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**REPORT**

**OF**

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**THE AUDITOR-GENERAL**

**ON**

**KOITALEEL SAMOEI UNIVERSITY  
COLLEGE**

**FOR THE YEAR ENDED  
30 JUNE, 2021**

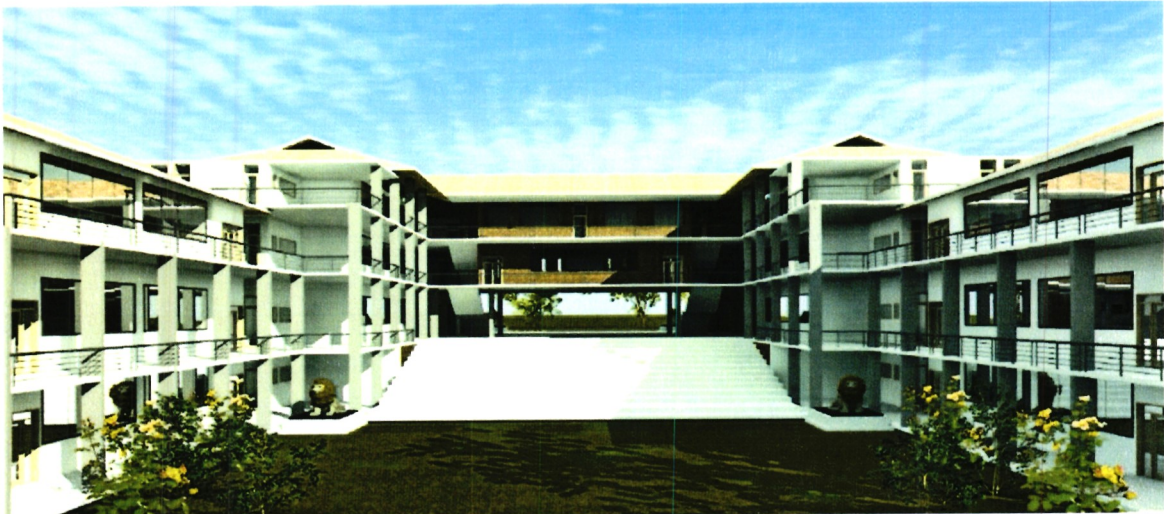


OFFICE OF THE AUDITOR GENERAL  
NORTH RIFT REGIONAL OFFICE

29 JUN 2022

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



ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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

Koitaleel Samoei University College  
 Annual Reports and Financial Statements  
 For the year ended June 30, 2021

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## I. 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 Revised Edition 2016 (2015). 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, Build 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:

- 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.

**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**

No.	NAME	DESIGNATION
1.	Prof. Risley Kavu Ngala , PhD	Chairperson
2.	Mr. Dan Odhiambo Odallo	Member

3.	Dr. William K. Toroitich Chong'	Member
4.	Act. Geoffrey Rukenya Gichuki	Member
5.	Mr. Yussuf N. Abdi	Member
6.	Ms. Florah A. Mukabana	Member
7.	Mr. Mugambi J. Nyagah	Rep. PS. Ministry of Education
8.	Prof. Stephen G. Kiama	Vice-Chancellor- UoN
9.	Prof. Jackson K. Too (PhD)	Ag. Principal

**(d) Fiduciary Management**

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

<b>No.</b>	<b>Name</b>	<b>Designation</b>
1	Prof. Jackson Too	Ag. Principal
2	Prof. Akala Jumba	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. Ngige	Deputy Registrar Academics
7	Ms. Brenda K. Simiyu	Deputy Registrar Planning
8	Mr. James Mwololo	Deputy Finance Officer

**(e) Fiduciary Oversight Arrangements**

Finance General Purposes Committee

Audit Committee

Commission for University Education

Ministry of Education

The National Treasury

Office of the Auditor General

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-ksuc@uonbi.ac.ke, fo@ksu.ac.ke

Website: www.ksuc.ac.ke

**(h) Entity Bankers**

**Koitaleel Samoei University College Bankers**

**a) Barclays Bank of Kenya**

Eldoret Branch

P.O Box 22 - 30100

Eldoret, Kenya

**b) 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

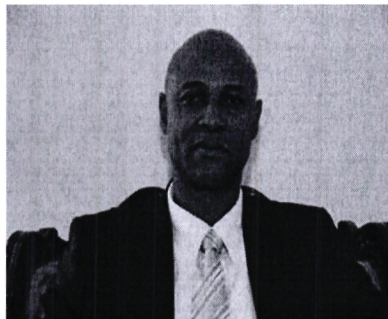
P.O. Box 40112

City Square 00200

Nairobi, Kenya

## 2. THE BOARD OF DIRECTORS/COUNCIL

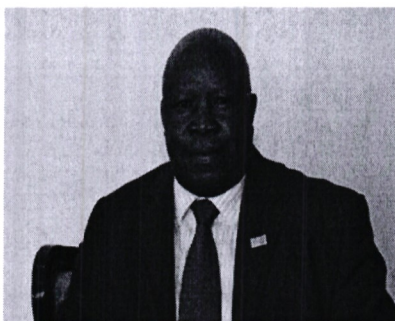
### Directors



Prof. Risley K. Ngala  
DoB -1977

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 Shakespeare Theatre, Poland.

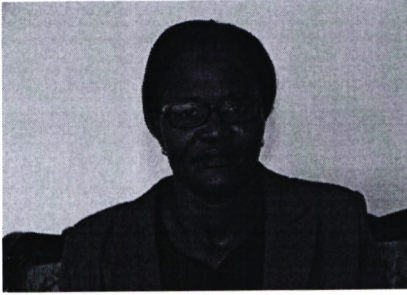


Dr. Dan Odhiambo Odallo  
DoB-1956

### **Dr. Dan Odhiambo Odallo**

Council Member

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 YMCA.



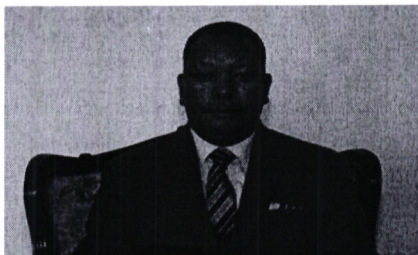
**Ms. Flora Mukabana**

DoB 1976

**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



Arch. Gichuki Rukenya

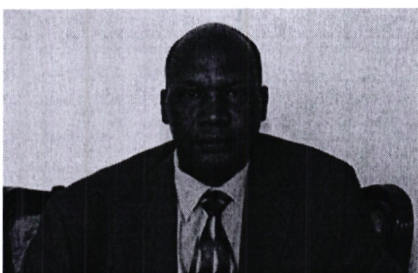
Dob 1956

### **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 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



Dr. William Toroitich Chong

Dob 1953

### **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. He is knowledgeable in 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.



Mr. Yussuf N. Abdi

DoB 1982

**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.



**Prof. Stephen Kiama-VC, UoN**

DoB 1958

### **Prof. Stephen Kiama-VC, 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



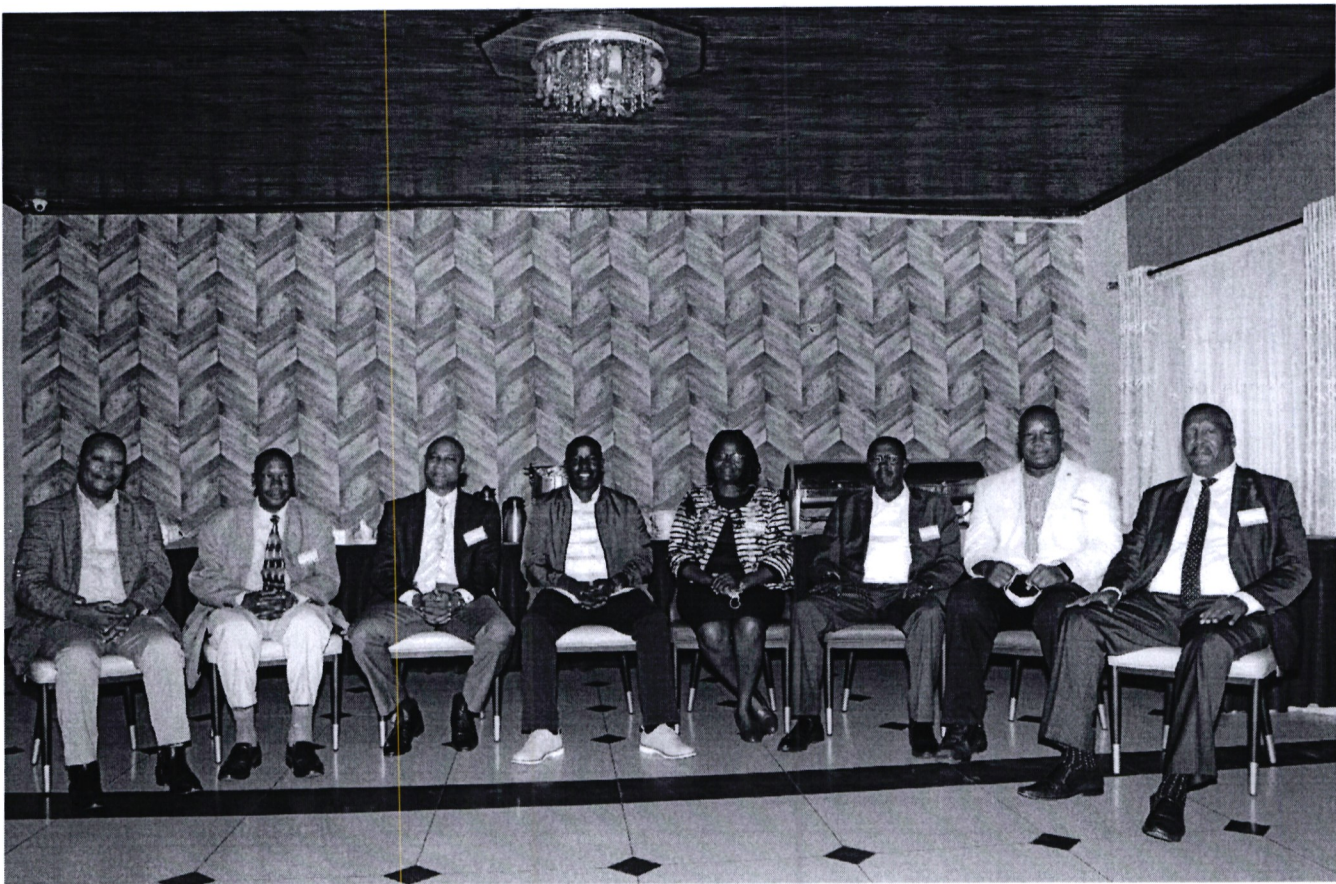
**Prof. Jackson K. Too**

DoB 1968

### **Prof. Jackson K. Too-Ag. Principal**

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



**The council with Governor S. Sang of Nandi County during Council and Management workshop in Queens Garden Eldoret**

### 3. MANAGEMENT TEAM

#### AG. PRINCIPAL

#### PROF. JACKSON TOO



Prof. Jackson Too is a Kenyan citizen and currently the acting principal at Koitaleel Samoei University College (Mosoriot, Kenya). He holds a Doctor of Philosophy in Curriculum Instruction and Technology, a Master of Philosophy degree in Philosophy Technology from a Bachelor of Education degree, all from Moi University. He specializes in curriculum, instructional media, pedagogy and technology with a track record of teaching, research and administration.

Prof. Jackson Too has wide experience in public and university administration and management, being the acting Deputy Commission Secretary, Administration and Finance for the Commission for University Education (CUE) (since 2019), the Deputy Commission Secretary, Planning, Research and Development (CUE) (2017-2018), Senior Assistant Commission Secretary, Research and Development (CUE) (2015-2019). To anchor one of the key mandates of the Commission for University Education, he has supported initiatives to promote publication of scholarly papers among university faculty, with the objective of disseminating research findings to advance academic knowledge finding to advance academic knowledge in Kenya and the world.

He has been an external examiner for a variety of universities in Africa such as, University of Dar es Salaam, Tanzania (since 2019), Nelson Mandela Metropolitan University, Port Elizabeth, South Africa (201-020), Chuka University (2014-2019), University of Kabianga (2013-2018), Maseno University, Kisumu (2012-2016) and St. Augustine University of Tanzania, Mwanza, Tanzania (2012-2015).

He has been an associate professor of Education Technology at Moi University (since 2012), Head of Department, Curriculum and Instruction, lecturer and supervisor (2008-2014), senior lecturer in school of Education (since 1998), Post Graduate Coordinator school of Education (1998-2014), lecturer on Educational Media and Technology (1996-2007), lecturer of Mathematics and Computing at Eldoret Polytechnic (1994-1995), graduate teacher at Laboret Secondary school (1990-1992).

He specialises in curriculum, instructional media, pedagogy and technology with a track record of teaching, research and administration, with his research interest being based on mediated learning.



