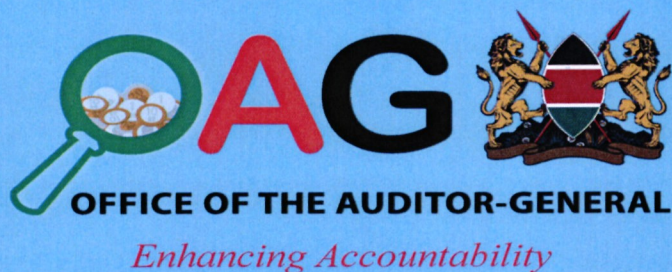


REPUBLIC OF KENYA



REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 08 JUN 2023

Thursday

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Leader Majority

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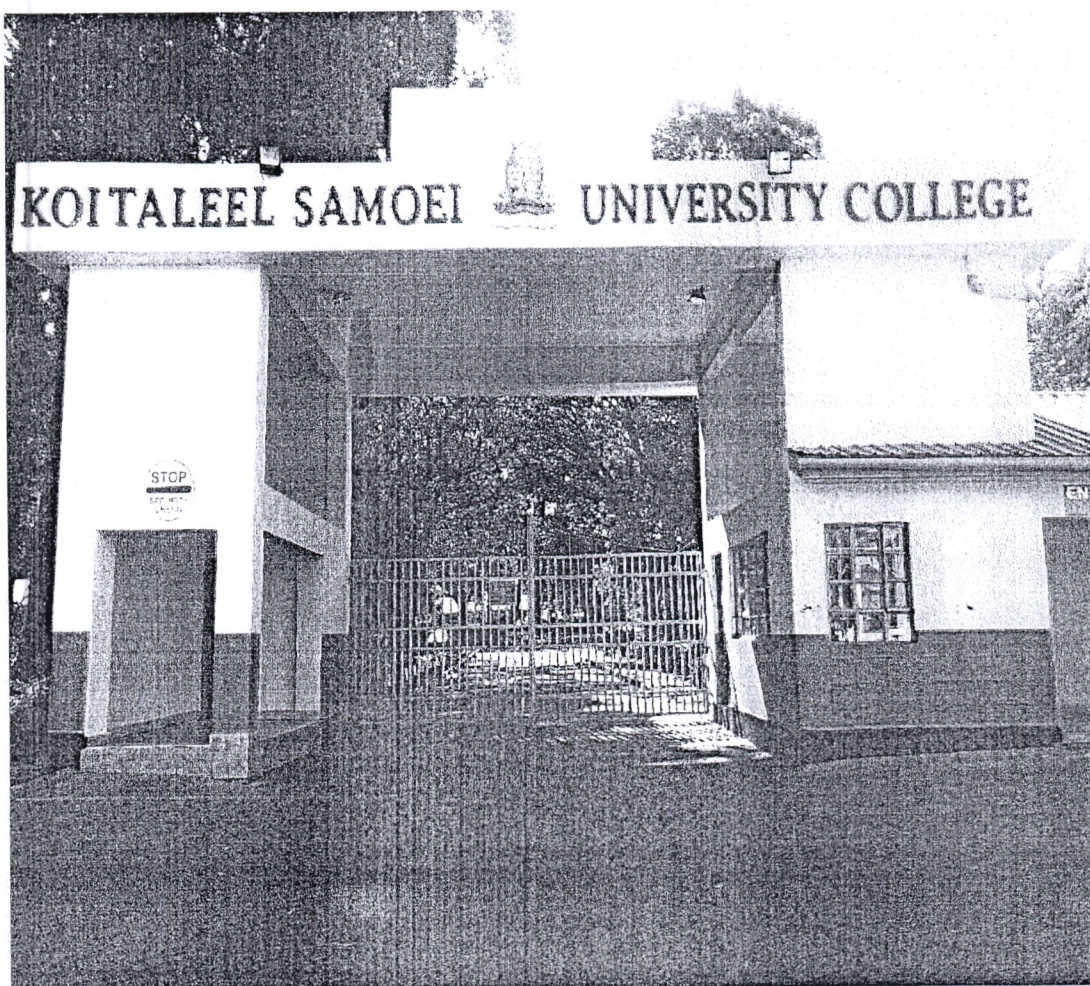
**KOITALEEL SAMOEI
UNIVERSITY COLLEGE**

**FOR THE YEAR ENDED
30 JUNE, 2022**



KOITALEEL SAMOEI UNIVERSITY COLLEGE
(A CONSTITUENT COLLEGE OF THE UNIVERSITY OF NAIROBI)

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDING 30TH JUNE 2022**



*Prepared in accordance with the Accrual Basis of Accounting Method under the
International Public Sector Accounting Standards*

OFFICE OF THE AUDITOR - (IPSAAS)
CENTRAL RIFT REGIONAL OFFICE

31 MAR 2023

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Koitaleel Samoei University College
Annual Reports and Financial Statements
For the year ended June 30, 2022

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Koitaleel Samoei University College
Annual Reports and Financial Statements
For the year ended June 30, 2022

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background information

In 2012/2013, the Nandi County and its professionals mooted the concept of University for the County as per the Constitutional provision. Through a Legal Notice, the Koitaleel Samoei University College (KSUC) was then established in 2015 under the mentorship of the University of Nairobi. The KSUC is therefore a creation of section 8 of the University of Nairobi Charter and section 42 of the Universities Act No. 42 of 2012. It was established and gazette in October 2018 as a constituent college of the University of Nairobi. The University College is named after the eponymous Nandi hero, Koitaleel Arap Samoei. The College has two (2) campuses; namely, Main Campus in Nandi Hills and Mosoriot Campus in Nandi County. In the mirror image of the mentoring university, KSUC will have 7 campuses, one in each sub-county of the Nandi County, and a Teaching Hospital.

The proposed Campuses:

Sub-County	Campus Name	Schools and Facilities
1. Nandi Hills	Main Campus	a) Seat of University: Administration Building b) University Main Library c) School of Law d) School of Humanities and Social Sciences e) School of Sports and Recreation f) Sports Facilities (Elite Athletes Training Facilities)
2. Chesumei	Mosoriot Campus	a) Campus Administration Building b) School of Education c) School of Business
3. Mosop	Kaiboi Campus	a) Campus Administration Building b) School of Engineering, Built Environment and Manufacturing c) School of Information and Communication Technology
4. Emgwen	Kaimosi Campus	a) Campus Administration Building b) School of Agriculture c) School of Forestry and Natural Resources d) School of Aquatic Science
5. Aldai	Kaptumo Campus	a) Campus Administration Building b) School of Science c) School of Environmental Studies
6. Tindiret	Maraba/Kimwani Campus	a) Campus Administration Building b) School of Nursing Sciences c) School of Public Health
7. Kapsabet	Health Sciences Campus	a) Campus Administration Building b) Medical School c) Dental School d) School Pharmacy

b) Principal Activities

The Mandate of the KSUC in education and training is rooted in the following philosophical guidelines:

- i) Problem-based learning;
- ii) Community engagement and service as a condition for graduation;

- iii) Community ownership and involvement in and benefit from university activities;
- iv) Specialized campuses in communities and attraction of relevant industries to be set up around the campuses; and
- v) Holistic education and training that produce agents of change and knowledge that transforms society.

Our Vision

A premier university nurturing talent for sustainable development

Our Mission

To produce creative and innovative graduates with academic integrity and to contribute sustainable knowledge to stimulate social and economic development through training, research and innovative technology transfer, student welfare, community service, consultancy, and continuing education.

Our Core Values

- a) Teamwork.
- b) Responsiveness
- c) Excellence.
- d) Justice and fairness.
- e) Courage and resilience.

Our education and training are rooted in the following philosophical guidelines:

- a) Problem-based learning;
- b) Community engagement and service as a condition for graduation;
- c) Community ownership and involvement in and benefit from university activities;
- d) Specialized campuses in communities and attraction of relevant industries to be set up around the campuses; and
- e) Holistic education and training that produce agents of change and knowledge that transforms society

c) **Key Management**

The University College Council

S/N	NAME	POSITION HELD
1	Prof. Risley Kavv Ngala , PhD	Chairman
2	Mr. Dan Odhiambo Odallo	Member
3	Dr. William K. Toroitich Chong'	Member
4	Arch. Geoffrey Rukenya Gichuki	Member
5	Mr. Yussuf N. Abdi	Member
6	Ms. Florah A. Mukabana	Member
7	Mr. Dan K. Mesis	Rep. PS. Ministry of Education
8	Prof. Stephen G. Kiama	Vice-Chancellor- UoN
9	Prof. Prof. Jackson Too	Ag. Principal

NOTE:

The above-mentioned Council Members term expired on 12th October 2021 except Prof. Stephen G. Kiama Vice Chancellor UON, the mentoring University and Prof. Jackson Too the Ag. Principal whose term ended in July 2022.

d) **Fiduciary Management**

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were:

No.	Name	Designation
1	Prof. Jackson Too	Ag. Principal
2	Prof. Winston Jumba Akala	Ag. Deputy Principal
3	Prof. Josephat Lishenga	Director, School of Business
4	Dr. Ruth J. Choge	Director, School of Education
5	Mr. Isaac K. Kamar	Deputy Registrar Administration
6	Mr. John N. Ngigi	Deputy Registrar Academics
7	Ms. Brenda K. Simiyu	Deputy Registrar Planning & Strategy
8	Ms. Teresa Morogo	Deputy Registrar HR
9	Mr. James Mwololo	Deputy Finance Officer

e) Fiduciary Oversight Arrangements

- i) Finance General Purposes Committee
- ii) Audit Committee
- iii) Commission for University Education
- iv) Ministry of Education
- v) The National Treasury
- vi) Office of the Auditor General
- vii) Office of the Controller of Budget

f) Entity Headquarters

Koitaleel Samoei University College Headquarters
Kapsabet Kisumu Road
P.O. Box 5 - 30307
Mosoriot, Kenya

g) Entity Contacts

Koitaleel Samoei University College Contacts

Telephone: (254)020-4915307

E-mail: principal@ksu.ac.ke fo@ksu.ac.ke

Website: www.ksuc.ac.ke

h) Entity Bankers

Koitaleel Samoei University College Bankers

Barclays Bank of Kenya

Eldoret Branch
P.O Box 22 – 30100
Eldoret, Kenya

Kenya Commercial Bank

Eldoret Branch
P.O. Box 560 – 30100
Eldoret, Kenya

i) Independent Auditors

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

j) Principal Legal Adviser

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

2. THE COUNCIL

Council Members' Details

Prof. Risley K. Ngala, Chairman of Council

1.



Prof. Risley K. Ngala holds a PhD in English Literature, and has experience in interdisciplinary research and social work in Africa and Europe. He is a private consultant based in Mombasa, Kenya, working on various issues including governance, peace and security, gender rights and equality and communal development. He has experience working with and

for women and marginalized populations at the Kenyan Coast and the North Eastern provinces. He has served as lead consultant on peace and security for UN Women, Kenya. He is currently a businessman and serves as chairman of Jamii Action Centre, Kwale. He is also chairman of council at the Koitaleel Samoei University College.

Previously, he has taught in many universities in Europe and Africa as a visiting and tenured professor, including the University of Bergen, University of South-Eastern Norway, the Arctic University of Norway, University of Dar es Salaam and the University of Szeged, Hungary. He has also been a visiting professor at the Gdansk Shakesp Theatre, Poland.

Dr. Dan Odhiambo Odallo, Council Member

2.



Dr. Dan O. Odallo is a retired Public Health practitioner with over 23 years of service in the Government of Kenya, Johns Hopkins University (JHU/PCS) and the United Nations system, where he served as UNFPA Country Representative for Eritrea and Malawi, 2013-2018. Prior to that he served as UNAIDS program officer in South Africa, Bangladesh and Nepal. Mr.

Odallo is trained in population, development communication and public health. He brings with him a great passion for young people's health, especially sexual and reproductive health having launched and managed some pioneering and successful programs in youth HIV prevention, gender-based violence and continuing education for girls. His work at the Johns Hopkins University/Population Communication Services is known for opening the space for public discussion on youth SRH issues. Mr. Odallo is also a keen sports enthusiast having played college rugby and basketball in his younger years. He is also a life member of the YMCA.

Council Members' Details

3.



Ms. Flora Mukabana, Council Member

Flora Mukabana has over 15 years of experience in international development, program design and adaptive management, performance measurement, value for money assessments, monitoring and reporting systems in the private and public sectors with a strong emphasis on the use of data for strategic decision-making and resource allocation in Ms.

Mukabana serves as Africa East Region Programme Quality Manager for Christian Blinden Mission(CBM) where she provides oversight in program planning and management, result measurements, partnership development, Strategic Planning and Research in 6 countries

Previously, she served as Regional M&E Manager for Techno Serve's USAID-funded food processing competitive improvement program, implemented by Techno Serve and Partners in Food Solutions, in Kenya, Zambia, Tanzania, Ethiopia and Malawi where she was responsible for leading M&E functions for a \$20 million portfolio of varied projects and supervising M&E staff in several countries. Prior to her work with Techno Serve, she worked with Goal Ireland and World Vision where she executed assessments in various sectors; HIV/AIDS, Livelihoods, Education and health service delivery systems in Kenya, playing important role in setting up monitoring and evaluation tools and systems at the National, levels. Florah Holds Masters in Project Planning and Management from University of Nairobi and BSc. Horticulture from Egerton University- Njoro Campus.

4.



Arch. Gichuki Rukenya, Council Member

Geoffrey Rukenya Gichuki is an Architect and Environmental Planner. He began his professional career in the Public Service (Ministry of Works), before venturing into private practice. He is currently the Managing Director, Makro Consultancy Ltd a firm of Architects and Environmental

Planners. He attended the Alliance High School for Ordinary and Advanced Level secondary education. He thereafter undertook studies at the University of Nairobi and earned Bachelor of Architecture and Master of Arts in environmental Planning and Management. He has also undertaken specialized training in Project Development Management at the then Kenya Institute of Administration and Building Engineering in Japan. He is a Registered Architect and a Registered Environmental Impact Assessment Lead Expert. He is a Corporate Member of the Architectural Association of Kenya. Arch Gichuki has

Council Members' Details

participated and continues to do so in various community development endeavors including serving in Boards of Management for secondary schools and in development committees of churches, social welfare associations and members' clubs.

5.



Dr. William Toroitich Chong, Council Member

Private consultant on animal health, Breeding Production and trade activities. Small holder dairy, maize and wheat farmer. He is a graduate of Bachelor of Veterinary Medicine with twenty-five years of work exposure, experience, skills and expertise in Public

Veterinary Services in Kenya and over Twenty-one years expertise in Veterinary laboratory work in disease and pest diagnosis, investigation, epidemiology, surveillance, Vaccinology and control, and research-extension- farmer linkages and liaisons. At all stages of rise in rank and file, promoted, inspired, encouraged, enhanced and conscientiously contributed to the development and strengthening of professional, scientific and technical capabilities and capacities of the Veterinary Department towards meeting and fulfilling its mandate and obligations in Service Delivery, enabling Kenya comply with Office International des Epizooties (OIE)'s International Animal Health Code standards for promotion and safeguarding of animal health, production and trade within and between Kenya and other countries.

sanitary and phytosanitary regulations, guidelines, procedures and standards in animal health, breeding, production and trade in conformation and compliance to international conventions, vaccines and pesticides (acaricides) potency testing, quality evaluation, assurance, certification and control, policies, legislations and institutional frameworks in animal health, breeding, production and trade. He is also skilled in preparation, writing, editing and publishing scientific, technical and policy papers, documents, reports and guidelines.

