356,330	605,440,687
b) Key management compensation		
Councils' emoluments	18,546,064	16,095,810
Compensation to the Vice Chancellor		9,201,944
Compensation to key management		17,216,286
Total	18,546,064	42,514,040

37. CONTINGENT LIABILITIES

Contingent liabilities	2019-2020	2018-2019
	Kshs	Kshs
Case Number Bungoma NC Petition no 15 of 2016. David Murambi and two (2) others VS the Country Government of Bungoma and Kibabii University for trespass to property.	2,500,000	2,500,000
Bungoma Employment and Labour Relations Court Cause No. 61 of 2018 walubengo Singoro Muliro VS Kibabii University. The liability is yet to be determined	-	0
Kisumu Employment and Labour Relations Court Cause No.61 of 2018 Prof. Shem O.Aywa VS the Chairman of Council, the Chancellor Kibabii University and Public Service Commission. The liability has not been determined	-	0
Bungoma CMC MC ELC No 14 of 2020. Beatrice N. Wanjala and another VS County Commissioner, County Commandant and Vice Chancellor - Kibabii University. An injunction restraining the respondents from interfering trespassing, developing, constructing, or in any other way interfering with the Plaintiff's L.R. No East Bukusu/North Kanduyi/888	-	0
Bank guarantees in favour of Total Kenya	2,500,000	2,500,000
Total	2,500,000	2,500,000

NOTES TO THE FINANCIAL STATEMENTS

38. CAPITAL COMMITMENTS

Capital commitments	2019-2020	2018-2019
	Kshs	Kshs
Authorised for	130,310,000	61,700,000
Authorised and contracted for	0	130,424,759
Total	130,310,000	192,124,759

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17)

39. EVENTS AFTER THE REPORTING PERIOD

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

40. ULTIMATE AND HOLDING ENTITY

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

41. CURRENCY

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

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Long Overdue Students Fee Debtors The statement of financial position under note 21(a) to the financial statements reported total current receivables of Kshs.266, 385, 511 as at 30 June 2019. Included in the receivables balance of Kshs.266, 385, 511 was student debtor's fee totalling Kshs.259, 442, 332. Aging analysis revealed that an amount of Kshs.59, 812, 807 remained outstanding for over 1 year in contravention of the University's fees management policy. Though clause 14.3 of the student's handbook stipulates that a student can be allowed to defer studies for a period of three years and the management indicated that the cases are being investigated through debtor's circularization to ascertain the recoverability, the exercise had not been concluded as at time of audit. In the circumstances, the recoverability of the student fee debtor balances of Kshs.59, 812, 807 could not be confirmed and the huge fees arrears continue to impact negatively on the University's budget implementation due to low revenue collection.	The outstanding balance of Kshs. 59,812,807 is being investigated by the institution through debtor's circularization to ascertain the recoverability status hence the non-recoverable debts shall be recommended to the University Council for write-off. The information shall be availed for verification during the next audit exercise.	Prof. S. Shibairo DVC(ASA)	W.I.P	Continuous

Reference No. on the external audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2.	Over Expenditure on Employee Costs The statement of financial performance under note 14 reflects an employee costs totalling Kshs.809, 525, 632. However, analytics procedure conducted on the financial statements revealed that the employee cost constitutes 63% of the total receipts of Kshs.1, 280, 941,516 comprising revenues from both exchange and non-exchange transactions, and capital grants. This contravenes Section 26(1a) of the Public Financial Management Act (National Government Regulations), 2015, which puts a cap at 35% of the total receipts. In the circumstances, the University operated in breach of the law.	Although the requirement of the Public Finance Management Act, 2012 and its regulations, 2015 is 35% of the total revenue, the University could not attain this requirement because of its context as a service industry. The core mandate of the University is the provision of quality teaching, research and extension services. These are labour intensive as the University is required to employ qualified academic and administrative staff to achieve its mandate and to adhere to the Commission for University Education (CUE) regulations. This is the main reason why the University's incurred the largest cost on salaries. According to the 2015 CUE guidelines on establishment of a new Universities in Kenya, Chapter 6 ,section 1,subsection 2; Each department should have at least:- " One professor/ Associate Professor " Two other academic staff at the level of lecturer (PhD holders) The Commission for University Education, Universities Standards and Guidelines, 2014 PROG/STD/17 further guides on the qualification of academic programme heads, heads of academic programme specialization areas, the ratio of full time to part time academic staff members, minimum qualifications for academic staff, lecturer: student ratio, maximum number of students an academic staff can supervise in any given academic year and the maximum lecturer workload. The University cannot at this time reduce the number of employees and is required to increase the number to 527 up from the current 416 to operate at the optimum thresh hold. Included in these costs are payments made to part time lecturers who have not been employed by the University on permanent and pensionable terms and offer their services to bridge the gap in teaching staff that is experienced by the University at present. The University being young still has very low student numbers while the cost of teaching is not dependent on the student numbers. In order to mitigate the situation the University is aggressively working on the review and development of programmes that are market driven in order to attract more students which will in-turn raise the University's revenues and reduce this percentage.	Prof. Donald N. Siamba DVC (AFD)	W.I. P	Continuous