## **DIRECTOR SCHOOL OF BUSINESS**

### **EDUCATIONAL BACKGROUND**

- 1) 1968-1974 ———Musaa Primary School, Kakamega
- 2) 1975-1978 ———Sigalagala Technical School, Kakamega
- 3) 1979-1980 ———Kabarak High School, Nakuru
- 4) 1981-1985 ———University of Nairobi
- 5) 1987-1989 ———University of Nairobi
- 6) 2006-2011 ———University of Nairobi

### **EDUCATION QUALIFICATIONS**

- 1) PhD (Finance). University of Nairobi, 2011
- 2) MBA, University of Nairobi, 1989
- 3) B Comm.Hons. Degree. University of Nairobi, 1985
- 4) Kenya advanced certificate of examination (KACE), 4 principal passes, and a subsidiary. Moi High School, Kabarak, 1980
- 5) Kenya certificate of education(KCE), First Division.Sigalagala Technical School, 1978

### **TEACHING EXPERIENCE**

- 1) Senior Lecturer\Supervisor  
University of Nairobi from 1989
- 2) External examiner for PhD Thesis, Jomo Kenyatta University of Agriculture and Technology.
- 3) External examiner, Machakos University
- 4) Master of Science in Finance Program coordinator, School of Business, University of Nairobi

### **INTERNAL THESIS EXAMINER**

### **EXTERNAL THESIS EXAMINER**

### **ACADEMIC PUBLICATIONS**

### **PHD THESIS SUPERVISOR**

### **PHD INDEPENDENT STUDY PAPERS SUPERVISOR**

### **MBA PROJECTS SUPERVISOR**

### **PHD THESIS AND MBA PROJECTS**

- 1) MBA Project- The relationship between the timelines of financial reporting and financial performance of companies listed at the NSE.
- 2) PhD Thesis- The profitability of Momentum Trading Strategies in Emerging Markets:Evidence from Nairobi Stock Exchange.

### **PROFESSIONAL QUALIFICATION AND EXPERIENCE**

- 1) Member of the Institute of Certified Public Accountants of Kenya (ICPAK)
- 2) Served on Financial Reporting (FIRE) award vetting committee of ICPAK, 2002
- 3) Audit Senior: Coopers and Lybrand 1985-1988
- 4) Examination officer, KASNEB: 2000-2002
- 5) Examination officer

### **HONOURS AND AWARDS**

- Best student in TAXATION PAPER, KASNEB Examinations, June 1987
- Best student in FINANCIAL ACCOUNTING IV PAPER, KASNEB Examinations, June 1988

## **DIRECTOR SCHOOL OF EDUCATION**



**DR. JEPKEMBOI RUTH CHOGE**

## **ACADEMIC QUALIFICATIONS**

- 1) **2007 Sept-Aug 2012**  
Doctor of Philosophy of Education (Educational Administration) Moi University
- 2) **2003-2005**  
Master of Education (Educational Administration)
- 3) **1990-1994**  
Bachelor of Education (Arts) University of Nairobi
- 4) **1998-1989**  
Kenya Advanced Certificate of Education (KACE)
- 5) **1984-1987**  
Kenya Certificate of Education (KCE) Kapsabet Girls High School
- 6) **1977-1983**  
Certificate of Primary Education (CPE) Ndulele Primary School

## **COMPETENCIES\SKILLS**

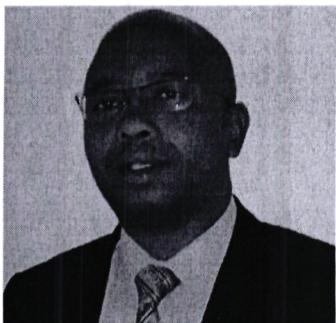
- Leadership skills
- Management skills
- Communication and interpersonal skills
- Teaching skills
- Research and report writing skills
- Guidance and counselling skills

## **WORK EXPERIENCE**

- 1) Senior Lecturer Bomet University
- 2) Senior Lecturer Maasai Mara University  
Appointments: a) Doctor of Philosophy in Education (Educational Administration)  
b) Master of Education (Educational Administration)



## DEPUTY REGISTRAR ACADEMICS.



CS John Ndung'u Ngigi is the current Academic Registrar. He is a candidate of PhD (Educational Management), from Maasai Mara University, he holds a Master's in Education (Educational Administration and Planning) and Bachelor of Education (Mathematics/Commerce) from University of Nairobi. In addition, he has a certified Public Secretaries CPS (K) and engaged in Kenya Administration and Management Examination (KAME) from KASNEB.

CS John Ngigi, has a wide experience, having participated in several administrative functions at Katarina University as an Ag. Registrar (Academics, Research and Students Affairs) and as a Senior Assistant Registrar (Academics, Research and Student Affairs) and head of University Examinations. At Garrisa University College, he worked as an Assistant Registrar (Academics, Research and Students Affairs) and later appointed as an Ag. Deputy Registrar (Admissions). The CS, has lectured in university, Kenya Institute of Management and taught high school for at least 10 years and acquired training skills, he has worked as a Presiding Officer with Independent Electoral and Boundaries Commission as a senior supervisor Kenya National Bureau of Statistics and as Head Technical and Applied Sciences Department at High School.

Major responsibilities he has been able to perform include but not limited to;

- Responsible for effective administrative academic systems in line with university policies and procedures in line with the best practices.
- Interpret and enforce policies and regulations of the University touching on academic matters
- Served as Secretary to the senate and committee of dean.
- Planning and coordinating and overseeing all matters concerning examinations in the university
- Develop Admission department budget including accurate forecasting of needs in the department.
- Seconded to Moi University for 9 months to foresee integration of Garissa University Students to Moi University

## REGISTRAR ADMINISTRATION.

Mr. Isaac K. Kamar is currently the Registrar Administration in Koitaleel Samoei University College. Mr. Kamar holds a Master of Business Administration (Strategic Management) from Kisii University and Bachelor of Arts (Economics) from Kenyatta University.



### WORK EXPERIENCE.

Mr. Kamar, has a wide experience in Administration, Economic Planning, Resource Mobilization, Marketing, Human Resource management and finance in both the public and private sector

**November 2017 to 2019**

County Executive Committee Member –Finance and Economic Planning, County Government of Elgeyo Marakwet.

**2015-2017**

Assistant Registrar (Administration) –Eldoret Campus

**December 2013 –June 2015**

Senior Administrator: Kisii University, Eldoret Campus

**October 2012- December 2013**

Administrative Assistant (Marketing, Academics Affairs and Fee Collection): Kisii University- Main Campus

**July 2011- September 2012**

Administrator: Moi Educational Centre

**January 2009 – May 2011**

Territorial Sales Manager: Midland Energy Limited

**April 2008- December 2008**

Sales and Marketing Manager: Tobento Investment Limited.

**January 2007- April 2008**

Marketing Manager: Sigowo Cleaners Ltd.

**(April 2015 –December 2006)**

Program Coordinator: SudKen International

Other Experiences

**(January –May) 1997:** Community untrained teacher (Chepkorio Primary)

**(June – December) 1997:** Registration Clerk (Electoral Commission of Kenya)

**PUBLICATIONS.**

1. **Isaac Kamar Kipchirchir (2014)** – Effects Of Competitive Strategies On The Performance Of Liquefied Petroleum Gas Companies: A survey of Eldoret Town, Kenya. [www.kisiiuniversity.ac.ke](http://www.kisiiuniversity.ac.ke)
2. **Isaac Kamar Kipchirchir (2015)** – The Role of Communication in Enhancing Public Relation in Legal Firms: A survey of Law Firms in Eldoret Municipality. Asian Journal of Business and Management Science, **ISSN:2047-2528**
3. **Isaac Kamar Kipchirchir (2015)** – Effects of Government Taxation Policy on Sales Revenue on SME in Uasin Gishu County; international Journal of Business and Management inventions,ISSN (online):2319-8028,ISSN(print):2319-801X
4. **Isaac Kamar Kipchirchir (2015)** – Factors influencing Rising Numbers of Street Children in Urban Centres in Kenya: A survey of Eldoret Municipality, Kenya – European Open Urban Studies and Development Journal, Vol., No.1, January 2015.

**DEPUTY REGISTRAR HUMAN RESOURCE**



**MOROGO, TERESA CHEPCHUMBA**

Certified HR expert desirous to bring a turnaround in employee productivity through human capital development, performance management and employee relations skills to attain organizational goals.

**EDUCATIONAL BACKGROUND**

2021—————Kenya School of Government, Baringo Campus

(Strategic Leadership Development Program (SLDP))

2019-2020————Human Resource Management Professional Examinations Board (HRMPEB)

(Certified HR Practitioner)

2003-2006———Egerton University

(MBA-Human Resource Management Option)

1998———Kenya Institute of Management (KIM)

PGD-Business Management

1989-1992———University of Eastern Africa

BSc-H Economics (Major)

Business Administration (Minor)

## WORK EXPERIENCE

- 1) 2016-2017———KALRO-Sugar Research Institute (SRI), Kisumu  
(Institute Human Resource Manager)
- 2) 2013-2016———University of Eldoret  
(Human Resource Manager)
- 3) 2008-2013———Kenya Agricultural Research Institute (KARI)  
(Senior Administrative Officer)HR
- 4) 1993-2008———Kenya Agricultural Research Institute (KARI)  
(Administrative Officer)

## OTHER

- Certified Human Resource Practitioner licensed by the Institute of Human Resource Management (IHRM) to practice.
- Full and updated Member of the Institute of Human Resource Management (IHRM)
- Board member of the Njoro Girls High School from 2004-2014.
- Initiated the formation and the registration of the KARI-Njoro Staff Welfare Self Help Group.
- Peer Educator of HIV/AIDS and Alcohol, Drugs and Substance Abuse vices.
- Un-published MBA Thesis "Reward System and Retention of Research Personnel: Case of KARI in Nakuru District" Egerton University 2006
- Part time Lecturer at Egerton University and University of Eldoret from 2011-2016
- Currently lecturing CHRP students at Mt. Kenya University, Eldoret Branch.

## DEPUTY REGISTRAR PLANNING



**BRENDA SIMIYU**

### BIOGRAPHY

She is a committed, self-driven and ambitious individual who has developed a mature and responsible approach to all tasks she undertakes. She possesses people organization skills to deliver assignments within set times frames to meet strict deadlines. I am guided by well-ingrained principles of integrity she is a committed, self-driven and ambitious individual who has developed a mature and responsible approach to all tasks she undertakes. She possesses people organization skills to deliver assignments within set time frames to meet strict deadlines.

I am guided by well-ingrained principles of integrity .She is a committed, self-driven and ambitious individual who has developed a mature and responsible approach to all tasks she undertakes.

### ACADEMIC QUALIFICATION AND PROFESSIONAL EXPERIENCE

She has a;

- 1) Currently pursuing Certified Human Resource Professional (CHRP) Level III Part 6 at The College of Human Resource Management Institute
- 2) Master holder of Science in Human Resource Management (JKUAT),
- 3) Bachelor of Commerce (HR Option) (JKUAT),
- 4) Diploma in HR (UON)
- 5) Secretarial Studies (Kenya Polytechnic)

### WORK EXPERIENCE

- 1) Aga Khan University Hospital (Human Resource Officer, Employee Relations)
- 2) Masinde Muliro University of Science and Technology (Registrar Academic Affairs Department, Office Administrator)
- 3) Masinde Muliro University of Science and Technology (Registrar Administration Department, Office Administrator)
- 4)

### PUBLICATIONS

Article Title ``Influence of Career Development on employee commitment A case study of Masinde Muliro University of Science and Technology”

#### **4. CHAIRMAN'S STATEMENT**

##### **Background**

Koitaleel Samoei University College (KSUC) was established as a Constituent College of the University of Nairobi (UoN) through a gazette notice in September 2018. The College has two (2) Campuses: Main Campus in Nandi Hills and Mosoriot Campus in Nandi County. In the mirror image of the mentoring university, KSUC is envisaged to have Campuses in the other Sub-Counties in future. Vision 2030 outlines policies designed to implement devolution, accelerate growth, reduce poverty and transform the structure of the economy and create jobs. The Founders of Koitaleel Samoei University College visualized a premier university that was going to address these issues and develop quality human resource capacity. The establishment of Koitaleel Samoei University supports the government's agenda of expanding access and equity in the Higher Education sector.

The university college, offers the following courses: Bachelor of Commerce (B.Com.), Bachelor of Education - Arts (B. Ed. Arts), Bachelor of Education – Early Childhood Education (B. Ed. ECE.), Masters in Business Administration (MBA), Masters in Education (M.ED) and Diploma in Early childhood Education (ECE.). The Commission for University Education (CUE) has approved all these programmes. However, as the University College grows, demand for more courses in diversified fields will increase in equal measure. In anticipation for growth and to meet increased demand for programmes, the University College has already made a request to the University of Nairobi Senate seeking approval of sixty-one (61) additional programmes. These will to be domiciled in three Faculties: Faculty of Humanities and Social Sciences; Faculty of Agriculture and Veterinary Sciences; and Faculty of Science.