He has served in Kenya's Permanent Representative at the Office of International Epizootics (OIE) (now the World Organization for Animal Health) based in Paris, France., a member of the Board of Directors of:- Kenyan Agricultural Research Institute (KARI) now Kenyan Agriculture and Livestock Research Organization (KALRO), Kenya Veterinary Vaccines Production Institute (KEVEVAPI), Pharmacy and Poisons Board, National Quality Control Laboratory, Registrar, Kenyan Veterinary Board. Member, Faculty of Veterinary Medicine, University of Nairobi., Member, Egerton University Council Member, Moi University Council., Koitaleel Samoei University College Council. And Council Member, Agricultural Society of Kenya.

Council Members' Details

6.



Mr. Yussuf N. Abdi, Council Member

He is a strategic thinking leader with more than 10 years of experience in both public and private sector. He holds a Master of Business Administration from University of Nairobi with a bias in Management of Information Systems and a Master in Public Policy and Administration from Kenyatta University. He has worked at the NGOs Co- ordination Board for five years. He was instrumental in laying down the Board's ICT infrastructure. Rolled out the first domain network, introduced a robust database and successfully uploaded the Board's database to the website. He later worked with two humanitarian organizations in Somalia; He was actively engaged in planning, designing, implementing, monitoring and evaluation of development programs, partnership and donor relations activities. In 2015, he joined a research firm –IREC- where he was in- charge of projects implementation. Currently, he is a Managing Director of a start-up technology firm. He is a Council Member and Chairman of the Finance and General Purposes Committee of Koitaleel Samoei University College.

7.



Prof. Stephen Kiama ,Vice Chancellor, UoN

Prof. Stephen Gitahi Kiama is the Vice Chancellor of University of Nairobi which is a mentor University of Koitaleel Samoei University College. He is a Professor of Structural Biology from University of Bern in Switzerland. He was the Deputy Vice- Chancellor, Human Resource and Administration and the Acting Deputy Vice Chancellor in-charge of Finance, Planning and Development, a position he held till his appointment as the Vice Chancellor. Previously he served as the Principal, College of Agriculture and Veterinary Sciences from 2016 to 2019, Director of Wangari Maathai Institute for Peace and Environmental Studies from 2010 to 2016, Chairman of the Department of Veterinary Anatomy and Physiology from 2005 to 2010, Acting dean of the Faculty of Veterinary Medicine in 2014 and Associate Dean of the Faculty of Veterinary Medicine from 2003 to 2010



Current Council Members and Senior Management in Induction course at Mosoriot Campus



Council Members' Details

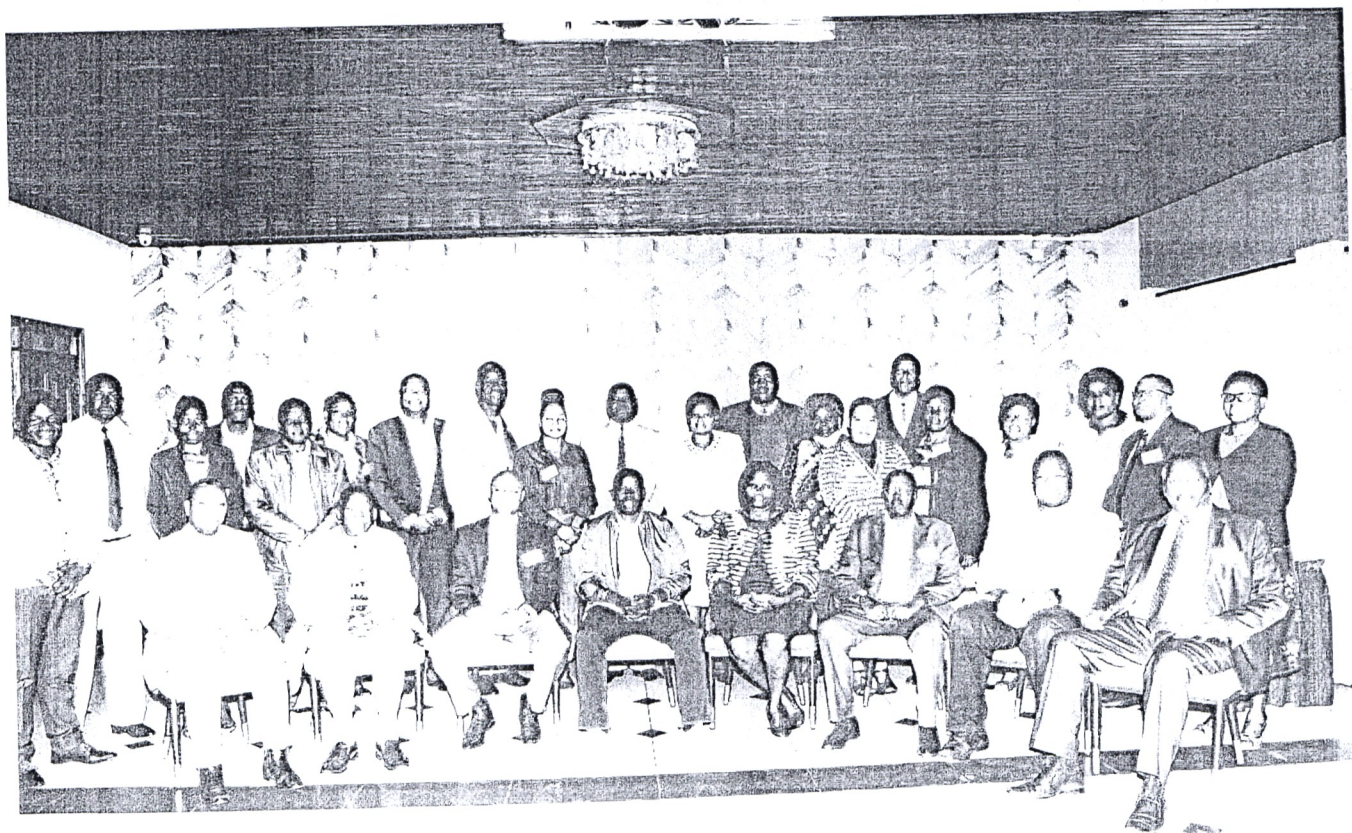
8.



Prof. Jackson Too, Ag. Principal, Koitaleel Samoei University College

Prof. Jackson Too holds B.Ed., M.Phil, Ph.D from Moi University. He is an Associate Professor of Educational Communicational and Technology, specializing in instructional media, pedagogy and technology with a track record of teaching, research and administration. His research interest is in Mediated learning. He has trained in Israel and NMMU in South Africa. He is a member of the Commonwealth

Association of Educational Administration and Management (CAEAM). Member of East and Southern African-German Centre of Excellence for Educational Research Methodologies and management (CERM-ESA) and a Jerusalem Pilgrim. He is also a Project Leader for Partnership for Enhanced Blended Learning (PEBL) whose objective is to develop modules for online learning. His work experience spans over twenty years as a teacher in High School, National Polytechnic, Moi University and Commission for University Education. He is an External Examiner of the University of Dar es Salaam, Nelson Mandela Metropolitan University (NMMU), (SA) and University of Eastern Africa among others. He served in the Task Force on Enhancing Access, Relevance, Transition, Equity and Quality for Effective Curriculum Reforms



Previous council members and senior staff induction at Queens Garden Eldoret

3. MANAGEMENT TEAM



Prof. Jackson K Too
Ag. Principal, KSUC



Prof. Winston J. Akala
Ag. Deputy Principal, KSUC



Prof. Josephat L. Lishenga
Director, School of Business



Dr. Ruth J. Choge
Director, School of Education



CHRP (K) Teresa C. Morogo
Deputy Registrar, Human Resource



CS. John N. Ngigi
Deputy Registrar, Academic



Mr. Isaac K. Kamar
Deputy Registrar, Administration



Ms. Brenda K. Simiyu
Deputy Registrar, Planning & Strategy



CPA James Mwololo
Deputy Finance Officer



Current Council Members Visit to Nandi Hills Main Campus construction site

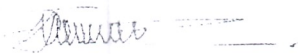
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austerity measures to cut on costs and fit within the available budget. The College Administration will strive to ensure that there is prudent use of available resources and that only essential spending is done.

Some the areas that Management has identified include: **Scaling down on security service expenditure** by reducing the number of the outsourced officers **from 14 to 10** and engaging the Administrative Police Officers **on need basis**. This will enable the University meet the budget allocation for security for the financial year 2021/2022. Secondly, the University College plans **Outsource Cleaning Service**. This will reduce the cost of engaging the casual workers. Thirdly, any recruitment of new staff will cease forthwith until the financial situation improves. The allocation from Treasury can only sustain 60% of the current workforce, meaning that there is a deficit of 40%. This makes the moratorium on employment inevitable.

Last but not least, the College Management has also resolved to **discourage printing of documents** and directed that memos and other forms of correspondences be shared in soft formats unless it is extremely important that it is printed. This measure will save on the cost of paper and cartridge

Signed:



Prof. Winston J. Akala
Chief Executive Officer,
Koitaleel Samoei University College

5. STATEMENT OF KOITALEEL SAMOEI UNIVERSITY COLLEGE PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2021/2022

Section 81 subsection2 (f) of the Public Finance Management Act, 2012 requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives. Koitaleel Samoei University College has eight (8) strategic pillars and objectives within the current Strategic Plan for the FY 2021/2022. These strategic pillars/theme/issues are as follows:

- Pillar1.** Teaching and Learning
- Pillar2.** Research, Innovation, and Technology Transfer
- Pillar3.** Students' Welfare
- Pillar4.** Institutional Development
- Pillar5.** Governance and Leadership
- Pillar6.** Financial Resources
- Pillar7.** Human Resources
- Pillar8.** Technology and Innovation

Koitaleel Samoei University College develops its annual work plan based on the above eight (8) pillars/theme/issues. Assessment of the Boards' performance against its annual work plan is done on a quarterly basis. The Koitaleel Samoei University College achieved its performance target set for the FY 2021/2022 period for its eight strategic pillars, as indicated in the diagram below:

Strategic Pillars	Objectives	Key Performance Indicators	Activities	Achievements
Teaching and learning	To produce quality graduates in selected programs	Average "GPA"	Develop and consistently review curriculum tailored to market needs.	4 programs developed
			Integrate ICT into teaching and learning in all programs	ICT integrated
			Offer programs on an e-learning platform	E-learning platform mounted. Google Classroom, Google meet, Zoom, and Microsoft Teams
Research, innovation, and technology transfer	To create new knowledge and transfer to	No. of papers published in peer-reviewed journals	Establish research collaborations with universities	23 journal publications, 2 book publications, and 1 conference

Koitaleel Samoei University College
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Strategic Pillars	Objectives	Key Performance Indicators	Activities	Achievements
	communities and industries		both locally and internationally and with industry	publication. Organized an International Conference on "Nurturing talent in Sports Education" A collaboration between KSUC and Tampere University of Applied Science in Finland.
Students' welfare	To provide a comprehensive portfolio of social welfare services to students	% Students regularly participating in sports and games	Provide adequate accommodation and catering services, leisure, entertainment facilities.	75%
Institutional development	To develop institutional capacity for effective and efficient service Delivery	% of compliance with CUE standards and guidelines on physical facilities	Comply with CUE recommendations after inspection	Complied 90%
Governance and leadership	Improved institutional performance	Training on governance and leadership	KSUC Council Retreat conducted by State Corporation Advisory Committee. (SCAC).	Developed a Performance Improvement Plan for the financial 2021/2022.
Financial resources	Increased targets		Harness natural resources as an income stream, in collaboration with the County Government	1,289,807.00 from sales of Tea.
Technology and Innovation	Improved access to digital resources	Internet bandwidth per 100 MBPS	Implement high-speed broadband internet connectivity in Mosoriot and Nandi Hills Campuses	High-speed broadband internet connectivity has been increased from 50 MBPS to 100 MBPS.

6. CORPORATE GOVERNANCE STATEMENT

The Koitaleel Samoei University College Council members' appointments were approved on October 12, 2018, by the Cabinet Secretary for Education under the Gazette Notice No. 10741 pursuant to Section 36 (1) (d) of the Universities Act 2012. KSUC Council subscribes to Mwongozo which is anchored on the Constitution of Kenya 2010 Article 10 on the National values and principles of governance, Chapter 6, Article 73 that emphasizes on public trust, honor and dignity of public offices and Article 232 that reinforces personal Integrity, values and principles of public service which also provides for efficiency, effectiveness and economic use of resource.

KSUC Council tenure expired on October, 12, 2021. Through a Gazette Notice No. 8050 and 8051 respectively a new board was appointed on July 8, 2022 for three (3) years.

6.1 KSUC COUNCIL MEMBERS AS OF OCTOBER 12, 2021.

Prof. Risley K. Ngala	-	Chairman
Ms. Flora Mukabana	-	Member
Arch. Geoffrey R. Gichuki	-	Member
Dr. William Chong	-	Member
Prof. Margaret Hutchinson	-	Rep. Vice-Chancellor, UON
Mr. Mugambi Nyagah	-	MOE Rep.
Prof. Jackson Too	-	Ag. Principal/ Council Secretary

6.2 ROLES AND FUNCTIONS OF THE COUNCIL.

The following are roles for KSUC Council as stipulated in the Mwongozo.

- i) Determine the University College mission, vision, purpose and core values.
- ii) Exercise their role collectively and not individually
- iii) Set and oversee the overall strategy and approve significant policies of the organization
- iv) Ensure that the strategy is aligned with the purpose of the University College and the legitimate interests and expectations of its shareholders and other stakeholders.
- v) Ensure that the strategy of the University College is aligned to the long-term goals of the organization on sustainability so as not to compromise the ability of future generations to meet their own needs.
- vi) Approve the organizational structure
- vii) Approve the annual budget of the University College
- viii) Monitor the University's performance and ensure sustainability
- ix) Enhance the corporate image of the University College
- x) Ensure availability of adequate resources for the achievement of the University College's objectives.
- xi) Hire the CEO, on such terms and conditions of service as may be approved by the relevant government organs and approve the appointment of senior management

staff

- xii) Ensure effective communication with stakeholders.

