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**REPORT**  
**OF**  
**THE AUDITOR-GENERAL**  
**ON**  
**KENYA UTALII COLLEGE**  
**FOR THE YEAR ENDED**  
**30 JUNE, 2024**

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 30 APR 2025	DAY: 30/4/25
TABLED BY:	Leader of the majority Party
CLERK-AT THE-TABLE:	M. Mado



**Kenya Utalii College**

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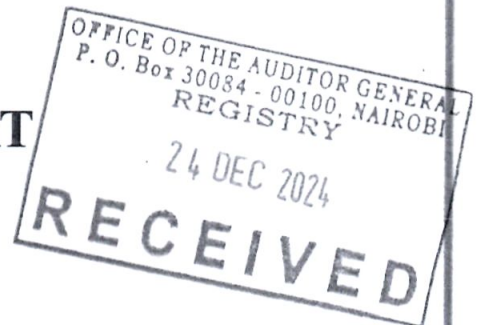
**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2024**

**PREPARED IN ACCORDANCE WITH THE  
ACCRUAL BASIS OF ACCOUNTING  
METHOD UNDER THE INTERNATIONAL  
PUBLIC SECTOR ACCOUNTING  
STANDARDS (IPSAS) ACCRUALS**



# **KENYA UTALII COLLEGE**

## **Annual Report and Financial Statements for The Year Ended 30<sup>th</sup> June 2024**

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## 1. Acronyms, Abbreviations and Glossary of Terms

### A: Acronyms and Abbreviation

CEO	Chief Executive officer
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
PFM	Public Finance Management
PSASB	Public Sector Accounting Standard Board
SAGAs	Semi –Autonomous Government Agencies
SC	State Corporation
MOT	Ministry of Tourism
ITK	Individual Training Kitchen
KUC	Kenya Utalii College
GDP	Gross Domestic Product
CSR	Corporate Social Responsibility
Y.O.B	Year of Birth
MA	Masters of Arts
USIU	United States International University

### B: Glossary of Terms

**Fiduciary Management-** Members of Management are directly entrusted with the responsibility of financial resources of the organisation.

**Comparative Year** – Means the prior period.

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## 2. Key Entity Information and Management

### (a) Background information

The Kenya Utalii College is a public hospitality & Tourism training institution established under the Tourism Act, of 2011. The College Council is responsible for the general policy and strategic direction of the College.

### (b) Principal Activities

The principal activity/mission is to develop a highly qualified human resource base for the hospitality and tourism industry through training, research, consultancy and related services.

### (c) Key Management

The College day-to-day management is under the following key organs:

- Ministry of Tourism(State Department of Tourism);
- College Council
- Management

### (d) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Ag. Principal & Chief Executive Officer	Mr. Anthony K. Mbehelo
2.	Ag. Director Academic Affairs	Mr. Peter M.Muindi
3.	Director, Finance and Accounting	Mr. Benard K.Chepkwony
4.	Ag. Director, Utalii Hotel	Ms. Rosalind Gicheru
5.	Ag. Director, Human Resources and Administration.	Mr. Moses Nyagundi
6.	Ag. Director Strategy and Enterprise Development	Dr. Lilian Gikutha
7.	Ag. Deputy Director Internal Audit and Risk Assurance	Ms. Jane Kawira

### (e) Fiduciary Oversight Arrangements

The College oversight role is vested in various offices as follows;

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➤ **Audit and Finance Committee of the Council:**

The committee provide oversight and advice on the financial activities of the College and the financial reporting process to ensure balance, transparency and integrity of published financial information.

➤ **Parliamentary Public Accounts and Public Investments Committees:**

These committees review reports and recommendations of the Auditor General on the state of affairs of the College.

They have powers to interrogate any adverse findings by the Auditor General and prescribe a remedy.

**(f) Headquarters**

P.O.Box 31052 - 00600

Thika Road, Ruaraka

Nairobi.

**(g) Contacts**

Telephone :( 254) - 020-2458627, 0722205891, 0733410005

E-mail: [info@utalii.ac.ke](mailto:info@utalii.ac.ke)

Website: [www.utalii.ac.ke](http://www.utalii.ac.ke)

**(h) Bankers**

ABSA Bank Kenya Plc

Queensway House Branch

P.O Box 30011 - 00200

Nairobi.

Co-operative Bank of Kenya Limited

Stima Plaza Branch

P.O.Box 38764 - 00600

Nairobi.

**(i) Independent Auditors**

Auditor General

Office of the Auditor General

Anniversary Towers, University Way

P.O Box 30084-00100

Nairobi, Kenya

**(j) Principal Legal Adviser**

The Attorney General

State Law Office

Harambee Avenue

P.O. Box 40112-00200

Nairobi.

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## 3. The College Council

According to the Tourism Act 2011, management of the College is vested in the Council, the chairman is appointed by H.E the president of Republic of Kenya, other council members are appointed by the cabinet secretary. The following are the members of College Council;

### COLLEGE COUNCIL -INDEPENDENT MEMBERS (FY 2023/2024)



**Omusotsi D. Wamatsi**  
Chairman  
Y.O.B: 1978

#### Qualifications & Experience

- Bachelor of Science ( Biochemistry) Kenyatta University
- Esiko NGC JV Company Limited  
( Director/Managing Patner)  
2010-present
- Esiko Kenya Enterprises Limited  
(Managing Director/Chief Executive Officer)  
2010-Present
- Geo-Intel Company Limited  
(Managing Director)  
2010-present
- Wan & Barnhill Company Limited  
(Managing Director)
- Brookside Dairies Limited  
(Attache)  
May, 2002 to August , 2002

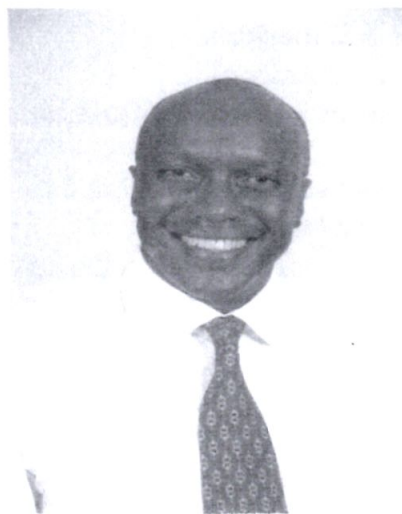
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Ms. Rose Polyne Nyambura  
Member  
(Vice Chairperson,Council)  
Y.O.B:1966

**Qualifications & Experience**

- Bachelor of Commerce ( BusinessManagement)
- Strategic Entrepreneur
- Thought Leader and Community Empowerment Lead/implementation
- Safari park Hotel ( 1988 to 1993)-Guest Relations



Mr. Bryan Waruhiu  
Member  
(Chairperson , Finance & Human Resource Committee  
Y.O.B: 1963

**Qualifications & Experience**

- Degree in Hospitality and Tourism Management
- Food & Beverage Diploma
- Ecolife Conultium ( January,2004 to date)- Associate Consultant
- Piccolo Beach Hotel , Mombasa (August,1988 to January, 1996)-General Manager
- Hotel du Rhone , Switzerland (December, 1987 to July, 1988)-Hotel Management Trainee, Front Office Department
- Hotel au Lac, Switzerland ( December, 1986 to July, 1987)-Hotel Management Trainee, Food and Beverage department
- Hotel du Rhone, Switzerland (December, 1985 to July, 1986-Service Department.

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**Ms. Jane Adam**  
Member  
Chairperson , Technical & Strategy  
Committee  
Y.O.B :1960

**Qualifications & Experience**

- Bachelor of Science in Hospitality
- Diploma in Hotel Management
- Kenya Association of Women In Tourism-  
KAWT(October,2019 to  
October,2024)Chairperson
- Kenyatta International Convention Centre-  
KICC( October, 2015 to  
February,2022Independent Non-Executive  
Board Director.
- Tour operators society of Kenya-  
TOSK(December,2021 to December,2024)-  
Trustee




**Ms. Mary Saende**  
Member  
(Chairperson, Council Audit  
Committee)  
Y.O.B :1977

**Qualifications & Experience**

- MA international Relations
- Bachelor of Science International Business  
Administration.
- Diploma ,Non-Governmental Organisations
- Certificate ,Events Management
- Entrepreneur ( Catering,Bakery and Events-  
Organising Company)
- USIU-A-Lecturer
- Commercial Bank of Africa-Persoanal Banker
- Kenya Rural Enterprise Program



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 <p><b>Mr. John Odek Odek</b> Member Y.O.B :1998</p>	<p><b>Qualifications &amp; Experience</b></p> <ul style="list-style-type: none"> <li>▪ Degree in Business Management</li> <li>▪ Sign Language Interpreter</li> <li>▪ Business Manager</li> </ul>
 <p><b>Mr. Peter S. Ngori</b> Member (Chairperson, Governance &amp; Compliance Committee) Y.O.B:1954</p>	<p><b>Qualification &amp; Experience</b></p> <ul style="list-style-type: none"> <li>▪ Advanced Hotel Management Diploma (Hotel College Munich, Germany)</li> <li>▪ Diploma in Hotel Management (Kenya Utalii College)</li> <li>▪ Eka Hotel Nairobi-Operations Director/Shareholder of the Management Company</li> <li>▪ Abercrombie and Kent (2015 to date)- Executive Vice Chairman</li> <li>▪ Technical Hospitality Consultant</li> <li>▪ Abercrombie &amp; Kent (2001 to 2015)- Managing Director.</li> <li>▪ 1996-to 2000-Operations Director</li> <li>▪ Windsor Golf &amp; Country Club (1988 to 1995)- Operations Manager</li> <li>▪ Jacaranda Nairobi (1986 to 1988)-General</li> </ul>


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	<p>Manager.</p> <ul style="list-style-type: none"> <li>▪ Nyali Beach Hotel (1982 to 1986)-Deputy General Manager</li> <li>▪ Outspan Hotel/ Treetops ( 1981-to 1982)- General Manager</li> <li>▪ Maseru Hotel,Lesotho (1979 to 1981)- Assistant General Manager.</li> </ul>
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**MEMBERS OF THE COUNCIL WHO ARE PUBLIC OFFICERS- FY 2023/2024**

 <p><b>Mr.David Mwangi</b> Member Y.O.B :1981</p>	<p><b>Qualifications &amp; Experience</b></p> <ul style="list-style-type: none"> <li>▪ Ag. Chief Executive Officer, Tourism Fund <b>From- (10.07.2020)</b></li> </ul>
 <p><b>Mr. Robert Kamau Kamiti</b> Member Y.O.B:1968</p>	<ul style="list-style-type: none"> <li>▪ Alternate for Principal Secretary State Department of Tourism</li> </ul> <p><b>Qualification &amp; Experience</b></p> <ul style="list-style-type: none"> <li>▪ Master’s Degree in Public Administration</li> <li>▪ Post Graduate Diploma in international Relations</li> <li>▪ Bachelor of Arts (Economics and Government)</li> <li>▪ Ministry of Tourism, Wildlife &amp; Heritage-State Department for Tourism (2019 to date)-Assistant Director, Tourism</li> <li>▪ Ministry of Tourism-State Department for Tourism (2015 to 2018)-principal</li> </ul>

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	<p>Tourism Officer.</p> <ul style="list-style-type: none"> <li>▪ Ministry of Tourism –State Department for Tourism (2009 to 2018)-Chief Tourism Officer</li> <li>▪ Ministry of Tourism-State Department for Tourism (2003 to 2009)-Touristic officer I</li> <li>▪ Ministry of Trade and Industry (2001 to 2003)-Industrial Development officer.</li> <li>▪ Ministry of Tourism and Information (1997 to 2003)-Touristic officer II</li> <li>▪ Rurigi Secondary School, Uasin Gishu (1995-to 1997)-Head Teacher.</li> <li>▪ American Life Insurance Company- Alico (1993 to 1995) –insurance Sales Executive</li> </ul>
 <p>Mr.Darius Mogaka Ogutu Member Y.O.B :1972</p>	<p><b>Qualification &amp; Experience</b></p> <ul style="list-style-type: none"> <li>▪ Alternate for Principal Secretary, Ministry of Education <b>From-( 05.04.2016)</b></li> </ul>

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Mr. Anthony K. Mbehelo  
Ag. Principal and CEO

- Master's in Business Administration (Operation Management)
- Bachelor of Commerce (Management Science)
- Diploma in Hotel Management
- YOB:1975

Corporation Secretary

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## **Council Committees:**

### **Finance and Human Resource Committee**

The following members served in the Committee:

Mr. Bryan Waruhiu	: Chairperson
Mr. David K. Mwangi	: Member
Mr. Rose P. Nyambura	: Member
Mr. Peter S. Ngori	: Member

### **Council Audit Committee**

The following members served in the Committee:

Ms. Mary Saende	: Chairperson
Mr. Robert Kamau Kamiti	: Member
Mr. Jane Adam	: Member
Mr. John Odek Odek	: Member

### **Technical and Strategy Committee**

The following members served in the Committee:

Ms. Jane Adam	: Chairperson
Mr. Bryan Waruhiu	: Member
Mr. Darius Mogaka	: Member
Mr. David k. Mwangi	: Member

### **Governance & Compliance Committee**



The following Members served in the Committee

Mr. Peter S.Ngori	: Chairperson
Ms. Rose P. Nyambura	: Member
Mr. John Odek Odek	: Member
Mr. Robert K.Kamiti	: Member
Mr. Darius Mogaka	: Member

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

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## 4. Key Management Team

 <p>Mr. Anthony K. Mbehelo Ag. Principal and Chief Executive Officer.</p>	<ul style="list-style-type: none"> <li>• Master's in Business Administration (Operation Management)</li> <li>• Bachelor of Commerce (Management Science)</li> <li>• Diploma in Hotel Management</li> <li>• YOB:1975</li> </ul>
 <p>Mr. Peter M. Muindi Ag. Director of Studies</p>	<ul style="list-style-type: none"> <li>• Master's in Business Administration (Strategic Management)</li> <li>• Bachelor of Science (Hospitality Management)</li> <li>• Diploma in Hotel Management</li> <li>• YOB: 1966</li> </ul>
 <p>Mr. Bernard K. Chepkwony Director, Finance and Accounting</p>	<ul style="list-style-type: none"> <li>• Master's in Business Administration (Finance)</li> <li>• Bachelor of Arts (Economics)</li> <li>• Certified Public Secretaries (K)</li> <li>• Certified Public Accountant(K)</li> <li>• YOB:1978</li> </ul>

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Ms. Rosalind Gicharu  
Ag. Director, Utalii Hotel



- Masters in International Hospitality Management (United Kingdom)
- Diploma in Hotel Management
- Instructors Training Programme (Kenya Technical Teachers College)
- YOB: 1972



Mr. Moses Nyagundi  
Ag. Director, Human Resource and  
Administration

- Bachelor of Science in Human Resource Management
- Higher Diploma in Human Resource Management
- Diploma in Human Resource management
- Diploma in Business Management
- YOB: 1968

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 <p>Dr. Lilian Gikutha Ag. Director Strategy and Enterprise Development</p>	<ul style="list-style-type: none"> <li>• Doctor of phillosophy Business Administration</li> <li>• Masters of Business Administration</li> <li>• Bachelor of Science Hospitality &amp; Restaurant Mgmt</li> <li>• Diploma Hospitality &amp; Information Technology.</li> <li>• Diploma Hotel</li> <li>• YOB-1972</li> </ul>
 <p>Ms. Jane Kawira Ag. Deputy Director Internal Audit and Risk Assurance</p>	<ul style="list-style-type: none"> <li>• Master's in Business Administration (Finance)</li> <li>• Bachelor of Commerce</li> <li>• Certified Public Accountant(K)</li> <li>• YOB:1974</li> </ul>
<p>Corporation Secretary</p>	

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

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## **5. Chairman's Statement**

On behalf of the Kenya Utalii College (KUC) Council, I am pleased to present the annual accounts for the financial year 2023/2024 that ended 30<sup>th</sup> June 2024. These accounts have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial performance of the past year has faced challenges. Despite these challenges Kenya Utalii College Council is proud of the achievements that the College has made. Among these is the placement of our alumni to opportunities for work in the United Kingdom and cruise ships among others.

The country's hospitality industry has made great strides in recent time-especially the latest positive developments. According to the World Bank, Kenya's economy is set to be among the top five economies in sub-Saharan Africa. Our hospitality industry contributes an average of 10% to the country's GDP, which is higher than the continents average of 8.1%.It is also worth mentioning that the travel and hospitality sector in Kenya is the country's second foreign exchange earner after agriculture. As key players in the hospitality industry, we need to position ourselves for this growth by thinking internationally.

