

REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY PAPERS LAID	
REPORT	
DATE: 14 JUN 2023	DAY: WED
TABLED BY:	LOM: HON. IKIMADI ICITUNG'WATHI, MP
CLERK AT THE TABLE OF	KSTHER NGUNYO

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

MULTIMEDIA UNIVERSITY OF KENYA

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



OFFICE OF THE AUDITOR GENERAL,
P. O. Box 30084 - 00100, NAIROBI
KENYA

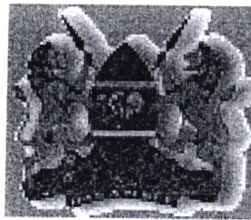
31 MAR 2022

RECEIVED

MULTIMEDIA UNIVERSITY OF KENYA

ISO 9001:2015 CERTIFIED INSTITUTION

ANNUAL REPORT AND FINANCIAL STATEMENTS



FOR THE YEAR ENDED

30 JUNE 2022

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



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

S/No.	TOPIC	PAGE
1.	KEY ENTITY INFORMATION AND MANAGEMENT	ii
2.	THE UNIVERSITY COUNCIL	vi
3.	MANAGEMENT TEAM	ix
4.	CHAIRMAN' S STATEMENT	xi
5.	REPORT FROM THE VICE CHANCELLOR	xii
6.	STATEMENT OF MULTIMEDIA 'S PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES FOR FY 2021/2022	xiv
7.	CORPORATE GOVERNANCE STATEMENT	xxix
8.	MANAGEMENT DISCUSSION AND ANALYSIS	xxxiv
9.	ENVIRONMENTAL AND SUSTAINABILITY REPORTING	xxxvi
10.	REPORT OF THE UNIVERSITY COUNCIL	xl
11.	STATEMENT OF THE UNIVERSITY COUNCIL RESPONSIBILITIES	xli
12.	REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL STATEMENTS OF MULTTIMEDIA UNIVERSITY OF KENYA FOR THE YEAR ENDED 30 TH JUNE, 2022	xlii
13.	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022	1
14.	STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE, 2022	2
15.	STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 TH JUNE 2022	3
16.	STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2022	4
17.	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022	5
18.	NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022	7
20.	RELATED PARTY TRANSACTIONS	19
20.	APPENDIX 1	20



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

The Multimedia University of Kenya (MMU) is a Chartered Public University. The University's main Campus is located at Mbagathi along Magadi Road, approximately 20 Kms South West of Nairobi City centre. MMU traces its roots to Central Training School (CTS) which was founded in 1948 as an East African Telecommunications Training Institution. It later changed to Kenya Posts and Telecommunications Corporation (KPTC) Training School after the collapse of the East African Community in 1977. In 1992, it became a subsidiary of Telkom Kenya (TKL) after KPTC split into Postal Corporation of Kenya, Telkom Kenya Ltd and Communications Commission of Kenya (CCK), and was renamed Kenya College of Communications Technology (KCCT). The college operated under CCK between 2006 and 2008 after the privatization of TKL in 2006. In November 2008, it was upgraded to Multimedia University College of Kenya by Legal Order No. 155 of 2008 as a constituent college of Jomo Kenyatta University of Agriculture and Technology. The University College was chartered as a Public University on 4th March 2013 by virtue of the Universities Act No. 42 of 2012 and the Multimedia University Charter, 2013.

The University's main Campus is endowed with modern infrastructure that supports quality learning and research. These include a well-equipped library, lecture halls, state-of-the-art laboratories, workshops, multimedia production and editing studios. To support the University's core mandate, MMU has other facilities such as a modern hotel and conference centre, a radio station, a teleconferencing centre, a medical health centre, health club, laundry and a printing press. The Mbagathi Post Office is located within the University. MMU currently has six faculties, 12 departments and 3 directorates offering Degrees, Diploma and Certificate programmes. Our Academic Programmes are designed in consultation with regulatory bodies and relevant stakeholders to ensure quality education.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(b) Principal Activities

The principal activity of the University is to provide quality training in Engineering, media, ICT and Business to meet the aspirations of a dynamic society while inculcating a strong research, innovation, production and extension culture with an efficient team of academic and support staff. The University offers training opportunities with the aim of meeting the training needs of the Information and Communication Technology (ICT) sector. The University offers Diplomas and Degrees Academic Programs. The University also runs academic and professional programmes in collaboration with National Computing Centre (United Kingdom), Chartered Institute of Procurement and Supply (United Kingdom) and Kenya National Examination council.

(c) Key Management

Multimedia University's day-to-day management is under the following key organs:

- (i) Council,
- (ii) University Management Board,
- (iii) Senate

(d) Fiduciary Management

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

No.	Designation	Name
1.	Vice Chancellor	Amb. Prof. Festus Kaberia
2.	Deputy Vice Chancellor, A,F & P	Prof. Rosebella O. Maranga
3.	Deputy vice Chancellor, AA, R & I	Prof. Paul N. Mbatia
4.	Registrar, Academic Affairs	Dr. Joash Mulabe
5.	Registrar, Administration	Mr, Cornelius Mutangili
6.	AG. Registrar, Research and Innovation	Mr, Anderson Maina
7.	Ag. Chief Finance Officer	Ms, Leneah Munene
8.	Librarian	Ms. Esther N. Inгаа
9.	Ag. Chief Procurement Officer	Mr. Anthony K. Gitau

(iii)



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

(e) Fiduciary Oversight Arrangements

- [i] Full Council
- [ii] Executive Committee (Ad-hoc)
- [iii] Finance and Resource Mobilization Committee
- [iv] Audit Committee
- [v] Establishment, Development, and ICT Steering Committee
- [vi] Human Resource, Staff Welfare and Disciplinary Committee of Council
- [vii] Students Welfare
- [viii] Sealing & Honorary Committee (Ad-hoc)



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

KEY ENTITY INFORMATION AND MANAGEMENT (CONTINUED)

(f) Entity Headquarters

P.O. Box 15653, 00503
Magadi Road
Nairobi, Kenya.

(g) Entity Contacts

Telephone: (254) (020), 2071391/2/3
E-mail: vc@mmu.ac.ke
Website: www.mmu.ac.ke

(h) Entity Bankers

1. Kenya Commercial Bank
Ongata Rongai Branch
P.O. Box 267
Ongata Rongai
2. Equity Bank Ltd
Ongata Rongai Branch
P.O. Box 75104-00200
Nairobi, Kenya.

(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

1. Office of the Attorney General
Sheria House.
2. J. Thongori & Co. Advocates
P.O. Box 45707-00100, Nairobi.
3. Miller & Company Advocates
P.O. Box 45707-00100, Nairobi.
4. Muchoki Kanga'ta Njenga & Co. Advocates
P. O. Box 926 - 00100, Nairobi.






MULTIMEDIA UNIVERSITY OF KENYA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

2. THE UNIVERSITY COUNCIL

 <p>1. Prof. Johnstone Mutisya Kiamba Chairman</p>	<p>Prof. Kiamba was born 1952 and has over 30 years career experience having held management and teaching positions in various organisations. He has held various public service positions in Kenya, Botswana and South Africa. He is currently a consultant on regional development and environmental planning.</p> <p>Prof. Kiamba holds a Doctor of Philosophy in Urban & Regional Planning, Nottingham University, UK. He is a member of the Botswana Institute of Town & Regional Planners, South African Council for Town & Regional Planners, Kenya Institute of Planners and is an Advocate of the High Court of Kenya.</p>
 <p>2. Ms. Amina H. Ibrahim Vice Chairperson</p>	<p>Ms. Ibrahim was 1975 and has over 15 years working experience in the Education and NGO sectors. She is currently the Managing Director of Leeban Consulting Limited and has previously worked at Action Aid and UNICEF.</p> <p>Ms. Ibrahim holds a Masters in Development from University of London (SOAS), United Kingdom and is also a graduate of the INSEAD Executive Leadership Program among other short courses. She is an independent Director.</p>
 <p>3. QS. Kibasui Ndonga Treasurer</p>	<p>Born on 12th July 1955, QS. Ndonga has over 38 years working experience in the construction industry. He is previously worked for Mavji Construction Company and the Ministry of Public Works.</p> <p>Mr. Ndonga holds a Masters in Business Administration from Jomo Kenyatta University of Agriculture and Technology. He is an independent Director.</p> <p>He is a Registered Quantity Surveyor, Member of the Institute of Quantity Surveyors of Kenya (IQSK), Member of Architectural Association of Kenya (Quantity surveyor's Chapter) and an Associate Member of the Institute of Arbitrators of Kenya.</p>



MULTIMEDIA UNIVERSITY OF KENYA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022



**4. Dr. Emmanuel Wamalwa
Member**

Dr. Wamalwa was born 1978 in Trans Nzoia county and has over 15 years working experience in the humanitarian and development sector. He is the Head of Health Programs at CARE International, Kenya and has previously worked for the Kenya Red Cross Society, AMPATH, Kenya Medical Research Institute and the Ministry of Health, Kenya.