6.3 INDUCTION AND TRAINING

KSUC Council underwent Council induction and continuous skill development in the financial year 2021/2022 as below:

S/No.	Training/Workshop	Venue	Date
1.	KSUC Council Retreat conducted by State Corporation Advisory Committee. (SCAC).	College of Insurance	3 rd September 2021 to 5 th September, 2021

6.4 NUMBER OF COUNCIL MEETINGS HELD IN THE FY YEAR 2021 – 2022

The number of Council meetings held in the financial year 2021/2022 were as per the approved Almanac tabulated below:-

s/no	Type of Meeting	No. of Meetings held
1.	Full Council meetings	3
Council Committees		
2.	Finance and General Purposes Committee Meetings	3
3.	Audit and Risk Committee Meetings	2
4.	Human Resource and Administration Committee Meetings	3
5.	Infrastructure and Building Committee meetings	2
6.	Resource Mobilization Ad Hoc Committee Meetings	2
7.	Charter Committee Meetings	2

6.5 COUNCIL REMUNERATION

The following allowances and benefits were paid to KSUC Chairman and the Council members in the financial year 2021/2022 as stipulated in Mwongozo on Board remuneration.

s/no	Allowances	Amount
1.	Monthly taxable Honorarium for Chairman	80,000.00 per month
2.	Monthly Airtime for Chairman	5,000.00 per month
3.	Taxable Sitting Allowance for Chairman of Council	25,000.00 per sitting
4.	Taxable Sitting Allowance for Members of Council	20,000.00 per sitting
5.	Subsistence Allowance	18,200.00 per sitting
6.	Other Special Council meetings/ Chair of Council engagements with the Ministries/Departments/KSUC official functions	

6.6 MEDICAL EXPENSES

Provision of Medical cover to KSUC Council members was based on the provisions contained in the prevailing Government Circular relating to payments of medical expenses for members of the Board of State Corporations when they fall sick on official duties or trips. Circular Ref. No. OP/CAB.9/1A/VOL. XX9132) dated 30th June, 2006 is currently in use as below:

- i) Inpatient Kshs. 2 million per year
- ii) Outpatient 100,000.00 per year

6.7 SUCCESSION PLANNING

KSUC Council was appointed for a period of three (3) years with effect from 12th October 2018. Their term expired on October 12, 2021. A new Council was appointed on July 8, 2022.

6.8 COUNCIL MEMBER'S PERFORMANCE.

As directed by the Head of Public Service vide Circular No. OP/CAB.9/1A dated 11th March 2020, Annual Board Self Evaluation activity was integrated as part of the Almanac. State Corporation Advisory Committee staff took the Council through an evaluation exercise that covered the Council as a whole, its committees, individual members, the Chairperson, and the Chief Executive Officer. The Evaluation exercise was held on 13th September 2021 and the overall performance of the members was exceptional.

6.9 ETHICS AND CONDUCT AND GOVERNANCE AUDIT

As per the provisions of Mwongozo, all State Corporations should undergo a Governance Audit. However, this was not budgeted for in the financial year 2021/2022.

6.10 CONFLICT OF INTEREST

KSUC Council members declared no conflict of interest with the University College upon appointment to the Council. During the meetings held in the financial year 2021/2022, there was no conflict of interest declared during the proceedings of the meetings held during the year

7. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

University College's Operational and Financial Performance

During the year ended 30 June 2022, Koitaleel Samoei University College registered a Deficit of **Kshs.21, 847,691** million up from a Deficit of **Kshs.978, 491** in financial year 2020/2021. Total revenue for 2021/2022 was **Kshs. 183,853,136** million up from **Kshs. 176,548,899** million in FY 2020/2021, total expenditure for FY2021/2022 was **Kshs. 205,700,827** compared to **Kshs.177, 527,390** in FY 2020/2021.

The Net assets in 2021/2022 were **Kshs. 527,755,251** compared to **Kshs 448,592,947** in 2020/2021.

Government Capitation

Koitaleel Samoei University College being a government owned entity is allocated Recurrent and Development Capitation to finance its operations; the recurrent Capitation grant allocation to the University was **Kshs. 104, 388, 299 million** compared to **Ksh. 102,651,888** in FY 2020/2021 .The development Capitation Grant for 2021/2022 was **Kshs. 40,000,000** million compared to **Kshs. 98,000,000** million in FY 2020/2021.

Student Fees

These comprises fees from government sponsored students (module I) and self-sponsored students (module II).

The total amount received in FY 2020/2021 was **KShs. 8,199,409** from module I and **KShs. 3,685,000** from module II. In the FY 2021/2022 the college received **kshs.23, 912,389** from module I and **kshs.6, 471,950** from module II.

Other Incomes

Included under this category are revenues from Accommodation from students, Income Generating Units and Rental Income from Koitaleel Samoei staff houses totaling **Kshs.2, 501,944** in FY 2021/2022 compared to **Kshs. 2,012,602** for FY 2020/2021.

SECTION B

Compliance with Statutory Requirements

The University College endeavors to ensure full compliance with statutory requirements and other Government regulations.

The University prepares its financial statements in accordance with the Public Financial Management Act (PFM) 2012, the PFM Act Regulations, the State Corporations Act, the University Act and the International Public Sector Accounting Standards (IPSAS).

Statutory deductions are affected and remittances are done as per the government statutory requirements by National treasury, Kenya Revenue Authority, National Insurance Fund and National Social Security Fund

The prevailing cash flow position of the college determines the rate of statutory deductions remittances as per the governing statutory requirements.

SECTION C

Key projects and investment decisions the University is planning/implementing

Currently the proposed Phase IV Mosoriot Campus renovation, Landscaping and installation of Local Area Network has is almost complete and the tender for Engineering and Electrical works in Nandi Hill was Tendered.

SECTION D

Major risks facing the University

Challenges

Several changes have happened in the external and internal environments of the University, which may influence this short-term implementation plan. These are outlined below.

EXTERNAL ENVIRONMENT

This is a summary of significant changes in the external environment.

Competition

The Government of Kenya recently gazette new public universities in the country, raising intense competition in the higher education sector in the country. The new as well as the old players in the sector have opened campuses and learning centers all over the country thereby reducing the market catchment areas for the Koitaleel Samoei University College.

Regulatory environment

Regulations of the higher education sector have changed. Universities are now required to operate within guidelines set by the regulators. Conforming to these regulatory requirements often has meant heavy capital expenditure, which is putting additional strain on the universities' budgets. A failure to meet regulatory requirements may lead to halting students' intake. This trend of increased regulation is expected to continue.

Quality, relevant education and more research

The demand for quality and relevant University education has become more persistent, while there has been a mounting feeling that universities are not undertaking enough research. Consequently, more research output is expected from these institutions.

Funding

Funding from the government has consistently fallen below the requirements of the universities, which are under pressure to raise resources to finance their operations. As a result, salaries are paid only after mobilizing additional money from internal sources, leaving very little income to finance operations. There is an urgent need to rethink financing the University as austerity measures and cost-cutting containment may not fully solve the problem.

INTERNAL ENVIRONMENT

This is a summary of significant changes in the internal environment.

Unplanned University closures

It is essential that University operations continue without interruptions, but closures of the University occasioned by staff or student indiscipline do occur, though they should not occur, as they disrupt academic programs, dent the image of the University and interrupt revenue inflows.

Human resources issues

To address the challenge of a huge wage bill that is not matched by Government funding, the University management operationalized the Government circular on post retirement contract.

Strategic Direction

In order to address the above challenges, the University in its 2018-2023 Strategic Plan has purposed to pursue the following strategic objectives;

- iii) To design and implement relevant and innovative teaching and learning programs.
- iv) To be a leading Institution in scholarly, research and creative productivity in Africa.

- v) To improve student welfare services through development and implementation of appropriate minimum standards.
- vi) To build a sustainable resource base.
- vii) To enhance the competitiveness and image of the University.
- viii) To institutionalize governance mechanisms and leadership culture that facilitates the realization of the University's vision and mission.

SECTION E

Material arrears in statutory /financial obligations

The University does not have a commercial loan or material pending bills, tax default, outstanding staff and pension obligations /actuarial deficit on pension schemes, on payment of dividends and loan redemption to the National Exchequer.

expected to report for admission on 19th September 2022. Letters have been sent to the students who have been placed through email and SMS, advising them on how to download admission documents as well as responding to their concerns promptly. Currently the students are at liberty to transfer to the University of their own choice up until 24th August, 2022. Fourteen students that had deferred their studies in the academic year 2021/2022 are expected to report as well on September 19, 2022 thus, in the 2022/2023 Academic Year the total students population will be at **1149**.

The staff establishment in the University College currently stands at 92 (Male-56 and Female-36). Of these staff, 27 are academic while 65 are non-academic. The ratio of Academic to Non-Academic Staff is approximately 1:3.

Policies are the cornerstone of efficient management of an institution. With that hindsight, Koitaleel Samoei University College (KSUC) has developed ten (10) policies currently awaiting Council approval. They include: the **Undergraduate Admission Policy, Undergraduate Examination Policy; Gender Mainstreaming Policy; Disability Mainstreaming Policy; Sexual Harassment Policy; Fee Collection Policy; Internal Transfer Policy; Quality Assurance Policy; Library and ICT Policy as well as the General Human Resource Policy**. Also developed for approval and subsequent implementation is the **KSUC Customer Service Delivery Charter**.

Performance Contracting process started in late June, when the Government released the guidelines. The targets were set and the signing between the University College Council and the Ministry of Education was concluded. Similarly, the signing of the Performance Contract between the Principal and the Chairman of Council was done. The next level of the process will be **vetting** which will be done towards the end of quarter one.

While a lot has been achieved over the period under review, there have been a number of the **challenges** that the College has faced. The main challenge has been **lack of adequate finances** to run its operations and complete infrastructure. Secondly, the **academic staff** that are currently in-post are not enough to teach all the courses in the two Schools. This demands for part-time lectures to be recruited to fill in the gaps, which has financial implications. Thirdly, the learning **space for** some common courses with large student numbers will be a great challenge, since the largest available lecture hall can only take 200 students, yet the incoming B. Ed (Arts) class will have over 300 students. Fourth, most of the administrative staff in the university college do not have prior **experience** in working in a university setting and might have challenges in handling large student numbers and will need induction programmes to bring them to speed in matters of the university.

Given the tough financial constraints currently being experienced, the College intends to introduce some

4. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Koitaleel Samoei University College (KSUC) is a constituent college of the University of Nairobi, located 26 km from Kapsabet town in Nandi County. It was established in September 2018, through a Gazette Notice No 177. The University College currently offers 8 programmes, which have been duly approved by Commission for University Education (CUE). The Programmes are in the School of Business and the School of Education. The University College has requested the University of Nairobi Senate for additional programmes in the Faculty of Science; Faculty of Humanities and Social Sciences; and Faculty of Agriculture and Veterinary Sciences.

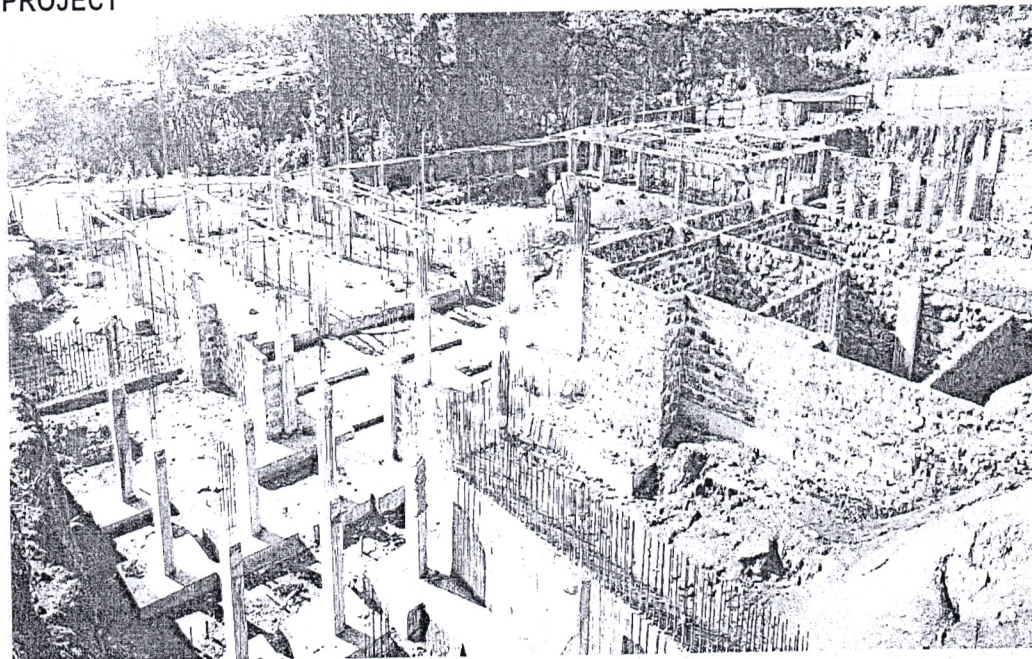
The core university business is teaching and research. In order to make teaching and learning run seamlessly with minimal interruptions, the university college intends to **invest greatly in technology**. Lessons learnt from the **devastating effects of Covid - 19 pandemic** on learning have made the need to integrate technology inevitable. In that respect, courses will be migrated into online **asynchronous learning designs** where learning occurs virtually online using prepared materials, without real-time teacher-led interaction. This will be made possible by procuring **e-Learning software** where all courses will be uploaded for students to access. There will be need to **build the capacity of the academic staff** and students to enhance versatility in technology use. Students will access all course content and instruction online. The University College, vide ICT Department has sourced and will install the required gadgets for **e-Class system** and will be supported by KENET.

The **library is the nerve center** of all academic work in the University College. With that hindsight the Council has continued to support and committed resources to upgrade the library. The library is manned by 4 vibrant professional staff who are committed to delivering quality service to students and staff. The library has over 3,500 reading materials such as books, journals, periodicals and Policy documents. It is also linked to the University of Nairobi E-resources (e-books and e-journals) where students can readily access a lot of digital content.

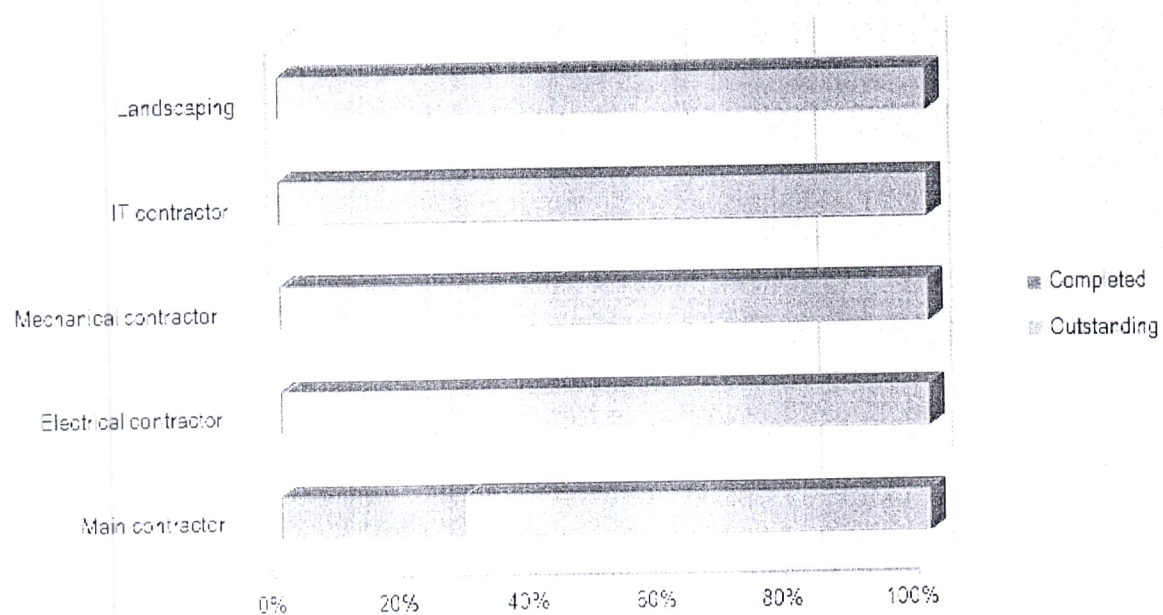
In line with the accreditation procedures and the provisions of the Universities Act (2012), the Commission visited the College in the third quarter of the last financial year to undertake a technical inspection. The inspection sought to establish the progress made towards fulfilling the required standards in the university governance, physical facilities, academic programmes, student enrolment, library resources, quality assurance and financial resources. The University has addressed the concerns raised and submitted a report to Commission for University Education. The Commission is studying the report and will inform KSUC on the way forward in due course.