The need for new generation of workers in tourism and hospitality sector and emerging opportunities in the industry, call for capacity building programs that deliver knowledge and skills necessary to serve in the industry. Consequently, we have deliberately and carefully identified strategic objectives that will ensure that the College effectively plays its role in meeting these demands by aligning our strategy for realization of the National Tourism Blueprint and Sustainable Development Goals.

We are charting a path and building a foundation for successful execution of long-term strategies through strengthening of corporate governance systems, policy reviews, enhanced stakeholder management and enhanced accountability and decision- making processes.

I thank the Government of Kenya, College Council, Management team, Members of Staff and other Stakeholders for their respective contribution towards the performance of the College.

We look forward to a more positive 2024/2025.

**WAMATSI DAVID OMUSOTSI**  
**CHAIRMAN, KENYA UTALII COLLEGE GOVERNING COUNCIL**

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

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## 6. Report of the Principal and Chief Executive Officer

On behalf of Kenya Utalii College Management, I wish to present the annual accounts for the financial year 2023/2024 as at 30<sup>th</sup> June 2024. The College managed to push through all its programs despite the harsh economic situation and reduced funding from our partners.

The College is a leading African hospitality and tourism institution, having trained over 70,000 graduates who work within the continent and around the World.

As a management, we are determined to improve the level of training in hospitality and tourism industry. Achievement of this priority areas will ensure the College continues to produce highly qualified professionals to serve in the ever-changing service industry locally, regionally and internationally. They will serve as ambassadors for the College and country thus enhancing our brand image; and sustainability of the institution over the long-term.

In the course of their training, College graduates have been equipped with skills and knowledge in their respective areas of specialization that will enable them to meet the challenges and expectations of the industry. These graduates are professionals that are very adept in the use of technology and they use this advantage to take the industry to the next level, one of excellent service delivery. The College graduates bring fresh new ideas, skills, energy and vibrancy to the industry. May integrity, humility and service be their core values each step of the way as they join the industry.

We had great plans and aspirations for this esteemed institution at the beginning of year 2023. We have conducted refresher courses in the four regions, management development programs, and other tailor-made training programs, among many other activities.

I am nevertheless glad to report that during the year, the construction of the Individual Training Kitchen Block project is now 95% complete.

I sincerely thank the College Council, the Management Team, Staff and all our stakeholders for the support and commitment to the institution.



**PETER M. MUINDI**

**Ag. PRINCIPAL/CHIEF EXECUTIVE OFFICER**

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

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## 7. Statement of Performance against Predetermined Objective for FY 2023/2024

The Strategic Plan for 2021-2026 period, sets out the strategic direction for the development of Kenya Utalii College (KUC) in the medium term. Over this period, the Tourism and Hospitality landscape will continue to change – and so the Strategic Plan will be reviewed and adapted, to ensure its ongoing relevance. The strategy will also be supported by specific shorter annual work plans.

The Strategy is developed and designed to unite efforts across all areas of KUC's operation with priorities and actions targeted towards shifting the current performance of the College to one of sustainable growth over the plan period and beyond. Five priority objectives are identified that, if delivered, will make a material impact on the trajectory of Tourism and Hospitality training in Kenya. These key priority areas are:

- i. Improving the quality of Tourism & Hospitality industry training and capacity building;
- ii. Ensuring financial sustainability of the College
- iii. Enhancing research, consultancy & collaboration portfolio
- iv. Repositioning the KUC Brand as a market leader
- v. Developing Human Capital and operational excellence

Within each priority objective are specific actions to achieve identified goals in the short and medium term. Implementing the strategy's actions through to 2026 will create the momentum to attract collaborations and prepare the College to deliver high quality programmes in an increasingly diverse stakeholder environment.

KUC has three Strategic pillars and objectives within the current strategic plan for the financial year 2023/2024. These strategic pillars are as follows.

- Training
- Enterprise
- Partnership and Collaboration

Kenya Utalii College develops its work plans based on the above three pillars. KUC achieved its performance targets set out for the Financial Year 2023/2024 period for its three strategic pillars as indicated in the Diagram below

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Strategic Pillar	Objective	Key performance Indicators	Activities	Achievements
Training	<ul style="list-style-type: none"> <li>Develop Human Capital and Operational Excellence</li> </ul>	<ul style="list-style-type: none"> <li>No of Staff Trained</li> </ul>	<ul style="list-style-type: none"> <li>Staff Development</li> </ul>	<ul style="list-style-type: none"> <li>Trained a Total of 121 members of staff in Various course .</li> <li>The courses includes:-               <ol style="list-style-type: none"> <li>1.Science,Technology and Innovation</li> <li>2.Productivity Committee Training</li> <li>3.Communication Skills</li> </ol> </li> </ul>
Partnership and Collaboration	<ul style="list-style-type: none"> <li>Enhancing Research, Consultancy &amp; Collaboration Portfolio</li> </ul>	<ul style="list-style-type: none"> <li>No of Research, collaboration &amp; Consultancies Done</li> </ul>	<ul style="list-style-type: none"> <li>Research</li> </ul>	<ul style="list-style-type: none"> <li>Trained staff of KNH,KENHA, NDIANA,KENYA ARMY</li> <li>Collaboration with:-               <ul style="list-style-type: none"> <li>GR8 Ghana</li> </ul> </li> </ul>
Enterprise	<ul style="list-style-type: none"> <li>Ensure Financial Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Grants</li> </ul>	<ul style="list-style-type: none"> <li>Grants</li> </ul>	<ul style="list-style-type: none"> <li>Received Kshs 101,270,000 from the GOK</li> <li>Received Ksh. 552,000,000</li> </ul>

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

## 8. Corporate Governance Statement

Corporate governance is the manner in which the power of a corporation is exercised in the stewardship of its total portfolio of assets and resources with the primary objective of increasing and sustaining shareholders value while satisfying the needs of all stakeholders in the context of the mission and vision of that corporation. The College Council is committed to ensuring that the College is run in a Professional, transparent just and equitable manner. The College endeavours to adhere to good corporate governance by adhering to guideline issued by centre of corporate governance and benchmarking its activities with the best practices in the industry.

### a) Board Attendance

A record of attendance of council meetings and council committee meetings was kept during the period under review. The provisions of the corporations Act and the Mwongozo Code of Governance for State Corporation pertaining to attendance and absence from meetings have been adhered to.

- Almanac for the College Council

#### COUNCIL AND COUNCIL COMMITTEE MEETINGS FY 2023/2024

FULL COUNCIL		
	Details of Meeting	Date
1.	Ad-hoc Council Committee meeting	Monday, 10 <sup>th</sup> July,2023
2.	Ad-hoc Council Committee Meeting	Thursday, 20 <sup>th</sup> June,2023
3.	132 <sup>nd</sup> Council Meeting	Tuesday, 13 <sup>th</sup> June,2023
4.	Performance Evaluation for College Council (FY 2022/2023)	Monday,7 <sup>th</sup> August,2023
5.	Special Council Meeting	Tuesday,8 <sup>th</sup> August,2023
6.	Perfomance Evaluation for College Council ( FY 2022/2023)	Tuesday, 8 <sup>th</sup> August,2023
7.	133 <sup>rd</sup> Council Meeting	Monday,25 <sup>th</sup> September,2023
8.	Ad-hoc Council Meeting	Wednesday,25 <sup>th</sup> October,2023
9.	134 <sup>th</sup> Council Meeting	Monday,30 <sup>th</sup> October ,2023
10.	135 <sup>th</sup> Council meeting	Monday, 29 <sup>th</sup> January ,2024
11.	Shortlisting Committee Meetings (Recruitment of Senior Managers)	Tuesday,12 <sup>th</sup> March,2024 Wednesday, 13 <sup>th</sup> March ,2024
12.	Shortlisting Committee Meeting(Recruitment of	Monday,29 <sup>th</sup> April,2024

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	Senior Managers)	
13.	136 <sup>th</sup> Council Meeting	Monday,6 <sup>th</sup> May ,2024

<b>FINANCE AND HUMAN RESOURCE COMMITTEE( F &amp;HR)</b>		
	<b>Details of Meeting</b>	<b>Date</b>
1.	84 <sup>rd</sup> F&HR Committee Meeting	Monday, 17 <sup>th</sup> July,2023
2.	Special F&HR Committee Meeting	Wednesday, 19 <sup>th</sup> July, 2023
3.	Special F&HR Committee Meeting	Thursday,20 <sup>th</sup> July ,2023
4.	85 <sup>th</sup> F&HR Committee Meeting	Monday,18 <sup>th</sup> September,2023
5.	86 <sup>th</sup> F&HR Committee Meeting	Monday,16 <sup>th</sup> October,2023
6.	87 <sup>th</sup> F&HR Committee Meeting	Monday, 15 <sup>th</sup> January,2024 Tuesday , 16 <sup>th</sup> January, 2024
7.	88 <sup>th</sup> F&HR Committee Meeting	Tuesday,23 <sup>rd</sup> April, 2024

<b>TECHNICAL AND STRATEGY COMMITTEE( T&amp;S)</b>		
	<b>Details of Meeting</b>	<b>Date</b>
1.	23 <sup>rd</sup> T&S Committee Meeting	Wednesday,19 <sup>th</sup> July ,2023
2.	24 <sup>th</sup> T&S Committee Meeting	Wednesday,18 <sup>th</sup> October,2023
3.	25 <sup>th</sup> T&S Committee Meeting	Wednesday ,17 <sup>th</sup> January , 2024 Friday, 26 <sup>th</sup> January,2024
4	26 <sup>th</sup> T&S Committee Meeting	Wednesday , 24 <sup>th</sup> April, 2024

<b>COUNCIL AUDIT MEETING ( CAC)</b>		
	<b>Details of Meeting</b>	<b>Date</b>
1.	42 <sup>nd</sup> CAC Meeting	Friday,21 <sup>st</sup> July,2023
2.	Ad-hoc CAC Meeting	Friday, 29 <sup>st</sup> September,2023
3.	43 <sup>st</sup> CAC Meeting	Monday,23 <sup>rd</sup> October,2023
4	44 <sup>th</sup> CAC Meeting	Friday,19 <sup>th</sup> January,2024
5	45 <sup>th</sup> CAC Meeting	Monday,22 <sup>nd</sup> April ,2024
6.	Ad-hoc CAC Meeting	Monday, 10 <sup>th</sup> June, 2024

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

<b>GOVERNANCE AND COMPLIANCE COMMITTEE ( G &amp; C)</b>		
	<b>Details of Meeting</b>	<b>Date</b>
<b>1.</b>	1 <sup>st</sup> G&C Committee Meeting	Monday, 9 <sup>th</sup> October, 2023
<b>2.</b>	2 <sup>nd</sup> G&C Committee Meeting	Thursday ,18 <sup>th</sup> January ,2024
<b>3.</b>	3 <sup>rd</sup> G&C Committee Meeting	Thursday, 11 <sup>th</sup> April, 2024

## **b) Conflict of Interest**

Council members are required to disclose any conflict of interest in relation to matters that are brought before them for deliberations. The corporation secretary maintains a register of conflict of interest which is updated where a conflict is declared.

## **c) Statement of Compliance**

The College conducted its business affairs in full compliance with all applicable laws, rules, regulations, relevant executive orders and circulars.

## **d) Council Oversight**

The Council is responsible for the formulation, implementation and monitoring of the College strategic plan thus providing appropriate strategic direction for the College.

The Council ensures that the College espouses proper corporate governance, practices and is also responsible for managing the College risks. The Council recognises and is committed to delivering its responsibility to all stakeholders.

## **e) Council Remuneration**

The Council is remunerated in accordance with the approved terms and condition of service prescribed under various Government circulars

## **f) Corporation Secretary**

The Council is assisted by a qualified, competent and experience Corporation Secretary. The Corporation Secretary coordinates the Council activities and ensures in consultation with the Chairman and Principal & Chief Executive Officer that the board meetings are held procedurally and as per the approved calendar.

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

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## **g) Separation of Roles**

The roles of the Council is separate from that of the Management; the office of the Chairperson and that of the Principal & Chief Executive Officer are held by different persons; Also the office of the Chief Executive Officer and that of the Corporation Secretary are held by different persons.

## **COLLEGE VISION**

To be a globally recognized and transformative premier tourism and hospitality training centre.

## **MISSION STATEMENT**

To develop a highly qualified and globally competitive human resource for the Hospitality and Tourism Industry by providing quality tourism and hospitality education, purposeful research and consultancy.

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

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## 9. Management Discussion and Analysis

### a) The College Operational & Financial Performance

KUC develops highly qualified and globally competitive human resource for the Tourism and hospitality industry by providing quality Training on Tourism, Hospitality Education, purposeful research and Consultancy.

KUC has a weak cash flow position unable to meet obligations as they fall due as earlier stated by the office of the Auditor General.

### b) College Compliance with Statutory Requirements

The College has complied with all statutory obligations including PAYE, NHIF, NSSF, and HELB, except for VAT which is outstanding in the financial year 2023/2024.

### c) Key Projects and Investment Decision the College is implementing

The College is in the final stage of construction of the practical training block which consists of; Individual Training kitchen and food and beverage laboratory.

The stages are as follows.

#### Phase One

1) Construction of practical training block which is ongoing and is currently at 95% completion rate. The works include;

- Main Builders
- Mechanical
- Electrical
- Structural Cabling, Fire Suppression and Extractor hoods.

#### Phase Two

2) Equipping of the practical training block which has not started will involve;

- Complete Cooking range
- Operations tools
- Cold storage equipment
- Food Processing Equipment's
- Equipment for Food and service Practical

### Proposed Project Outputs

- i) Increased number of student intake by 300% (percent) in food production & hospitality management c
- ii) Increase in revenue of internally generated revenue

# Kenya Utalii College,

## Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

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iii) Improve the quality of tourism training by using the modern facilities to acquire new skills which will the demand for the industry.

### **10. Environmental and Sustainability Reporting**

The Tourism and Hospitality industry has positioned itself to lead the country into sustainable economic growth and development in the next few decade.

This comes at a time when the country is striving to ensure sustained economic growth despite the global economic meltdown. Kenya's Tourism and Hospitality sector requires accelerated usage of specialized knowledge, information, and innovativeness to support and expand its contribution to the country's GDP.

The Kenya Utalii College is critical for the realization of the country's tourism and hospitality objectives through provision of the much needed skills by the industry on: promotion and marketing of domestic tourism, development and promotion of conference tourism, development of cultural tourism, standardization and diversification of tourism products, as well as development of modern tourism infrastructure e.g. development of ultra-modern conference facility among others.

#### **i) Sustainability Strategy and Profile**

For KUC to realize its strategic goals sustainably, it should;-

- Ensure growth of teaching and other staffs both in capacity and numbers along with the College's growth.
- Commit to embrace a robust financial management system through diversification of income generation for sustainability and self-reliance.
- Willingness to facilitate all the KUC's programmes identified.
- Institute-wide commitment to implementing the strategic plan activities in phases through performance contracting and evaluation. This will be demonstrated through communication, cooperation, and coordination.

#### **ii) Environmental Performance**

The College offers training in hospitality and Tourism; accommodation as well as conferencing services at the hotel. However, the College has inadequate facilities ranging from: inadequate tuition blocks with a deficit of 220 students per sitting; inadequate training lab capacities with a deficit of 90 students capacity per sitting for the language lab, 40 student capacity per sitting for computer lab, 47 and 46 student capacities per sitting for front office and tourism labs

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

respectively. The College's library also lacks about 75,000 volumes of books as well as e-book resources.

The College administration block lacks adequate offices and the need for optimal use of the College grounds is also evident while the Utalii Village on the other hand does not have adequate houses to accommodate all the College Staff members.

### iii) Corporate Social Responsibility/ Community Engagements

The College as part of its obligation to the Society and fulfilment of the performance contract supports various Corporate Social Responsibility (CSR) activities aimed at positively impacting the vulnerable and less disadvantaged members of the society. The College received invitations to support activities targeting the vulnerable and disadvantaged members of our Society.