Dr. Wamalwa holds a Doctor of Philosophy in Disaster Management & Sustainable Development from Masinde Muliro University of Science and Technology.



**5. Mr. Samson Kahindi Iha
Member**

Mr. Iha was born in Kilifi County on 6th October, 1958 and has over 23 years working experience in the education sector. He is currently Assistant Language Programmes Manager, Coast Region at Bible Translation & Literacy (BTL-EA) and has previously worked for the Teachers Service Commission.

Mr. Iha holds a Masters of Arts in Project Planning & Management. Mr Iha is an independent Director of the board.






**6. Ms. Juliet Wambua-Njogu
Member**

Born in Nairobi County in 1979, Ms. Wambua-Njogu has over 15 years working experience in the banking and hospitality industries. She is currently the Managing Director of The Alba Hotels Limited. She previously worked at Standard Chartered Bank and Barclays Bank.

Ms. Wambua-Njogu holds a Master of Business Administration from Warwick Business School, United Kingdom and is also a graduate of the Strathmore University Owner Manager Program. She is an Independent Director of the board.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

 <p>7. Mr. Micah Kilonzo Member</p>	<p>Mr. Micah Kilonzo was born in Makeni County</p> <p>Mr. Micah Kilonzo is an Alternate to Principal Secretary, National Treasury.</p> <p>He holds a Bachelors in Economics</p>
 <p>8. Ms. Ann Wangui Kaiga Member</p>	<p>Ms, Kaiga was born on 23rd November, 1959 in Muranga County. She is an alternate director to Principal Secretary, Ministry of Education. She is an independent Director to the board.</p>
 <p>9. Prof. Amb. Festus Kaberia Secretary</p>	<p>Prof. Amb. Festus Kaberia was born in 1949 and is a Professor of Organic Chemistry and a scholar of great repute. Prior to his appointment to MMU he was a professor of organic chemistry at Jomo Kenyatta University. He also served as a deputy commission secretary at the commission for Higher Education.</p> <p>Prof. Amb. Kaberia has also served as the country as a High Commissioner of Kenya to India. Prof. Kaberia is the secretary to the board.</p>






MULTIMEDIA UNIVERSITY OF KENYA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

3. MANAGEMENT TEAM

	<p>Vice Chancellor Prof. Amb. Festus Kaberia is a Professor of Organic Chemistry and a scholar of great repute. Prior to his appointment to MMU he was a professor of organic chemistry at Jomo Kenyatta University (JKUAT). He also served as a deputy commission secretary at the commission for Higher Education.</p> <p>Prof. Amb. Kaberia has also served as the country as a High Commissioner of Kenya to India.</p>
	<p>Deputy Vice Chancellor, in charge of Administration, Finance and Planning. Holder of PhD in Medical /Veterinary Entomology, Master of Management and leadership and previously professor of zoology at Jomo Kenyatta University of Agriculture and Technology (JKUAT).</p> <p>Prof Maranga has a wide range experience in development and administration of institutional policy, institutional strategic planning and budget development and implementation, public finance and procurement, Curriculum development and implementation and research and training.</p>
	<p>Deputy Vice Chancellor in charge of Academic Affairs, Research and Innovation, Prof. Paul Mbatia is an Associate Professor of Sociology who has an impressive record of teaching Sociology at the University of Nairobi for many years. Prior to his appointment at Multimedia University of Kenya, he held various senior administrative positions at the University of Nairobi and also served in leadership positions at the Public Sector, Anglican Church of Kenya and at Community level. Prof. Mbatia is a well-established scholar, youth mentor, mediator and a consultant on Social Development.</p>



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

MANAGEMENT TEAM (CONTINUED)



4. Mr. Cornelius Mutangili
Registrar Administration

Mr Mutangili holds a Bachelor of Arts Degree (sociology & Anthropology), University of Nairobi, Master of Arts (Demography), University of Nairobi. He has since defended his PhD Thesis in Leadership and Governance at JKUAT. An experienced Social Science Researcher in General population dynamics, with particular interest in Reproductive Health and behavioral research. He has over 20 years' experience in Administration, having worked as a Senior Administrator, University of Nairobi, Deputy Registrar, Research and Innovation and Registrar, Research and Innovation, Multimedia University of Kenya.



5. Dr. Joash Mulabe
Registrar Academic Affairs

Registrar Academic Affairs Dr. Mulabe has over 25 years' experience in Administration of public universities. He has served in various universities in different capacities. Before joining MMU, he served as deputy registrar at JKUAT.

Dr. Mulabe holds a Bachelor of Arts degree in (Sociology and History-KU); a Master of Business Administration (Human Resource Management - 2005 KU); and a Ph.D. in Human Resource Management and Organizational Behaviour & Theory 2013-UoN. He has also attended relevant short training courses relevant to his career.



6. Ms. Leneah Munene
Ag. Finance Officer

Ag Finance Officer Ms. L. Munene has over 15 years of demonstrated experience in Financial management. She has broad knowledge in the areas of Public Finance and Procurement having served in various public institutions in different capacities. Prior to her appointment as the Ag. Finance Officer she served as the Senior Accountant in MMU.

Ms. Munene holds a Masters of Business Administration (Finance) from Daystar University. She is also a CPA K.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

4. CHAIRMAN'S STATEMENT

On behalf of the Multimedia University of Kenya Council, I hereby present the financial report for the Financial Year 2021-2022 as required under the Public Finance Act and various other statutes.

Since its establishment as an institution of higher learning in 1945, this institution has evolved so as to meet the changing times. From a department in the then Kenya Posts & Telecommunications Corporation to a college and now a university the institution has stood high in the education sector. During this period of change one thing has remained constant, that is, the good quality of education and graduates this institution produces. During its evolution, the MMU has to surmount challenges and taken advantage of various situations with the strategic aim of meeting its stakeholders' needs and expectations.

The quality education MMU provides is the culmination of hard work and dedication by our all staff. Added to this, is the support the university has received and continues to receive from the government. Government support has been key to the development of the strong MMU brand that is well known across Kenya and the region.

As with any good training institution, MMU continues to adhere to all regulations that govern the University education sector. Adherence to regulations has enabled MMU to provide good quality education, undertake research and consultancy. Under the oversight of the Commissions of University Education, MMU has also been able to have all its programmes approved and others are in the approval process.

Like many other public universities, MMU has its share of challenges notably the reduction in Government capitation and the reduced number of Self Sponsored students due to the 'Mati'angi' effect. This has had a big impact by reducing University's revenues and thus negatively impacting the University's ability to meet its obligations due to reduced enrolment. The university has continued to engage its various stakeholders with the aim of reducing costs, increasing revenues and managing pending bills.

Through the various forums MMU and other universities have provided and advocated for various solutions to the financial challenges the university sector is undergoing. Key to this is the graduated fee system that will enable universities to meet the full cost of government-sponsored students. MMU being a technical University has a critical role in developing the human capital required for the achievement of the national development agenda. This is especially so in the area of industrialization where our students can play a critical role. The Council will continue to ensure the university continues to foster its unique niche.

In conclusion, I would like to thank the Government of Kenya for its continued support of the University. As a Council, we will continue working closely with the Government, management, staff, students and other stakeholders as we work towards achieving academic excellence and continue playing a significant role in serving society.

A handwritten signature in black ink, appearing to read 'J. M. Kiamba', written over a white rectangular box.

Prof. J. M. Kiamba, PhD, MA, BA, LLB, Dip. Law (KSL)
Chairman of the Council



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

5. THE VICE CHANCELLOR'S STATEMENT

As a Public University, the Multimedia University of Kenya (MMU) is committed to providing high-quality education that empowers its graduates to compete on the international stage. Added to this, the university just like all other public universities is expected to play a leading role in the development of Kenya's labour force and undertake quality research which in turn is expected to drive the development agenda of the country.

MMU takes its mandate seriously and has invested in ensuring that it provides world-class university education to its students. As a technical university and one of the oldest institutions of higher learning in Kenya and the region, MMU's high-quality education has ensured it is a top choice for prospective students. Under the government's sponsorship of students managed by KUCCPS, MMU has been able to fill its declared capacity and has in the coming year increased its declared capacity to meet the demand for its programmes.