The University College has a student enrolment of **702 students** who are continuing; and will receive another cohort of **433 students** placed by Kenya Universities and Colleges Placement Service (KUCCPS)

NANDI HILLS PROJECT



Contractor and Subcontractors' progress



8. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

Koitaleel Samoei University College exists to transform lives. This is the driving force behind everything all activities in the University College. It's what guides us to deliver our strategy, putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Nandi County is endowed with environmental biodiversity and enjoys a unique tropical climate whose weather patterns distinctively vary due to topographical variations. The University College environs has a variety of ecosystems namely; mountains, forests, freshwater, wetlands and wildlife.

8.1 Sustainability strategy and profile

KSUC top management led by the principal has designed and implemented sustainable efforts to overcome the rapidly changing political environment which has ramification on the broader macroeconomic environment affecting university's sustainability as per set priorities and standards in accordance with international best practices. Some of these deliberate strategies have succeeded while others failed due to exogenous factors. University sustainability efforts employed include:

- Diversification of revenue streams to include; tea farming, water battling and agro forestry rather than relying on tuition fees only.
- Lean employment on acute need basis and relying more on outsourced services to run non- core business e.g., Security and catering services.

Upon every election, successive governments implement their manifesto which sometimes disadvantage universities. For instance:

- Shifting the focus in tertiary education financing from Universities to Tertiary and Vocational training (TVET) in an attempt to trigger industry based technical training resulting to university education becoming less attractive.
- The education system reforms towards a Competency Based Curriculum (CBC) has left uncertainties in the industry about the outcome and integration with University hence diminishing admissions.

The economic situation is not promising as demonstrated by the following indicators:

- i) Inflation has made the cost of basic goods used to support higher education unaffordable.
- ii) Gross Domestic Product (GDP) which is the wealth of the nation is increasing at a lower rate than the growth in population meaning; higher dependency ratio and/or lower per capital income leaving households with lesser disposable income to be invested in higher education.
- iii) High Interest Rates occasioned by government borrowing from the lenders has crowded out

domestic borrowers who are financing higher education.

- iv) Covid19 pandemic has disrupted households with dwindled income hardly sufficient to meet basic needs making higher education a luxury.

International best practices in higher education calls for:

- i) Allocating at least 2% of the budget towards research to shore up innovation in the industry.
- ii) Matching up of university programs with Industry needs to enhance employability and attract more enrolment.
- iii) Establishing core university infrastructure for long term stability in learning and research.
- iv) Integrating Universities in grafting government policies for sustainability.

The following is a report on Environmental and Sustainability outlining the Koitaleel Samoei University College (KSUC) policies and activities that promote sustainability on: Sustainability Strategy and Profile; Environmental Performance; Employee Welfare; Market Place Practices and Corporate Social Responsibility/Community Engagements.

8.2 Environmental Performance

KSUC has engaged in various environmental projects, individually as an institution and also with other stakeholders. The University has recognized environmental sustainability and protection by collaborating with the local and national agencies and partners to promote and raise awareness of good environmental management policies as numerated below;

- The University College participated in the annual tree planting exercise that was scheduled from May 27 to June 3, 2022. A total of 4,500 indigenous trees were planted by the University staff led by the Principal. At Nandi Hills KSUC Campus University grounds, 3,500 trees were planted whereas in Mosoriot Campus, 1,500 trees were planted. All the 4,500 tree seedlings were donated by the Equity Bank.
- The initiative was informed by the need to comply with the Presidential directives of 10% forest coverage that formed part of the University College PC's target.
- The tree planting exercise was carried out by the University College in collaboration with the County Government of Nandi, the local community including the neighboring institutions and the Equity Bank and KSUC staff.
- On June 16, 2022, the initiative of the University College of greening the University Library with the

purpose "Reading under the shade" collaborated with the Seedballs Kenya organization participated in tree planting at the Mosoriot campus through casting of indigenous tree seeds in form of balls that were casted around the library building. An estimated 1,500 seed balls were casted.

8.3 Employee Welfare

KSUC is committed to the provisions in the Kenya constitution **Articles 10 and 232, Chapter 6 and the Employment Act Chapter 226. Revised Edition 2012 (2007)** in the provision of services and employment.

Recruitment and selection policy provides equal opportunity to all applicants and recruits on merit. All employees are expected to make a positive contribution to the delivery of the institution strategic objectives and actively supports its core values.

There's is a recruitment and selection process which ensures the implementation of article 27 of the constitution on equality and freedom from direct and indirect discrimination against any person. The recruitment and selection policy promotes and preserve fairness, transparency, accountability and integrity in the process of attracting and selection of the best candidate.

The stakeholder's engagement provisions have been put into consideration through;

- Staff needs analysis;
- Identification of an opening with reference to staff establishment;
- Confirmation of the budgetary provision for the vacancies that are available;
- Obtaining all the relevant approvals to commence the recruitment process; and
- Make informed decision of whether to fill the position internally or hire externally.

The organization's policy supports the efforts in improving skills and managing careers, appraisal and reward system through the provision and signing of the employee Performance Contracts, Carrying out the Staff Appraisal Performance and the Training Needs Analysis for both organizational/strategic analysis, task analysis and personal analysis.

Workplace safety and security is effective because of the stated policies and procedures that are to achieve the institution goals and objectives to prevent harm to employees. The department has ensured that the institution invests in a proactive safety culture that investment when done right will prevent injuries incidents and other issues, a key piece of this is training and development that helps workers to be safe.

The registration of the University Staff Pension scheme in June, 2022, is another initiative that the University management undertook in an effort to motive staff and ensure that they live a comfortable life after retiring from service. The Scheme is now up and running.

8.4 Market Practice

8.4.1 Responsible Competition Practice:

The following are ways that KSUC has ensured responsible competition. It has done this by employing best practices with regards to anti-corruption, responsible political involvement, fair competition and respect for competitors:

- Sourcing for goods and services through a competitive procurement process.
- Employing human resource through a competitive process and also on merit.
- Building a strong KSUC brand that will create pull demand to attract more clients i.e. students and business partners through efficient service delivery that guarantees customer satisfaction.
- Institutionalizing a marketing policy where competitors are not undermined or portrayed negatively but rather initiating strategic approaches for strengthening synergistic relationship and co-existence.
- Ensuring non-alignment or bias to any institution by giving equal chances for opportunities to all stakeholders and business partners.
- By giving access to information to all stakeholders and business partners on available opportunities in KSUC through advertisement in media and website.
- By giving real time feedback to all bidders who do not qualify for a business opportunity by stating reasons why they did not meet the requirements in order to foster future engagement.

8.4.2 Responsible Supply Chain and Supplier Relations:

KSUC through the department of Procurement undertake the following to maintain good business practice, honoring contract and respect payment practices with its suppliers:

- Involving the user department in budgeting exercise.
- Preparation of procurement plan.
- Encourage competitive bidding through various tendering methods.

8.4.3 Responsible Marketing and Advertisement:

KSUC maintains ethical marketing practices through;

- Advertisement
- Portal update on Public Procurement Information portal (PPIP)
- Availing of feedback needed by any stakeholder
- Complete disclosure of successful bidders and notifying those unsuccessful bidders through

Notification Letter.

8.4.4 Product Stewardship:

KSUC safeguards its consumer rights and interest as follows;

- Rotational performance of task to avoid conflict of interest and minimize on corruption;
- Confidentiality by encouraging concerned staff to keep information secret;
- Going for the best quality in procuring institution's products;
- Going digital in procuring process

8.4.5 CSR Activities Conducted in the Financial Year 2020/2021

	Initiative	Activities	Impact
1.	Women empowerment in Nandi-Hills	i) The University College identified a Women group in Nandi-Hills that were interested in economic empowerment. ii) The Universities supported in on boarding them as a community choir. iii) The University College conducted trainings and capacity building on how the group would business opportunities in the University College.	i) The women group has an active community choir that participates in community events and generates income. ii) The women have managed to access procurement opportunities in the University College.
2.	Tree Planting exercise in Kipsamoo Primary School	i) The University College in Partnership with Eastern Produce of Kenya (EPK – LTD) offered advisory on the spacing of indigenous trees that were planted in Kipsamoo Primary School. ii) The University College donated 300 seedlings towards the success of the project.	Indigenous trees were planted to enhance environmental conservation.
3.	Tree Planting Exercise in Kipkongorwa	i) 30 University staff participated in a tree planting exercise in Kipkongorwa Wetlands on Chesumei Constituency. ii) Over 500 indigenous seedlings to reclaim the wetlands that had been put under agricultural use.	The wetlands is in the process of reclamation.
4.	Establishment of an Apiary in Nandi-Hills	i) The university is currently in the process of establishing an apiary in Nandi-Hills. ii) A youth group has been identified to manage the establishment.	iii) The apiary will act as a training ground and demonstration area for farmers interested in bee keeping. iv) Bee-keeping will have a positive economic impact on the community.

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	Initiative	Activities	Impact
5.	Engagement of the community in casual work	The University college has engaged over 30 casual and semi-skilled workers from the community in performing.	The community is included in the opportunities that the university College has created.

9. REPORT OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer submit their report together with the audited financial statements for the year ended June 30, 2022, which show the state of the *Entity's* affairs.

9.1 Principal activities

The principal activities of the Entity continue to be the Mandate of the KSUC in education and training is rooted in the following philosophical guidelines:

- i) Problem-based learning;
- ii) Community engagement and service as a condition for graduation;
- iii) Community ownership and involvement in and benefit from university activities;
- iv) Specialized campuses in communities and attraction of relevant industries to be set up around the campuses; and
- v) Holistic education and training that produce agents of change and knowledge that transforms society.

9.2 Results

The results of the Entity for the year ended June 30, 2022, are set out 1-8

9.3 Council

The members of Council who served during the year are shown on page viii to xi. During the year 2021/2022 all council members term ended October 17th 2021.

9.4 Surplus remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year.

9.5 Auditors

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

10. STATEMENT OF CHIEF EXECUTIVE OFFICER RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and require the Chief Executive Officer to prepare financial statements in respect of that *Entity*, which give a true and fair view of the state of affairs of the *Entity* at the end of the financial year/period and the operating results of the *Entity* for that year/period. The Chief Executive Officers are also required to ensure that the *Entity* keeps proper accounting records which disclose with reasonable accuracy the financial position of the *Entity*. The Chief Executive Officers are also responsible for safeguarding the assets of the *Entity*.

The Chief Executive Officer is responsible for the preparation and presentation of the *Entity's* financial statements, which give a true and fair view of the state of affairs of the *Entity* for and as at the end of the financial year (period) ended on June 30, 2022. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the *Entity*; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the *Entity*; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer accept responsibility for the *Entity's* financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012.

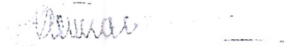
The Chief Executive Officer further confirms the completeness of the accounting records maintained for the *Entity*, which have been relied upon in the preparation of the *Entity's* financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Chief Executive Officer to indicate that the *Entity* will not remain a going concern for at least the next twelve months from the date of this statement.

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Approval of the financial statements

The *Entity's* financial statements were approved by the Council on 30/11/2022 and signed on its behalf by:

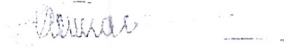


Prof. Winston J. Akala
Chief Executive Officer,
Koitaleel Samoei University College

Koitaleel Samoei University College
Annual Reports and Financial Statements
For the year ended June 30, 2022

Approval of the financial statements

The *Entity's* financial statements were approved by the Council on 30/11/2022 and signed on its behalf by:



Prof. Winston J. Akala
Chief Executive Officer,
Koitaleel Samoei University College

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KOITALEEL SAMOEI UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards, and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines, and manuals and whether public resources are applied in a prudent, efficient, economic, transparent, and accountable manner to ensure Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on Effectiveness of Internal Controls, Risk Management, and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls, developed and implemented by those charged with governance for orderly, efficient, and effective operations of the entity.

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal controls, risk management, and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Koitaleel Samoei University College set out on pages 1 to 39, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in

nets assets, statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the basis for Adverse Opinion section of my report, the financial statements do not present fairly, the financial position of the Koitaleel Samoei University College as at 30 June, 2022, 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 do not comply with the Public Finance Management Act, 2012 and the Universities Act, 2016.

Basis for Adverse Opinion

1. Presentation of the Financial Statements

Review of the financial statements revealed the following anomalies in the presentation of the financial statements:

- i. Report No.9 on page xxxiv is entitled 'Report of the Chief Executive Officer' instead of 'Report of the Principal'. In addition, report No.10 on page xxxv has been signed by the Principal but erroneously entitled 'Statement of Chief Executive Officer'.
- ii. Variances in Financial Statements and Prior Year Comparative Amounts.

Item	Financial Statements (Kshs)	Audited Financial Statements (Kshs)	Variance (Kshs)
Statement of Financial Performance			
Capitation Grant - Recurrent	102,651,888	102,651,892	(4)
Total Revenue from Non-Exchange Transactions	162,651,888	162,651,892	(4)
Total Revenue	176,548,899	175,921,223	627,676
Contracted Services	5,751,780	5,751,760	20
Depreciation	14,484,116	12,826,120	1,657,996
Deficit	(978,491)	(548,151)	(430,340)
Statement of Financial Position			
Property, Plant and Equipment	262,642,829	461,296,298	(198,653,469)
Work-In-Progress	198,653,469	-	198,653,469
Capital Reserves	449,141,098	489,954,196	(40,813,098)

- iii. The statement of financial performance reflects depreciation amount of Kshs.11,813,228. However, the schedule of movement of Property, Plant and Equipment in Note 20 to the financial statements, does not disclose the opening

balance for depreciation. In addition, depreciation rates applied under each class of assets was not disclosed.

- iv. The statement of comparison of budget and actual amounts reflects totals for revenues, however, totals for expenditures were not indicated.
- v. The statement of changes in net assets was not reflected in the table of contents.
- vi. Related party transactions and financial risks have not been disclosed in notes to the financial statements.