##### **Charter**

Koitaleel Samoei University College has continued to engage CUE in respect to accreditation towards award of charter. In line with the accreditation procedures and the provisions of the Universities Act (2012), the Commission carried out a technical inspection of the Institution on 13<sup>th</sup> February 2020. The inspection sought to determine how the university had continued to uphold standards since it commenced operations and the extent to which it was making progress towards charter. The inspection focused on the adherence to standards and guidelines with reference to the governance, physical facilities, academic programmes, student enrolment, library resources, quality assurance, and financial resources. From the site visit observations, discussions held, and documentation submitted for the technical inspection, the Commission made a raft of recommendations. Under the guidance of the University Council, the University College has addressed the issues based on the recommendations provided in the report.

### Capital Development

On development, the Council approved and is overseeing the construction of an Administration Block in Nandi Hills valued at **Kshs. 628 million**. It is estimated to be 28% complete and so far, and the Contractor has been paid **Kshs. 113 million**. Mechanical Installation and Electrical Installation Sub -contract works commenced recently and are valued at **Kshs. 30 million** and **Kshs. 34 million** respectively.

In Mosoriot Campus, classroom renovation valued at **Kshs. 21 million** is 90% complete and will soon be commissioned. Landscaping and external works valued at **Kshs. 25million** are also on course towards completion.

In line with the Strategic Plan of expansion and diversification of programmes offered, the University College through the County Government of Nandi has secured land at Kaimosi Farmers Training Centre. With the facilities already in place in the Training Centre, the University College will be able to mount programmes in Agriculture and Veterinary Sciences. Consequently, the bid for charter will be greatly strengthened.

### Challenges

Generally, the University College is on track and in tandem with the Strategic Plan. However, there are challenges being experienced that might slow down the steady progress and gains, which have been made so far. The greatest challenge is the lack of financial resources. The low capitation from the exchequer has seriously slowed down all the capital development and critical operations of the University College. For instance, the Government awarded the University College, **Kshs. 40 million** for Capital development for FY 2021/2022; which is quite low in relation to Kshs. 318 million requested to The Treasury and budgeted for. This has forced Management to scale down most of its operations to the bare minimum to fit into the small budget. Critical areas such as a medical scheme for staff, capacity building, and students' activities will be hampered. Similarly, purchase of equipment and recruitment of staff has been put on halt until the financial situation improves.

The second challenge is availability of large spaces (hall) to fit students for teaching common courses. The largest learning space currently available can accommodate a class of up to 200 students. Yet with the B.Ed. (Arts) class of 300 expected to report in the new Academic Year (2021/2022), it will be a serious challenge.

Thirdly, accommodation facilities for students in the university college are limited. Although the university college is not under any obligation to accommodate students, it has always been a good practice to accommodate first year students who require some attention and support as they settle down in a new environment.

Lastly, the university college is likely to encounter some security challenges due to increased student enrolment, as most of them will seek accommodation in areas that are outside the jurisdiction university. Although, the university has put in place mechanisms with the County Security personnel to provide adequate security back up, the spread of the areas where accommodation facilities are available still poses a challenge.

### Strategies for alternative income

The decline in the grant from the exchequer has called for innovative strategies to get alternative sources of revenue. The University College has identified some potential projects for revenue generation which include:

- a) **Water bottling project** - This project has been identified as an income-generating project that will enhance revenue generation for the University.
- b) **Tea farm** - The tea farm is approximately five and half acres. The records indicate that in the last half of the year the tea income has progressively increased. By the end of June 2021 the gross income was Ksh.286, 357.
- c) **Research and proposal writing** – The University College has held several consultative meetings to build staff capacity in Research and Proposal Writing in order to attract funding from national and international organizations.
- d) **Bee Keeping Project** - The proposal to establish a bee apiary in Nandi-Hills has been approved. The procurement of the first batch of beehives is in progress.
- e) **Accommodation and Catering Services** -The University College will collect rent from the staff and students residing in the college houses. The College plans to run the cafeteria also, instead of outsourcing the service.
- f) **Enhance Module programmes** - Aggressive marketing of the courses is currently being undertaken in coordination of the Public Relations and Marketing Department to attract Module II students.

**Chairman, Koitaleel Samoei University College**

**Sign**

**Prof. Risley K. Ngala**

\_\_\_\_\_

## 5. 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 centre 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 **319** students who are continuing; and will receive another cohort of **402** students placed by Kenya Universities and Colleges Placement Service (KUCCPS) on 20<sup>th</sup> September 2021. 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 to September 30, 2021 Thus, in the 2021/2022 Academic Year the total population of students will be **721**.

The staff establishment in the University College currently stands at 92 (Male-56 and Female-36). Of this staff, 25 are academic staff, while 67 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, University College (KSUC) has 8 policies, which are being developed. They include: Internal transfer policy; Disability mainstreaming policy; Sexual harassment policy; Gender mainstreaming policy; Admission policy; Fee collection policy; Research policy and Quality assurance policy. These policies will be ready for operationalization by the end of the second quarter. 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 that 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 will demand 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 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 austerity measures to cut on costs and 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 those 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 cartridges.

**Ag. Principal, Koitaleel Samoei University College**

**Prof. Jackson Too**

**Sign**



## **6. STATEMENT OF KOITALEEL SAMOEI UNIVERSITY COLLEGE PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR THE FY 2020/2021**

Section 81 subsection 2 (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 2020/2021. These strategic pillars/theme/issues are as follows:

**Pillar 1.** Teaching and Learning

**Pillar 2.** Research, Innovation, and Technology Transfer

**Pillar 3.** Students' Welfare

**Pillar 4.** Institutional Development

**Pillar 5.** Governance and Leadership

**Pillar 6** Financial Resources

**Pillar 7** Human Resources

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 2020/2021 period for its eight strategic pillars, as indicated in the diagram below:

<b>Strategic Pillars</b>	<b>Objective</b>	<b>Key Performance Indicators</b>	<b>Activities</b>	<b>Achievements</b>
<b>Teaching and learning</b>	To produce quality graduates in selected programs	Average "GPA"	Develop and consistently review curriculum tailored to market needs. Integrate ICT into teaching and learning in all programs Offer programs on an e-learning platform	4 programs developed  ICT integrated  E-learning platform mounted. Google Classroom, Google meet, Zoom, and Microsoft Teams
<b>Research, innovation, and technology transfer</b>	To create new knowledge and transfer to communities and industries	No. of papers published in peer-reviewed journals	Establish research collaborations with universities both locally and internationally and with industry	MOU between Tampere and KSUC
<b>Students' welfare</b>	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%
<b>Institutional development</b>	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%
<b>Governance and leadership</b>	Enhanced corporate image and brand	Develop and implement a corporate brand	Hold an annual international marathon  Harness natural resources as an income stream, in collaboration with the County Government	Annual Marathon event held in December 2020 185,000 from sales of Tea and 221,000 from sale of tress
<b>Financial resources</b>				
<b>Human resources</b>	To recruit, develop, nurture and retain highly skilled academic and non-academic staff	No. of internal industrial disputes	Hire adequate, qualified, and competent academic and administrative staff	30 qualified staff hired

## 7. 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 Board 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.

### 7.1 KSUC COUNCIL MEMBERS

- |                                |   |                                   |
|--------------------------------|---|-----------------------------------|
| i) Prof. Risley K. Ngala       | - | Chairman:                         |
| ii) Ms. Flora Mukabana         | - | Member:                           |
| iii) Arch. Geoffrey R. Gichuki | - | Member:                           |
| iv) Dr. William Chong          | - | Member:                           |
| v) Prof. Margaret Hutchinson   | - | Rep. Vice-Chancellor, UON         |
| vi) Mr. Mugambi Nyagah         | - | MOE Rep.                          |
| vii) Prof. Jackson Too         | - | Ag. Principal/ Council Secretary: |

### 7.2 ROLES AND FUNCTIONS OF THE BOARD.

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

- i) Exercise their role collectively and not individually
- ii) Determine the University College mission, vision, purpose and core values.
- 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.

### 7.3 INDUCTION AND TRAINING

KSUC Board underwent Board induction and continuous skill development in the financial year 2020/2021 as below:

S/No.	Training/Workshop	Venue	Date
1.	Corporate Governance at Kenya School of Government	Kenya School of Government	17 <sup>th</sup> June 2020 to 23 <sup>rd</sup> June 2020
2.	Induction Workshop conducted by State Corporation Advisory Committee	Noble Hotel, Eldoret	9 <sup>th</sup> December 2020 to 11 <sup>th</sup> December, 2020
3.	Joint KSUC Council and Management Workshop on Policy and Strategy for Enhanced Performance held at Joseph Queens Garden, Eldoret	Queens Garden, Eldoret	3 <sup>rd</sup> May, 2021 to 6 <sup>th</sup> May 2021

### 7.4 NUMBER OF BOARD MEETINGS HELD IN THE FY YEAR 2020 – 2021

The number of Board meetings held in the financial year 2020/2021 were as per the approved Almanac tabulated below.

S/No.	Type of meeting	No. of Meetings Held
1.	Council meetings	12
	<b>Standing Committees</b>	
3.	Finance and General Purposes Committee Meetings	6
4.	Audit and Risk Committee Meetings	4
5.	Human Resource and Administration Committee Meetings Ad Hoc Committee	5
6.	Infrastructure and Building Committee meetings	4
7.	Resource Mobilization Ad Hoc Committee Meetings	4
8.	Charter Committee Meetings	4

### 7.5 BOARDS' REMUNERATION

The following allowances and benefits were paid to KSUC Chairman and the Board members in the financial year 2019/2020 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

<b>S/No.</b>	<b>Allowances</b>	<b>Amount</b>
5.	Subsistence Allowance	18,200.00 per sitting
6.	Other Special Council meetings/ Chair of Council engagements with the Ministries/Departments/KSUC official functions	

#### **7.6 MEDICAL EXPENSES**

Provision of Medical cover to KSUC Board 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 30<sup>th</sup> June, 2006 is currently in use as below:

- i) Inpatient Kshs. 2 million per year
- ii) Outpatient 100,00.00 per year

#### **7.7 SUCCESSION PLANNING**

KSUC Board was appointed for a period of three (3) years with effect from 12<sup>th</sup> October, 2018. The tenure of the Board members has been staggered to ensure a phased transition.

#### **7.8 BOARD AND MEMBERS PERFORMANCE.**

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

#### **7.9 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 2020/2021.

#### **7.10 CONFLICT OF INTEREST**

KSUC Board members declared no conflict of interest with the University College upon appointment to the Board. During the meetings held in the financial year 2020/2021, there was no conflict of interest declared during the proceedings of the meetings held during the year

## 8. MANAGEMENT DISCUSSION AND ANALYSIS

### SECTION A

#### University College's Operational and Financial Performance

During the year ended 30 June 2021, Koitaleel Samoei University College registered a deficit of **Kshs.0.54million** down from **Kshs.33 Million** in financial year 2019/2020. Total revenue for 2020/2021 was **Kshs. 162** million up from **Kshs. 100** million in FY 2019/2020, the total expenditure in the current year was **Kshs.176 million** for FY 2020/2021 and **Kshs.69 million** in FY 2019/2020.

The Net assets in 2020/2021 were **Kshs. 458 million** compared to **Kshs 440 million** in 2019/2020.

#### 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. 102** million compared to **Kshs. 95** million in FY 2019/2020. The development Capitation Grant was **Kshs. 49.** Million compared to **Kshs. 84.** million in FY 2019/2020.

#### Student Fees

These comprises fees from government sponsored students (Module 1) and self-sponsored Students (Module 11). The total amount received in FY 2020/2021 was **Kshs. 11 million** compared to **Kshs, 3 million** in 2019-2020.