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
3.	Lack of Ethnic Diversity in Staff Recruitment Audit verification and analysis procedure performed on the payroll revealed that, out of four hundred and sixteen (416) employees, three hundred and nineteen (319) representing 76.7% are from the dominant Luhya ethnic community. Consequently, the University staff establishment and new appointments during the year failed to promote ethnic diversity in line article 10 of the constitution and section 7(2) of National Cohesion and Integration Act, 2015 which requires that no public establishment shall have more than one third of its staff from the same ethnic community.	The University is making efforts to embrace diversity in its recruitment although most applicants come from the expansive Luhya community that comprise of more than 18 sub tribes. The majority of staff are administrative and are in the lower cadres which do not attract applicants from other parts of the country because of low wage rate. The University has put in place measures to ensure ethnic diversity in future recruitment processes so as to reduce the imbalance. The University has initiated measures to reduce the imbalance. For example in the top management positions there is ethnic diversity among the position holders.	Prof. Donald N. Siamba DVC (AFD)	W.I.P	Continuous
4	Irregular Variation of Construction of Academic Block Phase II (Main Works) Contract Included in the property, plant and equipment balance of Kshs.2,093,070,461 under note 23 to the financial statement are buildings with a net book value of Kshs.891,851,597. Out of the buildings figure, the University awarded a contract to a local contractor for the construction of Academic Block Phase II (Main Works) under contract No.KIBUCO/50/14-15 worth Kshs.206,799,010. However, review of the final account revealed that the University varied the contract through omission of works, price, quantity, measurements and introduction of extra works by Kshs.16,977,920. Though the variations were requested through site instructions and approved by the accounting officer, they were not accompanied by a certificate from the tenderer making a justification for such cost in line with section 139(2) of the Public Procurement and Asset Disposal Act, 2015. In the circumstances, it was not possible to ascertain whether the University got value for the money paid on the project.	The variations were done towards the end of the project hence the amount of Kshs.16,977,920 was covered in certificates number three (3) and four (4) attached for your verification	Prof. Donald N. Siamba DVC (AFD)	Resolved	30 th June, 2020

Reference No. in the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
5	Delayed Delivery of a Contract to Supply, Install, Test and Commission a CCTV Surveillance System Included in the total general expenses figure of Kshs.219, 427, 973 under note 18 to the financial statements are expenditure of Kshs.13, 190, 910 in respect of security services. Review of payment records revealed that a local consultant was awarded a tender to supply, install, and test and commission a CCTV surveillance system at the University on 27 July 2018. The project was to be completed in twelve (12) weeks. However, the contractor requested for extension of time by a period of twenty (20) weeks on 15 December 2018 and committed to complete the project by 30 June 2019. On 10 June 2019, the contractor informed the University's management that the installation and testing of the CCTV system had been finalized and invited the users for a training. The project was however yet to be handed over and commissioned as at the time of audit in August 2019. Though the management availed for audit verification a new performance bond by the contractor executed on 15 October 2019, the contractor was not on site as at the time of audit and it was not ascertainable when the project would be delivered as per the specifications. Consequently, the University did not obtain value for money in the implementation of the system.	It is true that Contractor did inform management that installation and testing of CCTV system had been finalized and invited the users for training. We subsequently called for pre-hand over inspection with Contractor and following issues arose. (i) There were 16 CCTV cameras that had not be activated because of missing on incompatible switches. That is existing switches that had no power over Ethernet (POE) and therefore could not be used in the activation of cameras. The Committee had requested variation of contract to allow for inclusion of these switches that had not been included in the BQ. The Committee sought authority of Management. The Contractor was asked to supply these switches so that during handover and commissioning all cameras shall have be activated. The Contractor is importing the switches. Hence commissioning cannot be done but will be done as soon as the switches are installed. (ii) During pre-hand over meeting we tested the cameras operation from control room and found out that performance was wanting. We realized that optical fiber connection between the server and library was slow. The alternative was to install a new fibre cable and/or buy media converters. The other alternative was to redistribute the NVR so that one NVR serves the library and is in the control room, second the serves the main administration block and third serves the academia. The last option was chosen for it had no extra financial implication. (iii) There was an issue with storage capacity, so the Contractor promised to make good of this and supply the appropriate memory. It is the considered opinion of Management that once the above issues are sorted the CCTV system shall be commissioned, the Contractor issued with completion certificate and paid his dues (See DOC.6 attached).	Prof. Donald N. Siamba DVC (AFD)	Resolved	30 th June, 2020