In the circumstances, the financial statements are not presented in accordance with the International Public Sector Accounting Standards (IPSAS Accrual).

2. Inaccuracies in the Financial Statements

2.1 Unsupported Funds from the University of Nairobi

The statement of financial performance reflects revenue from non-exchange transactions amount of Kshs.150,966,853. However, the amount includes Kshs.45,000,000 in respect of transfers from Nairobi University which has not been supported by cash receipts, cash book and bank statement extracts.

In the circumstances, the accuracy and fair statement of transfers from Nairobi University of Kshs.45,000,000 for the year ended 30 June, 2022 could not be confirmed.

2.2 Property, Plant and Equipment

2.2.1 Accuracy of Property, Plant and Equipment

The statement of financial position reflects property, plant and equipment balance of Kshs.252,737,509 which differs with the balance of Kshs.289,067,939 disclosed in Note 20 to the financial statements resulting to unexplained variance of Kshs.36,330,430. The balance also includes land and buildings of Kshs.226,680,986 whose detailed schedule were not provided for audit. Further, depreciation method was not disclosed in the financial statements.

2.2.2 Variance of Reported Additional Furniture and Equipment

The statement of financial position reflects property, plant and equipment of Kshs.252,737,509 out of which furniture and equipment additions of Kshs.38,238,338 differed with the statement of cash flows balance of Kshs.1,907,908 resulting to unreconciled variance of Kshs.36,330,430.

2.2.3 Unsupported Work-In-Progress

The statement of financial position reflects work-in-progress balance of Kshs.259,367,351. However, this balance was not reflected in the grand totals in the property, plant and equipment schedule in Note 20 to the financial statements. Further, this balance includes work-in-progress for the period under review of Kshs.90,633,833

whose contracts, certificates of work certified and payment vouchers were not provided for audit.

In the circumstances, the accuracy, completeness and fair statement of property, plant and equipment/work-in-progress balance of Kshs.512,104,860 as at 30 June, 2022 could not be confirmed.

2.3 Inaccuracies in the Reserves Balances

The statement of financial position reflects total capital and revenue reserves of Kshs.527,155,250 which differed with the statement of changes in the net assets balance of Kshs.204,834,873 resulting to unexplained variance of Kshs.322,320,377. Further, the statement of changes in net assets is erroneously indicated as Note 1 instead of Note 14.

In the circumstances, the accuracy and fair statement of total capital and revenue reserves balance of Kshs.527,155,520 as at 30 June, 2022 could not be confirmed.

2.4 Inaccuracies in the Statement of Cash Flows

The statement of cash flows reflects cash and cash equivalents opening balance of Kshs.14,484,116 which differed with the recasted balance of Kshs.146,720,657 resulting to an unexplained variance of Kshs.132,236,541. The statement also reflects a closing cash and cash equivalents balance of Kshs.14,214,244 which differed with the recasted balances of Kshs.2,541,745 resulting to unreconciled variance of Kshs.11,672,499. The statement was also prepared using the direct method whereas the previous year statement was prepared using indirect method and therefore comparative amounts could not be confirmed.

In the circumstances, the accuracy, completeness and fair statement of the statement of cash flows balances as at 30 June, 2022 could not be confirmed.

2.5 Lack of a Trial Balance

The revised trial balance was not presented for review.

In the circumstances, the accuracy of the financial statements for the year ended 30 June, 2022 could not be confirmed.

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

1. Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.151,050,674 and Kshs.183,853,136 respectively resulting to an overcollection of Kshs.32,802,462 or 21.7% of the budget. Similarly, the University expended Kshs.193,887,600 against an approved budget of Kshs.151,050,674 resulting to an over-expenditure of Kshs.42,836,926 or 28% of the budget.

The lawfulness of over-expenditure of Kshs.42,836,926 could not be confirmed.

2. Unresolved Prior Year Audit Matters

There were issues raised in the audit report of 2020/2021 financial year of which no report or recommendations from the University College and oversight bodies were submitted for audit verification and clearance. The issues remained unresolved contrary to Section 149(2)(1) of the Public Finance Management Act, 2012 which require Accounting Officers to try to resolve any issues resulting from an audit that remain outstanding.

The Management have not complied with the Kenya Accounting Standards Boards financial statement reporting template.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections of my report, based on the audit procedures performed, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Late Submission of Financial Statements

The Management of the University College did not prepare and submit financial statements for audit within the statutory deadline of 30 September, 2022. However, the financial statements were submitted on 12 January, 2023, three and a half months after the deadline which is contrary to Sections 81(1) and 4(a) of Public Finance Management Act, 2012 which states that not later than three months after the end of each financial year, the Accounting Officer for the entity shall submit the entity's financial statements to the Auditor-General and a copy of the statement to the Controller of Budget, The National Treasury and the Commission on Revenue Allocation.

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

2. Salaries and Wages

2.1 Irregular Award of Contracts to Staff

The statement of financial performance reflects salaries and wages amount of Kshs.157,175,210. However, examination of human resource records revealed that one member of staff, P/No.23077, who was scheduled to retire on 31 December, 2021 was given an extension up to 31 July, 2022 (7 Months extension) and this was beyond the mandatory retirement age of sixty (60). This was contrary to Section 80(1) of the Public Service Commission Act, 2017 which states that where a Public Officer has attained the mandatory retirement age as may be prescribed in regulations, the Public Officer should retire from the service with effect from the date of attaining the mandatory retirement age.

Although the Management explained the circumstances under which the Officer was retained in the employment, no evidence of approval from Public Service Commission was availed for review.

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

2.2 Irregular Hire of Staff

Review of Human Resource records revealed that the University had a staff of 92. During the year, six (6) officers were recruited through internal job advertisements. However, although the two applicants were recruited to the position of Chief ICT Officer and Accountant, they did not meet the minimum requirements of master's degree and Certified Public Accountant (CPA-K) respectively for the stated positions as per the advertisement. As a result, the Management was in breach of the Paragraph 4.1 of the Human Resource Policy guidelines. No valid explanation was provided by the Management for this anomaly. Further it was observed that the University has no approved staff establishment in place.

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

2.3 Irregular Acting Allowances

The statement of financial performance reflects salaries and wages amount of Kshs.157,175,210 as disclosed in Note 6 to the financial statements. Included in this amount was Kshs.796,814.90 paid to various employees in respect of acting allowances. However, the Officers were appointed to act in higher positions without following proper procedures which include advertisement of the vacant posts and interviews as documented in Human Resource manual. Further, one member of staff was found to have acted for more than 6 six months contrary to Section C.14(1) of Human Resource Policies and Procedures Manual for the Public Service issued in May, 2016 which requires that acting allowance will not be payable to an officer for more than six (6) months.

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

2.4 Failure to Comply with the Provisions on Inclusivity on Ethnic Diversity

Review of human resource documents indicated that the Management recruited six employees to various vacant positions. However, all the six positions were filled by officers from the dominant community which is contrary to Sections 7(1) and (2) of the National Cohesion and Integration Act, 2008 which requires all public establishments to seek to represent the diversity of the people of Kenya in employment of staff and that no public establishment shall have more than one third of its establishment from the same ethnic community.

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

3. Council Expenses

3.1 Unapproved Council Retreat

The statement of financial performance reflects Council expenses amount of Kshs.5,878,191 as disclosed in Note 13 to the financial statements. Examination of expenditure records relating to Council expenses revealed payments totalling to Kshs.1,473,050 incurred towards facilitation of a Council retreat. However, there was no approval from the Cabinet Secretary for the Council to hold a retreat outside its registered office. This is contrary to Section A(4) of Circular OP/CAB.9/1A, 11 March, 2020 which states that all Board business (including Committee meetings) shall be transacted at the principal or registered office of the Corporation (not branch offices) and Board retreats shall be approved by the respective Cabinet Secretary. In addition, the attendance register, program, back to office report and evidence of travel such as air tickets or work tickets were not provided for audit review.

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

3.2 Council Member's Tenure

The Council members who served during the year were appointed on 12 October, 2018 through individual appointment letters and Gazette Notice No.10740 dated 12 October, 2018 for a term of three years which came to an end on 12 October, 2021. However, the Institution did not have substantive Council members for eight months with effect from November, 2021 to June, 2022 which created leadership challenges as the new Council members were appointed on 08 July, 2022 through Gazette Notices No.8050 and 8051. This was contrary to Section 16(5) of the University (Amendment) Act, 2016 which states the members of the Council appointed under Section 36(1) shall at their first meeting after appointment determine by lot which two of their members shall vacate office after a period of three and four years respectively to ensure continuity in the activities of the Council.

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

4. Unremitted Tax Deductions

The statement of financial position reflects trade and other payables balance of Kshs.17,091,639 which include statutory deductions balance of Kshs.5,482,029 as

disclosed in Note 18 to the financial statements. Review of documents provided reveal that the deductions totalling Kshs.5,482,029, had not been remitted to the Commissioner of Domestic Tax in accordance with Income Tax Act.

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

5. Proposed Construction of Administration Block in Nandi Hills

Review of records provided revealed that the Management entered into a contract for the construction of the proposed administration block with a firm at a contract sum of Kshs.628,504,063 on 22 April, 2020 with the completion period being 30 months upon possession of site. However, the following anomalies were noted;

5.1 Non-Deduction of Retention Money and Lack of Retention Ledger

Clause 26 of conditions of the contract required the employer (Koitaleel University) to retain 10% from each payment due to the contractor. However, the Management did not deduct retention amount of Kshs.32,961,271.07 for the certified work done for certificates 1, 2, 3 and 4. In addition, Management failed to maintain retention ledger and the amount for retention was not disclosed in the financial statements.

5.2 Unsupported Payments Made to the Contractor

The contractor was paid up to certificate Number 4 out of which certificates 3 and 4 were issued during the year under review. However, the payment vouchers were not supported with the valuation report duly counter signed by the Architect, Quantity Surveyor, Structural Engineer, Mechanical Engineer and Electrical Engineer.

5.3 Non-Deduction and Remittance of Taxes

Examination of the payment vouchers for the certified work done under certificates Number 1, 2, and 3 for Kshs.28,272,000, Kshs.49,020,000 and Kshs.36,759,524 respectively revealed that the Management failed to deduct and remit withholding VAT Kshs.1,839,862 and professional fees of Kshs.2,759,793 contrary to income tax. In addition, the Management did not recover the taxes amounts in the subsequent payments to the contractor.

5.4 Expired Performance Bank Guarantee

The contractor had provided performance bank guarantee of Kshs.62,850,407 from Credit Bank which expired on 21 April, 2022 and had not been renewed. In the circumstances, there is risk of loss to the University in the event the contractor fails to complete the project.

5.5 Delay in Completion of the Administration Block in Nandi Hills

The contract for construction for the proposed administration block was entered into on 22 April, 2020 between the University and a local contractor. According to the contract documents, the construction was supposed to take thirty (30) months upon taking possession of the site for which the date of possession of site has not been disclosed in

the contract form. Information from Management revealed that the contract was supposed to have been completed by 27 November, 2022. However, the contract had delayed and as at the time of audit in January, 2023, the construction had not been completed and there was no approved extension as required by Section 139(2) of the Public Procurement and Asset Disposal Act, 2015. Further, physical inspection of the projects in January, 2023 revealed that the contractor was not on site. Although the Management explained that the delay was due to lack of financing by the Government, continued delay in the completion of the works is likely to result in cost escalation. The level of completion for the project was estimated at 22%.

5.6 Payment to the Consultants

During the year under review the Management paid a total of Kshs.4,616,256 to the consultants who are employees of University of Nairobi. The tender document under Particular preliminaries describe Architect, Quantity Surveyor, Electrical Engineer, Mechanical Engineer and Structural Engineer to mean University of Nairobi. However, it is not clear how the consultants were sourced as no procurement records were submitted for review. The validity of the payment of Kshs.4,616,256 to the consultants could not be confirmed.

In the circumstances, Management was in breach of the law for non-remittance of the tax and continued delay in the implementation of the project risks cost escalation.

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, because of the significance of the matters discussed in the Basis for Adverse Opinion and Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, based on the audit procedures performed, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Lack of a Risk Management Policy

As previously reported, the college did not have a risk management policy in place. This was contrary to Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015 which requires the Accounting Officer to ensure that the National Government entity develops - risk management strategies, which include fraud

prevention mechanism; and a system of risk management and internal control that builds robust business operations.

In the circumstances, the Management is unlikely to respond effectively to the emerging risks that may subsequently result in weak internal controls and subsequently loss of funds.

2. ICT Policy, Procedures and Controls Environment

As previously reported, the Institution's ICT infrastructure has several application software that are in use. However, administrator passwords for the SMIS and SAGE systems are held solely by the University of Nairobi (UoN) personnel and the servers hosted and operated from the UoN main campus, with the KSUC staff only having user accounts. Since these two systems handle KSUC's finances, there could be a likelihood of data manipulation and subsequent loss of funds. Further, it was observed that there was no offsite data backup for the payroll system database which could result in a major downtime if the payroll machine were to have a hardware/software failure.

In the circumstances, the University risks losing data in the event of system failure and loss of data integrity since the full administrator rights are held by an external party.

3. Lack of Quarterly Submitted Reports

The institution has established a Finance Standing Committee which is responsible for preparation and submission of quarterly reports to the Cabinet Secretary. However, there was no evidence that the institution's Finance Standing Committee submitted quarterly reports of its work including recommendations to the responsible Cabinet Secretary, as required under Regulation 19(2) of the Public Finance Management (National Government) Regulations, 2015.

In the circumstances, Management was in breach of oversight internal controls.