#### Other Incomes

Included under this category are revenues from Accommodation from students, income Generating Units and Rental Income Koitaleel Samoei staff houses totalling **Kshs.1.3 million** compared to **Kshs.0.2 million** for FY 2019/2020

## **SECTION B**

### **Compliance with Statutory Requirements**

The University College endeavours 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 centres 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;

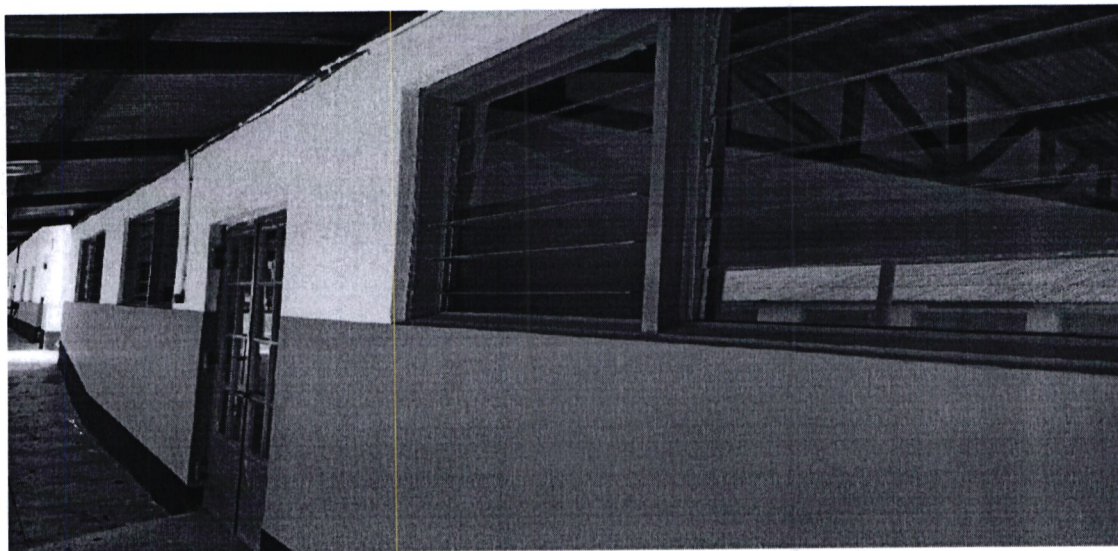
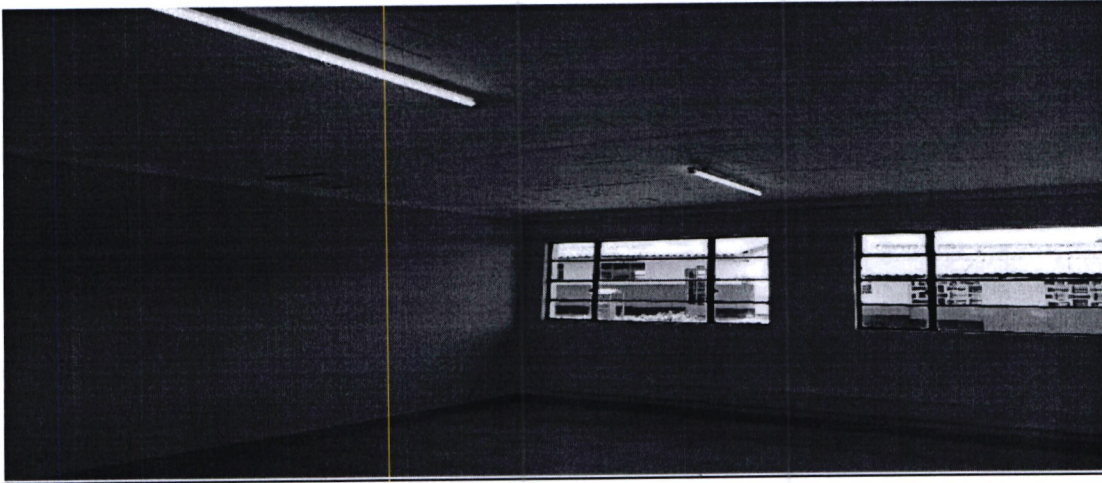
1. To design and implement relevant and innovative teaching and learning programs.
2. To be a leading Institution in scholarly, research and creative productivity in Africa.
3. To improve student welfare services through development and implementation of appropriate minimum standards.
4. To build a sustainable resource base.
5. To enhance the competitiveness and image of the University.
6. 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.

**RENOVATIONS WORKS IN MOSORIOT**



Hacking	100%
Removal of timber doors and windows	100%
Replacement of timber doors and windows	100%
Tile work	100%
Renovation of external verandahs	100%
Paintworks	98%
Plaster works	100%
Ceilings	100%

State of Completion for the above project

**CIVIL WORKS AND LANDSCAPING**

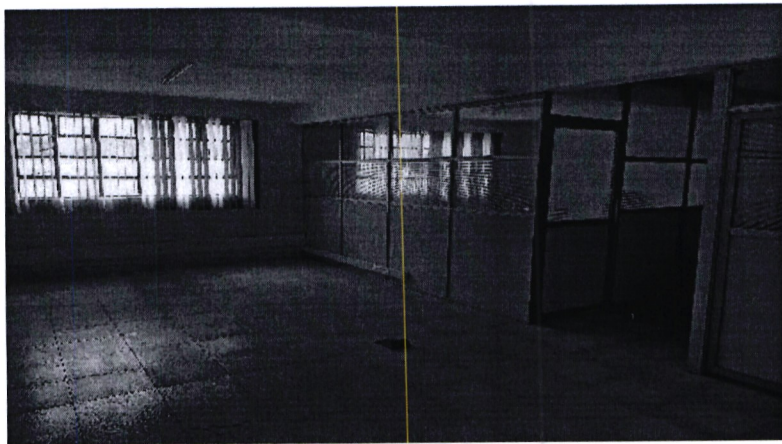
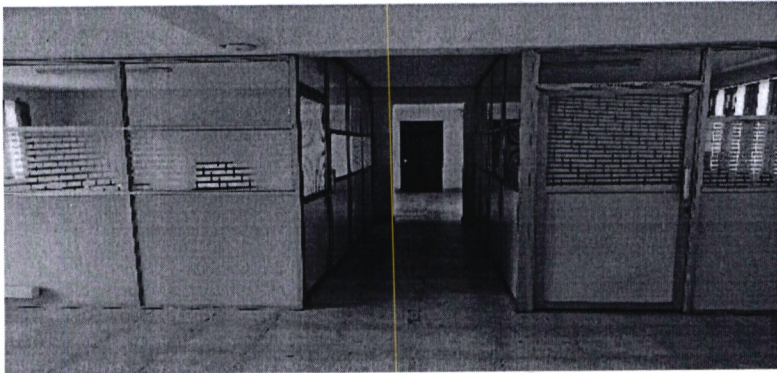
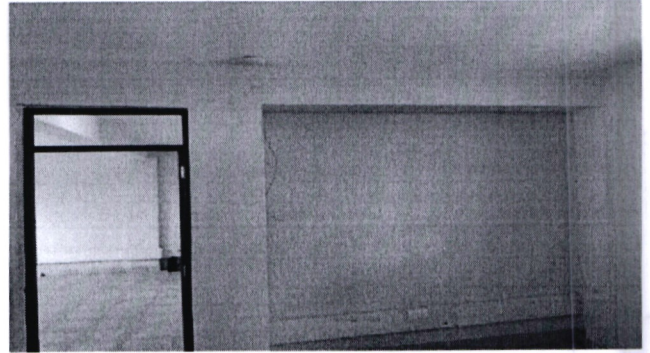
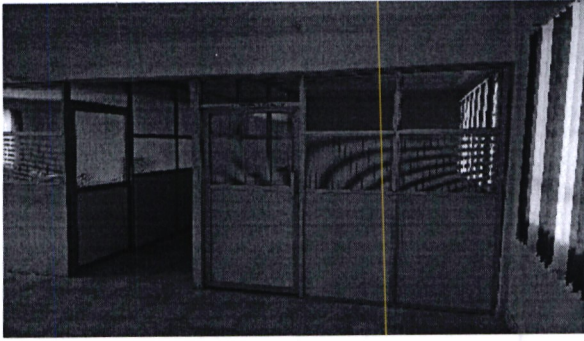
Parking area cabbro laying is complete. The contractor is currently working on ramp accesses, drainage and final compaction.

Grading	100%
Hardcore hand packing & Compaction	100%
Paving block laying and drainages	95%

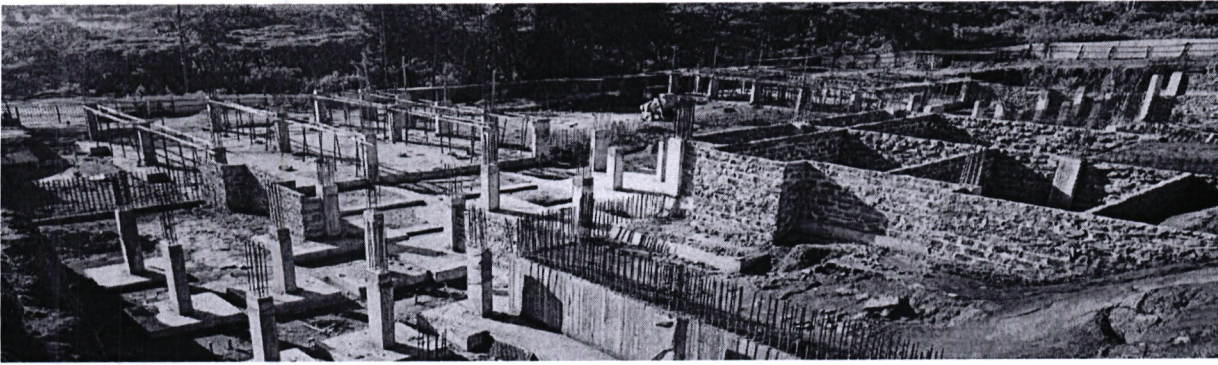


Interior perspectives of partitioned spaces ready for occupation. Photo taken on 30<sup>th</sup> June 2021

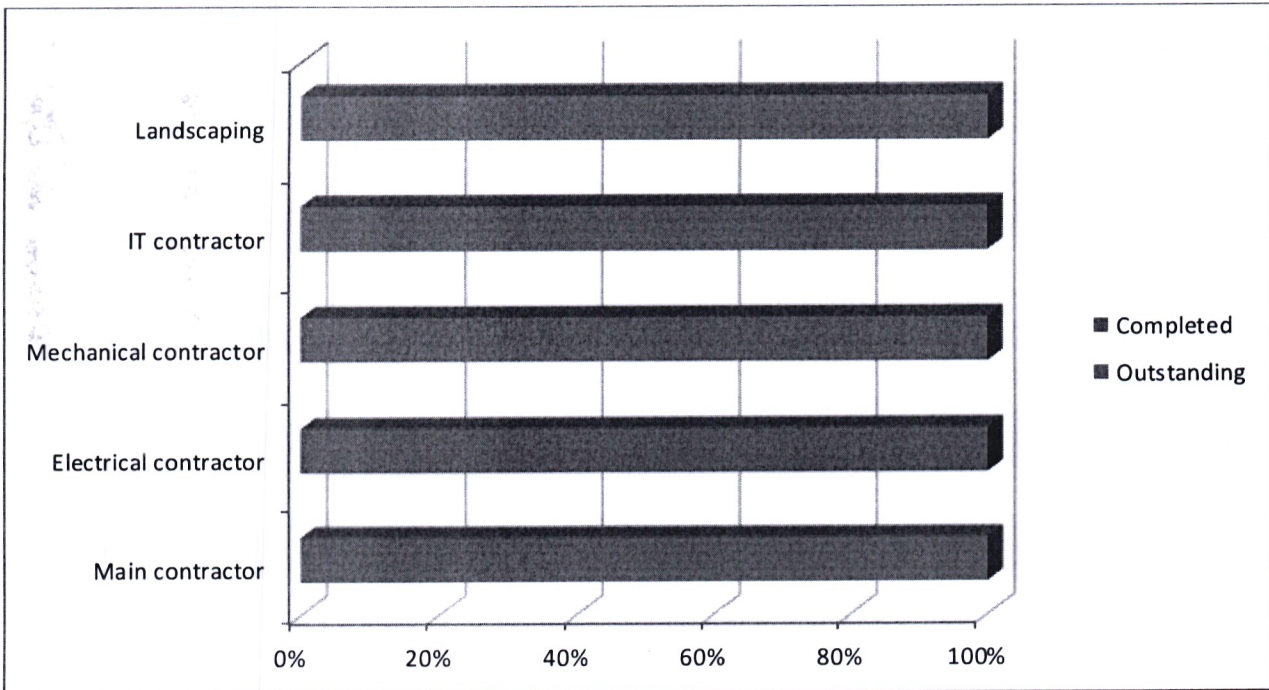
Koitaleel Samoel University College  
Annual Reports and Financial Statements  
For the year ended June 30, 2021



**NANDI HILLS PROJECT**



**Contractor and Subcontractors' progress**



## 1. 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.

### 9.1 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. Covid-19 Pandemic has disrupted business leaving households with dwindled income hardly sufficient to meet basic needs making higher education a luxury.

International best practises 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.

## 9.2 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 participated in Nandi County tree planting initiative held on June 11<sup>th</sup> 2021 at Nandi Hills KSUC campus where a total of 3000 indigenous trees were planted at the University grounds. The initiative was a collaboration between the County Government of Nandi, National Environmental Committee and KSUC.
- During the World Environmental day, that is on 5<sup>th</sup> June, 2021, KSUC also participated in restoration of the Kipkongorwa wetland. This was an activity to earmark the celebration of the World Environmental day where the members of staff led by the College Principal joined the community in planting more than 2000 seedlings of indigenous trees.

## 9.3 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 deciding 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.