Since becoming a university, MMU has endeavoured to build on its history and has developed a strong brand that resonates with its stakeholder. As we continued to deliver quality education, research, and consultancy to our clients MMU intends to continue on its growth trajectory so as to be the leading medium-sized technical university in the region. Already we have plans to increase our technical programmes at diploma, undergraduate and postgraduate levels.

The management and staff of MMU continue to work hard to improve the university in all aspects. It should be noted that our students have also played a key role in ensuring the MMU brand shines. We have continued to receive positive feedback from industry on the calibre of graduates MMU is sending out into the workplace. This has encouraged both management and staff to continue improving our programmes, systems and processes.

However, just like in all other organizations and more so the public universities in the country, MMU faces challenges, especially in the area of finances. Because MMU is a public university, it relies heavily on funding from the Exchequer. These funds have for the last few years been reduced due to budget cuts and in real terms due to inflation. This has put a lot of stress and strain on the finances of the university and all other public universities in general. This challenge is more pronounced at MMU because the university's infrastructure is old and requires a lot of resources to maintain and refurbish. The university also requires more resources to acquire new teaching tools and facilities that will enable it to offer world-class training to our students that meet the changing technology in the world.

In 2018/2019 the university's funding was reduced due to an error in the computation of the number of government-sponsored students in the university. This error has had a knock-on effect on the university's finances to date aggravating an already difficult situation that has led to pending bills with suppliers, the staff SACCO, and the Pension scheme.

Under the various forums for the Public University's Chancellors, Chairmen of council, and VCs, MMU just like all other public universities have lobbied for additional support from Government and for the implementation of the differentiated cost model which will go a long way in improving the current situation.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

As part of the university's plans to improve its financial situation the Management with the support of the Council has initiated cost-cutting activities and enhanced revenue generation activities with the aim of achieving long-term financial sustainability. A key component of this has been the move to automate the University's processes thus making them more transparent and fortified against illegal interference. A good example of this is the student admission process which is now over 80% automated and it is expected that in the 2023 government intake the process shall be 100% automated.

The finance and human resource processes are also being automated so as increase efficiency and reduce the use of paper and printing which is costly to the university.

Our challenge in the coming financial year is to improve and continue providing quality education to our students and continue partnering with institutions to improve the knowledge of our staff and students in their specific areas of specialization.

We are grateful for the continued support both financial and otherwise that we receive from the Government and our various partners, all continue to contribute to the institution's success.

A handwritten signature in black ink, appearing to read 'F. Kaberia', is written over the printed name.

Amb. Prof. Festus Kaberia, PhD. OGW
Vice Chancellor



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

**6. STATEMENT OF MULTIMEDIA'S PERFORMANCE AGAINST
PREDETERMINED OBJECTIVES FOR FY 2021/2022**

During the 2021-2022 financial year the University Council committed to undertake the following mandate and actualized the identified six (6) strategic objectives under the three Key results areas(Pillars/Theme/Issue) namely;

The Mandate of the University:

1. Provide education directly or in collaboration with other institutions and in so doing, provide for the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of the citizens of Kenya;
2. Advance knowledge and its practical application by research and other means;
3. Disseminate the outcomes of research by various means, and commercially exploit the results of such research;
4. Participate in technological innovation as well as in the discovery, transmission and enhancement of knowledge, and to stimulate the intellectual life in the economic, social, cultural, scientific and technological development;
5. Contribute to industrial and technological development of society in collaboration with industry and other organizations;
6. Inculcate a culture of innovation in technology, engineering and science, amongst staff, students and society;
7. Promote education in science, technology, engineering and mathematics within the institution and society and Provide a multi-level system of education and training that is relevant to the needs of the community covering a wide range of fields and levels with provision for recognition of prior learning and flexibility of transition between educational levels;
8. Participate in scholarly work, discovery, transmission, utilization, preservation and enhancement of knowledge and to stimulate the intellectual participation of students in the economic, social, cultural and technological development of Kenya;
9. Offer continuing professional development courses, Determine the curriculum, its mode of delivery and to specify the admission criteria and Conduct examinations;
10. Grant and confer such academic awards as may be provided for in the Act and the Statutes and Establish new colleges, facilities, schools, institutes, departments, other resource and administrative units and centres;



MULTIMEDIA UNIVERSITY OF KENYA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

11. Promote the general welfare of staff and students and Develop and provide educational, cultural, professional, technical and vocational services to the community, and in particular fostering of corporate social responsibility
12. Generally, facilitate the development and provision of appropriate and accessible academic programmes and other programmes, Charge fees and tariffs; and Mobilize resources.

The Key Result Areas (KRI) /strategic pillars/ themes/ issues Pursued in the period under review are as follows:

- KRA 1(Pillar/Theme/Issue: Academic Excellence
- KRA 2(Pillar/Theme/issue): Research, Innovation and Extension
- KRA 3(Pillar/Theme/issue): Institutional Capacity

In order to implement the three above Key result areas, the University developed the following summarized Strategic Objectives;

During the financial year 2021-2022 the University Council pursued the following strategic objectives derived from the University's Strategic Plan 2017-2021 and actualized the same as per the indicated below 2021-2022 University work Plan.

1. To improve access, quality and relevance of academic programmes
2. To improve the student's progression/ completion rate.
3. To position the University as a reputable research and innovation centre
4. To attract, retain competent staff
5. To improve mobilization, utilization and management of financial resources.
6. To develop appropriate infrastructure and acquire equipment.

Multimedia University of Kenya develops its annual work plans based on the above three(3) Key results areas and strategic objectives and actualized as per the Work plan indicated below. Assessment of the Board's performance against its annual work plan is done on a quarterly basis and as per performance contracting quarterly reports that reports the actual implementation of the set target on each quarter. The Multimedia University of Kenya Council achieved its performance targets set for the FY 2020/2021 period for its three key result Areas and as per negotiated and vetted Performance Contract and which was evaluated by the GOK and the University attained a row score of 2.27 which was in EXCELLENT CATEGORY. This was remarkable improvement compared from previous year 2020-2021 where the University had a row score of 2.777 translating to Very Good category Performance.



MULTIMEDIA UNIVERSITY OF KENYA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

2021/2022 University Work plan

MULTIMEDIA UNIVERSITY OF KENYA ANNUAL WORK PLAN FOR THE FINANCIAL YEAR 2021/2022

THE UNIVERSITY STRATEGIC OBJECTIVES	ACTIVITIES	EXPECTED OUTPUT (TARGET)	MEASUR-ABLE INDICATORS (Key Performance Indicators)	ACTIVITIES PER QUARTER (TIMELINE FOR IMPLEMENTATION)				RESPONSIBLE OFFICE(R)/ DELIVERABLE S BY:
				QTR 1	QTR 2	QTR 3	QTR 4	
A. OBJECTIVE 1								
To improve access, quality and relevance of academic programmes	Develop and review curriculum that are market oriented.	Developed and reviewed curriculum	Number of new and reviewed curriculum	←				Director, Academic Quality Assurance
	Declare student capacities in tandem with a available space	Declared capacity in programmes each year	Number of students admitted into various programmes	→				Registrar, Academic Affairs
	Development of new Academic Programmes	Developed new Post Graduate Programmes	Number of new Post Graduate Programmes developed	←				All Faculties
	Develop Short Courses	Developed market driven short courses	Number of market driven short courses developed	←				All Faculties
	Advertise available vacancies for self sponsored students	Advertised vacancies for students for self sponsored programmes each year	The number of self sponsored students (SSP) Enrolled/Admitted into various courses	←				Registrar, Academic Affairs
	Carry out Market Surveys to identify training needs to incorporate in development of competitive programmes	Market Survey reports	Number of Market Surveys carried out to identify training needs for development of competitive programmes	↔				Directorate, Academic Quality Assurance



MULTIMEDIA UNIVERSITY OF KENYA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

THE UNIVERSITY STRATEGIC OBJECTIVES	ACTIVITIES	EXPECTED OUTPUT (TARGET)	MEASUR-ABLE INDICATORS (Key Performance Indicators)	ACTIVITIES PER QUARTER (TIMELINE FOR IMPLEMENTATION)				RESPONSIBLE OFFICE(R)/ DELIVERABLES BY:
				Q T R 1	Q T R 2	Q T R 3	Q T R 4	
B. OBJECTIVE 2								
To improve access, quality and relevance of academic programmes	Timely processing of students issues i.e. leave deferments readmissions, appealsetc Enhancement of quality in service delivery to students	Processed student's issues	Number of Approved matters communicated to students Number of students readmitted, suspended, expelled in a year. Number of Internal/ External Service Quality Audits Undertaken based on the SOPs	←————→				Registrar Academic Affairs
	Transfer of qualified students to courses/ faculties of their choice	Inter/ Intra Institution Transferred students / changed courses in an academic year	The number of students transferred/ courses changed	→————← ←————→				Registrar Academic Affairs
	Enhance student work study and Attachments	Students on workstudy programmes and accessing opportunities	Number of students on work study/Attachments/ MoUs for Industrial Linkages	←————→				Dean of Students