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 controls, risk management and overall 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 maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the University College's ability 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 College 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.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

The University Council is responsible for overseeing the University College'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 overall 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 audit is planned and performed to express a conclusion about 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 and that public resources are applied in an effective way, 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.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and overall 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal controls 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 controls.
- 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 College'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 College to cease to continue to sustain its services.
- 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 College 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 controls 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

16 May, 2023

12. STATEMENT OF FINANCE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

		2021/2022	2020/2021
	Note	Kshs	
Revenue from non-exchange Transactions			
Capitation Grant-Recurrent	1	104,388,299	102,651,888
Transfer From OUN- Recurent	2	45,000,000	60,000,000
GOK CBA Arrears 2017/2020	2	1,578,554	
		150,966,853	162,651,888
Revenue from exchange Transactions			
Tuition and other fees module I	3	23,912,389	8,199,409
Tuition and other fees module II	4	6,471,950	3,685,000
Accommodation and other income	5	2,501,944	2,012,602
		32,886,283	13,897,011
Total Revenue		183,853,136	176,548,899
Expenses			
Salaries and Wages	6	157,175,210	121,540,507
Other Operating Expenses			
Academic Departments	7	436,464	718,848
Administration and Central Services	8	19,775,052	20,595,870
Academic services(library Expenses)	9	1,916,313	-
Maintenance of Buildings , Plants and S	10	872,443	378,363
Staff and students facilities and welfare	11	1,697,544	1,490,069
Contracted Services	12	6,136,382	5,751,780
Council Expenses	13	5,878,191	12,567,837
Depreciation	14	11,813,227	14,484,116
Total Expenses		205,700,827	177,527,390
(Deficit)/Surplus for the period		-21,847,691	-978,491

The notes set out on pages 1-20 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 8 were signed on behalf of the Council by:

Prof. Winston J. Akala
Chief Executive Officer

Date: 30/11/2022

CPA James Mwololo
Head of Finance
ICPAK M/No. 4367

Date: 30/11/2022

13. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Statement of Financial Position as at 30 June 2022

		2021/2022	2020/2021
		Kshs	Kshs
ASSETS	Note		
Current Assets			
Cash and Cash Equivalents	15	14,214,244	14,484,116
Trade and Other Receivables (Student debtors)	16	6,366,140	468,304
Inventories	17	12,161,643	9,619,606
		32,742,027	24,572,027
Non Current Assets			
Property, Plant and Equipment	20	252,737,509	262,642,829
Work in progress	20	259,367,351	198,653,469
		512,104,860	461,296,298
Total Assets		544,846,889	485,868,325
Liabilities			
Current Liabilities			
Trade and Other Payables (creditors)	18	17,091,639	37,275,378
Accruals and Provisions	19	600,000	
		17,691,639	37,275,378
Non-Current Liabilities		-	-
Total Liabilities		17,691,639	37,275,378
Net assets		527,155,250	448,592,947
Represented by			
Capital		512,941,006	449,141,098
Revenue Reserves		14,214,244	(548,151)
TOTAL		527,155,250	448,592,947

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Note:

1. KSUC receives Development and Recurrent Grants from the Government

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Revenue Reserves	Capital/Developm ent/Grant Funds	Total
As at July 1, 2021	34,058,693.00	146,896,384.00	180,955,077.00
Surplus/ Deficit for the year	- 21,847,690.91		- 21,847,690.91
Capital/Development grants received during the year		40,000,000.00	40,000,000.00
Depreciation		5,727,486.97	5,727,486.97
As at June 30, 2022	12,211,002.09	192,623,870.97	204,834,873.05

14. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

		2021-2022	2020-2021
	Notes	Kshs	Kshs
Cash flows from operating activities			
Receipts			
Transfers from other governments entities	1&2	150,966,853	162,651,888
Receipt from exchange transactions	3&4	30,384,339	11,884,409
Public contributions and donations		-	-
Property taxes revenue		-	-
Licenses and permits		-	-
Rendering of services		-	-
Sale of goods		-	-
Rental revenue from facilities and equipment	5	1,112,572	627,680
Finance income		-	-
Other income	5	1,389,372	2,769,844
Total receipts		183,853,136	177,933,821
Payments			
Use of goods and services	7,8,9	22,127,829	22,085,939
Employee costs	6	157,175,210	121,540,507
Board Expenses	13	5,878,191	12,567,837
Repairs and maintenance	10	872,443	378,363
Contracted services	12	6,136,382	5,751,780
Staff and Students facilities and welfare	11	1,697,544	
Grants and subsidies			
Total payments		193,887,599	162,324,426
Net cash flows from/(used in) operating activities		-	15,609,395
		10,034,463	
Cash flows from investing activities			
Purchase of PPE and Intangible assets	20	1,907,908	17,988,591

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Proceeds from sale of PPE		-	-
Purchase of investments		-	-
Sale of investments		-	-
Net cash flows from/(used in) investing activities		1,907,908	17,988,591
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from issue of shares		-	-
Net cash flows from financing Activities		-	-
Net increase/(decrease) in cash & Cash Equivalen		-	-
		11,942,371	134,615,737
Cash and cash equivalents at 1 July 2021	28	14,484,116	149,099,853
Cash and cash equivalents at 30 June 2022	28	14,214,244	14,484,116

The financial statements set out on 4-5 signed on behalf of the Council by:

Prof. Winston J. Akala
Chief Executive Officer

Date: 30/11/2022

CPA James Mwololo
Head of Finance
ICPAK M/No. 4367

Date: 30/11/2022

**15. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE
YEAR ENDED 30 JUNE 2022**

for period ended 30/06/2022						
	Original Budget	Adjustment	Final Budget	Actual on comparable basis	Performance Difference	% of usage
	A	B	C=(A+B)	D(ACTUAL)	C-D	D/C
REVENUE						
Module I Fees	21,020,000.00	0	21,020,000.00	23,912,389.00	-2,892,389.00	114%
Module II Fees	19,161,821.00	0	19,161,821.00	6,471,950.00	12,689,871.00	34%
Student Accommodation	550,000.00	0	550,000.00	465,472.00	84,528.00	85%
External research grants	2,500,000.00	0	2,500,000.00	-	2,500,000.00	0%
Capitation Grant(GoK)-Recurrent	104,388,299.00	0	104,388,299.00	104,388,299.00	0	100%
CBA Arrears 2017/2020	0	1,578,554.00	1,578,554.00	1,578,554.00	0	
Income Generating Activities	1,052,000.00	0	1,052,000.00	1,389,372.00	-337,372.00	132%
Rental Income	800,000.00	0	800,000.00	647,100.00	152,900.00	81%
KSUC Funds at University of Nairobi- Recurrent	0	0	0	45,000,000.00	0	0%
TOTAL REVENUE	149,472,120.00	1,578,554.00	151,050,674.00	183,853,136.00	12,197,538.00	94%
EXPENDITURE					0	
Basic Salary	95,211,459.00	-40,963,139.18	54,248,319.82	94,513,656.00	40,265,336.18	174%
House Allowance	13,704,850.00	1,610,558.92	15,315,408.92	27,727,118.00	12,411,709.08	181%
House to office Allowance	7,987,448.00	-1,744,112.72	6,243,335.28	11,724,297.00	-5,480,961.72	188%
Other Personal allowances	10,405,839.00	4,333,168.08	14,739,007.08	17,759,052.00	-3,020,044.92	120%
Gratuity & Pensions	19,405,839.00	-15,825,747.90	3,580,091.10	1,936,841.00	1,643,250.10	54%
Pension Arrears 2021- 2022		0	0	-	0	
CBA Arrears 2017/2021		1,578,554.00	1,578,554.00	-	1,578,554.00	0%
Leave Travelling Allowance, Passage & Baggage	371,867.00	-103,820.36	268,046.64	-	268,046.64	
National Housing Development Fund		0	0	-	0	0%
Direct Service providers/Management support	2,864,232.00	-595,065.53	2,269,166.47	-	2,269,166.47	0%
Part Time Lecturers	2,200,000.00	-615,514.90	1,584,485.10	2,004,500.00	-420,014.90	127%

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University Medical Scheme	3,300,000.00	-923,272.34	2,376,727.66	396,485.00	1,980,242.66	17%
Motor Vehicles Operating Expenses	3,300,000.00	-923,272.34	2,376,727.66	2,500,359.00	-123,631.34	105%
Local and External Travel & Accommodation	2,200,000.00	-615,514.90	1,584,485.10	1,548,517.00	35,968.10	98%
Telephone and Postage Expenses	220,000.00	-61,551.49	158,448.51	157,448.00	1,000.51	99%
Electricity, Water & Conservancy	3,300,000.00	-923,272.34	2,376,727.66	2,420,899.00	-44,171.34	102%
Teaching and Office Expenses/Purchase of Teaching Materials	5,500,000.00	-1,538,787.24	3,961,212.76	4,236,765.00	-275,552.24	107%
Printing & publishing	110,000.00	-30,775.74	79,224.26	-	79,224.26	0%
Purchase of uniforms	110,000.00	-30,775.74	79,224.26	-	79,224.26	0%
University Library	6,050,000.00	-1,692,665.96	4,357,334.04	1,916,313.00	2,441,021.04	44%
Quality Assurance(CUE)	308,000.00	-86,172.09	221,827.91	597,000.00	-375,172.09	269%
Purchase of Stationery (Exams)	550,000.00	-153,878.72	396,121.28	-	396,121.28	0%
Advertising Publicity & Recruitment	550,000.00	-153,878.72	396,121.28	-	396,121.28	0%
Audit Fees	577,500.00	-161,572.66	415,927.34	-	415,927.34	0%
Rents & Rates	22,000.00	-6,155.15	15,844.85	-	15,844.85	0%
Internet Expenses, licenses & subscriptions	4,950,000.00	-1,384,908.51	3,565,091.49	5,130,404.00	-1,565,312.51	144%
Legal Fees	110,000.00	-30,775.74	79,224.26	-	79,224.26	0%
Insurance	2,200,000.00	-615,514.90	1,584,485.10	1,211,734.00	372,751.10	76%
Membership Subscription	110,000.00	-30,775.74	79,224.26	10,000.00	69,224.26	13%
Students union/ Student Activities	440,000.00	-123,102.98	316,897.02	300,000.00	16,897.02	95%
Students Mentorship	55,000.00	-15,387.87	39,612.13	21,000.00	18,612.13	53%
Students Sports and Games	1,100,000.00	-307,757.45	792,242.55	644,380.00	147,862.55	81%
Koitaleel Samoei University College Scholarships	-	0	0	-	0	
External Examiners	550,000.00	-153,878.72	396,121.28	436,464.00	-40,342.72	110%
Cleaning Services	2,200,000.00	-615,514.90	1,584,485.10	2,689,219.00	-1,104,733.90	170%
Conferences & Seminars	220,000.00	-61,551.49	158,448.51	148,200.00	10,248.51	94%
Council and Committees	14,212,583.00	-3,976,389.34	10,236,193.66	5,878,191.00	4,358,002.66	57%

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Tender Expenses/Tender Committee	-	0	0	-	0	
Funeral Expenses	55,000.00	-15,387.87	39,612.13	-	39,612.13	0%
Resource Mobilization	1,100,000.00	-307,757.45	792,242.55	170,757.00	621,485.55	22%
Local Exhibitions/CSR	220,000.00	-61,551.49	158,448.51	200,000.00	-41,551.49	126%
Staff Development	110,000.00	-30,775.74	79,224.26	104,650.00	-25,425.74	132%
Staff Training Levy	92,400.00	-25,851.63	66,548.37	46,850.00	19,698.37	70%
Purchase of Motor vehicles	-	0	0	-	0	
Furniture and Equipment/Purchase of Plant & Teaching Equipment	2,200,000.00	-615,514.90	1,584,485.10	1,907,908.00	-323,422.90	120%
ICT Investment	3,300,000.00	-923,272.34	2,376,727.66	-	2,376,727.66	0%
Maintenance of Plant & Teaching Equipment	550,000.00	-153,878.72	396,121.28	872,443.00	-476,321.72	220%
Maintenance of Buildings & Stations	440,000.00	-123,102.98	316,897.02	-	316,897.02	0%
Principal's vote-Marketing and outreach activities	-	0	0		0	
Students Welfare	1,100,000.00	-307,757.45	792,242.55	335,679.00	456,563.55	42%
External Research Expenses	935,000.00	-261,593.83	673,406.17	-	673,406.17	0%
Internal Research Programmes	220,000.00	-61,551.49	158,448.51	-	158,448.51	0%
Contracted Security services	3,135,000.00	-877,108.73	2,257,891.27	3,447,163.00	-1,189,271.73	153%
HIV and AIDS Awareness	22,000.00	-6,155.15	15,844.85	-	15,844.85	0%
National Value and Cohesion	33,000.00	-9,232.72	23,767.28	-	23,767.28	0%
Valuation of Assets/Tagging of Assets	1,650,000.00	-461,636.17	1,188,363.83	-	1,188,363.83	0%
KUCCPS Placement	204,600.00	-57,242.89	147,357.11	855,000.00	-707,642.89	580%
Income Generating Activities	1,100,000.00	-307,757.45	792,242.55	-	792,242.55	0%
Capital Development	318,000,000.00	278,000,000.00	40,000,000.00	41,343,332.00	-1,343,332.00	103%

Budget notes

During the FY 2021/2022 KSUC submitted an approved Budget by the Council of Kshs. 769, 149,000.00 The Government rationalized the Budget to Kshs.258, 410,602.00. This meant that most of our votes were going to be under funded, this forced us to request for Virement (reallocation) of funds to some of the key operating votes, hence the difference in percentage usage

16. NOTES TO THE FINANCIAL STATEMENTS

16.1 General Information

Koitaleel Samoei University College entity is a creation of section 8 of the University of Nairobi Charter and section 42 of the Universities Act No. 42 of 2012 Revised Edition 2016 (2015). It was established and gazette in October 2018 as a constituent college of the University of Nairobi. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya.

The entity's principal activities are.

- a) Problem-based learning;
- b) Community engagement and service as a condition for graduation;
- c) Community ownership and involvement in and benefit from university activities;
- d) Specialized campuses in communities and attraction of relevant industries to be set up around the campuses; and
- e) Holistic education and training that produce agents of change and knowledge that transforms society.

16.2 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, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. 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 judgment in the process of applying the *entity's* accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

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

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

16.3 Adoption of New and Revised Standards

New and amended standards and interpretations in issue effective in the year ended 30 June 2021.

Standard	Impact
Other Improvements to	Applicable: 1 st January 2021:
IPSAS	
	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. c) 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. d) 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.

16.4 Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, and fines

The entity recognizes revenues from fees and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from other government entities

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

Rendering of services

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

Rental income

Rental income arising from operating leases on properties is accounted for as income when it's paid and is included in revenue.

b) Budget information

The original budget for FY 2020-2021 was approved by the National Assembly on 19/May/2020. The entity'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 15 of these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

d) Property, plant and equipment

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

e) Research and development costs

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

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale.
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) 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) Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

g) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

h) Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) 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:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) 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 Entity.

j) Provisions

Provisions are recognized when the Entity 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 Entity 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.

k) Contingent liabilities

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

l) Contingent assets

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

measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

o) 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.

p) Related parties

The Entity 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 Entity, or vice versa. Members of key management are regarded as related parties and comprise the Council, the CEO and senior managers.

q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so

recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

r) 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 the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imp rests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year. Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

s) 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, 2021.