NO	ACTIVITY	DATE	AMOUNT (KES)
1.	The College hosted 20 Students and 5 adults from Liberty Vision Learning Centre, Nairobi. They were served with Tea & snacks and later on served with lunch	Friday, 25 <sup>th</sup> August , 2023	10,125
2.	Kenya Utalii College delivered a cake on a Friday, rehearsal day to Drive in Primary public school, (300) candidates who were preparing for the National K.P.S.E.A / K.C.P.E Examinations schedule to begin from 27 <sup>th</sup> October to 1 <sup>st</sup> November , 2023	Wednesday, 1 <sup>st</sup> November 2023	180,000
3.	Kenya Utalii College was invited to participate in the Forest challenge events by sponsoring participants, donating directly or providing in kind support. 12 staff members and 20 students participated. The College was given an opportunity to plant 220 trees which is in line with the Governments tree planting campaign.	Saturday , 25 <sup>th</sup> November, 2023	181,600
4.	As part of corporate social responsibility ( CSR) proposed to donate some firewood to the neighboring St. Benedict Church which runs a school to be used for cooking purposes.	March, 2024	100,000

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

5.	Kenya Utalii College handed over the food items as part of Corporate Social Responsibility (CSR) to the needy childrens home which are located in Huruma. The Good Samaritans Children Home, the Christ Chapel Childrens Home and Missionaries of Charity, Mother Teresa Home.Maize flour,Wheat flour,Rice, Beans,cooking oil and sugar were donated to the homes	Wednesday 12 <sup>th</sup> June, 2024	<b>100,000</b>
<b>TOTAL</b>			<b>571,725</b>

One way that organisations can demonstrate their commitment to CSR is by participating in tree planting initiatives.Planting trees as an organisation can enhance its reputation and brand image, potentially increasing its value and competitiveness in the market.

During the 2023/2024 financial year the following trees were planted in different parts of the country.

DATE	COUNTY	NUMBER OF TREES	BUDGET (KSHS)
13 <sup>th</sup> November 2023	The 13 <sup>th</sup> November was declared as a National tree growing day by the president of the Republic of kenya.Trees were planted at <b>Utalii College, Utalii Hotel,Staff Quarters and Sports ground, Nairobi County</b>	1500	30,000
13 <sup>th</sup> November 2023	On the National tree growing day KUC participated in the tree planting exercise organized by the State Department for Tourism in <b>Ngao Ngao forest, Taita Taveta County</b>	2000	200,000
11 <sup>th</sup> December 2023	To realize performance contracting commitments, KUC partnered with <b>Kakamega County</b> to plant trees in <b>Mumias East Constituency</b>	10,000	1,000,000

# Kenya Utalii College,

## Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

15 <sup>th</sup> March 2024	To support the Governments Landscape and Ecosystems Restoration Programme, State Department for Tourism organized a tree planting exercise in <b>Narok County, Kilgoris</b>	2000	300,000
10 <sup>th</sup> May 2024	To support the Governments landscape and Ecosystem Restoration programme, State Department for Tourism organized tree planting in <b>Taita Taveta County</b>	3000	400,000
16 <sup>th</sup> May 2024	To support the Governments Landscape and Ecosystem Restoration Programme, State Department for Tourism Organized a tree planting exercise in <b>Kitui County</b>	3000	400,000
15 <sup>th</sup> June 2024	To Support the Governments Landscape and Ecosystem Restoration Programme, State Department for Tourism Organized a tree planting exercise in <b>Lake Jipe, Taita Taveta County.</b>	10,000 Purchased by Equity Bank	NIL
	<b>TOTAL</b>	<b>21,500</b>	<b>2,330,000</b>

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

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## **11. Report of the College Council**

The College Council submit their report together with the financial statements for the year ended June 30, 2024 which show the state of Kenya Utalii College affairs.

### **Principal Activities**

The Principal activity/mission is to develop a highly qualified human resource base for the Hospitality and Tourism Industry through Training, Research, Consultancy and related services.

### **Results.**

The results of the entity for the year ended June 30, 2024 are set out on page 1-4.

### **Council**

The members of the Council who served during the year are shown on page (v-xi) and were appointed by the Cabinet Secretary of the Ministry of Tourism, Wildlife & Heritage.

### **Surplus remission**

Kenya Utalii College did not make any surplus during the financial year 2023/2024 and hence no remittance to the Consolidated Fund.

### **Auditors**

The auditor General is responsible for the statutory audit of the entity in accordance with the Public Finance Management (PFM) Act, 2012.

Office of the Auditor General shall carry out Audit of Kenya Utalii College Financial Statements for the year ended 30<sup>th</sup> June 2024.

By Order of the Board

.....  
Corporation Secretary  
Nairobi  
Date.....

# Kenya Utalii College, Annual Report and Financial Statements For The Year Ended 30<sup>th</sup> June 2024

## **12) Statement of the College Council Responsibilities**

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

The Council is responsible for the preparation and presentation of the Kenya Utalii College's financial statements which give a true and fair view of the state of affairs of the College for and as at the end of the financial year ended on June 30, 2024. This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period;
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College;
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud;
- (iv) Safeguarding the assets of the College;
- (v) Selecting and applying appropriate accounting policies; and
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Council accepts responsibility for the Kenya Utalii College's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the College financial statements give a true and fair view of the state of College's transactions during the financial year ended June 30, 2024, and of the College's financial position as at that date. The Council further confirm the completeness of the accounting records maintained for the College, which have been relied upon in the preparation of the College's financial statements as well as the adequacy of the systems of internal financial control. Nothing has come to the attention of the Council to indicate that the Kenya Utalii College will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the financial statements**

The College's financial statements were approved by the College Council on..... and signed on its behalf by:

**Chairman-KUC Council**

**Principal and CEO**



.....

Date

.....

Date

# REPUBLIC OF KENYA



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## **REPORT OF THE AUDITOR-GENERAL ON KENYA UTALII COLLEGE FOR THE YEAR ENDED 30 JUNE, 2024**

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### **PREAMBLE**

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

- A. Report on 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 the 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 the 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, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

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 Kenya Utalii College set out on pages 1 to 38, which comprise of the statement of financial position as at 30 June, 2024,

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*Report of the Auditor-General on Kenya Utalii College for the year ended 30 June, 2024*

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

In my opinion, 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, in all material respects, the financial position of Kenya Utalii College as at 30 June, 2024 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 Tourism Act, 2011 and the Public Finance Management Act, 2012.

### **Basis for Adverse Opinion**

#### **1. Inaccuracies and Presentation of the Financial Statements**

Review of the presentation and disclosures in the financial statements revealed inconsistencies and errors as detailed below:

- i. The statement of cashflows reflects increase/decrease in payables of Kshs.186,755,847 while the recasted balance is Kshs.191,253,662.
- ii. The notes to the financial statements are not properly numbered i.e., Note (i) has been labelled twice for cash and cash equivalents on page 10 and for taxation on page 11.
- iii. There is no note to explain the origin of the direct expenses on Note 4a.
- iv. Note 13 on receivables from exchange transactions has not included percentage for the total of the current financial year as required by the reporting template.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

#### **2. Inaccuracies in Staff Loans Fund**

The statement of financial position and reflects staff loans fund balance of Kshs.24,018,123 as disclosed in Note 21 to the financial statements. Review of the statement of financial position showed that the staff loans fund was reflected both as non-current asset and the same time as non-current liability.

In the circumstances, the accuracy and completeness of staff loans fund balance of Kshs.24,018,123 could not be confirmed.

### **3. Inaccuracies in Cash and Cash Equivalents**

The statement of financial position reflects cash and cash equivalents balance of Kshs.342,465,832 which further includes floats amount of Kshs5,703,628 under Utalii College as reflected in Note 12(d) to the financial statements. However, the following anomalies were noted:

- i. Msafiri connect float amount is presented as Kshs1,000,000 yet the available balance at the close of financial year was Kshs.423,422 with unclaimed electronic tickets receipts of Kshs.576,640 with expenses ranging from 25 April 2024 to 20 June 2024.
- ii. Cashier floats at the College reflects an amount of Kshs.323,628 yet the amount was in form of IOUs extended to two (2) staff amount of Kshs.232,060 to facilitate purchase of raw materials. The amount was issued between 7 June, 2022 to 23 February, 2023. The amount has been wrongly classified as cash and cash equivalents.
- iii. An amount of Kshs1,400,000 was issued to a professor as confidential imprest has been presented as float balance, thereby overstating cash and cash equivalents.
- iv. Included in cash and cash equivalents balances is cash balances of Kshs.4,384,107 under an ABSA account number and an amount of Kshs.3,466,597 under a Cooperative bank account number. The bank confirmation statements as at 30 June, 2024 provided for audit revealed that the accounts had closing balance of Kshs.8,866,528 and Kshs.10,288,496 respectively. No bank reconciliations statements were provided to support the balances reflected in the financial statements.

In the circumstances, the accuracy and completeness of cash and cash equivalents balance of Kshs.342,465,832 could not be confirmed.

### **4. Inaccuracies in Property, Plant and Equipment**

The statement of financial position and Note 28 reflects a balance of Kshs.6,366,981,339 as the net book value of PPE for the financial year ended 30 June, 2024. However, field inspection conducted on 9 December, 2024 revealed that the College had twenty-seven (27) mature dogs of varied breeds, and four (4) puppies which had not been included in the balance. In addition, Note 28 reflects work in progress balance of Kshs.219,981,660 which further includes Kshs.51,214,353 being additions to the College for the year under review, on which the following exceptions were noted:

- i. The general ledger includes an amount of Kshs.114,281,473 as work in progress against an amount of Kshs.105,017,485 reflected under Note 28 on property, plant and equipment resulting in unexplained variance of Kshs.9,263,988.

- ii. Included under the schedule of work in progress are journal entries JV-425, JV-323, JV-323, JV-244 dated 30 June, 2024, 30 June, 2024, 30 June, 2024 and 30 April, 2024 respectively totaling Kshs.30,644,723 shown as work in progress for which no documentation and explanations have been given.
- iii. Included under work in progress in an amount of Kshs.51,334,845 net of VAT paid under Invoice number 121 dated 14 July, 2023 being an advance payment of Kshs.59,548,421 to a local contractor for supply, installation, testing and commissioning of individual training kitchen equipment. The College used capitalized advance payment instead of using the balances on the certificates of works done.
- iv. Motor vehicles and computer hardware under Note 28 are fully depreciated but were still in use during the year under review. This was contrary to International Public Sector Accounting Standard No.17 which requires that revaluations be done with sufficient regularity such that the carrying amount of assets does not differ materially from that which would be determined using fair value at the reporting date.

In the circumstances, the accuracy and completeness property, plant and equipment balance of Kshs.6,366,981,339 could not be confirmed.

#### **5. Inaccuracies in Trade and Other Payables**

The statement of financial position and Note 17 of the financial statements reflects trade and other payables balance of Kshs.1,214,423,037. Included in the balance is Kshs.1,021,286 disclosed as catering levy college and Kshs.11,247,602 as catering levy hotel. However, the payables were not reflected in the Tourism Fund receivables records. Further, the balance includes payable to a local contractor for the construction for Individual training kitchen at Kenya Utalii, at Kshs.4,102,103. However, the amounts were paid in August ,2023 vide cheque No. KUC/6/15(565) but the outstanding trade payables still included these paid balances.

In the circumstances, the accuracy and completeness of the trade and other payables balance of Kshs.1,214,423,037 could not be confirmed.

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

## **Emphasis of Matter**

### **1. Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,106,250,000 and Kshs.1,096,752,250 respectively, resulting to an under-collection of Kshs.9,497,750 or 1% of the budget. However, the College spent a total of Kshs.1,079,577,731 against actual receipts of Kshs.1,096,752,250 resulting to under-utilization of Kshs.17,174,519 or 2 % of the actual receipts. The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

### **2. Material Uncertainty Related to Going Concern/ Sustainability of Services**

The statement of financial performance reflects deficit before tax of Kshs.100,793,593 in comparison with deficit before tax of Kshs.133,426,836 for the previous year. In addition, the College was operating on a negative working capital of Kshs.524,612,860 as the current liabilities of Kshs.1,400,150,789 exceeded the current assets of Kshs.875,537,929.by the same amount.

In the circumstances, the College's ability to continue offering training and hospitality services is doubtful. Further, the ability of the College to meet its short-term obligations as and when they fall due could not be confirmed.

My opinion is not modified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the matters described in the Basis for Adverse Opinion, I have determined that there are no other key audit matters to report in the year under review.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, as at 30 June, 2024, Management had not resolved and disclosed the status of all the issues as prescribed in the reporting requirement set by the Public Sector Accounting Standards Board.

## **Other Information**

The Management is responsible for the other information set out on page iii to xxx which comprise of Key Entity Information and Management, The College Council, Key Management Team, Chairman's Statement, Report of the Chief Executive Officer, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the College Council and Statement of College Council Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the College's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion there on.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

### **Conclusion**

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

### **Basis for Conclusion**

#### **1. Unbalanced Budget**

The statement of comparison of budget and actuals amounts revealed that Management prepared an unbalanced budget that reflects budgeted revenue of Kshs.1,106,250,000 against budgeted expenditure of Kshs.1,103,750,000. This was contrary to Regulation 33(c) of the Public Finance Management (National Government) Regulations, 2015 which states that 'Unless provided otherwise in the Act, these Regulations or any other guidelines developed in furtherance of the Act, or these Regulations, the following guidelines shall be observed at all times during budget formulation and approval-(c) budget shall be balanced'.

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

## **2. Irregular Payment of Risk Allowances**

The statement of financial performance reflects employee costs amounting to Kshs.462,939,370 which includes risk allowances paid during the year of Kshs.191,095. Out of the amount, Kshs.95,095 was paid to staff members who were not eligible for risk allowance contrary to paragraph 4.12 of the Kenya Utalii Human Resource Manual of 2018 states that risk allowance is payable to employees such as accountants and drivers carrying large sums of cash during bank-related duties.

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

## **3. Violation of One-Third Rule on Basic Salary**

The statement of financial performance reflects employee costs amounting to Kshs.462,939,370. Analysis of the payroll for the twelve months revealed that various employees received net pay which were below 1/3 of their basic pay contrary to Section 19 (3) of the Employment Act, 2007 and Public Service Human Resource Policies and Procedures Manual 2016 Section C.1(3) which states that public officers shall not over-commit their salaries beyond two thirds (2/3) of their basic salaries and Heads of Human Resource Units should ensure compliance.

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

## **4. Delay in Settlement of Trade and Other payables**

Note 17 of the financial statement reflects trade and other payables balance of Kshs.1,214,423,037. Analysis of ageing analysis revealed that the College had 1-2 years outstanding trade and other payables of Kshs.278,105,309. In addition, the College had 2-3 years outstanding trade and other payables of Kshs.20,468,244. It was not clear why debt service payments did not form first charge of the budgeted amount for the year 2023/2024 contrary to Regulation 42 (1) of the Public Finance Management (National Government) Regulations,2015 that requires debt service payments to form first charge on the Consolidated Fund and the Accounting Officer to ensure this is done to the extent possible that the government does not default on debt obligations.

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

## **5. Under Banking in Hotel Operations**

The statement of financial performance reflects net loss from Utalii Hotel of Kshs.(55,854,804.) Review of revenue system and controls at the Hotel revealed instances where sales amounting to Kshs.525,372 were not banked as stipulated contrary to Section to 5.5 (vi) which states that "all cash/cheques collection shall be banked intact and promptly on specified KUC bank accounts, but in any case, not later than the next working day".

In the circumstances, Management was in breach of the Accounting Manual.

## **6. Un-Authorized Over-Expenditures**

The statements of receipts and payments reflects total expenditure of Kshs.918,415,801. The expenditure includes over-expenditure of Kshs.32,979,306 contrary to Regulation 51(2) of the Public Finance Management (National Government) Regulations, 2015 that provides that all expenditure commitments for goods and services shall be controlled against spending and procurement plans approved by the accounting officer, based on allocations and allotments from approved budgets

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

## **7. Irregularities in Air Travel Expenses**

The statement of financial performance reflects College Council expenses balance of Kshs.28,007,736 as disclosed in Note 7 to the financial statements. Included in the balance is an amount of Kshs.1,949,762 spent on Business class flight tickets for the Council members contrary to the National Treasury Circular No.12/2015 dated 27 August, 2015 for Air travel for Boards of State Corporations that directs that all domestic air travels for all government officials including those working in Parastatals/State Corporations should be in economy Class.

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

## **8. Late Remittance of Statutory and Other Deductions**

Note 17 to the financial statements reflects trade and other payables balance of Kshs.1,217,941,737. The balance includes unremitted deductions for National Hospital Insurance Fund Kshs.799,650, National Social Security Fund Kshs.8,324,640 and staff pension Kshs.25,606,942 all totalling Kshs.64,785,667. Management did not comply with Regulation 23(2)(a) of the Public Finance Management (National Government) Regulations, 2015 which requires Accounting Officers to comply with any tax, levy, duty, pension, commitments and audit commitments as may be provided for by legislation.