## **9.4 MARKET PLACE PRACTICES**

### **9.4.1 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.

### **9.4.2 Responsible Supply Chain and Supplier Relations:**

KSUC through the department of Procurement undertake the following to maintain good business practice, honouring 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.

### **9.4.3 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.

### **9.4.4 Product Stewardship:**

KSUC safeguards its consumer rights and interest as follows;

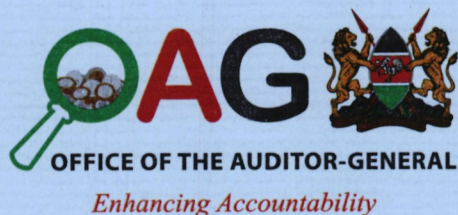
- Rotational performance of task to avoid conflict of interest and minimize on corruption;
- Confidentiality by encouraging concerned staff to keep information secret;
- Going for the best quality in procuring institution's products;
- Going digital in procuring process.

**9.5 CSR ACTIVITIES CONDUCTED IN THE FINANCIAL YEAR 2020/2021**

<b>INITIATIVE</b>	<b>ACTIVITIES</b>	<b>IMPACT</b>
1. Women empowerment in Nandi-Hills	i)The Univeristy 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 managd 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 indeginous trees that were planted in Kipsamoo Primary School. ii)The University College donated 300 seedlings towards the success of the project.	Indeginous 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 indeginous 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 a apiary in Nandi-Hills. ii)A youth group has been identified to manage the establishment.	i)The apiary will act as a training ground and demonstration area for farmers interested in bee keeping. ii)Bee-keeping will have a positive economic impacton the community.
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.

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## **REPORT OF THE AUDITOR-GENERAL ON KOITALEEL SAMOEI UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE, 2021**

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### **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 29, which comprise of the statement of financial position as at 30 June, 2021 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, 2021, 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. Inaccuracies in the Financial Statements**

The financial statements prepared and presented for audit had the following inaccuracies;

- (i) The statement of financial performance reflects total revenue amount of Kshs.175,921,223 while Note 4 to the financial statements reflects total amount of Kshs.176,548,903 leading to an unreconciled and unexplained variance of Kshs.627,680.
- (ii) The statement of financial position reflects Net Assets balance of Kshs.448,592,946 funded by Reserves of Kshs.489,406,045 leading to an unexplained and unreconciled variance of Kshs.40,813,099.
- (iii) The statement of financial position reflects capital and revenue reserves balances of Kshs.489,406,045 which differ from those reflected in the statement of changes in net assets balance of Kshs.180,955,077 resulting into an unreconciled variance of Kshs.308,450,968.
- (iv) The opening balances for property plant and equipment of Kshs.289,425,109 as per Note 16(a) to the financial statements differ with per prior year audited balances of Kshs.288,353,526 leading to an unexplained and unreconciled variance of Kshs.1,071,583.
- (v) The statement of cash flows reflects cash and cash equivalents balance of Kshs.14,484,116. However, a recast of the statement gives a closing cash and cash equivalents balance of Kshs.76,721,299 leading to an unreconciled variance of Kshs.62,237,183. Further, the statement reflects a comparative closing balance of Kshs.149,099,853 while the statement of cash flows reflects a Nil balance.
- (vi) The statement of cash flows reflects comparative balances which differ from the audited financial statements balances of the 2019/2020 financial year as detailed below;

	<b>Comparatives as per 2020- 2021 Financial Statements (Kshs.)</b>	<b>2019-2020 Audited Amounts (Kshs.)</b>	<b>Differences (Kshs.)</b>
Surplus for the year	34,606,843	33,668,661	938,182
Depreciation	9,493,523	10,565,106	(1,071,583)
Operating Surplus before working capital changes	44,100,366	44,233,106	(132,740)
Increase in inventories	10,974,457	12,281,516	(1,307,059)
Total cash generated from operating activities	64,253,943	65,694,403	(1,440,460)
Capital grants from GoK	84,845,909	83,405,450	1,440,459

- (vii) The statement of comparison of budget and actual amounts reflects total actual revenue and expenditure of Kshs.209,186,246 and Kshs.258,838,689 respectively which differs from Kshs.175,921,223 and Kshs.176,469,374 respectively reflected in the statement of financial performance. The two sets of balances were not reconciled.
- (viii) The property, plant and equipment balance as disclosed in Note 16(a) to the financial statements are stated at their respective net book values of Kshs.289,425,109 instead of either cost or valuation in conformity with Paragraphs 43 and 44 of the International Public Sector Accounting Standards (IPSAS)17 to reflect the correct balances in the financial statements.
- (ix) The statement of financial position reflects opening balance for inventories amount of Kshs.10,974,458 which is at variance with prior year audited financial statements figure of Kshs.12,281,516.
- (x) The statement of changes in net assets reflects opening balances for capital reserves and revenue reserves amounts of Kshs.415,947,632 and nil which are at variance with prior year audited accounts balances of Kshs.417,121,290 and Kshs.34,606,844 respectively.
- (xi) The statement of financial position reflects opening trade and other payables balance of Kshs.10,234,176 while Note No.15 to the financial statements discloses a Nil balance.
- (xii) The statement of financial performance reflects revenues from exchange transactions for the 2019/2020 financial year totalling Kshs.3,499,306 which is at variance with prior year audited financial statements amount of Kshs.3,255,931.

- (xiii) The statement of financial performance reflects total expenses comparative amounts of Kshs.69,101,689 while the audited financial statements for the previous year reflected total expenses of Kshs.70,039,872.
- (xiv) The statement of financial position reflects trade and other payables of Kshs.29,412,323 at Note 15 which were previously reported as Kshs.9,519,143, however, there are no supporting documents for the variance of Kshs.19,893,180.

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

## **2. Inaccuracies in Revenue**

The statement of financial performance reflects revenue from non-exchange transactions amount of Kshs.162,651,892 as disclosed in Note 3 to the financial statements. The amount includes transfers from other Government entities of Kshs.60,000,000 in respect of recurrent transfers from the University of Nairobi. However, examination of records provided revealed that the amount relates to prior year capital funds held by the University of Nairobi and which should have been capitalized and recognized in the statement of changes in net assets.

In the circumstances, the accuracy and completeness of the revenue from non-exchange transactions amount of Kshs.162,651,892 could not be confirmed.

## **3. Inaccuracies in Expenditure**

The statement of financial performance reflects use of goods and services amount of Kshs.23,404,787 as disclosed in Note 6 to the financial statements. However, the expenditure documents provided for audit included expenses amounting to Kshs.47,400,000 charged to membership subscriptions and which were omitted from the financial statements. Although Management has explained that, the amounts were included in the amended financial statements, the journal entries for the corrections made were not provided for audit.

Further, the statement of financial performance reflects use of goods and services amount of Kshs.23,404,787. However, an analysis of the supporting schedules in support of the expenditure of Kshs.23,404,787 revealed misclassifications. Although Management explained that the misclassifications have been corrected, journal entries supporting these adjustments were not provided for audit.

In the circumstances, the accuracy and completeness of the use of goods and services amount of Kshs.23,404,787 could not be confirmed.

## **4. Unsupported Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.14,484,116 as disclosed in Note 11 to the financial statements which relates to the

balances held in two commercial banks. However, the bank reconciliations for the two accounts were not provided for audit.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.14,484,116 could not be confirmed.

#### **5. Unsupported Balances**

The statement of financial position reflects trade and other receivables and inventories balances of Kshs.468,304 and Kshs.9,619,606 as disclosed in Note 12 and Note 13 of the financial statements respectively. However, the balances were not supported with the relevant documents including a debtors' movement schedule (aging analysis) and policy and end-of-year stock take reports respectively. In the absence of the schedule showing the aging analysis and a policy, the receivables balance of Kshs.468,304 may not be fairly stated.

In the circumstances, the accuracy, completeness, and valuation of trade and other receivables and inventory balances of Kshs.468,304 and Kshs.9,619,606 respectively could not be confirmed.

#### **6. Inaccuracy of Property, Plant and Equipment**

The statement of financial position reflects a balance of Kshs.461,296,298 as disclosed which includes a net balance of Kshs.231,280,667 relating to land and buildings. However, details including a breakdown of land and buildings stated at a cost of Kshs.235,200,000 were not submitted for audit review. Further, the depreciation method has not been disclosed in the financial statements.

In the circumstances, the accuracy, completeness, and valuation of land and buildings balance of Kshs.231,280,667 could not be confirmed.

#### **7. Unsupported Work in Progress**

The statement of financial position reflects total work in progress amount of Kshs.198,653,469 which includes work in progress for the year amount of Kshs.166,708,718 as reported in Note 16 (a) of the financial statements. Review of the expenditure records provided for audit revealed payments amounts of Kshs.17,401,193 and Kshs.523,490 all totaling Kshs.17,401,193 in respect of consultancy fees and daily subsistence allowances to University of Nairobi staff. However, supporting documents to indicate establish how the consultants were identified and whether the identification process was competitive were not provided for audit.

In the circumstances, the accuracy, existence, and value for money in the Work-In-Progress balance of Kshs.17,924,683 could not be confirmed.

#### **8. Unsupported Expenditure**

The statement of financial performance reflects an amount of Kshs.5,751,760 in respect of contracted services as disclosed in Note 10 to the financial statements which include

Kshs.2,068,769 for cleaning services. Examination of documents revealed that the cleaning services were carried out by casuals. However, supporting documents including a muster roll were not provided for audit. This was contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations which requires all receipts and payment vouchers of public moneys to be properly supported by pre-numbered receipts and payment vouchers and to be supported by the appropriate authority and documentation.

In the circumstances, the regularity and occurrence of the expenditure of Kshs.2,068,769 for cleaning services could not be confirmed.

#### **9. Irregular Expenditure on Council Members' Travelling and Subsistence**

The statement of financial performance reflects Council Expenses amount of Kshs.12,567,837 as disclosed in Note 7 to the financial statements. Included in this amount is Kshs.4,425,800 in respect of training and induction of out of which an amount of Kshs.766,900 was incurred on facilitation fee and subsistence allowance for induction of Council Members. Management did not provide for audit supporting documentation for the induction.

In addition, an amount of Kshs.845,000 was paid to Council Members as sitting allowance while attending various official duties. However, the payments were not supported with attendance details, registers, minutes, and other necessary supporting documents. This was contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations, 2015 which requires all receipts and payment vouchers of public moneys to be properly supported by pre-numbered receipts and payment vouchers and to be supported by the appropriate authority and documentation.

In the circumstances, the regularity of the Kshs.1,611,900 in respect of facilitation fee, subsistence allowance and sitting allowances could not be confirmed.

#### **10. Irregular Payment of Council Expenses**

The statements of financial performance reflects Kshs.12,567,837 as disclosed in Note 7 to the financial statements out of which Kshs.2,272,670 was paid to Council Members in respect of travel and accommodation expenses. Included in this expenditure was Kshs.819,000 incurred on travelling by the Council Members while attending various meetings. Review of the Council meeting minutes revealed during the year under review, the meetings were held virtually. It was not therefore possible to ascertain why the Council Members were being paid travelling allowances while attending virtual meetings.

Further, an amount of Kshs.2,393,600 was incurred on council expenses towards the facilitation of the Council workshop in May, 2021. However, the following anomalies were noted;

- (i) The workshop approval provided for audit was meant for 9 Council Members as, although the actual payments for conference charges were paid for 41 persons at the rate of Kshs.2,000 leading to an overpayment of Kshs.64,000.

- (ii) The attendance register, program, back-to-office report, and evidence of travel were not submitted for audit.
- (iii) An amount of Kshs.245,000 was spent on transport reimbursement without the necessary supporting documentation.
- (iv) An amount of Kshs.109,200 instead of Kshs.50,000 was paid to every Council Member as accommodation allowance for the five (5) days totalling Kshs.764,600 instead of Kshs.350,000 thereby leading to an overpayment of Kshs.414,400.

In the circumstances, the regularity of the Kshs.1,892,600 incurred on Council expenses 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 report in the year under review.

### **Other Matter**

### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects a final revenue budget amount of Kshs.258,410,602 and an actual on comparable basis amount of Kshs.209,186,246 resulting to under collections of Kshs.49,224,356 or 19% of the budgeted revenue. Similarly, the statement reflects final budget expenditure amount of Kshs.258,410,602 against an actual on comparable basis expenditure of Kshs.258,838,689 resulting to an over expenditure of Kshs.428,087 of the budgeted expenditure.

The under collection of revenue may affect the operations and hence negatively impacting the service delivery to the public.

## **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. Non-Compliance with the Public Sector Accounting Standards Board Requirements**

The financial statements prepared and presented for audit had the following omissions;

- (i) Progress of follow up on Auditor Recommendations, Report of the University Council, and the Statement of the University Council's responsibilities have not been disclosed in the financial statements.
- (ii) No disclosure has been made relating to prior year capital funds held by the mentor, University of Nairobi.
- (iii) Additional disclosures have not been made on the property, plant, and equipment indicating valuation, intangible assets, and investment property as required by the Public Sector Accounting Standards Board reporting template.
- (iv) No disclosures on employee benefits obligations have been made.
- (v) A policy on financial risk management has not been disclosed.
- (vi) Related party disclosures have not been made in the financial statements.
- (vii) Inter-entity transfers between the College and the University of Nairobi have not been disclosed in the financial statements.
- (viii) The financial statements have not been signed by the Chairman of the University Council.