Reference No. of the external audit Report	Issue / Observations from Auditor	Management comments	Local Point person to resolve the issue (Name and designation)	Status: <i>Resolved</i> / <i>Not Resolved</i>	Timeline: <i>(Put a date when you expect the issue to be resolved)</i>
6	Weaknesses in Information and Communication Technology (ICT) Control Environment Review of the university ICT governance documents and interviews with the management revealed the following significant weaknesses in the ICT control environment; i. Non-establishment of an ICT strategy committee at the council level. ii. Lack of defined ICT training program on key staff members. iii. Lack of formally documented and approved processes to manage upgrades made to all financial / performance information systems. iv. There is no formal change request documentation completed indicating the change to be made and the reasons for all changes to the financial systems for any system upgrades. v. There are no policies in place which cover physical access to sensitive ICT environments e.g. server rooms during official and after work hours. vi. There are no policies and procedures in place to cover environmental controls. In addition, no documented and tested emergency procedure has been put in place. vii. The University does not have an ICT continuity and disaster recovery plan. The Enterprise Resource Planning (ERP) system is set to back up daily. However, such backups are not verified and checked for successful completion. For example, the last verification was done on 15th February 2019. viii. There is no formally documented and approved user management standards and procedures. In addition, there are no processes in place to review user access rights on the system and if the rights are in line with their responsibilities. ix. The University does not use the timetable module which is part of the ERP system, a necessity when part time lecturers, both internal and external make payment claims. Consequently, the university faces the risk of disruption of services in case of disasters, and due to unauthorized ICT infrastructure access and system changes.	(i) The Management will write a proposal to University Council requesting for the formation of such a committee based on this audit finding. (ii) The University Management will see to it there is defined training program for ICT staff. But for start all members of ICT will be required to undertake the cyber security training this financial year. But detailed training program will have to be developed. (iii) A documented and approved process will be developed. (iv) There is a draft change management policy. The policy will be developed via the various committees of the University and finally sent to Council for approval. Attached is a draft change management policy as DOC.4 (v) The University is implementing the information security management system (ISMS) and will factor this in the documentation and put emphasis during the launch of ISMS (vi) The Director ICT will ensure that back up are verified by the System Administrator as per back up procedure. (vii) To be addressed via ISMS (viii) To be addressed by the development of the users standards and requirements. (ix) Training and use of the time tabling module will also be implemented. The University Management takes note of the audit queries and will use them to enhance security of ICT assets.	Prof. Donald N. Siamba DVC (AFD)	W.I.P.	Continuous

Vice Chancellor

Chairman of the Council

DATE:

DATE :

APPENDIX II: PROJECTS IMPLEMENTED BY THE UNIVERSITY

Projects

Projects implemented by the University Funded by development partners

Project title	Project Number	Donor	Period/ duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
Kibabii University Information Communication Technology Hub(KITCH)		NRF	1 year	64,600,000	No	Yes

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	Proposed ICT Infrastructure HUB	64,600,000	22,816,419	50	64,600,000	64,600,000	NRF
2	Proposed Women Students Hostel	178,739,820	168,984,893	100	178,739,820	178,739,820	GoK
3	Proposed installation and Commissioning of CCTV Surveillance	7,981,000	7,607,150	100	7,981,000	7,981,000	A.I.A