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

## **9. Staff Over Establishment**

Review of the approved staff establishment for Kenya Utalii College dated 01 October, 2023 revealed instances of excess staff across various cadres resulting in an over-establishment of one hundred and twenty (120) staff contrary to Regulation 120(4) of the Public Finance (National Government) Regulations, 2015 that states that the responsible national government state department responsible for public service management matter, the public service commission, shall only approve establishment of new public service positions after getting confirmation of availability of budgetary provisions from the National Treasury.

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

## **10. Meetings not in the Approved Board Work Plan**

Review of the list of Council meetings held during the financial year 2023/2024 against the approved Board work plan for the financial year revealed that three (3) sittings were not in the approved board workplan contrary to Chapter 1.9 of Mwongozo code of governance for State Corporations that states that the Board members should ensure the development of an annual board work plan, which sets out the activities of the Board over a period. Further, the Finance and Human Resource Committee held seven (7) meetings which was contrary to the Circular OP/CAB.9/1A which states that board meetings should be restricted to a maximum of six (6) for each financial year. It was also noted that the council held three extra special meetings without approval.

In the circumstances, the Board was in breach of the guidelines.

## **11. Cash Purchases using Temporary Imprest**

The statement of financial performance and Note 11 to the financial statements reflects general expenses amount of Kshs.309,625,065. Included in the amount is travelling and subsistence expenses amounting to Kshs.12,133,137. Review of sampled payment vouchers revealed that payments totalling Kshs.207,201 were paid contrary to Section 107 of Public Procurement and Asset Disposal Act,2015 since the imprest exceeded the low value procurement threshold of Kshs.50,000 per item per financial year and Treasury Circular No. 14 of 2013 which prohibits the use of temporary imprests for procurement of goods and services.

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

## **12. Invalid Tax Compliance Certificate**

Review of procurement file quotation No. KUC/29/10/01/2024 and KUC/35/30/01/2024 for the supply, delivery and testing of IPADS and supply of promotion materials and branded items respectively revealed that two (2) firms who were awarded the contracts did not have valid tax compliance certificates which were mandatory requirements before the firms could be evaluated. This was contrary to Section 66 (1) of the Public Procurement and Asset Disposal Act,2015 that require person (s) not to be involved in any collusive or fraudulent practice in any procurement proceeding.

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

## **13. Invalid Single Business Permits**

Review of procurement documents for request for quotation documents for RFQ No. KUC/28/01/11/2023 ,RFQ No. KUC/33/17/01/2024,RFQ No. KUC/85/20/06/2024 and RFQ No. KUC/36/05/02/2024 revealed that the four (4) firms that won the bids for supply and delivery of ICT Accessories ,supply and delivery of stationery, supply of linen and uniforms and supply and delivery of electrical items respectively did not have valid single business permits contrary to Section 66 (1) of the Public Procurement and Asset Disposal

Act,2015 that require person (s) not to be involved in any collusive or fraudulent practice in any procurement proceeding.

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

#### **14.Invalid AGPO Certificate**

Review of procurement file quotation No. KUC/33/17/01/2024 for supply and delivery of stationery revealed that a firm was awarded the contract had invalid AGPO certificate that belonged to another firm and invalid tax compliance certificate contrary to Section 66 (1) of the Public Procurement and Asset Disposal Act,2015 that require person not to be involved in any collusive or fraudulent practice in any procurement proceeding.

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

#### **15.Award of Tender to Non-Responsive Bidder**

Review of bid documents, supporting documents and evaluation report revealed that tender number KUC/40/2022/2023 & 2023/2024 for provision of cleaning services was irregularly awarded to the firm having quoted a contract amount of Kshs.5,703,000 despite not meeting the perquisite requirements of a valid AGPO certificate (Access to Government Procurement Opportunities) and identity card for sole proprietor. The evaluation committee recommended the bidder to proceed to financial evaluation stage despite the scores awarded in the technical evaluation stage being different from scores recommended by the evaluation committee members. The tender was awarded unfairly contrary to Section 79(1) of the Public Procurement and Asset Disposal Act, 2015 that states that a tender is responsive if it conforms to all the eligibility and other mandatory requirements in the tender documents

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

#### **16.Delay in Installation, Testing and Commissioning of Individual Training Kitchen Equipment**

The College entered into a contract for tender number KUC/44/2022/2023 with a local contractor for supply, installation, testing and commissioning of individual training kitchen equipment on 17 July, 2023 for a contract price of Kshs.297,742,105 with an advance payment of Kshs.59,548,421 provided the contractor submits an advance payment guarantee. As per the contract between Kenya Utalii college and the contractor, the project commencement date was on 16 July, 2023 and completion date on 15 July 2024. No evidence of any due diligence was undertaken by the College to ascertain the Kitchen equipment prices in order to carry out a negotiation with the contractor to reduce the contract sum, given the budget for the kitchen equipment was an amount of Kshs.250,000,000 and was exceeded by Kshs.49,742,105. The following issues were observed:

- i. Review of the proforma invoice number 121 dated 14 July, 2021 established that an advance payment of Kshs.59,548,421 was advanced to the contractor via Payment voucher number C10794 dated 24 July, 2023 under the advance payment guarantee reference number MD2319354240 dated 12 July, 2023 and expiring on 12<sup>th</sup> day July 2024 from a local bank. The last paragraph of the advance payment guarantee indicates that the guarantee will expire, at least, upon receipt of a copy of the interim payment certificate indicating that 80% of the contract price has been certified for payment or on the 12<sup>th</sup> day of July 2024 whichever is earlier. Review of payment voucher number C13088 dated 30 April, 2024 under certificate one established that through a proforma invoice number 128 dated 15 April, 2024 and minutes of project implementation committee held on 17 April, 2024 established that through the interim certificate number one, the project was rated as at 10% completion rate.
- ii. The advance payment guarantee reference number MD2319354240 dated 12 July, 2023 expired on 12-day July 2024 thereby rendering the advance payment of Kshs.59,548,421 to the contractor at stake given that only 10% of works was certified by 30 June, 2024.
- iii. Physical Inspection done on 9 December, 2024 established that the Kitchen equipment's had not been supplied nor installed on the site, despite two payments of Kshs.30,064,186 dated 30 April, 2024 under certificate one and Kshs.27,677,860 done on 09 September,2024 under certificate two. The projected dates of completion as per the contract was 15 July, 2024. The delays in project completions have not been justified nor explained.

In the circumstances, value for money for Kshs.297,742,105 could not be confirmed.

### **17. Long Outstanding Receivables**

The statement of financial position reflects a balance of Kshs.335,460,932 under receivables from exchange transactions and as disclosed in Note 13 to the financial statements. Included in the balance is College accounts receivables of Kshs.40,611,944, Project debtors Kshs45,566,676, Hotel account receivables of Kshs.184,080,646, Student account receivable of Kshs.64,316,838 and Hotel staff debtors of Kshs 884,828.

However, the following unsatisfactory matters were noted,

- i. Included in College accounts receivable of Kshs.40,611,944 is an amount of Kshs.24,480,001 that have remained outstanding for a period of more than one-year contrary to the standard credit policy. In addition, included therein is an amount of Kshs.6,375,459 and Kshs.2,795,028 relating to former staff who have since exited the College and insolvent staff/Deceased staff respectively that is still outstanding with no evidence of recovery.
- ii. Included in the Hotel accounts receivable of Kshs. 184,080,646 includes an amount of Kshs.165,630,020 that have remained outstanding for a period of more than 120

days contrary to the standard credit policy. There is also an amount of Kshs.121,279 which should have been included under Trade payables.

- iii. Further, included in the balance is an amount of Kshs.9,163,012 relating to old uncollectable debtors which had no analysis or detail transactions.
- iv. Student Accounts receivable of Kshs.64,316,838 is different from the ledger provided of Kshs.59,846,460 a variance of Kshs.4,470,377. The College had no approved documented credit policy.

In the circumstances, Management was in breach of Regulations and recovery of the debts is doubtful.

### **18. Staff on Acting Positions for More than Six Months**

Review of the College payroll, revealed an amount of Ksh.4,635,575 paid as acting allowances during the year. However, Kshs.1,538,486 out of the amount, was paid to staff members who had been paid acting for periods exceeding six months. This was contrary to Section 34(3) of the Public Service Commission Act, 2017 which states that an officer may be appointed in an acting capacity for a period of at least thirty days but not exceeding a period of six months. Further, no evidence of approvals of extension from the Council or the accounting officer was availed. This was contrary to Section 4.4.5 of KUC Human Resource Manual and Policy 2018.

In the circumstances, Management was in breach of the law and the Human Resource Policy.

### **19. Irregularities in Promotions**

On November 1, 2023, the Public Service Commission (PSC) approved the review of the organizational structure, grading, and staff establishment of Kenya Utalii College. Various Committees approved by the acting Principal were formed. One of the terms of reference was to identify and recommend promotions to address anomalies and unfairness. The committees' recommendations were approved by the Finance and HR Committee during the 87 meeting held on January 15 to 16, 2023, and subsequently by the Board during the 135 Council meeting on January 29, 2024. However, review of the promotion process revealed various anomalies (i to iv) contrary to Section 5(3) of the Employment Act, 2007 that states that no employer shall discriminate directly or indirectly, against an employee or prospective employee or harass an employee or prospective employee-(b) in respect of recruitment, training, promotion, terms and conditions of employment, termination of employment or other matters arising out of the employment;

### **20. Non-Compliance with Board-Approved Promotion List**

Management did not implement the Board-approved promotion list. Sixty-five (65) members were given higher grade than what had been recommended by the board and thirty-four members of staff were given a lower grade than what was recommended by the board. staff were promoted to grades higher than those approved by the Board.

i. **Non-Compliance with Qualification Requirements for Staff Grading and Promotions.**

Review of staff files revealed that fourteen (14) employees were assigned grades they were not qualified for, in violation of the Kenya Utalii College (KUC) career guidelines.

ii. **Irregular Transitioning from Contract to Permanent and Pensionable Terms**

During the year under audit, Management transitioned ten (10) employees from contract terms to permanent and pensionable terms without advertisements and interviews being conducted raising concerns about the fairness and competitiveness of the recruitment process.

iii. **Promotion without Advertisement**

During the year under review, six (6) members of staff were promoted without advertisements and interviews being conducted raising concerns about the fairness and competitiveness of the recruitment process.

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

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require 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 comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

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

**Conclusion**

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that internal controls, risk management and governance were not effective.

**Basis for Conclusion**

**1. Weaknesses in the Administration of Staff Loan Fund**

Note 21 to the financial statements reflects staff loans fund balance of Kshs.24,018,123. However, review of the operations of the loan fund revealed the following irregularities:

- i. During the year under review, funds advanced to staff was Kshs.8,701,000., out of which, a loan amount of Kshs.2,500,000 was disbursed to staff No. 7085 after the deposit of Kshs.300,000 was paid to the vendor against the asset price of Kshs.2,800,000. However, according to the payroll records the staff was on contract, hence in contravention of the Car Loan Scheme, which requires a staff to be permanent and pensionable terms to be entitled to a car loan. Additionally, the contract for the staff was ending on 2 January, 2025, and the loan repayment schedule began on July 2023 and ends on June, 2027. In a letter dated 17 July, 2023, the staff committed to pay Kshs.1,000,000 by 31st December, 2023 and clear the balance within the year 2024. However, there is no proof of payment of the said amount and how the loan balance will be recovered when the contract ends were not confirmed.
- ii. Further, loan amount of Kshs.846,000 was disbursed to staff No.6678 after payment of 10% (Kshs.98,000) to the vendor against an asset price of Kshs.980,000. However, according to the motor vehicle valuation and inspection certificate, the motor vehicle was valued at Kshs.940,000 implying an excess loan amount of Kshs.40,000 not secured by the car asset under the car loan scheme.
- iii. Included in the Staff loan balance is Kshs.652,260 for interest earned during the year. A review of the loan repayment schedule revealed that repayment of monthly interest and recognition of interest earned was made at a fixed monthly rate over the repayment period instead of being based on the reducing balance method as required by the loan policy scheme. As a result, the interest reported for the year may be understated while repayment of interest at a fixed amount implies less availability of loanable funds.
- iv. Included in the balance of Kshs.24,018,122 is an amount receivable from the College of Kshs.3,120,455 relating to car and house loan deductions for the period up to 30 June, 2024. However, no explanation was provided by the Management for the delay to remit Kshs.3,120,455 to the staff car loan account.

In the circumstances, controls put in place by Management would enhance recoverability of the staff loans and accurate reporting of the loan fund could not be confirmed.

## **2. Incomplete Fixed Assets Register**

During the year under review, the College maintained an incomplete fixed asset register which lacked details of the date of acquisition, type of assets, assets code number, cost of assets ( original or additions), location, expected useful lifetime, depreciation rate and charges for the year and accumulated depreciation of the year. This was contrary to Section 167(2) of Public Procurement and Asset Disposal Regulations, 2020 and the College financials and accounting manual.

In the circumstances, controls put in place to effectively monitor and safe guard its asset could not be determined.

### **3. Failure to Replace Hazardous Asbestos Roofing on Students Hostels**

Field inspection done conducted on 9 December, 2024 established that students' hostels block 1, block 2, block 7 and block 8 still had asbestos roofing despite strict guidelines under waste management regulations of 2006 and National guidelines on safe management and disposal of asbestos, 2013 that classifies asbestos as hazardous due to health risks posed by asbestos roof. Management of Utalii College has not explained why they are in breach of the waste management regulations 2006.

In the circumstances, the health of the students could not be confirmed and Management was in breach of the guidelines.

### **4. Undisbursed Bursaries**

Note 17 to the financial statements reflects trade and other payables is a balance of Kshs.1,214,423,037. Included in the balance is Kshs.14,710,066 being deferred revenue to Kenya Utalii College. In the financial year 2022-2023, the College receipted Kshs.25 million for the purposes of bursary, and was able to disburse Kshs.10,289,935 leaving the balance of Kshs.14,710,066 as undisbursed. However, it was revealed that the undisbursed amount was non-existent in the bank accounts of the College as at 30 June, 2024.

In the circumstances, it was not possible to ascertain the measures put in place to ensure needy students benefit from the College bursary system.

### **5. Irregularities in Bursaries Disbursement to Ineligible Students**

The statement of financial performance and Note 11 to the financial statements reflects general expenses of Kshs.309,625,065 which further includes bursary expenses of Kshs.1,910,997. Review of bursary disbursement process revealed the following irregularities:

- i. Students who made applications both physical and from the website as evidenced by the bursary register were one hundred and twenty-five (125) in total while the ones who returned the bursary forms were eighty-six (86) in number. However, Management disbursed bursaries to ninety-three (93) students an indication that some applications were added after the process by adding seven (7) students to the list of beneficiaries.
- ii. From the eighty-six (86) students who returned the forms, four (4) students did not qualify for bursary since their fee balance was minimal.
- iii. Applications were not included in the bursary register however; bursary funds were disbursed to them a clear indication that the Management received some applications after the process.
- iv. Inconsistencies were noted between the application forms, the bursary register and the bursary evaluation report. The register 125 applicants while the

evaluation report indicated that only 102 students applied.

In the circumstances, effectiveness of internal controls in the administration of bursaries could not be confirmed.

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 the Management and College 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 governance.

In preparing the financial statements, Management is responsible for assessing the College's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the College or to cease its 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 comply with the authorities which govern them and that public resources are applied in an effective way.