In the circumstances, the financial statements do not comply with the reporting format issued by the Public Sector Accounting Standards Board.

## **2. Employee Costs**

### **2.1 Lack of Approved Human Resource Instruments**

Review of the human resources and staff establishment revealed that the University College did not have approved Human resource instruments contrary to State Corporations Advisory Committee, circular Ref. No. OP/SCAC.9/21/1/1 that directed all state corporations to submit the Human Resource instruments for approval. These include; organizational structure, staff grading and establishment, career guidelines and human resource policy and procedures manual.

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

## **2.2 Unregistered Collective Bargaining Agreement (CBA)**

The statement of financial performance reflects employee costs amount of Kshs.121,540,507 as disclosed in Note 5 to the financial statements. Included in the employee costs is an amount of Kshs.1,119,486 paid to forty-six (46) members of staff as part of the implementation of Collective Bargaining Agreement arrears. However, the CBA had not been registered by the Industrial Court as required under Section 60(1) of the Labour Relations Act, 2007. Further, the CBA had been signed by one party and not executed by the General Secretary of the Trade Union, as required by Section 59(4)(b) of the Labour Relations Act, 2007.

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

## **2.3 Failure to Register with the National Industrial Training Authority (NITA)**

The statement of financial performance reflects employee costs amount of Kshs.121,540,507 as disclosed in Note 5 to the financial statements. During the year under audit review, the University College had not been registered as an employer with the National Industrial Training Authority. Further, Management had not deducted and remitted the requisite Industrial Training Levy to the Authority. In the circumstances, Management was in breach of the law.

## **2.4 Irregular Hiring of Staff**

Review of the staff establishment records revealed that, Management advertised for twenty-four (24) vacancies across teaching and administrative positions through the local dailies. However, Management proceeded to hire twenty-seven (27) staff, with the additional three (3) positions not having been advertised and competitively filled. It was further noted that the recruitment were carried out in the absence of an approved human resource plan and annual recruitment plan. This was contrary to Paragraph B.2(1) of the Human Resource Policies and Procedures Manual for the Public Service 2016 which requires that every Ministry/State Department shall prepare Human Resource Plans to support achievement of goals and objectives in their Strategic plan.

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

## **2.5 Non-deduction and Remittance of Income Tax**

Included in the employee costs of Kshs.121,540,507 as disclosed in Note 5 to the financial statements is an amount of Kshs.1,272,050 in respect of part-time lecturers' emoluments which was paid without deduction and remittance of income tax. This was contrary to Section 37(1) of the Income Tax Act which stipulates that an employer paying emoluments to an employee shall deduct therefrom, and account for tax thereon, to such extent and in such manner as may be prescribed

Further, included in the employee costs is a tax remittance to Kenya Revenue Authority (KRA) of Kshs.1,042,135 which was paid fifteen (15) days after the due date. This was contrary to Section 38 of the Tax Procedures Act, 2015 which states that, a person who

fails to pay a tax on or before the due date for the payment of the tax shall be liable for late payment interest at a rate equal to one percent per month or part of a month on the amount unpaid for the period commencing on the date the tax was due and ending on the date the tax is paid.

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

### **3. Board/Council Expenses**

#### **3.1 Irregular Procurement of Air Tickets**

The incurred expenditure of Kshs.566,745 on acquisition of air tickets. However, the firm was not among the registered suppliers. This was contrary to Regulation 33(3) of the Public Procurement and Asset Disposal Regulation, 2020 which requires continual updating of the standing list of supplier by the procurement function.

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

#### **3.2 Irregular Procurement of Security Services**

The statement of financial performance reflects contracted services expenses amount of Kshs.5,751,760 as disclosed in Note 10 to the financial statements which includes an amount of Kshs.3,682,991 in respect of security services. However, the contracted company was not among the registered supplier's data base for 2020/20221 financial year. Although the Management explained that the service provider was identified by using a list from another entity, there was no documentary evidence in writing to confirm that they requested to use suppliers of another public entity. This was contrary to Section 56(1) of the Public Procurement and Asset Disposal Act, 2015 which requires that if a state organ or Public entity requires to use another State organ's, public entity's or regulated professional body's registration list of all registered persons in the category, the public entity may seek this in writing.

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

### **4. Irregular Payments for Construction of Administration Block**

The College entered into a contract for construction of an administration block at a contract sum of Kshs.628,504,063. However, the original winning bid documents, signed contract agreement, performance bond, and insurance policy documents, were not submitted for audit. Further, the College made payments of Kshs.113,948,000 against certificates No.1 to 4. However, payments for certified works in certificate No.3 and 4 were not supported by project appraisal. This was contrary to Regulation 104(1) of the Public Finance Management (National Government) Regulations which requires all receipts and payment vouchers of public moneys to be properly supported by pre-numbered receipts and payment vouchers and to be supported by the appropriate authority and documentation.

In addition, withholding taxes in respect of the payments and amounting to Kshs.7,185,721 were not deducted for remittance to Kenya Revenue Authority.

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

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

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, 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. ICT Policy, Procedures and Controls

Review of the institution's ICT infrastructure established that several application software were in use. However, administrator passwords for the systems were in the custody of the University of Nairobi personnel. It was also observed that there is no offsite data backup for the payroll system database which could result in a major downtime of the software/hardware challenges were to be experienced.

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

#### 2. Lack of a Risk Management Policy

The College did not have in place a risk management policy in place. This was contrary to Regulation 165(1) of the Public Finance Management (National Governments) 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 emerging risks that may subsequently result in weak internal controls and subsequently loss of funds

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 it's 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**

**09 September, 2022**

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11. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021			
Particulars		2020-2021	2019-2020
	Note	Kshs	Kshs
<b>Revenue from non-exchange Transactions</b>			
Capitation Grant-Recurrent	2	102,651,892	95,000,000
Transfers from other Government entities	3	60,000,000	5,209,277
		<b>162,651,892</b>	<b>100,209,277</b>
<b>Revenue from exchange Transactions</b>			
Tuition fee and other charges module I	4	8,199,409	1,607,631
Tuition fee and other charges module 11	4	3,685,000	1,648,300
Staff house rent	4	621,720	71,002
Students Accomodation	4	223,440	172,373
Income Generating Units	4	539,762	-
<b>Total Revenue</b>		<b>175,921,223</b>	<b>103,708,533</b>
<b>Expenses</b>			
Employee costs	5	121,540,507	27,523,212
Use of Goods and Services	6	23,404,787	16,749,563
Council expenses	7	12,567,837	9,953,135
Repairs & Maintenance of Buildings	8	378,363	2,387,409
Depreciation	9	12,826,120	10,565,106
Contracted Services	10	5,751,760	1,923,265
<b>Total Expenses</b>		<b>176,469,374</b>	<b>69,101,689</b>
<b>(Deficit)/Surplus for the period</b>		<b>-548,151</b>	<b>34,606,844</b>

The notes set out on pages 8-24 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 7 were signed on behalf of the Board of Directors by:

Prof. Jackson K. Too

Ag. Principal

20016 CPA. Nahashon Koech

Ag. Deputy Finance Officer

Prof. Risley K.Ngala

Chairman of Council

Date: 29/06/2022

Date: 29/06/2022

Date: .....



<b>12. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021</b>			
		<b>2020/2021</b>	<b>2019/2020</b>
		<b>Kshs</b>	<b>Kshs</b>
<b>ASSETS</b>	<b>Note</b>		
<b>Current Assets</b>			
Cash and Cash Equivalents	11	14,484,116	149,099,853
Trade and Other Receivables ( debtors)	12	468,304	1,055,056
Inventories	13	9,619,606	10,974,458
<b>Total Current Assets</b>		<b>24,572,026</b>	<b>161,129,367</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	16	461,296,298	289,425,109
<b>Total Non-Current Assets</b>		<b>461,296,298</b>	<b>289,425,109</b>
<b>Total Assets</b>		<b>485,868,324</b>	<b>450,554,476</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables			
Trade Payables	15	29,412,323	10,234,176
Other Payables-Students	15	2,288,654	
Other Payables-Payroll	15	4,474,401	
Provision for Audit Fees	14	1,100,000	
<b>Total Current Liabilities</b>		<b>37,275,378</b>	<b>10,234,176</b>
<b>Non-Current Liabilities</b>			
<b>Total Liabilities</b>		<b>37,275,378</b>	<b>10,234,176</b>
<b>Net assets</b>		<b>448,592,946</b>	<b>440,320,300</b>
Capital Reserves		489,954,196	415,947,632
Revenue Reserves		-548,151	34,606,844
<b>Total Assets and Liabilities</b>		<b>489,406,045</b>	<b>450,554,476</b>

**NOTES;**

1. Student debtors drastically reduced due to strict measures enforced by management by ensuring students with fee balances are barred from registering units
2. Cash and Cash equivalent reduced due transfer of Funds held by University of Nairobi for both recurrent and Development.
3. Trade payables increased due to under capitation, the recurrent grants transferred monthly was not enough to cater for personnel Emoluments. Included in trade payables was outstanding liabilities for staff pension, Pay As You Earn, Withholding Vat and Withholding Tax not remitted to Commissioner for Domestic taxes.

<b>13. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021</b>			
	<b>Capital Reserves</b>	<b>Revenue Reserves</b>	<b>Total</b>
	<b>Kshs'000</b>	<b>Kshs'000</b>	<b>Kshs'000</b>
<b>Balance as at 1 July 2019</b>			
Surplus for the year		34,606,844	34,606,844
Capital Development Grants received during the year	84,845,909		84,845,909
<b>Balance as at 30 June 2020</b>	84,845,909		119,452,753
<b>Balance as at 1 July 2020</b>	84,845,909		119,452,753
Surplus for the year		-548,151	-548,151
Depreciation	12,826,120		
Capital Grants received during the year	49,224,355		49,224,355
<b>Balance as at 30 June 2021</b>	<b>146,896,384</b>	<b>34,058,693</b>	<b>168,128,957.00</b>

**Note:**

1. *The Capital Grants has been on the decline affecting completion of on -going projects*
2. *Revenue reserve reduced due unpredicted low transfer of Recurrent funds from University of Nairobi*
3. *Depreciation which is a non -cash item has been transferred to Capital reserve*

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<b>14. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021</b>			
		<b>2020-2021</b>	<b>2019-2020</b>
	<b>NOTES</b>	<b>Kshs</b>	<b>Kshs</b>
<b>Surplus for the year</b>		-548,151	34,606,843
Adjustments for:			
Depreciation	9	12,826,120	9,493,523
<b>Operating Surplus before working capital changes</b>		<b>12,277,969</b>	<b>44,100,366</b>
Increase in inventories	13	1,384,854	10,974,457
Increase in trade and other payables	15	13,246,897	10,234,176
Increase in trade and other receivables	12	586,752	(1,055,056)
<b>Total cash generated from operating activities</b>		<b>27,496,472</b>	<b>64,253,943</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment			
<b>Net cash flows from investing activities</b>			
<b>Cash flows from financing activities</b>			
Capital grants from GoK		49,224,355	84,845,909
<b>Net cash flows used in financing activities</b>			
<b>Net increase/(decrease)in cash and cash equivalents</b>		<b>76,720,827</b>	<b>149,099,853</b>
Cash and cash equivalents at 1 July 2020			
<b>Cash and cash equivalents at 30 June 2021</b>		<b>14,484,116</b>	<b>149,099,853</b>

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**15. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE PERIOD ENDED 30 JUNE 2021**