MULTIMEDIA UNIVERSITY OF KENYA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

	Enhance Staff Training and Development	Training plan implemented	Number of staff trained	←→	DVC AF&P
	Enhance Staff Performance Management systems	Policy formulate and implemented	Approved Policy	←→	DVC AF&P



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

THE UNIVERSITY STRATEGIC OBJECTIVES	ACTIVITIES	EXPECTED OUTPUT (TARGET)	MEASURABLE INDICATORS (Key Performance Indicators)	ACTIVITIES PER QUARTER (TIMELINE FOR IMPLEMENTATION)				RESPONSIBLE OFFICE(R)/ DELIVERABLES BY:
				QTR 1	QTR 2	QTR 3	QTR 4	
E.OBJECTIVE. 5								
To improve mobilization, utilization and management of financial resources.	Enhance financial resource mobilization	Improved studentdebt collection Increase the number of income generatingunits Engage Government agencies for increased capitation Upgrade the capacity of current Strategic Business Units Enhance revenue collection from IGUs	Reduced studentdebt Increased cash collection Number of new IGUs established Increased capitation Number of upgraded Strategic Business Units % of increased revenue	↔				DVC AF&P
	Enhance internalcontrol	Enhance efficiency and effectiveness in the utilization of funds	100% adherence to approved budget	↔				DVC AF&P
	Enhance Cost Reduction	Installation of greenenergy systems Managing wasteful processes Recycle waste Produce own foodstuff	Number of installedof green energy systems % of cost reduction in identified areas Quality and quantityof items recycled Quantity of food items produced	↔				DVC AF&P



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

THE UNIVERSITY OBJECTIVES STRATEGIC	ACTIVITIES	EXPECTED OUTPUT (TARGET)	MEASURABLE INDICATORS (Key Performance Indicators)	ACTIVITIES PER QUARTER (TIMELINE FOR IMPLEMENTATION)				RESPONSIBLE OFFICE(R)/ DELIVERABLE S BY:
				QTR 1	QTR 2	QTR 3	QTR 4	
E.OBJECTIVE. 5								
To improve mobilization, utilization and management of financial resources.	Institutionalize the PPADA	Sensitized internal and external stakeholders	Number of Sensitized internal and external stakeholders Registered marginalized groups and report to PPRA Operational automated system	↔				
		Implement preference and reservation of 30% of the procurement budget for marginalized groups		↔				
		Automate procurement system		↔				
F.OBJECTIVE. 6								
To develop infrastructure equipment and appropriate acquire								
Expand facilities and resources	Establish E-learning Connectivity and technology infrastructure (40%)	Upgraded E-learning Server Acquired E-tool software Installed three Access points	Establish E-learning Connectivity and technology infrastructure to (40% cumulative Rate	↔				DVC AA,R&I ,
	Construct a Modern Library Complex	Constructed structure of 4th Floor slab and 5th floor half slab with roof -Access Road, Parking and Drainage	Construction of Modern Library Complex to a completion rate of 100%	↔				
								DVC AF&P & Estates



MULTIMEDIA UNIVERSITY OF KENYA

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

The diagram below indicates actualization the three KRAs:

KRA 1: Academic Excellence	Objective 1 To improve access, quality and relevance of academic programmes	Number of new and reviewed curriculum Number of students admitted into various programmes Number of new Post Graduate Programmes developed Number of market driven short courses developed The number of self sponsored students(SSP) Enrolled/Admitted into various courses Number of Market Surveys carried out to identify training needs for development of competitive programmes	Develop and review curriculum that are market oriented. Declare student capacities in tandem with available space Development of new Academic Programmes Develop Short Courses Advertise available vacancies for self-sponsored students Carry out Market Surveys to identify training needs to incorporate in development of competitive programmes	Two post graduate programmes developed in optics and laser Over 1000 student admitted Two academic programmes developed and four short courses Mounted Over 68 self-sponsored students admitted Stakeholder workshops held in development of new programmes to capture market needs
---------------------------------------	---	--	---	---



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

<p>KRA 1: Academic Excellence</p>		<p>Objective 2 To improve the students progression/ completion rate.</p>	<p>Number of Approved matters communicated to students Number of students readmitted, suspended, expelled in a year. Number of Internal/ External Service Quality Audits Undertaken based on the SOPs The number of students transferred/ courses changed Number of students on work study/ Attachments/ MoUs for Industrial Linkages</p>	<p>Timely processing of students issues i.e. leave deferrals readmissions, appeals etc Enhancement of quality in service delivery to students Transfer of qualified students to courses/ faculties of their choice Enhance student work study and Attachments</p>	<p>Processing of students undertaken per University Charter One main Internal audits undertaken and correction implemented The MOUs for linkages established in 2021-2022 FY</p>
<p>KRA 2: Research, Innovation and Extension</p>		<p>Objective 3 To position the University as a reputable research and innovation centre</p>	<p>Established Innovation & Incubation Centre (Manufacturing) at (60%) completion rate Establishment of a National institute for Optics & Lasers- (Manufacturing/Health) at 80 % completion rate Increase funding for research and Development</p>	<p>Establish Innovation & incubation centre Establishment of a National institute for Optics & Lasers Increase a percentage of budget allocation to Research and Development</p>	<p>Innovation center established a National institute for Optics & Lasers Established and Labs operational Research and Development allocated in 2021-2022 was at 2% as per the national research priority Framework</p>



MULTIMEDIA UNIVERSITY OF KENYA
 ANNUAL REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2022

KRA 3: Institutional Capacity	OBJECTIVE 4 To attract, retain competent staff	Recruit and deploy qualified staff Approved staff establishment Approved organization Structure Number of staff trained Approved Policy	Review and maintain an optimal staff establishment Enhance Staff Training and Development Enhance Staff Performance Management systems	Qualified staff including two Associate professors and Professor appointed Staff training scheduled developed and implemented Staff appraisal tools developed and implemented
	OBJECTIVE 5 To improve mobilization, utilization and management of financial resources.	Increased cash collection Number of new IGUs established Increased capitation Number of upgraded Strategic Business Units % of increased revenue 100% adherence to approved budget Number of installed of green energy system f cost reduction in identified areas Quality and quantity of items recycled Quantity of food items produced	Enhance financial resource mobilisation Enhance internal control Enhance Cost Reduction	Income generation Units structured and enhanced Revenue collected secured by implementing cashless points Compliance with approved budget attained Energy audit undertaken and recommendation action plan developed
	OBJECTIVE. 6 To develop appropriate infrastructure and acquire equipment.	Establish E-learning Connectivity and technology infrastructure to (40% cumulative Rate Construction of Modern Library Complex to a completion rate of 100%	Establish E-learning Connectivity and technology infrastructure Construct a Modern Library Complex	E-learning Connectivity and technology infrastructure established to (100% cumulative Rate and uploading of teaching contents and online teaching taking place Modern library complex attained at around 70% completion



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

2021/2022 GOK EVALUATION RESULTS OF THE UNIVERSITY PERFORMANCE CONTRACT

Republic of Kenya Multimedia University of Kenya
Performance Evaluation Report for the Year: 2021/2022

FINAL EVALUATION RESULTS

	Indicator Name	Unit	Weight	Current Status	Target	Achievement	Percentage Change	Raw Score	Weighted Score	Remarks
A	Financial Stewardship and Discipline									
A1	Absorption of Allocated Funds(GoK)	%	5.00	100.00	100.00	100.00	0.00	3.0000	0.1500	Very Good
A2	A-in-A	Kshs	2.00	282847264.19	464,322,683.00	523,850,324.42	12.82	2.7436	0.0549	Very Good
A3	Pending Bills	%	3.00	11.00	1.00	0.97	3.00	2.9400	0.0882	Very Good
	Weight Sub total		10.00							
									0.2931	
B	Service Delivery									
B1	Implementation of Citizens' Service Delivery Charter	%	4.00	100.00	100.00	100.00	0.00	3.0000	0.1200	Very Good
B2	Business Process Re-engineering	%	3.00	100.00	100.00	100.00	0.00	3.0000	0.0900	Very Good
B3	Resolution of Public Complaints	%	3.00	98.00	100.00	100.00	0.00	3.0000	0.0900	Very Good
	Weight Sub total		10.00							
									0.3000	