The College's Council is responsible for overseeing the 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 governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement 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 conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not 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 addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**31 December, 2024**

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2024**


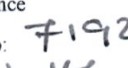
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2024**

	Note	2023/2024	2022/2023
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Incomes from non commercial transactions	3	658,349,262	466,349,262
		<b>658,349,262</b>	<b>466,349,262</b>
<b>Revenue from exchange transactions</b>			
Revenue From Commercial Activities	4	45,049,537	48,970,920
Utalii Hotel Net Profit(Loss)	4a	(55,854,804)	(39,924,880)
Revenue From Commercial Activities	4a	50,295,317	44,153,920
Fees From Students	5	119,782,897	119,986,089
		<b>159,272,946</b>	<b>173,186,049</b>
<b>Total revenue</b>		<b>817,622,207</b>	<b>639,535,312</b>
<b>Expenses</b>			
Employee costs	6	462,939,370	383,738,016
College Council Expenses	7	28,007,736	8,481,434
Depreciation and amortization expense	8	45,697,579	45,007,899
Repairs and maintenance	9	37,688,010	19,922,865
Contracted services	10	34,458,039	27,108,942
General expenses	11	309,625,065	288,702,992
<b>Total expenses</b>		<b>918,415,801</b>	<b>772,962,148</b>
<b>Deficit before tax</b>		<b>(100,793,593)</b>	<b>(133,426,836)</b>
Taxation (Note Kenya Utalii College is a training Institution hence exempted from Corporate tax)			
<b>Deficit before tax</b>		<b>(100,793,593)</b>	<b>(133,426,836)</b>

The notes on page 6 - 29 form an integral part of the financial statements

**Approval of the financial statements**

The College's financial statements were approved by the College Council and signed on its behalf by:

Name: <u>Peter M. Mwendu</u>	Name: <u>Benard K. Chepkwony</u>	Name:
Principal & CEO	Head of Finance	Chairman of the Council
		
ICPAK M/No: <u>7192</u>		
Date: <u>23/11/24</u>	Date: <u>23/11/24</u>	Date:

Kenya Utalii College,  
Annual Report and Financial Statements For The Year Ended 30th June 2024  
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2024

	Note	2023/2024 Kshs	2022/2023 Kshs
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	342,465,832	128,660,176
Receivables from exchange transactions	13	335,460,932	316,623,033
Receivables from non-exchange transaction	14	180,351,681	135,108,955
		<b>858,278,445</b>	<b>580,392,164</b>
Inventories	15	17,259,484	15,155,556
		<b>875,537,929</b>	<b>595,547,720</b>
<b>Non-current assets</b>			
Staff Loans Fund	21	24,018,122	23,369,700
Property, plant and equipment	28	6,366,981,339	6,338,041,037
Intangible Assets	26	4,269,480	-
		<b>6,395,268,941</b>	<b>6,361,410,736</b>
<b>Total assets</b>		<b>7,270,806,870</b>	<b>6,956,958,457</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Refundable deposits to customers	16	4,980,056	9,477,871
Trade and other payables from exchange transactions	17	1,214,423,037	1,023,169,375
Provisions	18	180,747,696	177,543,665
		<b>1,400,150,789</b>	<b>1,210,190,910</b>
<b>Non-current liabilities</b>			
Borrowings (GOK Loan)	19	122,000,000	122,000,000
Staff Loans Fund	21	24,018,123	23,369,700
<b>Total Non -Current Liabilities</b>		<b>146,018,123</b>	<b>145,369,700</b>
<b>Total Liabilities</b>		<b>1,546,168,912</b>	<b>1,355,560,611</b>
<b>Net Assets</b>			
Capital Reserve - Refurbishment of Utalii F	22	142,585,246	147,664,508
Revaluation Reserve	27	3,548,331,988	3,629,374,532
Accumulated Fund	24	1,611,720,723	1,699,358,805
Capital Grants	25	422,000,000	125,000,000
<b>Total Net Assets</b>		<b>5,724,637,957</b>	<b>5,601,397,845</b>
<b>Total Net Assets and Liabilities</b>		<b>7,270,806,870</b>	<b>6,956,958,457</b>

The notes on page 6 - 29 form an integral part of the financial statements

**Approval of the financial statements**

The College's financial statements were approved by the College Council and signed on its behalf by:

Name  
Principal & CEO  
.....  
Date

Name *Benard K. Chepkurui* Name  
Head of Finance Chairman of the Council  
ICPAK M/No *7192*  
.....  
Date *[Signature]* Date  
*23/12/2024*

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2024

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 2024**

Attributable to the owners of the controlling entity

**Reserves**

	Staff Loan	Accumulated	Capital	Capital Grants	Revaluation	TOTAL
	Fund	Surplus	Reserve		Reserve	
	Kshs	Kshs	Kshs	Kshs.	Kshs	Kshs
As at 1st July 2022	23,046,062	1,685,237,532	152,743,770	125,000,000	3,709,035,609	5,695,062,973
Hotel Reverses Account						-
Funds received during the year	323,638					323,638
Amortization on Revaluation Reserve charge for the year		79,661,077			(79,661,077)	-
Capital Grants						-
Grants Amortized			(5,079,262)			(5,079,262)
Deficit for the year		(133,426,836)				(133,426,836)
<b>Balance as at 30 June 2023</b>	<b>23,369,700</b>	<b>1,631,471,773</b>	<b>147,664,508</b>	<b>125,000,000</b>	<b>3,629,374,532</b>	<b>5,556,880,513</b>
As at 1st July 2023	23,369,700	1,631,471,773	147,664,508	125,000,000	3,629,374,532	5,556,880,513
Funds received during the year	648,423					648,423
Amortization on Revaluation Reserve charge for the year		81,042,544			(81,042,544)	-
Capital Grants				297,000,000		297,000,000
Grants Amortized			(5,079,262)			(5,079,262)
Deficit for the year		(100,793,593)				(100,793,593)
<b>Balance as at 30 June 2024</b>	<b>24,018,123</b>	<b>1,611,720,723</b>	<b>142,585,246</b>	<b>422,000,000</b>	<b>3,548,331,988</b>	<b>5,748,656,080</b>

The notes on page 6 - 29 form an integral part of the financial statements

Kenya Utalii College,  
Annual Report and Financial Statements For The Year Ended 30th June 2024

**STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2024**

	Note	2023/2024 Kshs	2022/2023 Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants from Government of Kenya -Recurrent	3	101,270,000	101,270,000
Revenue from Tourism Fund	3	552,000,000	360,000,000
Grants from Tourism Promotion Fund-Development	25	297,000,000	-
Rent Income Staff Housing Units	4	30,695,261	29,585,782
Finance income( Gain on Foreign Exchange)	4	99,605	3,479,136
Call Account -Accrued Interest	4	11,382,037	5,212,056
Other Income Receipts	4	2,872,633	10,693,946
Fees from Students	5	119,782,897	119,986,089
Revenue from Commercial Activities		50,295,317	44,153,920
Utalii Hotel Net Profit		(55,854,804)	(39,924,880)
<b>Total Receipts</b>		<b>1,109,542,945</b>	<b>634,456,050</b>
<b>Payments</b>			
Employee Cost		462,939,370	383,738,016
Board Expenses		28,007,736	8,481,434
Repairs and Maintainance		37,688,010	19,922,865
Contracted Services		34,458,039	27,108,942
Use Of Goods and Services		309,625,065	288,702,992
<b>Total Payments</b>		<b>872,718,222</b>	<b>727,954,249</b>
<b>Deficit for the year before tax</b>		<b>236,824,724</b>	<b>(93,498,199)</b>
<b>Adjusted for:</b>			
Contribution to provisions		3,204,031	(5,388,985)
Working capital adjustments:		-	-
Increase/Decrease in inventory		(2,103,928)	(454,969)
Increase/Decrease in receivables		(64,080,624)	623,458,222
Increase/Decrease in payables		186,755,847	(509,872,708)
<b>Net cash flows from operating activities</b>	20	<b>360,600,050</b>	<b>14,243,361</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, equipment and intangible assets		(70,740,220)	(48,604,943)
<b>Net cash flows used in investing activities</b>	25	<b>(70,740,220)</b>	<b>(48,604,943)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>289,859,830</b>	<b>(34,361,582)</b>
Cash and cash equivalents at 1 July 2023	12	128,660,176	163,021,750
<b>Cash and cash equivalents at 30 June 2024</b>	12	<b>342,465,833</b>	<b>128,660,176</b>

The notes on page 6 - 29 form an integral part of the financial statements

Annual Report and Financial Statements For The Year Ended 30th June 2024  
 Consolidated statement of comparison of budget and actual amounts for the year ended 30th June 2024

	Original budget '2023/2024 Kshs	Adjustments Kshs	Final budget '2023/2024 Kshs	Actual on comparable basis '2023/2024 Kshs	Performance '2023/2024 Kshs	Utilisation	Reasons for Variances
<b>Revenue</b>							
Revenue from Tourism Fund	600,000,000	-	600,000,000	552,000,000	(48,000,000)	92	* Under funding by Tourism Fund
Net income from Staff Housing	29,993,400	-	29,993,400	30,695,261	701,861	102	* This is due to payment of kra Taxes posted under Rent a/.
Grants from Government of Kenya	101,270,000	-	101,270,000	101,270,000	(0)	100	
Value of Obsolete & Discarded Equipment	2,000,000	-	2,000,000	14,354,275	12,354,275	718	* The college carried out Disposal of Assets
Fees From Local Students	151,914,086	-	151,914,086	103,261,585	(48,652,502)	68	* Students Enrolled were not as per the Budget
Examination Fees	5,690,000	-	5,690,000	4,768,766	(921,234)	84	* Increase in Examination Fees
Fees From Foreign Students	10,150,000	-	10,150,000	11,752,546	1,602,546	116	* Increase in Enrollment Of students
Services Revenue from commercial activities	46,442,522	-	46,442,522	107,173,431	60,730,909	231	* Increase in the no of Students Enrolled in pioneer courses
Services Revenue from hotel	158,789,992	-	158,789,992	171,476,386	12,686,394	108	* Increase in Confrence sales( Food and Beverage)
<b>Total Income</b>	<b>1,106,250,000</b>	<b>-</b>	<b>1,106,250,000</b>	<b>1,096,752,250</b>	<b>(9,497,750)</b>	<b>99</b>	
<b>Expenses</b>							
Employee costs	572,816,158	-	572,816,158	572,621,169	194,989	100	
Remuneration of College Council	28,122,855	-	28,122,855	28,007,736	115,119	100	
Contracted services	43,759,880	-	43,759,880	38,694,378	5,065,502	88	
Repairs and maintenance	41,816,810	-	41,816,810	41,737,984	78,826	100	* It includes Repairs from the Hotel
Staff Medical Scheme	22,647,185	-	22,647,185	22,101,804	545,382	98	
Insurance General	14,561,315	-	14,561,315	12,507,633	2,053,682	86	* Budget was Rationi;ized, and College Had Committed.
Research Expenses	11,500,000	-	11,500,000	6,682,024	4,817,976	58	* Budget was Rationi;ized, and College Had Committed.
Traveling & Accommodation-Local & Foreign	13,049,398	-	13,049,398	12,133,137	916,261	93	* Budget was Rationi;ized, and College Had Committed.
Water & Sewerage	26,199,942	-	26,199,942	26,061,387	138,555	99	
Electricity, Light & power	42,820,000	-	42,820,000	42,085,939	734,061	98	
Office Stationery ,Printing	4,988,706	-	4,988,706	4,961,790	26,916	99	
Telephone, Mobile and Internet Services	4,998,000	-	4,998,000	2,169,410	2,828,590	43	
Advertising, Promotion and Publicity	18,540,425	-	18,540,425	18,533,171	7,254	100	* Budget was Rationi;ized, and College Had Committed.
Staff Uniforms	7,298,400	-	7,298,400	7,276,552	21,848	100	
Staff Certification	2,950,000	-	2,950,000	1,451,642	1,498,358	49	
Licenses and permits	7,214,800	-	7,214,800	7,165,792	49,008	99	
Software Licenses, Renewals and Connectivity	8,920,857	-	8,920,857	8,795,843	125,014	99	
Seminars, Confrence ,Workshops	12,650,000	-	12,650,000	12,255,113	394,887	97	* Budget was Rationi;ized, and College Had Committed.
Printing Fees	464,000	-	464,000	464,000	-	100	
Library Books	4,600,000	-	4,600,000	1,520,211	3,079,789	33	* Budget was Rationi;ized, and College Had Committed.
Student Welfare, Development	4,376,880	-	4,376,880	4,024,553	352,327	92	
Cleaning Materials and Detergents	4,798,641	-	4,798,641	4,756,668	41,973	99	
Staff Welfare	10,853,900	-	10,853,900	9,590,683	1,263,217	88	* Budget was Rationi;ized, and College Had Committed.
Students Training Expenses	193,801,848	-	193,801,848	193,979,111	(177,263)	100	* Budget was Rationi;ized, and College Had Committed.
<b>Total Expenditure</b>	<b>1,103,750,000</b>	<b>-</b>	<b>1,103,750,000</b>	<b>1,079,577,731</b>	<b>24,172,269</b>		
<b>Surplus for the period</b>	<b>2,500,000</b>	<b>-</b>	<b>2,500,000</b>	<b>17,174,519</b>	<b>(33,670,019)</b>		
Finance Charges-Interest on Loans	2,500,000	-	2,500,000	-	2,500,000		
Capital Expenditure	269,513,050	-	269,513,050	70,740,220		26	
Hotel Expenses	Employee cost			(109,681,799)			
	Repairs and Maintenance			(4,049,974)			
	Contracted Services			(4,236,339)			
<b>Balance as per Comprehensive Income</b>	<b>1,106,250,000</b>	<b>-</b>		<b>(100,793,593)</b>			

**Kenya Utalii College,**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024**

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**I. NOTES TO THE FINANCIAL STATEMENTS**

**1. Statement of compliance and basis of preparation –IPSAS 1**

The entity's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings (Kshs), which is the functional and reporting currency of the entity. The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method and the financial statements are prepared on accrual basis.

The Institution will be in existence for the next one year and will meet its short term obligations as they arise.

**2. Summary of significant accounting policies**

**a) Revenue recognition IPSAS 23**

**i) Revenue from non-exchange transactions**

**a) Related party transactions**

**i. Revenue from Tourism Fund**

This is the revenue collected by Tourism Fund from hotels and restaurants to cater for both training and marketing needs in the hotel and tourism sector. It is shared between Kenya Utalii College, Kenya Tourism Board and Tourism Fund in accordance with approved budgets. The College Received Ksh. 552,000,000.

**ii. Grants from Government of Kenya**

This is in respect of assistance from the Government of Kenya During the year, through the Ministry of Tourism and Wildlife. It is recognized as revenue when received. The College received Kshs. 101,270,000 for recurrent. Where an official commitment is received from the government or timing differences occur between the time the Government sends the funds and actual receipt, the grants are accrued / deferred.

**Kenya Utalii College,**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024**

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**iii. Rent Income from Housing Units**

This is the income arising from rent charged to members of staff occupying the College's housing units. The college managed to generate ksh. 30,695,261 in the Year

**ii) Revenue from exchange transactions –IPSAS 9**

**Rendering of Services-Fees revenue.**

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.

Students' fees are recognized at the beginning of the term and cover the whole term. Fees paid in advance are treated as liabilities to the College whereas fees in arrears are treated as receivables. Other revenues are recognized in the period they are earned net of VAT and discounts.

**Revenue from Commercial Activities**

This represents revenue generated from part-time courses and other revenue generating activities by the various departments. This amount is shown net of direct expenses.

**Sale of Goods and Services -Utalii Hotel**

Revenue from the sale of goods and services is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and services 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.

**b) Budget Information IPSAS 24**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the College. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

## Kenya Utalii College,

### Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024

The original budget for FY 2023-2024 was approved by the National Assembly. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities.

#### c) Property, plant and equipment IPSAS 17

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 is calculated on straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:-

	Acres	Rate	Estimated Useful Life
Freehold Land		Nil	
Leasehold Land			
Main College	24.76		50 Years
Library Complex	7.004		66 Years
Utalii Sports Club	9.85		65 Years
Utalii Village	22.768		52 Years
Ronald Ngala Utalii College	60		73 Years
Buildings		2.5%	40 Years
Plant and Machinery		10%	10 Years
Furniture, Technical & Teaching Equipment		20%	5 Years
Motor Vehicles		25%	4 Years
Computers		30%	3 <sup>1</sup> / <sub>3</sub> Years
Intangible Assets		20%	5 Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

#### d) Inventories IPSAS 12

Inventories comprising of food, beverage and general merchandise together with returnable containers and drugs have been measured at the lower of cost and net realisable value.

## Kenya Utalii College,

### Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024

Net realisable 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.

#### e) Provisions –IPSAS 19

Provisions are recognized when the College 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.

f) A specific provision amounting to **Kshs 177,770,275** has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

DETAILS	PROVISION FOR BAD AND DOUBFUL DEBTS		TOTAL
	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	
SPECIFIC	54,737,163	108,701,274	<b>163,438,437</b>
5% 2023-2024 PROVISION	14,007,583	324,255	<b>14,331,838</b>
5% 2022-2023 PROVISION	13,065,688	1,309,540	<b>13,305,215</b>

#### g) Nature and Purpose of Reserves

The College creates and maintains reserves in terms of specific requirements. The following are the reserves that are maintained by the College and their appropriate policies adopted.

##### Revaluation Reserve

The College's Assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The Revaluation exercise was carried out in order to establish the fair carrying value of the assets. This resulted in a revaluation surplus of kshs 4,320,753,492. Depreciation on the revaluation surplus is charged to the revaluation Reserve Account

**Kenya Utalii College,**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024**

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**Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen**

During the 2003/2004, 2005/2006 and 2007/2008 financial years, the College received capital grants from the Government of Kenya and Special Capital Grant from Catering and Tourism Development Levy Trustees to refurbish Utalii Hotel and Individual Training Kitchen amounting to Kshs.113,170,486, 15,000,000 and 30,000,000 respectively. These grants are amortized over the expected useful life of the building and useful life of the Equipment on a straight line basis.