APPENDIX III: INTER-ENTITY TRANSFERS

ENTITY NAME:		KIBABII UNIVERSITY		
Break down of Transfers from the State Department of University Education and Research				
FY 2019/2020				
	<u>Transaction Reference</u>	<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>FY to which the amounts relate</u>
a.	Recurrent Grants			
	STATE DEPT UNI /REC/0020013213	09.07.2019	50,723,315.90	FY2018/2019
	STATE DEPT UNI/REC/0020014231	08.08.2019	50,863,027	FY2019/2020
	STATE DEPT UNI//REC/0020014519	29.08.2019	50,863,027	FY2019/2020
	STATE DEPT UNI/REC/0020014658	27.09.2019	50,863,028	FY2019/2020
	STATE DEPT UNI/REC/0020014984	01.11.2019	50,863,028	FY2019/2020
	STATE DEPT UNI/REC/0020015304	29.11.2019	50,863,028	FY2019/2020
	STATE DEPT UNI/REC/0020015374	27.12.2019	50,863,027	FY2019/2020
	STATE DEPT UNI/REC/0020015801	04.02.2020	50,863,027	FY2019/2020
	STATE DEPT UNI/REC/0020015939	02.03.2020	50,863,028	FY2019/2020
	STATE DEPT UNI/REC/0020016215	03.04.2020	50,863,027	FY2019/2020
	STATE DEPT UNI/REC/0020016363	08.05.2020	50,863,028	FY2019/2020
	STATE DEPT UNI/REC/0020016680	05.06.2020	50,863,028	FY2019/2020
	STATE DEPT UNI/REC/0020017141	26.06.2020	50,863,027	FY2019/2020
		Total	661,079,645.90	
b.	Development Grants			
	STATE DEPT UNI/REC/0000001220	20.11.2019	111,143,415	FY2019/2020
	STATE DEPT UNI/REC/0000001377	13.03.2020	19,281,344	FY2019/2020
		Total	130,424,759	

The above amounts have been communicated to and reconciled with the Ministry of Education

Deputy Finance Officer
KIBABII UNIVERSITY

DATE: 13/4/2021

Head of Accounting Unit
MINISTRY OF EDUCATION

DATE:

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor Transferring the funds	Date received As per bank statement	Nature: Recurrent/Development/Others	Total Amount - KES	Where Recorded/recognized			
				Statement of Financial Performance	Capital Fund	Receivables	Total Transfers during the Year
Ministry Education	09.07.2019	Recurrent	50,723,315.90	0.00	0.00	50,723,315.90	50,723,315.90
Ministry Education	08.08.2019	Recurrent	50,863,027.00	50,863,027.00	0.00	0.00	50,863,027.00
Ministry Education	29.08.2019	Recurrent	50,863,027.00	50,863,027.00	0.00	0.00	50,863,027.00
Ministry Education	27.09.2019	Recurrent	50,863,028.00	50,863,028.00	0.00	0.00	50,863,028.00
Ministry Education	01.11.2019	Recurrent	50,863,028.00	50,863,028.00	0.00	0.00	50,863,028.00
Ministry Education	29.11.2019	Recurrent	50,863,028.00	50,863,028.00	0.00	0.00	50,863,028.00
Ministry Education	27.12.2019	Recurrent	50,863,027.00	50,863,027.00	0.00	0.00	50,863,027.00
Ministry Education	04.02.2020	Recurrent	50,863,027.00	50,863,027.00	0.00	0.00	50,863,027.00
Ministry Education	02.03.2020	Recurrent	50,863,028.00	50,863,028.00	0.00	0.00	50,863,028.00
Ministry Education	03.04.2020	Recurrent	50,863,027.00	50,863,027.00	0.00	0.00	50,863,027.00
Ministry Education	08.05.2020	Recurrent	50,863,028.00	50,863,028.00	0.00	0.00	50,863,028.00
Ministry Education	05.06.2020	Recurrent	50,863,028.00	50,863,028.00	0.00	0.00	50,863,028.00
Ministry Education	26.06.2020	Recurrent	50,863,027.00	50,863,027.00	0.00	0.00	50,863,027.00
Ministry Education	20.11.2019	Development	111,143,415.00	0.00	111,143,415.00	0.00	111,143,415.00
Ministry Education	13.03.2020	Development	19,281,344.00	0.00	19,281,344.00	0.00	19,281,344.00
Total			791,504,404.90	610,356,330.00	130,424,759.00	50,723,315.90	791,504,404.90