	Original Budget	Adjustment	Final Budget	Actual on comparable basis	Performance Difference	%
	A	B	C=(A+B)	D(ACTUAL)	C-D	D/C
<b>REVENUE</b>						
Module I Fees	6,861,000	-	6,861,000	6,861,000	-	100%
Module II Fees	17,049,000	-	17,049,000	17,049,000	-	100%
Student Accommodation	1,100,000	-	1,100,000	1,100,000	-	100%
External research grants	1,000,000	-	1,000,000	1,000,000	-	100%
Capitation Grant(GoK)-Recurrent	102,651,891	-	102,651,891	102,651,891	-	100%
Capitation Grant(GoK)-Development	98,448,711	-	98,448,711	49,224,355	49,224,356	50%
CBA Arrears 2017/2020	-	-	-	-	-	-
Income Generating Activities	2,000,000	-	2,000,000	2,000,000	-	100%
Rental Income	800,000	-	800,000	800,000	-	100%
KSUC Funds at University of Nairobi- Recurrent	28,500,000	-	28,500,000	28,500,000	-	100%
<b>TOTAL REVENUE</b>	<b>258,410,602</b>		<b>258,410,602</b>	<b>209,186,246</b>	<b>49,224,356</b>	<b>81%</b>
<b>EXPENDITURE</b>						
Basic Salary	47,622,719	15,579,529	63,202,248	71,809,247	(8,606,998)	114%
House Allowance	16,567,726	(4,117,403)	12,450,323	18,432,115	(5,981,791)	148%
House to office Allowance	4,811,448	549,446	5,360,894	8,103,992	(2,743,098)	151%
Other Personal allowances	8,802,987	(1,701,482)	7,101,505	17,569,445	(10,467,940)	247%
Gratuity & Pensions	14,489,188	(9,258,684)	5,230,504	5,230,504	-	100%
CBA Arrears 2017/2021	-	-	-	-	-	-
Leave Travelling Allowance, Passage & Baggage	338,061	(27,706)	310,355	310,355	-	100%
National Housing Development Fund	-	-	-	-	-	-
Direct Service providers/Management support	2,864,232	-	2,864,232	2,864,232	-	100%
Part Time Lecturers	2,000,000	1,213,150	3,213,150	3,213,150	-	100%
University Medical Scheme	3,000,000	-	3,000,000	1,368,395	1,631,605	46%
Purchase of Stationery (Exams)	500,000	(60,666)	439,334	439,334	-	100%

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Motor Vehicles Operating Expenses	3,000,000	279,839	3,279,839	3,279,839	-	100%
Local and External Travel & Accommodation	2,000,000	(22,824)	1,977,176	1,977,176	-	100%
Telephone and Postage Expenses	200,000	(88,675)	111,325	111,325	-	100%
Purchase of uniforms	100,000	-	100,000	100,000	-	100%
Electricity, Water & Conservancy	3,000,000	125,237	3,125,237	3,125,237	-	100%
Teaching and Office Expenses/Purchase of Teaching Materials	5,000,000	1,620,000	6,620,000	6,263,290	356,710	95%
Printing & publishing	100,000	-	100,000	100,000	-	100%
University Library	5,500,000	(3,183,033)	2,316,967	2,299,222	17,745	99%
Quality Assurance(CUE)	280,000	-	280,000	34,815	245,185	12%
KUCCPS Placement	186,000	238,500	424,500	402,000	22,500	95%
Advertising Publicity & Recruitment	500,000	(243,143)	256,858	256,858	-	100%
Audit Fees	525,000	-	525,000	-	525,000	0%
Rents & Rates	20,000	-	20,000	20,000	-	100%
Internet Expenses	7,500,000	-	7,500,000	7,154,742	345,258	95%
<b>Legal Fees</b>	100,000	-	100,000	-	100,000	0%
Insurance	2,000,000	(1,033,580)	966,420	966,420	-	100%
Membership Subscription	100,000	-	100,000	100,000	-	100%
Students union/Student Activities	400,000	(193,450)	206,550	206,550	-	100%
Students Mentorship	50,000	-	50,000	50,000	-	100%
Students Sports and Games	1,000,000	-	1,000,000	1,000,000	-	100%
Koitaleel Samoei University College Scholarships	-	-	-	-	-	-
External Examiners	500,000	-	500,000	500,000	-	100%
Cleaning Services	2,000,000	-	2,000,000	1,996,636	3,364	100%
Conferences & Seminars	200,000	-	200,000	200,000	-	100%
Council and Committees	12,920,530	0	12,920,530	12,771,970	148,560	99%
Tender Expenses/Tender Committee	-	-	-	-	-	-
Funeral Expenses	50,000	-	50,000	50,000	-	100%
Resource Mobilization	1,000,000	(407,725)	592,275	592,275	-	100%

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Local Exhibitions	200,000	(1,975)	198,025	198,025	-	100%
Staff Development	100,000	-	100,000	85,600	14,400	86%
Staff Training Levy	84,000	-	84,000	84,000	-	100%
Purchase of Motor vehicles	-	-	-	-	-	-
<b>Furniture and Equipment/Purchase of Plant &amp; Teaching Equipment</b>	<b>2,000,000</b>	<b>-</b>	<b>2,000,000</b>	<b>1,987,298</b>	<b>12,702</b>	<b>99%</b>
ICT Investment	-	-	-	-	-	-
Maintenance of Plant & Teaching Equipment	500,000	-	500,000	500,000	-	100%
Maintenance of Buildings & Stations	400,000	70,201	470,201	470,201	-	100%
University Master Plan Development	-	-	-	-	-	-
Students Welfare	1,000,000	-	1,000,000	1,000,000	-	100%
External Research Expenses	850,000	-	850,000	850,000	-	100%
Internal Research Programmes	200,000	-	200,000	200,000	-	100%
Contracted Security services	2,850,000	664,442	3,514,442	3,514,442	-	100%
HIV and AIDS Awareness	20,000	-	20,000	20,000	-	100%
National Value and Cohesion	30,000	-	30,000	30,000	-	100%
Valuation of Assets/Tagging of Assets	1,500,000	-	1,500,000	-	1,500,000	0%
Income Generating Activities	1,000,000	-	1,000,000	1,000,000	-	100%
Capital Development	98,448,711	-	98,448,711	76,000,000	22,448,711	77%
<b>TOTAL EXPENDITURE</b>	<b>258,410,602</b>		<b>258,410,602</b>	<b>258,838,689</b>	<b>(428,087)</b>	<b>100%</b>

**Budget notes on Variances**

1. *Tagging and Valuation of assets was done during the financial period due to delay in the procurement process*
2. *Decrease in collection of student accommodation was due to lack of student's hostels most of them opted for accommodation within the community.*
3. *Capital Grants has been on the decline affecting expansion of the College*
4. *University Medical scheme was partially utilized for students Clinic, process of having staff medical cover is at its advance stages.*

## **16. NOTES TO THE FINANCIAL STATEMENTS**

### **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.

### **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 judgement 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**1. Adoption of New and Revised Standards**

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

<b>Standard</b>	<b>Impact</b>
Other	<b>Applicable: 1<sup>st</sup> January 2021:</b>
Improvements to IPSAS	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Summary of Significant Accounting Policies**

#### **Revenue recognition**

##### **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 realised 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 labour hours incurred to date as a percentage of total estimated labour hours.

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

###### **Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably

and it is probable that the economic benefits or service potential associated with the transaction will flow to the 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.

**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 xxx of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**Summary of Significant Accounting Policies (Continued)**

**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.

**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. Depreciation has been provided at the rate of 20% for Motor Vehicles, 33.3% for Furniture and Equipment, 10% for Computers and 2% for Buildings. The University of Nairobi consultants have been invited to undertake valuation of Land and Building to ascertain current costs and to separate the cost of Land from Building for purposes of insurance and presentation in our financial statements.

**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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

#### **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.

##### **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.

###### **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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

#### **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.

#### **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.

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

#### **Contingent liabilities**

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

#### **Contingent assets**

The 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.

#### **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.

#### **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.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future. The college has a registered Pension Scheme registered on 20 May 2022 managed by Octagon Limited

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

Contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

### **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.

### **Related Party Transactions**

In the period, the Government approved a budget of **Kshs.258 Million**. The CBA for 2017-2021 was received and implemented in June 2019/2020 Financial Year. University of Nairobi Transferred Kshs.60 Million recurrent funds during the period.

### **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.

### **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

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

### **Summary of Significant Accounting Policies (Continued)**

Statements, cash and cash equivalents also include short term cash imprests and advances to authorised 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.

### **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.

### **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 judgements, estimates and assumptions made.

### **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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**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.

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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

<b>Revenue from Non Exchange transactions</b>	<b>2020/2021</b>	<b>2019/2020</b>
<b>2. Exchequer recurrent Grants</b>	<b>Kshs</b>	<b>Kshs</b>
Jul-20	8,554,324	7,916,666
Aug-20	8,554,324	7,916,667
Sep-20	8,554,324	7,916,667
Oct-20	8,554,324	7,916,666
Nov-20	8,554,325	7,916,667
Dec-20	8,554,324	7,916,667
Jan-21	8,554,324	7,916,666
Feb-21	8,554,324	7,916,667
Mar-21	8,554,325	7,916,667
Apr-21	8,554,325	7,916,666
May-21	8,554,325	7,916,667
Jun-21	8,554,324	7,916,667
	<b>102,651,892</b>	<b>95,000,000</b>

**3. Transfers from Other Entities**

CBA 2017/2021 Arrears		5,209,227
Transfers from UON Recurrent	60,000,000	-
	<b>60,000,000</b>	<b>5,209,227</b>

**4. Revenue from Exchange Transactions**

Tuition Fees Module 1	8,199,409	1,607,631
Tuition Fees Module 11 Receivable	3,685,000	1,648,300
Staff house rent	621,720	71,002
Students accomodation	5,960	172,373
Income Generating Units	1,384,922	-
	<b>13,897,011</b>	<b>3,499,306</b>
<b>Total Revenue</b>	<b>176,548,903</b>	<b>103,708,533</b>

**EXPENDITURE**

**5. Employee Costs**

Basic pay	71,809,247	12,060,621
House allowance	18,432,115	4,296,827
Employers contribution to provident fund	395,504	1,369,863
Other Allowances	14,440,483	5,492,273

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Transport Allowance	8,103,692	1,073,422
Part time Lecturers	3,128,962	1,540,630
Gratuity Allowance	5,230,504	1,689,576
<b>Grand Total</b>	<b>121,540,507</b>	<b>27,523,212</b>

**6. Use of Goods and Services**

Electricity, Water and Conservancy	1,836,955	2,313,439
Purchase of Examination Materials	161,800	0
University Medical Scheme	383,919	756,345
Local Travel ,Transport & Accomodation	1,776,236	2,530,310
Publishing and Printing	0	150,600
Advertising ,Publicity , Advertising	256,858	471,435
Fees, Commission & Honoraria	0	466,295
Students sports & Games	405,700	0
Rent & Rates	22,020	0
ICT, Internet service and licences	3,201,969	811,156
Quality Assurance	0	67,000
Insurances	1,385,815	75,960
Membership Subscriptions	47,400	0
Students Unions /Students Associations	206,550	102,760
External Examiners	718,848	19,700
Resource Mobization	539,700	0
Local Exhibitions	230,025	0
Teaching and Office Expenses	6,921,278	8,536,444
Motor Vehicle Operating Expenses	2,900,445	967,701
Telephone, & Postage	246,925	353,975
Staff Development	85,600	133,400
Students Welfare	493,900	0
University Nairobi	633,490	0
Finance Costs( Bank charges)	349,354	64,626
Audit fees	600,000	
	<b>23,404,787</b>	<b>17,821,146</b>

**7. Council Expenses**

Chairman /Directors's Honouraria	1,020,000	0
Sitting Allowances	4,305,000	0
Medical Insurance	544,367	0
Induction and Training	4,425,800	0
Travel and accomodation	2,272,670	0

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	<b>12,567,837</b>	<b>9,953,135</b>
<b>8. Repairs and Maintenance</b>		
Maintenance of Buildings, Plants & stations	378,363	2,387,409
	<b>378,363.00</b>	<b>2,387,409</b>
<b>9. Depreciation &amp; Amortization</b>		
Land and Buildings	4,319,333	0
Motor Vehicles	1,624,324	0
Furniture and Fittings	5,773,865	0
computers	1,108,598	0
	<b>12,826,120</b>	<b>10,565,106</b>
<b>10. Contracted Services</b>		
Contracted Security Services	3,682,991	0
Cleaning Materials	2,068,769	1,923,265
	<b>5,751,760</b>	<b>1,923,265</b>
<b>11. Cash and Cash Equivalent</b>		
Cash at Bank ABSA Bank	12,375,891	20,321,085
Cash at Bank KCB Bank	2,108,225	128,778,768
	<b>14,484,116</b>	<b>149,099,853</b>
<b>12. Trade and other Receivables</b>		
<b>Current Receivables</b>		
Sundry Debtors	0	115,600
Student Debtors	468,304	939,456
	<b>468,304</b>	<b>1,055,056</b>
<b>13. Inventories</b>		
Office consumables	1,742,549	0
Library Books	7,446,900	0
Drugs	430,157	10,974,457
	<b>9,619,606</b>	<b>10,974,457</b>
<b>14. Accruals &amp; Provisions</b>		
Provision for Audit Fees	600,000	500,000
	<b>600,000</b>	<b>500,000</b>

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**15. Trade and other payables**

**Particulars**

**Tade payables**

Trade Creditors	12,958,731	0
Withholding Tax	7,032,399	0
Withholding VAT	3,488,943	0
Commisioner of Domestic Taxes	5,932,250	0
<b>Total</b>	<b>29,412,323</b>	<b>0</b>

**Other Payables- Students**

Prepaid Fees	998,654	0
Caution Money	1,290,000	0
<b>TOTAL</b>	<b>2,288,654</b>	<b>0</b>