The balance has been arrived at as follows:

	<b>2023/2024</b> <b>Kshs.</b>	<b>2022/2023</b> <b>Kshs.</b>
Balance at beginning of year	147,664,508	152,743,770
Less: Amortization	5,079,262	5,079,262
<b>Balance at end of year</b>	<b>142,585,246</b>	<b>147,664,508</b>

**h) Employee benefits IPSAS 25**

**Retirement Benefit Obligations**

The College operates a defined contribution benefits scheme for its permanent employees. The assets of the scheme are held in a separate trustee administered fund that is funded by both the College and employees.

The contribution by the Employer and Employee depends on the grade and it varies from one grade to the other.

The College also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by NSSF Act and are currently limited to Kshs.200 per employee per month. The College’s contributions to the above schemes are charged to the income and expenditure account in the year to which they relate.

**i) Cash and cash equivalents**

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

**Kenya Utalii College,**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024**

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**i) Taxation**

Kenya Utalii College is exempted from taxation under the first schedule of the Income Tax Act Cap 470.

**j) Contingent Liabilities and Assets**

**Contingent Asset**

There were no contingent assets that could lead to possible inflow of resources embodying economic benefits or service potential for the period.

**Contingent Liability**

There were no contingent liabilities that could lead to possible outflow of resources embodying economic benefits or service potential for the period.

**k) Capital Commitments**

There were no capital commitments During the Year.

**l) Financial Instruments-IPSAS 29**

**Financial Assets**

**Staff Loans Scheme Fund and Receivables**

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. The receivables include trading debtors, student debtors and the staff loan scheme fund.

After initial measurement the financial assets are subsequently measured at amortized cost using the effective interest method less impairment. Losses arising from impairment are recognized in the surplus or deficit.

The Entity assesses at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the

## **Kenya Utalii College,**

### **Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024**

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estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an entity of debtors are experiencing significant financial difficulty
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization
- Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

#### **Financial Liabilities**

##### **Staff Loans Scheme Fund and GOK Loan**

Financial liabilities 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. The liabilities include GOK loan and the staff loan scheme fund

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

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.

##### **m) Subsequent Events IPSAS 14**

There have were no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30<sup>th</sup> June 2024

##### **n) Significant Judgements and Sources of Estimation Uncertainty**

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.

## Kenya Utalii College,

### Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024

Depreciation is calculated on straight line basis, at annual rates estimated to write-off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:-

	Acres	Rate	Estimated Useful Life
Freehold Land		Nil	
Leasehold Land			
Main College	24.76		51 Years
Library Complex	7.004		67 Years
Utalii Sports Club	9.85		66 Years
Utalii Village	22.768		53 Years
Ronald Ngala Utalii College	60.00		74 Years
Buildings		2.5%	40 Years
Plant and Machinery		10%	10 Years
Furniture, Technical & Teaching Equipment		20%	5 Years
Motor Vehicles		25%	4 Years
Computers		30%	3 <sup>1</sup> / <sub>3</sub> Years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Inventories comprising of food, beverage and general merchandise together with returnable containers and drugs have been measured at the lower of cost and net realisable value.

Provisions are recognized when the College 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.

A specific provision amounting to Kshs 177,770,275 has been recognized. In addition a 5% general provision for doubtful debts has been created in the financial statement.

DETAILS	PROVISION FOR BAD AND DOUBFUL DEBTS		TOTAL
	ACCOUNTS RECEIVABLE	SPECIFIC ACCOUNTS	
SPECIFIC	54,737,163	108,701,274	<b>163,438,437</b>
5% 2023-2024 PROVISION	14,007,583	324,255	<b>14,331,838</b>
5% 2022-2023 PROVISION	13,065,688	1,309,540	<b>14,105,228</b>

# Kenya Utalii College,

## Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024

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### **o) Related Parties IPSAS 20**

The key management personnel are the members of College management and College Council. The College Council consists of members appointed by the Cabinet Secretary Ministry of Tourism & Wildlife as set out in the Tourism Act of 2011.

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2024 and who had direct fiduciary responsibility were:

#### **College Management;**

<u>No.</u>	<u>Designation</u>	<u>Name</u>
1.	Ag.Principal & Chief Executive Officer	Mr. Anthony K. Mbehelo
2.	Ag. Director Academic Affairs	Mr. Peter M. Muindi
3.	Director Finance & Accounting	Mr. Bernard K. Chepkwony
4.	Ag. Director Utalii Hotel	Ms. Rosalind Gicheru
5.	Ag.Human Resource& Administration	Mr. Moses Nyagundi
6.	Ag.Director strategy and Enterprise Development.	Dr. Lilian Gikutha
7.	Ag.Deputy Director Internal Audit and Risk Assurance.	Ms. Jane Kawira

#### **College Council;**

<u>No.</u>		<u>Name</u>
1.	David Omusotsi Wamatsi	Chairman
2.	Ms. Jane Adam	Member
3.	Mr. Bryan Waruhiu	Member
4.	Ms. Mary Sande	Member
5.	Mr. Peter Simon Ngori	Member
6.	Ms.Rose polyne Nyambura	Member
7.	Mr. Darius Mogaka ogutu	Member
8.	Mr.David k. Mwangi	Member
9.	Mr. John Odek Odek	Member
10.	Mr. Robert Kamau kamiti	Member

**Kenya Utalii College,**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2024**

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The following transactions were carried out with related parties;

	<b>2022/2023</b>	<b>2023/2024</b>
i) College Council remuneration		
Allowances paid to Council	26,150,873	8,469,434.35
ii) Grants from related parties		
Grants from Government of Kenya (GOK)	101,270,000	101,270,000
Grants from Tourism Fund (TF)	552,000,000	360,000,000

**p) Comparative Figures**

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

**q) Intangible Assets IPSAS 31**

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

The useful life of the intangible assets is assessed as either finite or indefinite. Amortization is calculated on a straight line basis over estimated useful lives not exceeding period of 5 years.

**r) Changes in accounting policies and estimates-IPSAS 3**

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

**s) Ultimate and Holding Entity**

The entity is a State Corporation under the Ministry of Tourism and Wildlife. Its ultimate parent is the Government of Kenya

**t) Currency**

The Financial Statements are presented in Kenya Shillings (Kshs)

**u) Events after the reporting period**

There are no material non-adjusting events after the reporting date

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

**3. Incomes From Non Commercial (Exchange) Activities/Transactions**

	2023/2024 Kshs	2022/2023 Kshs
Grants from Government of Kenya - Recurrent	101,270,000	101,270,000
Revenue from Tourism Fund	552,000,000	360,000,000
Capital Grants from Government of Kenya - amortization	5,079,262	5,079,262
<b>Total</b>	<b>658,349,262</b>	<b>466,349,262</b>

**4) Revenue from Commercial (Exchange Activities)**

Rent Income from Staff housing	30,695,261	29,585,782
Other Income Receipts	2,872,633	10,693,946
Gain On Foreign Exchange	99,605.37	3,479,136
Call Account-accrued Interest	11,382,036.8	5,212,056
<b>Total</b>	<b>45,049,537</b>	<b>48,970,920</b>

**Other Incomes**

This comprises of:

	2023/2024 Kshs	2022/2023 Kshs
Sale of Discarded items	921,386	79,077
Identity cards & Lost items	476,421	313,267
Sale of Meal vouchers	657,935	879,015
Food Fair	560,320	2,232,600
Other Miscellaneous Income	158,551	26,965
Decrease in Provision for Bad Debts	-	5,388,985
Graduation fee	98,020	1,774,037
<b>Total</b>	<b>2,872,633</b>	<b>10,693,946</b>

**3b) Transfers from Ministries , Departments and Agencies (MDAs)**

Name of the Entity Sending the Grant	Amount recognized to Statement of Financial Performance	
	2023/2024 Kshs	2022/2023 Kshs
Ministry of Tourism	101,270,000	101,270,000
Tourism Fund	552,000,000	360,000,000

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

**4a. Revenue from Commercial (Exchange) Activities**

This represents revenue generated from part-time courses and other revenue generating activities by the various departments. This amount is shown net of direct expenses, and is summarized as follows:

	2023/2024	2022/2023
	Kshs	Kshs
Self Sponsored Courses	14,101,363	9,937,015
Pioneer Courses	44,229,016	35,365,384
MDP & Refresher Courses	1,646,050	1,703,000
Bakery Sales	40,895	38,355
Laundry Services	5,600,289	6,553,629
Sports Club Bar Sales	996,572	679,951
Jifunze Bar Sales	65,665	120,958
Hire of facilities - Grounds and Hostels	36,417,304	10,063,900
Bookshop Sales & Photocopying	333,927	391,858
Degree Programmes	-	2,527,800
Consultancy	3,742,350	919,276
<b>Sub-Total</b>	<b>107,173,431</b>	<b>68,301,126</b>
Less: Direct Expenses	56,878,115	24,147,205
<b>Total</b>	<b>50,295,317</b>	<b>44,153,920</b>

**Note:**

Direct Expenses

Expenses that are incurred in Generation of the above Revenues . ( commercial activities, degree programme,Rent expenses)

Commercial Activities Expense-53,818,131.65

Rent Expense-1,225739.68

Degree programe Expense-1,824,475

Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

Kenya Utalii College,

Notes to the Financial Statement for the year ended 30th June 2024

**UTALII HOTEL TRADING, ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE 2024**

	2023/2024 Kshs	2022/2023 Kshs
<b>Revenue from exchange transactions</b>		
Hotel Room sales	21,435,321	27,408,601
Hotel Food Sales	110,839,691	80,821,875
Hotel Beverage Sales	25,160,717	20,549,355
Other Income Receipts	9,438,493	9,173,817
GYM	4,602,164	4,228,122
<b>Total revenue</b>	<b>171,476,386</b>	<b>142,181,770</b>
<b>Less: Cost of Sales</b>	<b>74,654,665</b>	<b>55,789,472</b>
<b>Gross Profit</b>	<b>96,821,721</b>	<b>86,392,298</b>
<b>Expenses</b>		
Employee costs	109,681,799	93,754,789
Repairs and maintenance	4,049,974	3,158,979
Contracted services	4,236,339	3,880,192
General expenses	33,566,827	24,805,598
Finance costs	1,141,586	717,620
<b>Total expenses</b>	<b>152,676,525</b>	<b>126,317,178</b>
Surplus / Deficit before tax	(55,854,804)	(39,924,880)
<b>Surplus / Deficit for the period</b>	<b>(55,854,804)</b>	<b>(39,924,880)</b>
Number of staff		
Permanent	68	45
Contract	4	46
Casual		75
Intern		1
<b>5. Fees From Students</b>		
	2023/2024	2022/2023
<b>Actual</b>	<b>Kshs</b>	<b>Kshs</b>
Fees From Local Students	103,261,585	106,386,249
Fees From Foreign Students	11,752,546	8,650,976
Application Fees	1,248,781	2,486,864
Examination & First Aid Fee	3,519,985	2,462,000
<b>Total</b>	<b>119,782,897</b>	<b>119,986,089</b>
<b>Grand Revenue Total</b>	<b>772,572,671</b>	<b>590,564,392</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

**6. Employee costs**

		2023/2024	2022/2023
		Kshs	Kshs
<b>Employee related costs</b>			
Salaries - Expatriate Staff		4,749,360	4,733,587
Salaries - Permanent Academic Staff		164,503,644	135,494,894
Salaries - Part-time Academic		2,680,579	2,083,551
Salaries - Administrative Staff		291,005,786	241,425,984
<b>Total</b>		<b>462,939,370</b>	<b>383,738,016</b>
Number of staff	Permanent	345	204
	Contract	20	123
	Interns	4	7

**7. College Council Expenses**

		2023/2024	2022/2023
		Kshs	Kshs
Sitting Allowance		9,613,440	2,040,000
Travelling And Subsistence		8,588,165	3,661,590
Honararia		960,000	586,667
Mileage Allowance		2,571,643	<b>350,894</b>
Other Allowance		6,274,488	1,842,283
<b>Total</b>		<b>28,007,736</b>	<b>8,481,434</b>

**8. Depreciation and amortization expense**

		2023/2024	2022/2023
		Kshs	Kshs
Property, plant and equipment		45,697,579	45,007,899
<b>Total</b>		<b>45,697,579</b>	<b>45,007,899</b>

**9. Repairs and Maintenance**

		2023/2024	2022/2023
		Kshs	Kshs
Maintenance and Repair of Buildings		5,060,156	4,577,059
Maintenance and Repair of Equipment		11,941,227	5,512,336
Maintenance and Repair of Vehicles		20,686,627	9,833,470
<b>Total</b>		<b>37,688,010</b>	<b>19,922,865</b>

**10. Contracted Services**

		2023/2024	2022/2023
		Kshs	Kshs
Contracted Services		34,458,039	27,108,942
		<b>34,458,039</b>	<b>27,108,942</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

**11. General Expenses**

The following are included in General expenses:

	2023/2024	2022/2023
	Kshs	Kshs
Medical Expenses	22,101,804	18,001,333
Staff Development	12,255,113	8,241,231
Staff and Students' Recreation Activities	4,024,553	3,036,371
Staff Welfare	9,590,683	5,686,608
Travelling and Subsistence Expenses	12,133,137	8,220,324
Industrial Training Expenses	7,975,994	5,414,256
Special Courses	10,250,926	5,837,063
Class Text Books, Library Books, & Periodicals	1,520,211	5,512,427
External Examination Expenses	1,356,253	861,968
Research Expenses	6,682,024	7,951,834
Bursaries Expenses	1,910,997	21,734,951
Professional Clothes and Uniforms	7,276,552	1,532,602
Food and Beverage	74,303,792	59,617,547
Printing and Stationery	4,961,790	2,335,102
Cleaning Materials	4,756,668	3,491,290
Entertainment and Public Relations	18,533,171	16,562,428
Renewal and Replacement	8,795,843	16,290,931
Heat, Light and power	42,085,939	47,397,409
Water, Sewerage and Land Rates	26,061,387	17,760,904
Postage and Telephone	2,169,410	2,262,562
Licences and Professional Services	7,165,792	5,267,099
Quality Assurance	1,451,642	1,260,096
Alumni, Placement & Collaboration	5,254,711	3,641,245
Finance Costs	831,009	1,520,316
Increase in Provision for Bad and Doubtful Debts	3,204,031	-
Insurances	12,507,633	18,801,095
Audit fee	464,000	464,000
<b>Total</b>	<b>309,625,065</b>	<b>288,702,992</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

**Provision For Bad and Doubful Debts for the year Ended 30th June 2024**

	2023/2024 Kshs	2022/2023 Kshs
Increase(Decrease in Provision for bad and doubtful debts)	3,204,031	(5,388,985)
<b>Total</b>	<b>3,204,031</b>	<b>(5,388,985)</b>

**Finance costs for the year ended 30th June 2024**

	2023/2024 Kshs	2022/2023 Kshs
Bank Charges	831,009	1,520,316
(Loss)Gain on Foreign Exchange	(99,605)	(3,479,136)
<b>Total</b>	<b>731,403</b>	<b>(1,958,820)</b>
<b>Grand Expenses Total</b>	<b>918,415,801</b>	<b>772,962,148</b>

**12. Cash and cash equivalents**

	2023/2024 Kshs	2022/2023 Kshs
Cash in Hand -College	-	-
Cash in Hand -Hotel	103,085	128,385
<b>Cash at Bank -College</b>		
Co-Operative -Nairobi	3,466,598	911,381
Co-Operative -Mombasa	3,143	7,463
Co-Operative -Kisumu	14,517	18,837
Co-Operative -Development Account	296,138,972	116,883,697
ABSA - Shillings	4,482,421	604,261
ABSA - Foreign	1,810,839	385,963
<b>Cash at Bank -Hotel</b>		
Co- Operative - Shillings	10,634,367	143,700
Co- Operative - Foreign	2,464,758	594,469
Floats -College	5,703,628	5,582,600
Floats & M-Pesa	4,362,248	3,399,420
E-Citizen Fee	13,281,257	-
	<b>342,465,832</b>	<b>128,660,176</b>