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Indicator Name	Unit	Weight	Curr-ent Stat-us	Target	Achieve-ment	Perce-n tage Chang e	Raw Score	Weight ed Score	Remarks
C	Core Mandate									
C237_1	Establish Innovation & incubation centre	%	3.00		20.00	30.00	50.00	2.0000	0.0600	Excellent
C237_11	Research proposal submitted for funding	%	3.00		100.00	100.00	0.00	3.0000	0.0900	Very Good
C237_12	New Scientific Publications Developed	No	3.00		20.00	31.00	55.00	1.9000	0.0570	Excellent
C237_14	Promote dissemination of research findings	No	4.00		10.00	24.00	140.00	1.0000	0.0400	Excellent
C237_15	Quality of Teaching and Learning Improved	No	3.00		2.00	2.00	0.00	3.0000	0.0900	Very Good
C237_16	Community Outreach and Extension Activities	No	3.00		2.00	7.00	250.00	1.0000	0.0300	Excellent
C237_17	Uploading Course Contents into E-Learning Platform	No	3.00		12.00	14.00	16.67	2.6667	0.0800	Very Good
C237_18	Project Completion Rate	%	2.00		100.00	79.00	-21.00	3.4200	0.0684	Good
C237_19	Science, Technology and Innovation (STI) Mainstreaming	%	2.00		100.00	100.00	0.00	3.0000	0.0600	Very Good
C237_2	Enhance On-Line Teaching Connectivity	No	3.00		3.00	6.00	100.00	1.0000	0.0300	Excellent
C237_20	New Post Graduate Programmes Mounted in Specialized Areas	No	4.00		2.00	2.00	0.00	3.0000	0.1200	Very Good
C237_21	Number of University Common Units E-content course Modules Developed	No	3.00		1.00	3.00	200.00	1.0000	0.0300	Excellent



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

C237_22	Enhanced Partnership and Linkages	No	3.00		3.00	10.00	233.33	1.0000	0.0300	Excellent
C237_23	Covid-19 Webinars Undertaken	No	3.00		3.00	3.00	0.00	3.0000	0.0900	Very Good
C237_24	Students mentored on career and Leadership Skills	No	4.00		150.00	329.00	119.33	1.0000	0.0400	Excellent
C237_3	Establish a National institute for Optics & Lasers	%	2.00		30.00	30.00	0.00	3.0000	0.0600	Very Good
C237_5	Post Graduate Students Enrolment Increased.	No	2.00		57.00	70.00	22.81	2.5439	0.0509	Very Good
C237_7	Develop Market driven short courses in Existing Faculties	No	3.00		3.00	9.00	200.00	1.0000	0.0300	Excellent
C237_8	Enrol Self Sponsored Programme (SSP) Students	No	4.00		300.00	790.00	163.33	1.0000	0.0400	Excellent
C237_9	Capacity development on online E-Content delivery	No	3.00		20.00	29.00	45.00	2.1000	0.0630	Excellent
	Weight Sub total		60.00							
	Implementation of Presidential Directives							1.1593		
01	Implementation of Presidential Directives	%	2.00	100.00	100.00	100.00	0.00	3.0000	0.0600	Very Good
	Weight Sub total		2.00							
	Access to Government Procurement Opportunities							0.0600		
	Access to Government Procurement Opportunities (AGPO)	Ksh	3.00	310000.00	28,950,000.00	55,795,569.93	92.73	1.1454	0.0344	Excellent
	Weight Sub total		3.00							
	Promotion of Local Content in Procurement							0.0344		



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1	Promotion of Local Content in Procurement	Ksh	2.00	714000	85,488,000.00	143,283,204.12	67.61	1.6479	0.0330	Excellent
	Weight Sub total		2.00						0.0330	
G	Cross - Cutting									
G1	Asset Management	%	1.00	100.00	100.00	100.00	0.00	3.0000	0.0300	Very Good
G10	Road Safety Mainstreaming	%	1.00	92.00	100.00	100.00	0.00	3.0000	0.0300	Very Good
G11	Corruption Prevention	%	2.00	73.00	100.00	74.50	-25.50	3.5100	0.0702	Good
G2	Youth Internships/ Industrial Attachments/ Apprenticeships	No	1.00	106.00	95.00	273.00	187.37	1.0000	0.0100	Excellent
G3	Competence Development	%	1.00	100.00	100.00	100.00	0.00	3.0000	0.0300	Very Good
G4	Disability Mainstreaming	%	1.00	75.00	100.00	63.75	-36.25	3.7250	0.0373	Fair
G5	Gender Mainstreaming	%	1.00	70.00	100.00	80.00	-20.00	3.4000	0.0340	Good
G6	Prevention of Alcohol and Drug Abuse	%	1.00	55.00	100.00	91.00	-9.00	3.1800	0.0318	Good
G7	Prevention of HIV Infections and Non-Communicable Diseases	%	1.00	100.00	100.00	98.00	-2.00	3.0400	0.0304	Good
G8	Safety and Security Measures	%	1.00	100.00	100.00	100.00	0.00	3.0000	0.0300	Very Good
G9	National Cohesion and Values	%	2.00	100.00	100.00	100.00	0.00	3.0000	0.0600	Very Good
	Weight Sub total		13.00						0.3937	
	Total Weight		100	Composite Score					2.27	

After GOK evaluation for 2021-2022 Performance contract Multimedia University of Kenya Council achieved and surpassed its performance targets set for the FY 2021/2022 period for its three key result Areas and as per negotiated and vetted Performance Contract by **attaining a row score of 2.27 which was in EXCELLENT CATEGORY**. This was big improvement compared with previous year 2020-2021 where the University had attained Very Good category of 2.777



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7. CORPORATE GOVERNANCE STATEMENT

7.1 INTRODUCTION

Multimedia University of Kenya (MMU) is a chartered public university established by the Kenyan Government under the Universities Act No. 42 of 2012 and the Multimedia University of Kenya Charter 2013. The University is one of the oldest higher training institutions in the region and boasts a rich history of offering quality.

As a government agency, the University is expected to promote and accelerate economic growth and development and to drive the social and economic transformation in Kenya. To do this, the University is required to efficiently allocate its resources so as to achieve its goal of producing competent, highly skilled and innovative human resource to meet Kenya's development needs as outlined in the national strategy Vision 2030 and the Government Big Four Agenda.

As part of its work plan, the University Council regularly reviews the University's corporate governance framework i.e. policies, procedures, etc to ensure that MMU operates within the Kenyan legal framework especially the Universities Act 2012 and in so doing ensuring that the University meets the needs of its students, employees and other stakeholders.

This Corporate Governance Statement reaffirms MMU's commitment to the corporate governance framework outlined in the Board Charter, the provisions of Mwongozo and industry best practice during the year ended 30 June 2022.

7.2 The Council Term of Service

The Chairperson and the other independent members of the council serve for a term of three years, they are currently serving their last term having been re-appointed for a further one term on 4th November, 2020. The other members were appointed by their nominating ministries.

7.3 The Roles and Responsibilities of Members

These roles and responsibilities are also retained in the Council's five-year strategic plan (2017-2021), in the Council's annual work plans and in the Board Charter. New members, once appointed, are inducted and given these documents in order to familiarize themselves with the roles and responsibilities as outlined in the law.

7.4 The Council Charter

The Council has in place a Council Charter which was reviewed in 2018. The Council Charter governs;

- Conduct and management of meetings,
- Facilitation of Council members,
- Succession planning,
- Process of Appointment and removal of Council members,
- Roles & functions of the Council,



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

- Induction & training,
- Conflict of Interest,
- Council remuneration and
- Ethics & conduct.

7.5 The Council Evaluation

During the FY 2021-2022, the State Corporation Advisory Committee (SCAC) facilitated a Council self-evaluation on 25th July, 2022 for the financial year ending 30 June 2022. The Council scored an overall rating of 4.6800 which translates to 93.6%.

7.6 Compliance to laws and other legal requirements

The Council as a responsible corporate citizen is alive to the tenets of the Constitution of Kenya and accountable to the Government of Kenya, through the Ministry of Education in ensuring that it complies with all applicable laws and statutes and maintain the highest standards of corporate governance.