**Other payables-Payroll**

Pension	4,474,401	0
	<u>36,175,378</u>	<u>0</u>

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<b>16(a). PLANT PROPERTY AND EQUIPMENT</b>						
	<b>Land and Buildings</b>	<b>Motor vehicles</b>	<b>Furniture and fittings</b>	<b>Computers</b>	<b>Work in Progress</b>	<b>Total</b>
<b>Cost</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>	<b>Shs</b>
At 1 July 2020	235,600,000	8,859,948	7,729,902	5,290,508	31,944,751	289,425,109
Additions						
Disposals						
Transfers/adjustments						
At 30 <sup>th</sup> June 2021	235,600,000	8,859,948	7,729,902	5,290,508	31,944,751	289,425,109
Additions			11,185,298	6,803,293	166,708,718	184,697,309
Disposals						
Transfer/adjustments						
At 30 <sup>th</sup> June 2021	235,600,000	8,859,948	18,915,200	12,093,801	198,653,469	474,122,418
Depreciation and impairment						
At 1 July 2020						
Depreciation	4,400,000	1,988,968	780,082	2,324,473		9,493,523
Impairment						
At 30 June 2021	235,600,000	8,859,948	18,915,200	12,093,801	198,653,469	474,122,418
Depreciation	4,319,333	1,624,324	5,773,865	1,108,598		12,826,120
Disposals						
Impairment						
Transfer/adjustment						
At 30 <sup>th</sup> June 2021	231,280,667	7,235,624	13,141,335	10,985,203	198,653,469	461,296,298
Net book values						
At 30 <sup>th</sup> June 2021	231,280,667	7,235,624	13,141,335	10,985,203	198,653,469	461,296,298
At 30 <sup>th</sup> June 2020	235,600,000	8,859,948	7,729,902	5,290,508	31,944,751	289,425,109

**NOTES;**

1. *Land and Buildings was valued at Kshs. 240 Million in financial year 2018/2019 by University of Nairobi for purposes of insurance. We have contacted the Engineers from University of Nairobi to conduct current valuation and to segregate the value of Buildings from Land for proper presentation and Disclosure.*
2. *Completed projects under Work in Progress will be transferred to the relevant Asset Account in Financial year 2021/2022*

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<b>16 (b) . Work in progress</b>					
<b>Particulars</b>	<b>Project Cost</b>	<b>Jun-20</b>	<b>Additions</b>	<b>Transfers</b>	<b>Jun-21</b>
<b>Renovation of lecture halls;</b>	47,751,831				
Certificate no. 1014417		12,475,880			12,475,880
Certificate no. 1014422		10,223,117			10,223,117
Certificate No. 1014423			2,110,818		2,110,818
Certificate No.1026277			1,052,948		1,052,948
Certificate No.1026285			713,150		713,150
Certificate No.1025280			12,012,900		12,012,900
Certificate No. 1026282			4,072,123		4,072,123
<b>Construction of elevated water tank;</b>	16,648,316				
Certificate no.1014416		9,245,754			9,245,754
Certificate No.1014425			4,542,299		4,542,299
Certificate No.1026279			968,408		968,408
Certificate No.1026284			1,887,268		1,887,268
<b>Construction of Administration Block;</b>	628,504,063				
Certificate No.1018178			28,272,000		28,272,000
Certificate No.1018179			49,020,000		49,020,000
Certificate No.1018180			28,420,000		28,420,000
Certificate No.1018181			8,236,000		8,236,000
<b>Purchase of Standby Generator;</b>	4,439,400				
Certificate No.1014424			3,103,888		3,103,888
Certificate NO.1026278			897,532		897,532
Certificate No.1026286			437,124		437,124
<b>Pavements and Landscaping;</b>	25,857,876				
Certificate No.1026281			10,125,589		10,125,589
Certificate No. 1026283			9,336,671		9,336,671
<b>Installation of Local Area Network;</b>					
Interim Certificate			1,500,000		1,500,000
<b>TOTAL</b>	<b>723,201,486</b>	<b>31,944,751</b>	<b>166,708,718</b>	<b>0</b>	<b>198,653,469</b>

**Notes;**

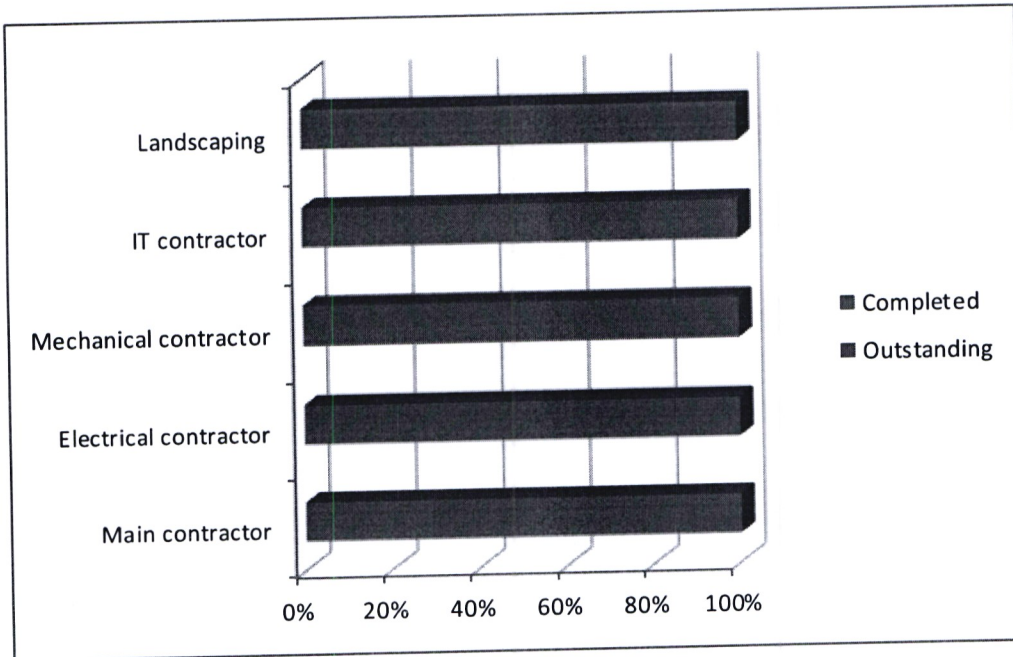
1. Construction of Administration Block in Nandi Hills valued at Kshs. 628 million is 22% complete, completion date is November 2022 but due to reduced capital Grants the project may not be completed within the time frame
2. Renovation of classroom in Mosoriot Campus valued at Kshs. 21 million is complete and was handed over for use, this will be transferred to land and buildings in financial year 2021/2022
3. Landscaping and external works valued at Kshs. 25 million is complete and was handed over for use, this will be transferred to land and Buildings in financial year 2021/2022

**APPENDIX 1: PROJECTS IMPLEMENTED BY KOITALEEL SAMOEI UNIVERSITY COLLEGE**

<b>Status of Project Completion</b>				
<b>Particulars</b>	<b>Project Cost</b>	<b>Total expended to date</b>	<b>Balance</b>	<b>status</b>
Renovation of lecture halls	47,751,831	42,660,936	5,090,895	Complete % in use
Construction of elevated water tank	16,648,316	16,643,729	4,587	Complete % in use
Construction of Administration Block	628,504,063	113,948,000	514,556,063	22% complete
Purchase of Standby Generator	4,439,400	4,438,544	856	Complete % in use
Pavements and Landscaping	25,857,876	19462259	6,395,617	Complete % in use
<b>TOTAL</b>	<b>723,201,486</b>	<b>154,492,532</b>	<b>520,957,123</b>	

**Projects implemented by the State Corporation/ SAGA Funded by development partners and/ or the Government.**

**APPENDIX 11; STATUS OF PROJECTS COMPLETION**



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<b>APPENDIX II: INTER-ENTITY TRANSFERS</b>					
<b>KOITALEEL SAMOEI UNIVERSITY COLLEGE</b>					
Break down of Transfers from the State Department University Education					
FY 2020/2021					
<b>a.</b>	<b>Recurrent Grants</b>				
			Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			08/07/2020	8,554,324.00	Q1-2020/2021
			31/08/2020	8,554,324.00	Q1-2020/2021
			01/10/2020	8,554,324.00	Q2-2020/2021
			30/10/2020	8,554,324.00	Q2-2020/2021
			07/12/2020	8,554,325.00	Q2-2020/2021
			04/01/2021	8,554,324.00	Q3-2020/2022
			05/02/2021	8,554,324.00	Q3-2020/2022
			13/03/2021	8,554,324.00	Q3-2020/2022
			09/04/2021	8,554,325.00	Q4-2020/2022
			10/05/2021	8,554,324.00	Q4-2020/2022
			17/06/2021	8,554,325.00	Q4-2020/2022
			25/06/2021	8,554,324.00	Q4-2020/2022
			<b>KSUC sub-total</b>	<b>102,651,891.00</b>	
	<b>GRAND TOTAL-RECURRENT FUNDS</b>			102,651,891.00	
<b>b.</b>	<b>Development Grants</b>				
			Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Amount reimbursed		17/09/2020	49,224,355.00	Q1-2020/2021
			<b>KSUC sub-total</b>	<b>49,224,355.00</b>	
<b>c.</b>	<b>Direct Payments</b>				
			Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	ORION NEBULAR CERT NO.1018179		12/08/2020	49,020,000.00	Q1- 2020/2021
	NETLINE CERT NO. 1014424		17/08/2020	3,103,888.16	Q1- 2020/2021
	DASTNINE LTD CERT NO. 1014423		17/08/2020	2,110,817.90	Q1- 2020/2021
	ORION NEBULAR CERT NO.1014425		17/08/2020	4,542,299.36	Q1- 2020/2021

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	ORION NEBULAR CERT NO.1018178	22/09/2020	28,272,000.00	Q2- 2020/2021
	ORION NEBULAR CERT NO.1026279	13/11/2020	968,408.00	Q2- 2020/2021
	NETLINE CERT NO. 1026278	13/11/2020	897,532.00	Q2- 2020/2021
	DASTNINE LTD CERT NO. 1026277	14/11/2020	1,052,948.00	Q2- 2020/2021
	ORION NEBULAR CERT NO.1018180	08/03/2021	28,420,000.00	Q3- 2020/2021
	ORION NEBULAR CERT NO.1018181	16/03/2021	8,236,000.00	Q3- 2020/2021
	DASTNINE LTD CERT NO. 1025280	30/03/2021	12,012,900.27	Q3- 2020/2021
	GANOL LOGISTICS CERT NO.1026281	30/03/2021	10,125,588.58	Q3- 2020/2021
	DASTNINE LTD CERT NO. 1026282	16/06/2021	4,072,123.26	Q4- 2020/2021
	GANOL LOGISTICS CERT NO.1026283	16/06/2021	9,336,670.83	Q4- 2020/2021
	NETLINE CERT NO. 1026286	18/06/2021	437,124.27	Q4- 2020/2021
	DASTNINE LTD CERT NO. 1026285	18/06/2021	713,149.88	Q4- 2020/2021
	ORION NEBULAR CERT NO.1026284	18/06/2021	1,887,267.81	Q4- 2020/2021
		<b>Total</b>	<b>106,431,712.90</b>	
<b>d.</b>	<b>Certificates claimed</b>			
	CERTIFICATE NO.1018179	12/08/2020	49,020,000.00	Q1- 2020/2021
	CERTIFICATE NO.1018178	22/09/2020	28,272,000.00	Q2- 2020/2021
	CERTIFICATE NO. 1026278	13/11/2020	897,532.00	Q2- 2020/2021
	CERTIFICATE NO.1026279	13/11/2020	968,408.00	Q2- 2020/2021
	CERTIFICATE NO. 102627	14/11/2020	1,052,948.00	Q2- 2020/2021
	CERTIFICATE NO.1018180	08/03/2021	28,420,000.00	Q3- 2020/2021
	CERTIFICATE NO.1018181	16/03/2021	8,236,000.00	Q3- 2020/2021
	CERTIFICATE NO.1026282	16/06/2021	4,072,123.26	Q3- 2020/2021
	CERTIFICATE NO. 1025280	30/03/2021	12,012,900.27	Q3- 2020/2021
	CERTIFICATE NO. 1026281	30/03/2021	10,125,588.58	Q3- 2020/2021
	FINAL CERTIFICATE NO.1026286	18/06/2021	437,124.27	Q4- 2020/2021
	FINAL CERTIFICATE NO.1026285	18/06/2021	713,149.88	Q4- 2020/2021
	FINAL CERTIFICATE NO.1026284	18/06/2021	1,887,267.81	Q4- 2020/2021
	CERTIFICATE NO. 1026283	16/06/2021	9,336,670.83	Q4- 2020/2021
		<b>Total</b>	<b>155,451,712.90</b>	
		<b>Total</b>	<b>261,883,425.80</b>	

The above amounts have been communicated to and reconciled with the parent ministry.