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2024**

**Notes to the Financial Statements for the year ended 30th June 2024**

**12(a). Cash and cash equivalents**

**a) Current account**

ABSA-Shillings	0945027746	4,482,421	604,261
ABSA-Foreign	022700324	1,810,839	385,963
Co-operative Bank of Kenya	01129070937100	3,466,598	911,381
Co-operative Bank of Kenya	01129070937101	3,143	7,463
Co-operative Bank of Kenya	01129070937102	14,517	18,837
Co-operative Bank of Kenya-Hotel	01136070937100	10,634,367	143,700
Co-operative Bank of Kenya-Hotel	02120070070937100	2,464,758	594,469
		<b>22,876,642</b>	<b>2,666,074</b>

**c) On- Call Deposits**

Co-operative Bank of Kenya	01150070937102	296,138,972	116,883,697
		<b>296,138,972</b>	<b>116,883,697</b>

**d) Others**

Cash In Hand-College		-	-
Cash In Hand-Hotel		103,085	128,385
Floats-College		5,703,628	5,582,600
Floats -Hotel		4,362,248	3,399,420
E-Citizen Fee		13,281,257	
		23,450,218	9,110,405
<b>Grand Total</b>		<b>342,465,832</b>	<b>128,660,176</b>

**13. Receivables from exchange transactions/Trade and other receivables**

Current receivables	2023/2024	2022/2023
	Kshs	Kshs
College Accounts Receivable College	40,611,944	38,104,622
Utalii Hotel-Hotel	-	-
Project Debtors-Bomas	45,566,676	45,566,676
Hotel Accounts Receivable	184,080,646	169,410,154
Students' Accounts Receivable	64,316,838	62,528,916
Hotel Staff Debtor	884,828	1,012,666
Utalii Hotel Debtor	-	-
<b>Total current receivables</b>	<b>335,460,932</b>	<b>316,623,033</b>
<b>Non-current receivables</b>		<b>177,581</b>
<b>Total non-current receivables</b>		
<b>Total receivables</b>	<b>335,460,932</b>	<b>316,623,033</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

Ageing analysis:( Trade and Other Payables)	2023/2024		2022/2023	
	kshs	% of the Total	Kshs	% of the Total
Under one Year	884,828	0	1,012,666	0
1-2 Years	64,316,838	19	62,528,916	20
2-3 Years	184,080,646	55	169,410,154	54
Over 3 Years	86,178,619	26	83,671,297	26
<b>Total</b>	<b>335,460,932</b>		<b>316,623,033</b>	

**14. Receivables from non-exchange contracts/Special accounts receivables**

Current receivables	2023/2024	2022/2023
	Kshs	Kshs
Staff Advances Account College	955,483	1,048,555
Staff Advances Account Hotel	166,126	682,697
Imprests Account College	3,741,976	7,103,281
Medical Advances Account College	703,070	590,910
Imprest Account Hotel	304,115	36,600
Curtain & Furniture Advances College	5,762,936	4,254,060
Curtain & Furniture Advances Hotel	1,482,019	1,280,506
Hospitalization Deposit	523,134	984,834
AHTSA	872,683	872,683
Warwick International	3,116,184	3,116,184
Kenya Revenue Authority	96,422,078	96,422,078
Prepayments College and COD	911,515	3,739,304
Trade preparations	59,548,421	-
Income From Gok	-	8,439,166
Prepayments Hotel and COD	3,598,846	2,470,528
Deposits	2,243,094	4,067,569
<b>Total current receivables</b>	<b>180,351,681</b>	<b>135,108,955</b>

14a) Aging analysis for Receivables from Exchange Transactions	2023/2024		2022/2023	
	Description	Kshs	% of the Total	Kshs
Under one Year	10,904,265	9	25,095,875	19
1-2 Years	7,244,955	6	5,534,566	4
2-3 Years	2,243,094	2	4,067,569	3
Over 3 Years	100,410,945	83	100,410,945	74
	<b>120,803,260</b>		<b>135,108,955</b>	

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

Description	2023-2024	2022-2023
	Kshs	Kshs
At the Beginning of the Year	135,108,955	140,514,786
Additional Provisions	(3,361,305)	3,892,452
Recovered During the Year	(10,944,390)	(9,298,283)
Written Off During the Year		
At the end of the Year	<b>120,803,260</b>	<b>135,108,955</b>

**15. Inventories**

	2023/2024	2022/2023
	Kshs	Kshs
Food Stores -College	1,980,270	2,877,567
Food Stores -Hotel	3,068,405	1,366,584
Beverage Stores- College	1,058,772	1,659,922
Beverage Stores -Hotel	1,942,319	1,472,698
General and Maintenance -College	6,185,696	5,725,180
General and Maintenance -Hotel	1,747,131	1,077,009
Containers Stores- College	352,452	313,677
Containers Stores- Hotel	318,781	257,473
Zawadi Shop	68,414	67,534
Drugs Stores -College	537,245	337,912
<b>Total inventories at the lower of cost and net realizable value</b>	<b>17,259,484</b>	<b>15,155,556</b>

**16. Refundable Deposits to Customers**

	2023/2024	2022/2023
	Kshs	Kshs
Hotel Deposits Account	4,980,056	9,477,871
<b>Total</b>	<b>4,980,056</b>	<b>9,477,871</b>

Ageing Analysis: Refundable Deposits	2023/2024		2022/2023	
	Kshs	% of the Total	Kshs	% of the Total
Under one Year	2,340,000	47	7,381,990	78
1-2 years	334,516	7	16,445	0
2-3 years	623,140	13	235,620	2
Over 3 years	1,682,400	34	1,843,816	19
<b>Total</b>	<b>4,980,056</b>	<b>100</b>	<b>9,477,871</b>	<b>100</b>

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2024**

**Notes to the Financial Statements for the year ended 30th June 2024**

**17. Trade and other payables from exchange transactions**

	2023/2024	2022/2023
	Kshs	Kshs
Accrued Expenses College	149,303,577	99,869,170
Accrued Expenses Hotel	26,941,677	14,642,668
Utalii hotel-Hotel	-	-
Suppliers' Accounts College	204,531,189	161,945,832
Utalii hotel-College	-	-
Suppliers' Accounts Hotel	73,574,120	55,372,422
NHIF	799,650	596,300
P. A. Y. E	30,054,435	9,699,758
N.S.S.F	8,324,640	1,127,330
Staff Shortages	139,960	137,172
Kenyuco Sacco	459,073	413,756
Kenyuco Housing Sacco	362,223	313,804
Pension Deductions	25,606,943	2,206,881
Higher Education Loans Board	-	4,488
Education Levy	-	1,876,082
Select Management Services Ltd	20,016	39,968
Faulu Kenya Ltd	539,895	466,050
Other Staff Co-operative Societies	12,150,122	6,175,520
Barclays Bank Staff Loans Deductions	292,089	305,127
Standard Chartered Bank Loan Deduction	(25,879)	145,866
Staff Loans Scheme Deduction Account	3,120,455	2,019,619
Staff Service Charge Account College	2,710,232	786,498
Staff Service Charge Account Hotel	3,659,481	3,008,315
Salaries Control Account College	24,808,408	2,139,006
Payroll deduction Hotel	12,324,637	4,221,528
Utalii hotel	919,670	913,865
External exams (IATA) Contra	328,565	319,558
Insurance Claims and Others	2,835,333	3,560,121
Staff Welfare Fund Account( SWACO)	2,290,211	1,949,111

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2024**

**Notes to the Financial Statements for the year ended 30th June 2024**

Pension Scheme Refunds Account	1,957,585	1,957,585
Deceased Special Fund Account	17,374,196	19,826,518
Prepaid Fees Account	26,341,999	13,404,746
University of Surrey	351,931	351,931
Total Taxes	(14,196,291)	17,434,692
Training Levy college	386,641	377,338
Catering Levy College	1,021,286	1,021,286
Catering Levy Hotel	11,247,602	10,223,190
Students' Caution Money	9,220,642	8,554,642
Students' Council Account KUCSA	357,190	93,905
Degree program identity card and Food Handlers	778,404	777,904
Students class funds & clubs	302,994	230,419
Watalamu Renovation Hotel-hotel	8,392,815	6,325,382
Watalamu Renovation Hotel-college	(6,325,382)	(6,325,382)
Deferred Revenue/ Income- College	14,710,066	18,228,766
Accrued Interest for GOK	556,430,637	556,430,637
<b>Total trade and other payables</b>	<b>1,214,423,037</b>	<b>1,023,169,375</b>

Ageing Analysis: ( Trade and other Payables)	2023-2024		2022-2023		% of the Total
	kshs		Kshs		
Under one Year	342,641,349		212,407,301		21
1-2 years	278,105,309	23	217,318,254		21
2-3 years	20,468,244	2	18,777,832		2
Over 3 years	573,208,136	47	574,659,403		56
	<b>1,214,423,037</b>	<b>72</b>	<b>1,023,162,790</b>		<b>100.00</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

**18 Current Provisions**

Year 2023	Trade receivables	Specific Accounts	Total
	Kshs.	Kshs.	Kshs.
Balance at the beginning of the year	54,737,163	108,701,274	163,438,437
Additional provisions raised	13,065,688	1,039,540	14,105,228
<b>Balance as at 30 June 2023</b>	<b>67,802,851</b>	<b>109,740,814</b>	<b>177,543,665</b>

Year 2024	Trade receivables	Specific Accounts	Total
	Kshs.	Kshs.	Kshs.
Balance at the beginning of the year	54,737,163	108,701,274	163,438,437
Additional provisions raised	14,007,583	3,301,676	17,309,259
<b>Balance as at 30 June 2024</b>	<b>68,744,746</b>	<b>112,002,950</b>	<b>180,747,696</b>

**19. Borrowings**

**Domestic Borrowings**

	2023/2024	2022/2023
	Kshs	Kshs
Balance at the Beginning of the year	122,000,000	122,000,000
Domestic Borrowing During The year	-	-
Repayment During the Year	-	-
<b>Total non-current borrowings</b>	<b>122,000,000</b>	<b>122,000,000</b>

Note: The borrowings is Domestic

**20. Cash generated from operations**

	2023/2024	2022/2023
	Kshs	Kshs
<b>Cash Flow from Operating Activities</b>		
<b>Receipts</b>		
Grants from Government of Kenya - Recurrent	101,270,000	101,270,000
Revenue from Tourism Fund	552,000,000	360,000,000
Grants from Tourism Promotion Fund Development	297,000,000	-
Rent Income Staff Housing Units	30,695,261	29,585,782
Finance income( Gain on Foreign Exchange)	99,605.37	3,479,136

**Kenya Utalii College,****Annual Report and Financial Statements For The Year Ended 30th June 2024****Notes to the Financial Statements for the year ended 30th June 2024**

Call Account -Accrued Interest	11,382,037	5,212,056
Other Income Receipts	2,872,633	10,693,946
Fees from Students	119,782,897	119,986,089
Revenue from Commercial Activities	50,295,317	44,153,920
Utalii Hotel Net Profit	(55,854,804)	(39,924,880)
<b>Total Receipts</b>	<b>1,109,542,945</b>	<b>634,456,050</b>
<b>Payments</b>		
Employee Costs	462,939,370	383,738,016
Board Expenses	28,007,736	8,481,434
Repairs and Expenses	37,688,010	19,922,865
Contracted Services	34,458,039	27,108,942
Use Of Goods and Services	309,625,065	288,702,992
<b>Total Payments</b>	<b>872,718,222</b>	<b>727,954,249</b>
Net cash flows from operating activities	<b>236,824,724</b>	<b>(93,498,199)</b>
Deficit for the year before tax	-	-
<b>Adjusted for:</b>		
Contribution to provisions	3,204,031.20	(5,388,985)
<b>Working capital adjustments:</b>		
Increase/Decrease in inventory	(2,103,928)	(454,969)
Increase/Decrease in receivables	(64,080,624)	623,458,222
Increase/Decrease in payables	186,755,847	(509,872,708)
<b>Net cash flows from operating activities</b>	<b>360,600,050</b>	<b>14,243,361</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

**21. INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2024**

	2023/2024 Kshs	2022/2023 Kshs
<b>INCOME</b>		
Interest earned from staff loans	652,260	340,438
Bank interest earned	652,260	340,438
<b>LESS: EXPENDITURE</b>		
Bank charges	3,838	16,800
<b>Surplus</b>	<b>648,423</b>	<b>323,638</b>

	2023/2024 Kshs	2022/2023 Kshs
Staff Loans Scheme Fund	23,369,700	23,046,062
Surplus	648,423	323,638
Amount received from Kenya Utalii College	<b>24,018,123</b>	<b>23,369,700</b>

**REPRESENTED BY:**

Loan Scheme Principal Advances	15,950,306	13,061,958
Bank Account balance	4,947,361	8,288,122
Amount Receivable from Kenya Utalii College	3,120,455	2,019,620
	<b>24,018,122</b>	<b>23,369,700</b>

**NOTE:** The staff loans is in relations to Car, Housing and Car Insurance Loan to Members of staff

<b>Workings.</b>		2023/2024 Kshs	2022/2023 Kshs
Interest.	Car loan	523,001.37	241,696
	House loan	129,258.91	98,742
		<b>652,260</b>	<b>340,438</b>
Less Bank	Charges	3,837.50	16,800
		<b>648,423</b>	<b>323,638</b>

## Kenya Utalii College,

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

### 22. Capital Reserve – Refurbishment of Utalii Hotel and Individual Kitchen

During the 2003/2004, 2005/2006 and 2007/2008 financial years, the College received capital grants from the Government of Kenya and Special Capital Grant from Catering and Tourism Development Levy Trustees to refurbish Utalii Hotel and Individual Training Kitchen amounting to Kshs.113,170,486, 15,000,000 and 30,000,000 respectively. These grants are amortized over the expected useful life of the building and useful life of the Equipment on a straight line basis.

The balance has been arrived at as follows:

	2023/2024	2022/2023
	Kshs	Kshs
Balance at beginning of year	147,664,508	152,743,770
Add: Development Grants		
Less: Amortization	5,079,262	5,079,262
<b>Balance at end of year</b>	<b>142,585,246</b>	<b>147,664,508</b>

### 23. Revaluation Reserve

The College's Assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The Revaluation exercise was carried out in order to establish the fair value of the assets. This resulted in a revaluation surplus of kshs 4,320,753,492. Amortisation on the revaluation surplus is charged to the revaluation Reserve Account

### 24. Accumulated Fund as at 30th June 2024

#### ACCUMULATED FUND AS AT 30TH JUNE 2024

	2023/2024	2022/2023
	Kshs	Kshs
Balance Brought Forward	1,631,471,773	(2,140,051,900)
Amortization of Revaluation Reserves	81,042,544	79,661,077
<b>Total</b>	<b>1,712,514,316</b>	<b>(2,060,390,823)</b>
Deficit for the Year	(100,793,593)	(133,426,836)
Interest on Gok	-	3,893,176,464
<b>Balance carried Forward</b>	<b>1,611,720,723</b>	<b>1,699,358,805</b>

### 25. Capital Grants

This relates to the development grants received in relation to the practical training block

	2023/2024	2022/2023
	Kshs	Kshs
<b>Balance Brought Forward</b>	<b>125,000,000</b>	<b>125,000,000</b>
Capital Grants received during the year	297,000,000	-
<b>Total</b>	<b>422,000,000</b>	<b>125,000,000</b>

**Kenya Utalii College,**

Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

<b>26. Intangible Assets</b>		
Cost/Valuation	9,769,737	9,769,737.00
Depreciation/Armotization	9,769,737	7,026,254.00
Charge for the year		2,743,483.00
<b>Net Book Values as at 30th June 2023</b>	-	-

Cost /Valuation	4,269,479.76	-
Depreciation/Armotization as at 1st July 2022		-
Charge for the year		-
<b>Net Book Values as at 30th June 2024</b>	4,269,479.76	-

<b>27a Depreciation and armotization Expense</b>		
Description	2023-2024 Kshs	2022-2023 kshs
Property plant and Equipment	45,697,579.10	42,264,415
Intangible Assets	853,895.95	-
<b>Total Depreciation and armotization</b>	<b>46,551,475.05</b>	<b>42,264,415</b>

<b>28a. Property ,Plant and Equipment at Cost</b>				
Description	2023-2024	2023-2024	2022-2023	2022-2023
	Cost Kshs	Accumulated Depreciation Kshs	Cost Kshs	Accumulated Depreciation Kshs
Land	4,900,000,000	-	4,900,000,000	-
Buildings	1,613,955,272	392,900,017	1,613,955,272	353,209,270
Plant & Machinery	30,815,991	26,304,922	30,815,991	23,370,103
Motor Vehicles	79,665,790	79,665,790	79,665,790	79,665,790
Computer and Related Equipment	51,832,398	48,964,468	47,735,355	47,735,355
Office Equipment,Furniture & Fittings	128,387,939	113,238,098	117,228,595	112,249,094
<b>Total</b>	<b>6,804,657,390</b>	<b>661,073,296</b>	<b>6,789,401,003</b>	<b>616,229,612</b>