7.7 The Council Remuneration

The remuneration of the Council is governed by prevailing rates as per Government policy and Government Circulars. Details of the Council and its committee allowances are included in these financial statements

7.8 Multimedia University Council

The MMU Council Members were appointed on 7th August 2017 vide gazette Notice No. 7602 and No.7603. Their term was renewed by the Gazette Notice No.8996 dated 04th November 2020. The Council members are:-

- a) Prof. Johnstone Mutisya Kiamba
- b) Ms Amina H. Ibrahim
- c) Dr. Emmanuel Wamalwa, PhD
- d) Ms Juliet Wambua-Njogu
- e) Mr. Samson Kahindi Iha
- f) Mr. Kibasui Ndonga
- g) Mr. Micah Kilonzo, PS REP - National Treasury
- h) Ms. Ann Wangui Kaiga - PS REP - Ministry of Education
- i) Amb. Prof. Festus Kaberia, - Vice Chancellor and Secretary to the Council



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7.9 COUNCIL COMMITTEES

To effectively undertake its role, the Council constituted four working Committees in line with Mwongozo. These committees were: -

1. Planning, Finance and Resource Mobilization
2. Human Resource and Staff Welfare
3. Academic and Students Welfare
4. Audit, Risk and Governance

7.10 Number of Council Meetings held during the 2021/2022 Financial Year

The total number of meetings held were 29 distributed among the Council Committees, Council Retreat, Council Evaluation and Graduation. *See attached schedule*



MALDENIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

ATTENDANCE OF MEETINGS BY COUNCIL MEMBERS

COUNCIL MEMBER	BOARD EVALUATION COMMITTEE out of 1	FINANCE, PLANNING AND RESOURCE COMMITTEE out of 4 Regular and 2 Special	FULL COUNCIL out of 4 Regular and 2 Special	STUDENT WELFARE E out of 4	AUDIT RISK COMMITTEE out of 4	HUMAN RESOURCE & STAFF WELFARE COMMITTEE E out of 4	SEALING COMMITTEE out of 1	GRADUATION CEREMONY out of 1	COUNCIL RETREAT AT MMU out of 1	TOTAL
Prof. Johnstone Kiamba	1	-	6	-	-	-	1	1	1	10
Ms Amina H. Ibrahim	-	2	2	-	-	2	-	-	-	06
Qs. Kibasui Ndonga	1	6	6	-	-	4	-	1	1	19
Mr. Samson Kahindi Iha	1	-	6	4	3	1	1	1	1	18
Mrs. Juliet Wambua Njogu	-	-	5	3	3	3	-	-	1	15
Dr. Emmanuel Wamalwa	1	6	6	3	2	-	1	1	1	21
Ms. Ann Wangui Kaiga	-	5	6	4	3	4	1	1	1	26
Dr. Stephen Ikikii	-	6	3	2	2	2	1	-	-	16
Mr. Micah Kilonzo	1		2	2	1	2			1	09
Percentage of Attendance	100	100	100	98	100	100	100	100	100	-

(xxxii)



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

7.11 Induction and Training in 2021/2022

Council Members were inducted and trained during their first term which ended in July, 2020. Their term was further renewed for period of three (3) years with effect from 4th November, 2020 via Gazette Notice No. 8996.

There were no induction and training for Council Members during the 2021/2022 financial year.

The University has planned for Council trainings in 2023.

7.12 Process of Appointment and Removal of Council Members

The appointing authority is the Cabinet Secretary, Ministry of Education. Copies of their appointment letters are then sent to the University.

The Current University Council was first appointed on 31st July, 2017 for a period of three (3) years. Their term was further renewed for period of three (3) years with effect from 4th November, 2020 via Gazette Notice No. 8996.

7.13 CONFLICT OF INTEREST, ETHICS AND CONDUCT

In order to ensure that any conflict of interest of a Council member on a matter to be considered by the Council is brought to the attention of the Council, the Council has ensured appropriate procedures are put into place through the approval of the Anti-Corruption Policy, Board Charter, Code of Conduct and Ethics, actualized the conflict of interest register and the confidentiality register. To actualize this, all the Council members upon their induction, took an Oath of Office. Appropriate procedures have been adopted to ensure that, where the possibility of a material conflict arises, the same is dealt with in line with set government guidelines.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

8. MANAGEMENT DISCUSSION AND ANALYSIS

In the Financial year 2021/2022 the University realized revenues totalling KES 1,178,271,108. There was an increase of 26% in revenue compared to the previous period (2020/2021) total revenue of KES. 933,661,771. Revenue from rendering of services increased by 83% compared to the previous year. The increase in revenue can mainly be attributed normalization of the academic calendar which had previously been interrupted by the Covid 19 pandemic and the efforts made by the management to generate revenue from income generating units in the university.

Total operating expenses for the financial year totalled to KES. 1,283,129,688. This was a slight increase of 4% from KES. 1,228,871,760 reported in the previous financial year 2020/2021. Employee cost for the period increased from KES. 963,301,446 in the year 2020/2021 to KES. 978,585,539 in the year 2022/2022. There was 4% decrease in repairs and maintenance costs from KES 11,882,949 in the year 2020/2021 to KES 11,432,841 in the year 2021/2022 and an increase in general expenses from KES 136,588,932 to KES 175,917,763. The University is currently operating at full capacity and this has led to the increase in cost compared to the last financial year.

On the overall there was an improvement in the performance of the university. The University recorded a Financial Deficit of KES (104.9) Million in the financial year 2021/2022 compared to a deficit of KES.295.2 Million in the financial year 2020/2021.

SECTION B

Entity's compliance with statutory requirements

The University has complied with the statutory requirements to a large extent. However due to the cash flow constraints, the university has not been able to comply with its statutory obligation amounting to Kshs. 545,600,811 relating to various taxes. This exposes the university to the contingent liabilities in case penalties are imposed. Additionally, the university has not remitted employee pension amounting to Kshs. 571,503,286 a. This can expose the university to court cases with the employees. The monthly capitation received from the government is not sufficient to cover the monthly salary or the employees.

SECTION C

Key projects and investment decisions the entity is planning/implementing

The University is committed to providing high quality education, producing competent graduates and endeavors to excel in areas of Training, Research and Innovation, Extension and Consultancy Service to achieve its mandate. Currently the University is constructing a modern Library to enhance achievement of this goal.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION D

Major risk facing the entity

a) Liquidity Risks

Currently the University is not able to meet all of its short term obligations. The University has a current asset ratio of 0.2: 1. The recommended ratio is 1:1.

The current liabilities of Kshs 1,811,437,166 exceeded the current asset of Kshs 289,119,534 by KShs. 1,522,317,632 creating a negative working capital.

The net creditors increased by 3% to KShs. 1,811,437,166 from KShs. 1,762,578,461 in the previous year.

SECTION E

Material arrears in statutory/financial obligations

Due to cash flow constraints the university has the following arrears relating to statutory obligation: -

S/No.	Description	Amount – (KShs)
1.	P.A.Y.E	510,113,846
2.	Withholding VAT	29,197,725
3.	VAT	--
4.	Withholding Tax	6,289,240
5.	Staff Pension	571,503,286
	Total	1,117,104,097



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING

The Multimedia University of Kenya is a Chartered public university with a mandate to offer high quality technical university education. As one of the oldest institutions of higher learning in the region MMU and its predecessor institutions has been able to transform the lives of its students while at the same time playing a leading role in the development of Kenya. MMU from its establishment in 1948 to date has been in the forefront in driving innovation that has made Kenya a leading light in the various professions we train in.

i) Sustainability strategy and profile

The University has developed a work plan to ensure it meets sustainability standards. The main focus of the university's sustainability programme is on energy efficiency where the institution has developed an undergraduate programme in renewable energy which has been very popular. Added to this the university has also set up a consortium to undertake renewable energy research, development and training. To date the consortium has undertaken over 10 training cohorts from various industries and Country governments.

ii) Environmental performance

The university has undertaken a project to install solar lighting especially for streetlight. In the near future the university plans to install solar water heaters at the student hostels. This will not only be good for the environment but also reduce cost of electricity.

Being next to the Nairobi National Park many animals stray and live within the university complex. The university through a master plan has ensured that a large part of its grounds will be 'Green Areas' to allow flora and fauna to flourish. Currently, the university has a nature park that is set aside for biodiversity.

The university has a partnership with the WEE Centre to recycle ICT waste and to training in E-waste management.

iii) Employee welfare

The university has scored well in gender, ethnic and disability mix. This has ensured that the university has the face of Kenya.

To ensure the university's staff has the skills required for their daily tasks, in-house courses on various areas have been organised. The university utilises performance contracting as a tool of ensuring staff meet their targets and an appraisal system has been developed and implemented to guide the performance management system.