16.5 Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Entity'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. State all judgments, estimates and assumptions made: e.g. **Estimates and assumptions.**

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

Significant Judgments and Sources of Estimation Uncertainty (Continued) 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:

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

Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

16.6 Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the *Entity* 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 shareholder of the *Entity*, holding 100% of the *Entity's* equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

The Entity did not have any related party Transactions in the financial year 2021/2022

17. QUANTITATIVE NOTES TO THE ACCOUNTS

INCOME	June-22	June-21
1. Capitation Grant-recurrent	Kshs	Kshs
July	8,685,870	8,554,324
August	8,685,870	8,554,324
September	8,685,870	8,554,324
October	8,685,870	8,554,324
November	8,685,870	8,554,324
December	8,685,870	8,554,324
January	8,685,870	8,554,324
February	8,685,870	8,554,324
March	8,685,870	8,554,324
April	8,685,870	8,554,324
May	8,764,798	8,554,324
June	8,764,801	8,554,324
	104,388,299	102,651,888
2. Transfers From Other Entities		
University of Nairobi	45,000,000	60,000,000
GOK CBA Arrears	1,578,554	
3. Tuition and other fees Module 1		
Module 1 Fee	23,912,389	8,199,409
	23,912,389	8,199,409
4. Modulue11 Tuition Fees and other charges		
Module 11 fee	6,471,950	3,685,000
	0	
	6,471,950	3,685,000
5. Accomodation , Rental and other income		
House Rent	647,100	621,720
Accomodation fee	465,472	5,960
Tea IGU	1,289,807	1,384,922
Principal IGU	99,565	
Other income(Library)		
	2,501,944	2,012,602
EXPENDITURE		
6. Part time Lecturers	2,004,500	3,128,962
TOTAL	2,004,500	3,128,962

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Administrative staff		
Basic pay.	94,513,656	71,809,247
House Allowance.	27,727,118	18,432,115
Transport Allowance	11,724,297	8,103,692
Other Allowance	17,759,052	14,440,483
Gratuity	1,936,841	5,230,504
Employer Contribution to Pension,NSSF & SSSF	1,509,747	395,504
Total	155,170,710	118,411,545
Grand total	157,175,210	121,540,507
Other Operating Expenses		
7. Academic Departments		
External examiners	436,464	718,848
Printing Examination materials	0	-
Tuition Fees Refunds	0	-
	436,464	718,848
8. Administration and Central Services		
Purchase of Exam Materials	247,711	161,800
Local Travel and Accommodation	1,548,517	1,776,236
local exhibition	200,000	230,025
KUCCPS	855,000	
CUE	597,000	
Telephone expenses	157,448	246,925
Bank charge	188,758	349,354
ICT Expenses	5,130,404	3,201,969
Advertising ,Publication		256,858
Insurance	1,211,734	1,385,815
Professional Fee	0	
Rent and rates	0	22,020
Conferences and Seminars	148,200	
University Of Nairobi		633,490
Resource Mobilization	170,757	539,700
Teaching and office	4,236,765	6,921,278
Motor Vehicles Running Expenses	2,500,359	2,900,445
staff levy	46,850	
Purchase of uniform		
Staff development	104,650	85,600
Members Subscription	10,000	47,400
Electricity, Water and Conservancy	2,420,899	1,836,955
TOTAL	19,775,052	20,595,870

9. Library expenses		
Academic services(library Expenses)	1,916,313	
	1,916,313	-
10. Maintenance of Premises	872,443	378,363
Maintenance of Buildings & Plants	872,443	378,363
11. Staff and Students facilities and welfare		
University Medical Scheme	396,485	383,919
Students Medical Expenses	0	
Sports and Games	644,380	405,700
Student Mentorship	21,000	
Students Union	300,000	206,550
Students Welfare	335,679	493,900
	1,697,544	1,490,069
12. Contracted Services		
Cleaning Services	2,689,219	2,068,789
Security Services	3,447,163	3,682,991
	6,136,382	5,751,780
13. Council Expenses		
Chairman Retainer fee	340,000	1,020,000
Sitting Allowance	1,890,000	4,305,000
Medical Insurance		544,367
Induction and Training	2,474,841	4,425,800
Travel and Accommodation	1,173,350	2,272,670
SUB TOTAL	5,878,191	12,567,837
14. Depreciation for the period		
Land and Building	4,599,681	4,319,333
Furniture and Equipment	4,776,814	5,773,865
Computers	1,068,152	1,108,598
Motor Vehicles	1,368,581	1,624,324
TOTAL	11,813,227	12,826,120
15. Cash and Cash Equivalents		
Cash at Bank ABSA Bank	520,079	12,375,891

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Cash at Bank KCB Bank	13,694,165	2,108,225
	14,214,244	14,484,116
16. Trade and other Receivables		
Current Receivables		
Sundry Debtors	0	
Student Debtors	6,366,140	468,304
	6,366,140	468,304
17. Inventories	12,161,643	9,619,606
General Stocks	12,161,643	9,619,606
18. Trade and other Payables	17,091,639	36,175,378
Creditors	17,091,639	36,175,378
19. Accruals and Provisions		
Provision for Audit Fees	600,000	600,000

Note 16: Student debtors

KOITALEEL SAMOEI UNIVERSITY COLLEGE				
No	Student Names	Debits (DR)	Credit (CR)	Balance
1	LIKOMBE PRINCE ROBIN	48,500.00	20,000.00	28,500.00
2	CHEPKOSGEI SHEILLAH	70,000.00	28,500.00	41,500.00
3	NGEI WAMBUA	101,174.00	93,685.00	7,489.00
4	MOEGI MORAA MERCY	101,174.00	97,196.00	3,978.00
5	SIGEI AMOS	103,174.00	83,700.00	19,474.00
6	CHEPCHIRCHIR GETRUDE	103,665.00	103,165.00	500
7	KIPTOO COLLINS	101,174.00	74,700.00	26,474.00
8	KIPLAGAT RONALD	101,174.00	67,674.00	33,500.00
9	KIPTOO KENNEDY	98,678.00	81,178.00	17,500.00
10	KIMENGICH JEPKOSGEI DOROTHY	103,852.00	97,378.00	6,474.00
11	KOMEN JEPTOO SHARON	101,174.00	82,678.00	18,496.00
12	KIPKOSGEI NICKSON KIBET	101,174.00	96,700.00	4,474.00
13	ONDIEKI BETHY MAGOMA	55,000.00	51,000.00	4,000.00
14	NTIRRA NASIEKU JANET	55,000.00	28,500.00	26,500.00
15	KIPKOECH NAFTALI	59,000.00	40,500.00	18,500.00
16	KIPKOECH HILLARY	101,174.00	97,200.00	3,974.00
17	OMWENGA OBED ONDIEKI	31,000.00	12,000.00	19,000.00
18	WANJALA KEVIN	107,864.00	87,380.00	20,484.00
19	ATUTI ARNOLD BOSIRE	101,174.00	100,500.00	674
20	ANYANGO MERCY	101,174.00	97,200.00	3,974.00

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21	BIWOTT ABIUD KIPKORIR	55,000.00	41,500.00	13,500.00
22	NAFUNA SYLVIA	101,174.00	97,174.00	4,000.00
23	KIPTOO WESLEY	55,000.00	47,200.00	7,800.00
24	LANGAT BYLON KIMUTAI	31,000.00	4,000.00	27,000.00
25	JEPKIRUI JOYLINE	57,500.00	31,020.00	26,480.00
26	JEPNGETICH JAEI TIROP	55,000.00	46,500.00	8,500.00
27	MASAI ISAAC KIPROTICH	55,000.00	24,000.00	31,000.00
28	OMONDI DAVID OOKO	46,000.00	42,000.00	4,000.00
29	NYABOKE RUTH OTWORI	50,000.00	24,000.00	26,000.00
30	RONO BRIAN KIPKOECH	33,500.00	31,000.00	2,500.00
31	JEROTICH LEDISHA	31,000.00	26,000.00	5,000.00
32	LUMUMBA MAKOKHA GEORGE	31,000.00	0	31,000.00
33	ROTICH ELKANA KIPKOECH	31,000.00	16,000.00	15,000.00
34	KIBET WINNIE JEPKOECH	57,500.00	31,000.00	26,500.00
35	LUMULI WAFULA MOSES	55,000.00	12,000.00	43,000.00
36	MASAI ISAAC KIPROTICH	55,000.00	20,000.00	35,000.00
37	ANDIWA SHARON	31,000.00	28,500.00	2,500.00
38	NGACHIA MELVIN CHEMNUNG	31,000.00	22,000.00	9,000.00
39	MOSOP YOELI LOTULIAPUS	46,100.00	28,100.00	18,000.00
40	CHEPNGETICH FAITH NGENO	61,000.00	31,000.00	30,000.00
41	WAMALWA EPHRAHIM SIMIYU	67,000.00	34,000.00	33,000.00
42	GETANGE JUSTINE MITEMA	31,000.00	25,000.00	6,000.00
	SUB TOTAL			710,245.00
No	Student Names	Debits (DR)	Credit (CR)	Balance
1	SANG REUBEN	232,500.00	35,000.00	197,500.00
2	CHEBET MILLICENT	232,500.00	107,000.00	125,500.00
3	KIRUI SHADRACK	377,000.00	120,000.00	257,000.00
4	JEBWAMBOK JACKLINE	277,000.00	90,000.00	187,000.00
5	KEIYO JOAN	277,000.00	170,000.00	107,000.00
6	KIRUI JUSTUS KIPKOGI	277,000.00	190,000.00	87,000.00
7	MARU JAMIN KIPLAGAT	277,000.00	50,000.00	227,000.00
8	SUGUT BOAZ KIPLIMO	277,000.00	200,000.00	77,000.00
9	SAMOEI EMMY JEBUNGEI	277,000.00	240,000.00	37,000.00
10	RONO NELLY	277,000.00	45,000.00	232,000.00
11	SIRMA EVANS KIPLIMO	277,000.00	50,000.00	227,000.00
12	TOO KIPKEMBOI SAMSON	277,000.00	242,000.00	35,000.00
13	CHERUIYOT DANIEL	277,000.00	80,000.00	197,000.00
14	BOR EZEKIEL	277,000.00	50,000.00	227,000.00
15	NGETICH WILSON KIPTANUI	277,000.00	10,000.00	267,000.00
16	KIPCHUMBA BRIAN	82,100.00	61,000.00	21,100.00
17	MUGE KIPTOO LINUS	238,000.00	208,050.00	29,950.00
18	SIELE CHEPKOSGEI OLIVIAH	238,000.00	58,500.00	179,500.00
19	KEMEI NAOMY JERONO	156,000.00	17,050.00	138,950.00
20	KIPKEMBOI DISMAS	156,000.00	5,000.00	151,000.00
21	SIMIYU WALTER WAFULA	156,000.00	130,005.00	25,995.00
22	SAINA K SOLOMON	156,000.00	20,000.00	136,000.00

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23	KORIR KENNEDY KIPCHIRCHIR	156,000.00	108,000.00	48,000.00
24	SINGOEI WILSON KIPKOSGEI	447,500.00	410,500.00	37,000.00
25	KEMBOI LENA CHMUTAI	85,000.00	10,000.00	75,000.00
26	KIPYESANG ROSE CHMUTAI	85,000.00	80,000.00	5,000.00
27	KIPKEMEI DENNIS	277,000.00	10,000.00	267,000.00
28	SERGON JEROTICH NANCY	277,000.00	216,000.00	61,000.00
29	SEREM GRACE CHEROTICH	277,000.00	205,000.00	72,000.00
30	LANGAT CHMUTAI MERCY	277,000.00	275,000.00	2,000.00
31	KOECH CHERUTO DIANA	277,000.00	175,000.00	102,000.00
32	SANG KIPKEMBOI JOHN	277,000.00	187,500.00	89,500.00
33	MAGUT CHEPOTIP VIVIAN	277,000.00	135,100.00	141,900.00
34	SAMOEI KIPYEGO SAMUEL	277,000.00	230,050.00	46,950.00
35	CHELIMO VIOLA	277,000.00	229,700.00	47,300.00
36	KOGI KIMURGOR WILLINGTON	277,000.00	240,000.00	37,000.00
37	CHEPKIRUI ABISHAG	182,000.00	101,050.00	80,950.00
38	CHEBII RUTH JEROTICH	182,000.00	71,000.00	111,000.00
39	MMALENKE KELVIN ANTONY	182,000.00	65,000.00	117,000.00
40	TOO CHARLES KIPKEMBOI	182,000.00	20,000.00	162,000.00
41	KIYENY ELKANA KIPYEGO	182,000.00	70,000.00	112,000.00
42	SONGOK LILIAN CHEPKOECH	100,000.00	95,000.00	5,000.00
43	LELEI EZEKIEL KIPKORIR	100,000.00	0	100,000.00
44	GITARI JACINTA WANGARI	100,000.00	49,000.00	51,000.00
45	SHILLAH MELINDA	252,800.00	84,500.00	168,300.00
46	CHEPKEMBOI CECILIA	139,700.00	54,100.00	85,600.00
47	MOSBEI ELIUD KIPKORIR	156,000.00	64,000.00	92,000.00
48	JEPLETING STELLAH	156,000.00	60,000.00	96,000.00
49	JEPCHIRCHIR GILLIAN	156,000.00	82,100.00	73,900.00
50	KIPKEMBOI COSMAS	156,000.00	45,000.00	111,000.00
51	KURGAT SHARON CHELIMO	156,000.00	67,000.00	89,000.00
	SUB TOTAL			5,655,895.00
	GRAND TOTAL			6,366,140.00

NOTE 17: INVENTORY SUMMARY FOR FY 2021/2022

DEPARMENT	INVENTORY
PRINCIPAL'S OFFICE	13,298
DEP.PRINCIPAL	5,572
REG.ADMINISTRATION	6,559
REG.ACADEMIC	13,296
FINANCE	47,670
SOE	24,860
SOB	7,232
DEAN OF STUDENTS(Incl. Chapel & Student centre)	632,279
TRANSPORT	1,604
SECURITY	52,444
HALLS AND ESTATES	557,644

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INFRASTRUCTURE AND MAINTANANCE	57,820
ICT	13,664
LIBRARY	10,257,939
HEALTH SERVICES	26,613
PLANNING AND STRATEGY	1,839
INTERNAL AUDIT	5,664
PUBLIC RELATIONS DEPT.	3,936
LIASON OFFICE	17,430
RECRUITMENT OFFICE	6,964
EXAMINATIONS OFFICE	6,000
CENTRAL STORES	379,970
PROCUREMENT DEPT.	11,128
HUMAN RESOURCE DEPARTMENT	9,410
PERFORMANCE CONTRACTING	808
TOTAL	12,161,643

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Note 18. CREDITORS (Trade and other Payables)	
NAME	AMOUNT
Eldobase chemist	293,625.00
Fraca servecom ltd	120,000.00
Soloh Worldwide Ltd	66,000.00
Soloh Worldwide Ltd	16,400.00
Weston commodities	112,000.00
Flopharm care limited	91,700.00
Eldobase chemist	38,584.00
Flogin East Africa Ltd	16,200.00
Intermass Limited	50,000.00
Fast choice ltd	261,200.00
Weston commodities	32,000.00
Koibasis General Supplies	160,000.00
Miron Logistics Limited	235,000.00
Napoh Holdings Limited	140,850.00
Amaco	1,189,330.00
Turaco	2,483,886.00
SUB TOTAL	5,306,775.00
Other payables	
Withholding Tax	4,301,879.00
VAT	908,950.00
P.A.Y.E	271,200.00
Student fee Overpayment	4,570,835.00
Student Caution Money	1,732,000.00
SUB TOTAL	11,784,864.00
GRAND TOTAL	17,091,639.00

NOTE 20: PROPERTY, PLANT AND EQUIPMENT –2021/2022						
	Land & Buildings	Work in Progress	Furniture and Equipment	Computers	Motor Vehicles	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	
COST/VALUATION						
Balance b/f July 2021	231,280,667		13,141,335	10,985,203	7,235,624	262,642,829
WIP b/f July 2020		168,733,468				168,733,468
Work in progress for the period						
Less Capitalized WIP						
TOTAL WIP		168,733,468				
Completed Projects			-	-	-	
Sub Total as at 1/July/2021	231,280,667		13,141,335	10,985,203	7,235,624	262,642,829
Additional Asset Purchased			38,238,338			38,238,338
Disposal						
Transfer/Adjustment						
WIP for the period		90,633,883				
Total WIP		259,367,351				
Total Assets for the period	231,280,667		51,379,673	10,985,203	7,235,624	300,881,167
Less						
Depreciation for the period	4,599,681		4,776,814	1,068,152	1,368,581	11,813,228
Net Book Value June 2022	226,680,986		46,602,859	9,917,051	5,867,043	289,067,939
Net Book Value June 2021	231,280,667		7,235,624	13,141,335	10,985,203	262,642,829

The depreciation method used is reducing balance method

APPENDIX 1: Projects Implemented By the State Corporation/ SAGA Funded By Development Partners and/ or the Government.