Property Plant and Equipment includes the Following Assets that are Fully Depreciated

Description	2023-2024	2023-2024	2022-2023	2022-2023
	Cost or Valuation Kshs	Normal Annual Depreciation Charge Kshs	Cost or Valuation Kshs	Normal Annual Depreciation Charge Kshs
Motor Vehicles	79,665,790	19,916,447	79,665,790	19,916,448
Computer and Related Equipment	51,832,398	1,554,971.95	47,735,355	1,432,061
<b>Total</b>	<b>131,498,188</b>	<b>21,471,419</b>	<b>127,401,145</b>	<b>21,348,508</b>

## Annual Report and Financial Statements For The Year Ended 30th June 2024

## Notes to the Financial Statements for the year ended 30th June 2024

<b>REVALUATION RESERVE AS AT 30TH JUNE 2024</b>							
<b>Note. 27</b>							
ITEM	LAND	BUILDINGS	PLANT AND MACHINERY	FURNITURE TECHNICAL AND EQUIPMENT	MOTOR VEHICLES	COMPUTERS HARDWARE	TOTAL
	KSHS	KSHS	Kshs	KSHS	KSHS		KSHS
<b>COST / VALUATION</b>							
Revaluation Account College as at 1st July 2022	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)	4,299,612,824
Revaluation Account Hotel as at 1st July 2022			(1,968,352)	23,394,320	(285,300)	-	21,140,668
							-
<b>At 30th June 2022</b>	<b>4,216,634,500</b>	<b>184,271,396</b>	<b>(39,831,121)</b>	<b>5,260,740</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>4,320,753,492</b>
<b>DEPRECIATION/ARMOTIZATION</b>							
Balance as at 1st July 2022	556,148,147	36,854,280	-	18,715,456	-	-	611,717,883
Charge for the Year to Revaluation Reserve Account	75,054,292	4,606,785	-	-	-	-	79,661,077
							-
<b>Accumulated Depreciation as at 30th June 2023</b>	<b>631,202,439</b>	<b>41,461,065</b>	<b>-</b>	<b>18,715,456</b>	<b>-</b>	<b>-</b>	<b>691,378,960</b>
<b>Net Book Value as at 30.6.2023 (Revalued figure)</b>	<b>3,585,432,061</b>	<b>142,810,331</b>	<b>(39,831,121)</b>	<b>(13,454,716)</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>3,629,374,532</b>
<b>COST / VALUATION</b>							
Revaluation Account College as at 1st July 2023	4,216,634,500	184,271,396	(37,862,769)	(18,133,580)	(11,748,001)	(33,548,722)	4,299,612,824
Revaluation Account Hotel as at 1st July 2023			(1,968,352)	23,394,320	(285,300)	-	21,140,668
							-
<b>At 30th June 2023</b>	<b>4,216,634,500</b>	<b>184,271,396</b>	<b>(39,831,121)</b>	<b>5,260,740</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>4,320,753,492</b>
<b>DEPRECIATION/ARMOTIZATION</b>							
Balance as at 1st July 2023	631,202,439	41,461,065	-	18,715,456	-	-	691,378,960
Charge for the Year to Revaluation Reserve Account	76,435,759	4,606,785	-	-	-	-	81,042,544
							-
<b>Accumulated Depreciation as at 30th June 2024</b>	<b>707,638,198</b>	<b>46,067,850</b>	<b>-</b>	<b>18,715,456</b>	<b>-</b>	<b>-</b>	<b>772,421,504</b>
<b>Net Book Value as at 30.6.2024 (Revaluation A/c)</b>	<b>3,508,996,302</b>	<b>138,203,546</b>	<b>(39,831,121)</b>	<b>(13,454,716)</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>3,548,331,988</b>
<b>Net Book Value as at 30.6.2024 (Revaluation A/c)</b>	<b>3,585,432,061</b>	<b>142,810,331</b>	<b>(39,831,121)</b>	<b>(13,454,716)</b>	<b>(12,033,301)</b>	<b>(33,548,722)</b>	<b>3,629,374,532</b>

# Kenya Utalii College,

## Annual Report and Financial Statements For The Year Ended 30th June 2024

Notes to the Financial Statements for the year ended 30th June 2024

<b>28. Property, plant and equipment</b>	<b>LAND</b>	<b>BUILDINGS</b>	<b>W.I.P WORK IN PROGRESS</b>	<b>PLANT AND MACHINERY</b>	<b>FURNITURE TECHNICAL AND EQUIPMENT</b>	<b>MOTOR VEHICLES</b>	<b>COMPUTERS HARDWARE</b>	<b>INTANGIBLE ASSETS</b>	<b>TOTAL</b>
	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>		<b>KSHS</b>	<b>KSHS</b>	<b>KSHS</b>
<b>COST / VALUATION</b>									
Balance as at 1st July 2022 -College	4,900,000,000	1,564,629,890	139,600,048	28,768,919	78,084,945	69,740,790	37,751,386	-	6,818,575,979
Balance as at 1st July 2022-Hotel	-	26,325,382	-	2,047,072	38,808,305	9,925,000	9,983,969	-	87,089,728
Revaluation College	-	-	-	-	-	-	-	-	-
Revaluation Hotel	-	-	-	-	-	-	-	-	-
Additions College	-	23,000,000	16,005,609	-	-	-	-	-	39,005,609
Additions Hotel	-	-	9,263,989	-	335,345	-	-	-	9,599,334
Transfers/adjustments- COLLEGE	-	-	-	-	-	-	-	-	-
Transfers/adjustments- HOTEL	-	-	-	-	-	-	-	-	-
Less Disposal	-	-	-	-	-	-	-	-	-
<b>At 30 June 2023</b>	<b>4,900,000,000</b>	<b>1,613,955,272</b>	<b>164,869,646</b>	<b>30,815,991</b>	<b>117,228,595</b>	<b>79,665,790</b>	<b>47,735,355</b>	<b>-</b>	<b>6,954,270,650</b>
<b>DEPRECIATION / ARMOTIZATION</b>									
Balance as at 1st July 2022	-	314,093,523	-	20,288,504	112,182,025	79,665,790	47,735,355	-	573,965,197
Charge for the Year	-	39,115,747	-	3,081,599	67,069	-	-	-	42,264,415
Disposal	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
<b>Accumulated Depreciation At 30 June 2023</b>	<b>-</b>	<b>353,209,270</b>	<b>-</b>	<b>23,370,103</b>	<b>112,249,094</b>	<b>79,665,790</b>	<b>47,735,355</b>	<b>-</b>	<b>616,229,612</b>
Net book values as at 30.6.2023	4,900,000,000	1,260,746,002	164,869,646	7,445,888	4,979,501	-	-	-	6,338,041,037
Net book values as at 30.6.2022	4,900,000,000	1,276,861,749	139,600,048	10,527,487	4,711,225	(4,123,657)	(333,353)	-	6,327,243,498
<b>COST / VALUATION</b>									
Balance as at 1st July 2023 -College	4,900,000,000	1,587,629,890	155,605,657	28,768,919	78,084,945	69,740,790	37,751,386	-	6,857,581,587
Balance as at 1st July 2023-Hotel	-	26,325,382	13,161,650	2,047,072	39,143,650	9,925,000	9,983,969	-	100,586,723
Revaluation College	-	-	-	-	-	-	-	-	-
Revaluation Hotel	-	-	-	-	-	-	-	-	-
Additions College	-	(0)	51,214,353	0	3,515,585	(0)	4,097,043	4,269,480	63,096,461
Additions Hotel	-	-	-	-	7,643,759	-	-	-	7,643,759
Lees. Disposal	-	-	-	-	-	-	-	-	-
<b>At 30 June 2024</b>	<b>4,900,000,000</b>	<b>1,613,955,272</b>	<b>219,981,660</b>	<b>30,815,991</b>	<b>128,387,939</b>	<b>79,665,790</b>	<b>51,832,398</b>	<b>4,269,480</b>	<b>7,028,908,530</b>
<b>DEPRECIATION / ARMOTIZATION</b>									
Balance as at 1st July 2023	-	353,209,270	-	23,370,103	112,249,094	79,665,790	47,735,355	-	616,229,612
Charge for the Year	-	39,690,747	-	2,934,819	989,004	-	1,229,113	853,896	45,697,579
<b>Accumulated Depreciation At 30 June 2024</b>	<b>-</b>	<b>392,900,017</b>	<b>-</b>	<b>26,304,922</b>	<b>113,238,098</b>	<b>79,665,790</b>	<b>48,964,468</b>	<b>853,896</b>	<b>661,927,192</b>
Net book values as at 30.6.2024	4,900,000,000	1,221,055,255	219,981,660	4,511,069	15,149,841	(0)	2,867,930	3,415,584	6,366,981,339
Net book values as at 30.6.2023	4,900,000,000	1,260,746,002	164,869,646	7,445,888	4,979,501	-	-	-	6,338,041,036
<b>Revaluation Reserve</b>									
The College's assets were revalued in October 2014 by an independent Valuer, Nile Real Appraisers (EA) Ltd. The revaluation exercise was carried out in order to establish the fair value of the assets. This resulted in a revaluation surplus of Kshs. 4,320,753,492									
<b>NOTE: W.I.P (Work in progress)</b>									
This is in relation to equipments and other items that will be delivered in the financial year 2024/2025									

## Other Notes

### Financial Risk Management

The Council maintains investment guidelines it uses to ensure that risks related to investment is well managed. The Council also have risk safeguards to assist in mitigating the business and market environment risks. The risk safeguards cover all areas of instruments such as payables, receivables, cash and cash Equivalents.

The current risks that the Council is exposed to are liquidity risk, foreign exchange risk and market risk.

Types of risk	Low	Medium	High
Liquidity risk	✓		
Foreign Currency Risk	✓		
Market risk	✓		

- **Foreign Currency Risk**

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

- **Market Risk**

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

- **Liquidity risk management**

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

## PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS FY 2022/2023

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

### Appendix i

Reference No. on the External Audit Report	Issue/ Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved /Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Material Uncertainty Related to Going Concern	Request sent to Min of Tourism and Wildlife for waiver of accrued interest on GOK loan	National Treasury	In Progress	Ongoing
2.	Long Outstanding Trade and other payables	This is as a result of interest accrued on GOK Loan	National Treasury	In progress	Ongoing
3.	Delay in Remittance of Car and House Loan Deductions	Management has remitted the car & House loan in instalments	Management	In progress	Funds has been Remitted to the Fund
4.	Budgetary Control and Performance	Request sent to Tourism Fund to Remit funds as per the Budget.	Management	In progress	Request sent

# Kenya Utalii College,

5.	Irregular payment of Long Service Awards	The management has stopped payment of Long Service award going forward	Management	In progress	The Management Has Stopped payment of Long Service award
6.	Staff Acting for More Than Six Months	Request awaiting Council approval to fill the vacancies.	Management	In progress	Has been Implemented
7.	Non Functioning Library Management and Security System	The Management has contracted the supplier to sort out the issue with the system	Management	In progress	In 6 Months
8.	Inaccuracies On Current Provisions	The Report was adjusted when presenting The draft	Management	Done	Done
9.	Inaccuracies In Statement Of Changes in Net Assets	The changes arose as result of changes in Accrued Gok Interest	Management	Done	Done
10.	Understatement of Income from Commercial Transactions	The management is following up with the bank	Management	In progress	Ongoing
11.	Revenue from Exchange Transactions	Management following up with the system developer .	Management	In Progress	Ongoing

## Kenya Utalii College,

12.	Inaccuracies in General Expenses	The college adopted IPSAS Accrual system of Accounting which allows the use of Lpos and contracts to recognise expenditure	Management	In Progress	Ongoing
13.	Fully Depreciated Assets	The College plans to carry out assets valuation	Management	In Progress	Ongoing
14.	Unsupported Trade and Other Payables	The accrued interest from Gok was adjusted as per the National Treasury Circular	Management	Done	Done
15.	Long Outstanding Deposits	The management has contacted the customers/ vendors	Management	On-Going	Done
16.	Failure to Remit VAT Withholding Taxes	The management has remitted the taxes	Management	Ongoing	Done
17.	Construction Of Gym and Utalii Renovations	The management has taken note of the advisory	Management	In progress	On going
18.	Delayed implementation of contract for supply, Delivery, Installation, Testing and Commissioning of Kitchen Extract and Fire Suppression Systems Installation Works	The management has contacted the supplier. site inspection minutes available	Management	In Progress	On going

# Kenya Utalii College,

19.	Cash purchases using temporary imprests	The management has stopped purchases using imprest	Management	Done	Done
20.	Incomplete Fixed Assets Register	The management has a plan of valuing asset in FY 2024/25. Asset Register will be Updated	Management	In Progress	Ongoing
21.	Management of Scholarships Grants	The management has deffered the balance of the Grants. The balance will be offered to the students in the current financial year.	Management	In Progress	Ongoing
22.	Staff on Acting Positions for more than Six Months	The management has implemented the Approved Staff Establishment	Management	Done	Done
23.	Long Outstanding Receivables	The management has engaged the services of a Debt Collector and has also propose write off to the Council	Management	In progress	On going

**Principal & CEO**



.....  
Date

**Chairman- KUC Council**

.....  
Date

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2024**

Appendix II -Inter-Entity Confirmation Letter

Confirmation of amounts received by Kenya Utalii College as at 30th June 2024							
Amount Disbursed by Government of Kenya ( kshs) as at 30th June 2024							
Reference Number	Date Disbursed	Recurrent (A)	Development(B)	Inter-Ministerial	Total (D)=(A+B+C)	Amount Received by (Kenya Utalii College ) as at 30th June 2024	Differences (Kshs)( F) =(D-)
RPT-C19781	8/18/2023	8,439,166.65	-	-	8,439,167	8,439,167	-
RPT-C20093	9/1/2023	8,439,166.00	-	-	8,439,166	8,439,166	-
RPT-C20122	10/12/2023	8,439,166.65	-	-	8,439,167	8,439,167	-
RPT-C20793	11/14/2023	8,439,166.65	-	-	8,439,167	8,439,167	-
RPT-C21109	12/6/2023	8,439,166.65	-	-	8,439,167	8,439,167	-
RPT-C22227	2/15/2024	8,439,166.00	-	-	8,439,166	8,439,166	-
RPT-C22265	3/1/2024	8,439,167.00	-	-	8,439,167	8,439,167	-
JV-199	4/19/2024	8,439,166.00	-	-	8,439,166	8,439,166	-
RPT-C23213	5/3/2024	8,439,167.00	-	-	8,439,167	8,439,167	-
RPT-C23408	5/28/2024	8,439,167.00	-	-	8,439,167	8,439,167	-
RPT-C23701	6/28/2024	8,439,167.00	-	-	8,439,167	8,439,167	-
RPT-C24049	7/4/2024	8,439,167.00	-	-	8,439,167	8,439,167	-
	<b>TOTAL</b>	<b>101,270,000</b>	<b>-</b>	<b>-</b>	<b>101,270,000</b>	<b>101,270,000</b>	<b>-</b>

I confirm that the amounts shown above are correct as of the date indicated

Head of finance and accounting directorate of beneficiary Entity:

Name Benard K. Chepkwony Sign  Date .....

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2024**

Appendix III: Transfers from other Government Entities

Name of MDA/Donor Transferring the Funds	Date received as per bank statement	Nature: Recurrent/Development	Total Amount-Kshs	Statement of Financial performan	Where Recorded/Recognized				Total Transfers During Year
					Capital Fund	Defered Income	Receivable	Others- Must be Specific	
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	70,000,000	Yes	-	-	-	-	70,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	50,000,000
Tourism Fund		Recurrent	50,000,000	Yes	-	-	-	-	32,000,000
									552,000,000

**Kenya Utalii College,**

**Annual Report and Financial Statements For The Year Ended 30th June 2024**

Appendix IV. Projects implemented by Kenya Utalii College

Project Title	Project Number	Donor	Period/Duration	Donor Commit	Separate donor reporting required as per the donor agreement (yes/No)	Consolidated in these financial Statements ( Yes/No)
Individual Training Kitchen		GOK	3 Years			Yes
						91.648256

Status of Projects Completion

SN	Project	Total Project Cost	Total expended to date	Completion %	Budget	Actual	Source of funds
1	Individual Training Kitchen	125,000,000	114,560,320.00	95%	225,000,000	225,000,000	National Treasury
2	Equiping of ITK	297,000,000	97,948,390	33	297,000,000	297,000,000	Tourism Promotion Fund