The university has developed, implemented and complied with Occupational Safety and Health Act of 2007, (OSHA). Staffs are each year trained on OSHA to ensure their full understanding of the Act.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

iv) **Market place practices-**

The university complies with best practice in marketing by being truthful and accurate in all its marketing activities such as advertising, branding, Social media communication etc. Each year the Corporate Affairs department develops a marketing and communication plan which is implemented.

a) **Responsible competition practice.**

As part of its adherence to best practice in marketing and communication the university undertakes responsible market practice and does not defame or malign any of its competitors.

b) **Responsible Supply chain and supplier relations**

Each year the university advertises for suppliers who are short listed based on their qualifications. Each year suppliers are trained about the MMU procurement policy and the PPAD Act. A rotation system has been put in place to ensure all suppliers get a chance to bid for tenders.

c) **Responsible marketing and advertisement**

As part of its adherence to best practice in marketing and communication the university undertakes responsible market and advertising and does not defame or malign any of its competitors.

Care is taken to ensure all the university's communication is truthful and accurate.

d) **Product stewardship**

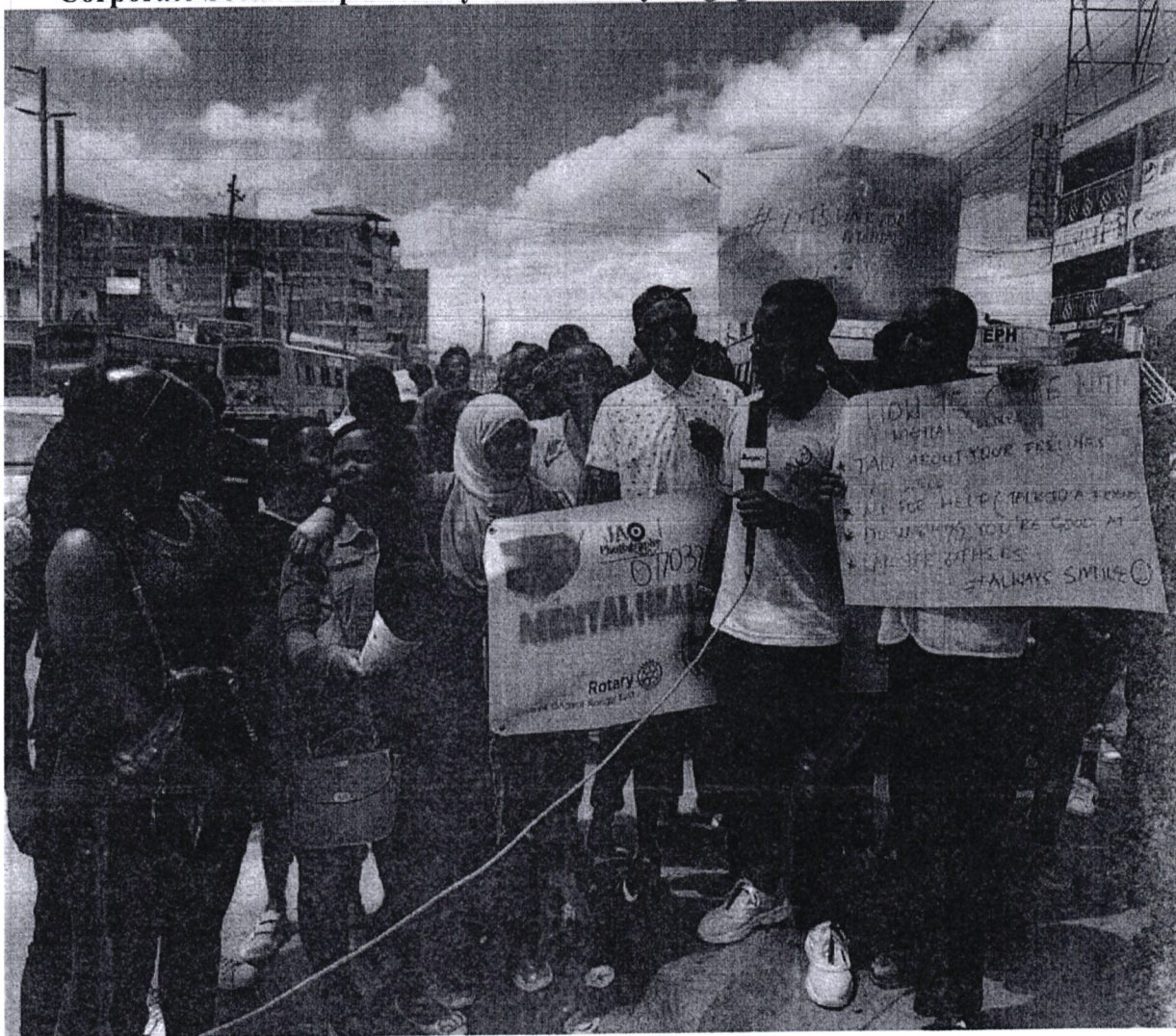
To ensure our key consumers i.e. students, parents and guardians, the following activities are undertaken;

1. During the student admission process parents are orientated on various areas and issues of concern that will assist them in managing their student's progression at MMU.
2. To ensure that students stay in MMU is pleasant and seamless the university holds regular meetings with student leaders iron out or improve quality.
3. In the development of innovation, the university has developed a policy to guide innovation and commercialisation of innovations by its staff and students.
4. The university holds an annual innovation week to encourage and stimulate innovation.
5. Products that have been developed within the university are taken through the respective regulatory bodies to ensure adherence to set standards.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

v) **Corporate Social Responsibility / Community Engagements**



For the year under review, Multimedia University of Kenya (MMU) prioritized mental health as key area of Corporate Social Responsibility performance.

Riding under the theme ‘You are not alone’, the university and students, through MMU Science Students Association (MUSSA), in partnership with Twa-Assist and five other universities, carried out a voluntary one week mental health screening to staff, students and residents of Ongata Rongai.

The university held a mental awareness campaign walk along Magadi Road, interacting with Ongata Rongai residents, sharing their stories on how to deal with mental health issues and the importance of sharing with others for help.

The students, staff and OngataRongai residents benefited from renowned speakers and mental health experts that included the former Director of Youth and Development in the Office of President Walter Mongare, SHE Political Co-Founder and Director Caroline Chege, Entrepreneur and Psychologist Sheila Murgor and Pastor WahuWanjiku.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

The event culminated into a tree planting exercise at Nairobi Chapel, Rongai where over 200 tree seedlings were planted by the participants.





MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

10. REPORT OF THE UNIVERSITY COUNCIL

The University Council submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the University's affairs.

Principal activities

University provides quality training in Engineering, Media, ICT and Business to meet the aspirations of a dynamic society while inculcating a strong research, innovation, production and extension culture with an efficient team of academic and support staff. The University offers training opportunities with the aim of meeting the training needs of the Information and Communication Technology (ICT) sector.

Results

The results of the University for the Year ended June 30, 2022 are set out on page 1-5. The University operated on deficit and did not have any surplus for remission to the ministry.

University Council

The members of the University Council who served during the year are shown on page VI & VII. In accordance with the University Act of 2012.

One Council Member, Ms. Amina Ibrahim resigned from the Council with effect from 31st May, 2022. The University informed the Ministry of the Education and member is yet to be replaced. The two PS Representatives from the Ministry of Education and The National Treasury have also been replaced. Dr. Stephen Ikikii was replaced by Mr. Micah Kilonzo with effect from 24th November, 2021. Ms. Ann Kaiga was replaced by Ms. Margaret Lesuuda with effect from July, 4th 2022.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with the Section 38 & 39 of the Public Finance Management (PFM) Act, 2012, which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

By Order of the Board

Festus

Amb. Prof. Festus Kaberia, PhD. OGW
VICE CHANCELLOR

DATE: 31-03-2023



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

11. STATEMENT OF THE UNIVERSITY COUNCIL RESPONSIBILITIES

Section 8(1) 1 of the Public Finance Management Act, 2012 and section 14 & 15 of the State Corporations Act, require the Council to prepare financial statements in respect of the University, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council is also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council is also responsible for safeguarding the assets of the University.

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


The Council accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council is of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2022, and of the University's financial position as at that date.

The Council further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial control.


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

Approval of the financial statements

The University's financial statements were approved by the University Council on 30th September 2022 and signed on its behalf by:


.....
Prof. J. M. Kiamba, PhD, MA, BA, LLB, Dip. Law (KSL)
Chairman of the Council

Date..... 31-3-2023


.....
Amb. Prof. F. Kaberia, PhD, OGW
Vice Chancellor

Date..... 31-03-2023

REPUBLIC OF KENYA



Enhancing Accountability

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON MULTIMEDIA UNIVERSITY OF KENYA FOR THE YEAR ENDED 30 JUNE, 2022

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Multimedia University of Kenya set out on pages 1 to 19, which comprise of the statement of financial position as at 30 June, 2022 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Report of the Auditor-General on Multimedia University of Kenya for the year ended 30 June, 2022

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Multimedia University of Kenya as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Universities Act, 2012 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Long Outstanding Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance of Kshs.132,279,058, as disclosed in Note 12 to the financial statements. The balance includes staff debtors' balance of Kshs.19,475,576 due from employees of the defunct Kenya College of Communications Technology who have since left the University. However, Note 12 indicates staff debtors totalled to Kshs.18,765,747. The variance of Kshs.709,829 was not explained or reconciled. No satisfactory explanation was provided by Management on why the staff were released from the University's employment without having cleared the outstanding debts. Further, the balance includes an advance payment of Kshs.2,000,000 made to a private company for provision of public and media relations services in 2013. In spite of the payment, the company did not provide the respective services.