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)
Nandi Hills Project (Main Project)		GOK	3 Year	628.5 million	No	Yes
Nandi Hills Project – Electrical Works		GOK	1 Year	34.1 million	No	No
Nandi Hills Project- Mechanical- Works		GOK	1 Year	30.8 million	No	No

APPENDIX 2 : IMPLEMENTATION STATUS OF AUDITORS GENERAL RECOMMENDATIONS

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Query 4	Posting of the ledger figures to the financial statements. It was discovered that there was variation between the figures posted in the financial statement as compared to the ledger.	a) Part Time Lectures The reported figure in the financial statements as lifted from the general ledgers from the Sage system posted a total figure of Kshs.1,588,900 less PAYE of Kshs.18,270 on A/E 385 dated for Dr. Selina Koskey , part time lecturer, bringing the net figure of Kshs. 1,540,630 which was transferred to the trial balance. a) Payables The Payables figure in reported in financial statements and in the ledger is Kshs. 14,403,182	Resolved	

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the is: to be resolved)																											
		<table><tr><th>INTERIM CERTIFICAT E NO</th><th>CONTRACTOR</th><th>AMOUNT</th></tr><tr><td>1014425</td><td>ORION NEBULA LTD</td><td>5,510,707.36</td></tr><tr><td>1026279</td><td></td><td></td></tr><tr><td>1014424</td><td>NETLINE TECHNOLOGIES LTD</td><td>4,001,420.16</td></tr><tr><td>1026278</td><td></td><td></td></tr><tr><td>1014423</td><td>DASTNINE COMPANY LTD</td><td>3,163,765.90</td></tr><tr><td>1026277</td><td></td><td></td></tr><tr><td></td><td>RETENTION FEE</td><td>1,727288.58</td></tr><tr><td></td><td>TOTAL</td><td>14,403,182</td></tr></table>	INTERIM CERTIFICAT E NO	CONTRACTOR	AMOUNT	1014425	ORION NEBULA LTD	5,510,707.36	1026279			1014424	NETLINE TECHNOLOGIES LTD	4,001,420.16	1026278			1014423	DASTNINE COMPANY LTD	3,163,765.90	1026277				RETENTION FEE	1,727288.58		TOTAL	14,403,182		
INTERIM CERTIFICAT E NO	CONTRACTOR	AMOUNT																													
1014425	ORION NEBULA LTD	5,510,707.36																													
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	TOTAL	14,403,182																													

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																									
Query 7	Scrutiny of the two interim certificates number 1014423 of Kshs. 2,110,818 and certificate number 1026277 of Kshs. 1,052,948 availed for audit to support the debt for renovation of lecture hall showed that they were issued on 17 th August 2020 and 3 rd November 2020. This meant that as at 30 th June 2020, the same were not debt and should not have been included as payables.	The outstanding balance of Kshs.4, 050,684.15 was accrued as at the end 30th June 2020 and was paid in the subsequent financial year. The interim certificates number 1014423 of Kshs. 2,110,818 and certificate number 1026277 of Kshs. 1,052,948 were later paid on 17th August 2020 and 14th November 2020 leaving a retention balance of Kshs.886, 918.15 which is normally retained for six months after handing over of the project to the contractee. Therefore the figure of payables has not been overstated. See contract award letter and interim certificates attached. <table border="1"> <thead> <tr> <th>DATE</th><th>DETAILS</th><th>AMOUNT PAID</th><th>CONTRACT PRICE</th><th>BALANCE</th></tr> </thead> <tbody> <tr> <td>UON/T/ 03/2019-2020</td><td>RENOVATION LECTURE HALLS</td><td></td><td>26,749,6 81</td><td></td></tr> <tr> <td>9/3/2020</td><td>CERTIFICATE NO.1014417</td><td>12,475,880.00</td><td></td><td>14,273,801</td></tr> <tr> <td>24/6/2020</td><td>CERTIFICATE NO.1014422</td><td>10,223,116.85</td><td></td><td>4,050,684.15</td></tr> <tr> <td></td><td>TOTAL</td><td>22,698,996.85</td><td>26,749,681</td><td>4,050,684.15</td></tr> </tbody> </table>	DATE	DETAILS	AMOUNT PAID	CONTRACT PRICE	BALANCE	UON/T/ 03/2019-2020	RENOVATION LECTURE HALLS		26,749,6 81		9/3/2020	CERTIFICATE NO.1014417	12,475,880.00		14,273,801	24/6/2020	CERTIFICATE NO.1014422	10,223,116.85		4,050,684.15		TOTAL	22,698,996.85	26,749,681	4,050,684.15	Resolved	
DATE	DETAILS	AMOUNT PAID	CONTRACT PRICE	BALANCE																									
UON/T/ 03/2019-2020	RENOVATION LECTURE HALLS		26,749,6 81																										
9/3/2020	CERTIFICATE NO.1014417	12,475,880.00		14,273,801																									
24/6/2020	CERTIFICATE NO.1014422	10,223,116.85		4,050,684.15																									
	TOTAL	22,698,996.85	26,749,681	4,050,684.15																									

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Query 8	The students under Module 11 were supposed to pay a total of Kshs.1, 648,300. Since the University is reporting on IPSAS Accrual, the amount which was supposed to be received during the financial year was to be disclosed as revenue in the financial statement and not what was actually received	The student's management information system is the student management system that manages student's fee, accommodation, and bursary and HELB disbursement. The system tracks payment to invoiced amount, bills students and generates individual receipts and balances. The student can LOGIN into the system and can interrogate the system to ascertain whether the correct fees have been posted. The system also links examination card to fees in that students with fee balances are not allowed by the system to register for course units and eventually barring the student from sitting for exams. The cashier can LOGI anytime to print daily collections and balances. Thus from the SMIS system both Module 1 AND Module 11 fees collection and balances can be generated.	Resolved	
Not resolved	Audit review of the payroll reveal that there were employees getting net salary that was less than one third of the basic pay	The management has communicated to the members of staff and it has implemented the policy.	Resolved	

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the iss to be resolved)																								
Query 19	The supporting ledger and payroll availed for audit showed other allowances variance figure amounting to Kshs.88, 957	The financial statements for the year ended 30th June 2019 reported salaries and wages cost figure of Kshs.8, 301,827 , included in this figure is other allowances of Kshs.2,300,057 reported in Financial statements and Kshs. 2,389,014 in ledgers. The analysis of the excel payroll extracted from University of Nairobi payroll shows earnings for Martha Issa Nyanga payroll number 230310 gross salary as Kshs.192,107 and total deductions as Kshs.29,690 instead of Kshs.102,879.63 and Kshs.29,690 respectively. Thus the net figure of Kshs. 52,467 posted in the bank never changed despite the variance in gross salary as seen below; <table><tr><th></th><th>BASIC PAY</th><th>HOUSE ALLOWANCE</th><th>BASIC ARREARS</th><th>HOUSE ARREARS</th><th>TRANSPORT ARREARS</th><th>TRANSPORT</th><th>GROSS</th></tr><tr><td>REPORTED</td><td>29,531</td><td>17,692</td><td>38,434</td><td>64,153</td><td>28,964</td><td>13,333</td><td>192,107</td></tr><tr><td>GROSS</td><td>29,531</td><td>17,692</td><td>13,629.63</td><td>0</td><td>28,964</td><td>13,333</td><td>102,879.63</td></tr></table>		BASIC PAY	HOUSE ALLOWANCE	BASIC ARREARS	HOUSE ARREARS	TRANSPORT ARREARS	TRANSPORT	GROSS	REPORTED	29,531	17,692	38,434	64,153	28,964	13,333	192,107	GROSS	29,531	17,692	13,629.63	0	28,964	13,333	102,879.63	Resolved	
	BASIC PAY	HOUSE ALLOWANCE	BASIC ARREARS	HOUSE ARREARS	TRANSPORT ARREARS	TRANSPORT	GROSS																					
REPORTED	29,531	17,692	38,434	64,153	28,964	13,333	192,107																					
GROSS	29,531	17,692	13,629.63	0	28,964	13,333	102,879.63																					

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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																												
		The net salary posted to the bank reflects net salary for Martha Issa Nyanga as Kshs. 52,467 a figure which is was the same. The June 2020 payroll reflected salaries and wages figure amounting to Kshs,8,300,827 in the financial statements and the supporting ledgers too amounted is as follows <table><tr><th>ITEM</th><th>REPORTED IN FINANCIAL STATEMENTS</th><th>REPORTED IN LEDGER</th><th>VARIANCE</th></tr><tr><td>Basic Pay</td><td>3,082,733</td><td>3,082,733</td><td>0</td></tr><tr><td>House allowance</td><td>1,103,768</td><td>1,103,678</td><td>0</td></tr><tr><td>Other allowances</td><td>2,300,057</td><td>2,300,057</td><td>0</td></tr><tr><td>Transport allowance</td><td>274,729</td><td>274,729</td><td>0</td></tr><tr><td>Part time lecturers</td><td>1,540,630</td><td>1,540,630</td><td>0</td></tr><tr><td>TOTAL</td><td>8,300,827</td><td>8,300,827</td><td>0</td></tr></table>	ITEM	REPORTED IN FINANCIAL STATEMENTS	REPORTED IN LEDGER	VARIANCE	Basic Pay	3,082,733	3,082,733	0	House allowance	1,103,768	1,103,678	0	Other allowances	2,300,057	2,300,057	0	Transport allowance	274,729	274,729	0	Part time lecturers	1,540,630	1,540,630	0	TOTAL	8,300,827	8,300,827	0		
ITEM	REPORTED IN FINANCIAL STATEMENTS	REPORTED IN LEDGER	VARIANCE																													
Basic Pay	3,082,733	3,082,733	0																													
House allowance	1,103,768	1,103,678	0																													
Other allowances	2,300,057	2,300,057	0																													
Transport allowance	274,729	274,729	0																													
Part time lecturers	1,540,630	1,540,630	0																													
TOTAL	8,300,827	8,300,827	0																													
Query 20	The figure of Kshs. 8,300,827 is a reflection of employee cost for the month of June 2020 which was availed to audit. Staff costs for the 11 months have not factored in and equally not disclosed.	The payment of salaries and wages from July 2019 to May 2020 were paid by University of Nairobi through University of Nairobi using Koitaleel Samoei University recurrent funds. We have communicated to University of Nairobi and what is available currently is four months payroll in soft copy.	Resolved																													

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)																																				
Query 21	No vouchers were availed for audit	The following vouchers were availed for audit except that there was a mix up of vouchers to audit room. The payments were for marketing KSUS Academic programmes within and outside the county. These vouchers are summarized as follows; <table><tr><th>DATE</th><th>AIE NUMBER</th><th>DETAILS</th><th>AMOUNT</th></tr><tr><td>8/22/2019</td><td>003</td><td>Printing brochures</td><td>65,000</td></tr><tr><td>8/22/2019</td><td>052</td><td>Media coverage and publicity</td><td>49,000</td></tr><tr><td>12/11/2019</td><td>090</td><td>Branded T-shirts</td><td>12,000</td></tr><tr><td>12/11/2019</td><td>090</td><td>Banners water proof</td><td>10,000</td></tr><tr><td>11/29/2019</td><td>069</td><td>Transport while marketing</td><td>5,000</td></tr><tr><td>11/29/2019</td><td>078</td><td>Flyers for marketing programmes</td><td>2,000</td></tr><tr><td>11/29/2019</td><td>069</td><td>Logistics for marketing</td><td>1,500</td></tr><tr><td></td><td></td><td>TOTAL</td><td>150,600</td></tr></table>	DATE	AIE NUMBER	DETAILS	AMOUNT	8/22/2019	003	Printing brochures	65,000	8/22/2019	052	Media coverage and publicity	49,000	12/11/2019	090	Branded T-shirts	12,000	12/11/2019	090	Banners water proof	10,000	11/29/2019	069	Transport while marketing	5,000	11/29/2019	078	Flyers for marketing programmes	2,000	11/29/2019	069	Logistics for marketing	1,500			TOTAL	150,600	Resolved	
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Koitaleel Samoei University College
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For the year ended June 30, 2022

Query 22	The expenditure was not supported. The management should avail the documents					
	DATE	AIE	DETAILS	AMOUNT	Findings	
	9/12/2019	AIE 014	ICPAK SeminarCost for Stephen Kimeli	80,000	Voucher not availed	
	Response				The voucher was availed maybe it was misplaced	
	11/29/2020	AIE 082	Subsistence allowance	31,000	Not supported with attendance list and appointment letter of Mr Paul Ejore	
	Response				The appointment letter has been provided	
	1/8/2020	AIE 217	ICPAK Subscription	11,200	Payment not supported by sponsorship policy	
	Response				This part of staff training and development which was budgeted for in Financial year 2019/2020 under membership Subscription fees vote of Kshs.858,000.. See budget page 1	Resolved
	3/6/2020	AIE 249	ICPAK Subscription	11,200	Payment not supported by sponsorship policy	
	Response				This part of staff training and development which was budgeted for in Financial year 2019/2020 under membership Subscription fees vote of Kshs.858,000.. See budget page 1	
	12/9/2021	AIE 86	Transport Subsistence and accommodation for External	19,700	Payment voucher was not availed	

Koitaleel Samoei University College
Annual Reports and Financial Statements
For the year ended June 30, 2022

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the iss to be resolved)								
		<table><tr><td></td><td></td><td>examiner</td><td></td></tr><tr><td>Response</td><td></td><td></td><td>The payment voucher was availed . It may have been mixed up with other vouchers. This was for external examiner moderating School of Business examination. Appointment letter for Mr. Kimeu attached.</td></tr></table>			examiner		Response			The payment voucher was availed . It may have been mixed up with other vouchers. This was for external examiner moderating School of Business examination. Appointment letter for Mr. Kimeu attached.		
		examiner										
Response			The payment voucher was availed . It may have been mixed up with other vouchers. This was for external examiner moderating School of Business examination. Appointment letter for Mr. Kimeu attached.									
Query 25	A comparison of the financial statements and the supporting schedules, the bank statements and the trial balance shows variations, which were not explained	The correct figure as generated from the SAGE ACCPAC system is Kshs, 28,702 which is also reflected in our Trial balance as at 30 Th June 2020.	Resolved									

Koitaleel Samoel University College
Annual Reports and Financial Statements
For the year ended June 30, 2022

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Guidance Notes:

Koitaleel Samoei University College
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- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

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Director General/C.E. O/M. D (enter title of head of Entity)

Date