In addition, included in the balance of students' debtors of Kshs.128,592,977 is an amount of Kshs.71,403,586 which has been outstanding for more than five (5) years. Similarly, the trade debtors balance of Kshs.86,993,019, includes an outstanding amount of Kshs.77,779,505 which has also remained uncollected for a period of more than five (5) years. Included in the long outstanding balances are amounts from existing institutions which include Ministry of Education, Ministry of Information, Kenya Pipelines and Telkom Kenya. No confirmations were received to verify the outstanding balances. No justification was provided for the provision for bad debts amount of Kshs.146,543,793 which is 53% of current receivables, an increase from 48% in the financial year 2020/2021.

In the circumstances, the accuracy and recoverability of the receivables from exchange transactions balance of Kshs.133,279,058 could not be confirmed.

2. Long Outstanding Payables from Exchange Transactions

As disclosed in the statement of financial position, Note 15 to the financial statements reflects trade and other payables from exchange transactions balance of Kshs.1,809,737,166. Review of records provided for revealed that, included in the payables balance is trade creditors balance of Kshs.249,182,284 which further includes engineering block fee note and, staff quarter rent and Telkom rent of Kshs.54,429,000 and Kshs.22,344,097 respectively, which have been outstanding for over two years. No explanation was provided for the non-payment.

Further, included in the payables balance is unremitted statutory deductions amounting to Kshs.831,519,165 which comprise pension and NSSF balance of Kshs.571,503,286 and dues to part-time lecturers' balance of Kshs.260,015,879. The amounts increased

from the previous year's total balance of Kshs.693,897,680 by Kshs.137,621,485 or 20%. However, the procedures followed in the recruitment of part-time lecturers was not provided.

In addition, the payables included outstanding Pay As You Earn (P.A.Y.E) balance of Kshs.510,113,846. No explanation was provided for the non-remittance, considering some payables date back to April, 2015. The trade payables also include a balance of Kshs.10,120,000 for audit services due for six years, no audit fee was provided for in the statement of financial performance.

In the circumstances, the accuracy and validity of the trade and other payables from exchange transactions balance of Kshs.1,809,737,166 could not be confirmed and the University may attract punitive penalties for non-remittance of these statutory deductions.

3. Irregular Issuance of Imprest

Audit review of information provided revealed that Management issued imprests to various officers totalling to Kshs.2,542,071 in respect of domestic travel and transport allowances as a direct expense instead of issuance as imprests. Further, Management did not maintain an imprest register.

In the circumstances, it was not possible to confirm the occurrence of the expenditure amount totalling to Kshs.2,542,071 and any outstanding imprests for the year under review.

4. Uncertainty on Sustainability of Services

During the year under review, the University recorded an operating deficit amounting to Kshs.104,858,579 (2021 Kshs.295,209,988) which increased its accumulated deficit from Kshs.1,670,486,015 in 2020/2021 to Kshs.1,775,344,594 as at 30 June, 2022.

Further, the statement of financial position reflects current liabilities totalling Kshs.1,811,437,166 against current assets totalling Kshs.289,119,534 resulting in a negative working capital of Kshs.1,522,317,632. Therefore, the University may not be able to meet its financial obligations as and when they fall due. In this regard, the University had not remitted deductions in respect to pension, gratuity, third party payments and taxes, all totalling Kshs.1,148,772,726. Management has not disclosed the measures it has taken or intends to take to reverse the unsatisfactory performance and financial position.

The University is, therefore, technically insolvent and its continued operations will depend on the financial support and goodwill from the Government, creditors and bankers.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects that, the University had an expenditure budget of Kshs.1,231,174,027 against actual expenditure of Kshs.1,283,129,687 resulting to an excess expenditure of Kshs.51,955,660 (or 4%) of the budget. No authority was provided for the excess expenditure in respect to compensation of employees and, repairs and maintenance.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Unauthorized Impaired Receivables

Review of debtor's records revealed receivables from exchange transactions of Kshs.79,748,066 which had been outstanding for over ten (10) years. The debts were inherited from the defunct Kenya College of Communications Technology. The University has fully impaired these debts in accordance with Section 157(a) of the Public Finance Management Act, 2012 on write-off of losses proven to be irrecoverable. The records indicated that in October, 2014, Management wrote to The National Treasury through the State Department for University Education requesting for authority to write-off the debts. No information was provided to confirm whether the permission sought from The National Treasury by Management was granted.

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

2. Non-Adherence to One Third Basic Salary Rule

Review of University personnel records indicated existence of staff members with net salaries less than one third ($\frac{1}{3}$) of their basic pay contrary to Section 19(3) of the Employment Act, 2007 which stipulates that the total amount of all deductions by an employer from the wages of his employee at any one time shall not exceed two thirds of such wages.

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

3. Unauthorized Service in Acting Capacity

Review of the non-teaching staff records revealed that the head of finance, procurement and human resource departments have been in acting positions for a period of more than three years under six months' renewal contracts, contrary to the Public Service Human Resource Policies Section C.14(4) which requires that, all recommendations for acting appointments in Job Group 'Q' and above shall be accompanied by a draft indent for advertisement of the vacancy. Further, it was noted that, the acting appointment letter for the head of finance department expired on 23 April, 2022 and has since not been renewed.

In the circumstances, Management was in breach of the law and it was not possible to confirm the legality of the acting status.

4. Irregular Procurement of Cleaning Contract

Examination of records provided revealed that Management awarded a tender for comprehensive cleaning and fumigation services to a contractor on 17 August, 2021 at a cost of Kshs.7,608,276. However, the contract document between the University and the contractor was dated 15 September, 2021. The bidder had already begun the services prior to signing of the contract and hence contravening Section 135(3) of the Public Procurement and Asset Disposal Act, 2015 which provides that; the written contract shall be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that a contract shall be signed within the tender validity period. Further, the law requires that the contract should be signed within 30 days from the date of award but not less than 14 days however, Management had not signed the tender forty-five (45) days later.

In addition, it was noted that the previous cleaning and fumigation expired on 30 June, 2021, however, Management did not terminate the contract until 31 August, 2021 extending the contract irregularly by two months. No explanation was provided for the anomaly.

Management was therefore in breach of the law.

5. Irregularities in Proposed Construction of New University Library

Management awarded a contract for proposed construction of new university library to a contractor vide contract number MMU/LB/47(A)/2017–2018 on 15 August, 2018, at a cost of Kshs.565,101,475 and contract period of 104 weeks. However, as at the time of the audit in September, 2022, the works had not been completed. Further, it was observed that the contractor charged percentages of profits of 5% on special preliminaries and 2.5 % on prime costs amounting to Kshs.3,620,000, however, no explanation was provided for the charges since the additional profit charges on prime costs inflated the contract sum. In addition, review of the bill of quantities revealed glaring discrepancies in the amount in figures and the amount in words.

In the circumstances, the validity and legality of the procurement process and award and costing of the contract could not be confirmed.

6. Irregular Extension of Contract to Supply Library Books

Management awarded a tender for the supply of library books amounting to Kshs.14,960,350 to a contractor on 25 June, 2019. The contract validity period was three months from the date of signing. However, it was noted that in the financial year under review, the contract was active, since an LPO of Kshs.858,940 dated 30 May, 2022 had been issued. The Management did not provide records on the number of books supplied and the total cost as at the time of audit.

In the circumstances, it was not possible to confirm the validity for the tender on supply of books.

7. Irregular Supply of Medical Drugs

During the financial year under review, the University advertised for a framework contract for the supply of medical drugs on 25 May, 2021. However, analysis of records provided for audit review revealed that signing of contracts took place on 19 August, 2021 after the elapse of 30 days as prescribed the Public Procurement and Asset Disposal Act, 2015. Similarly, supply of lab reagents under tender number MMU/ML/02/2021/2022/2023 on 25 May, 2021 revealed that the award of the framework contract to all successful bidders was done on 23 July, 2021 after the lapse of the 30 days stipulated in the Act.

Management was therefore in breach of the law.

8. Non-Adherence to Framework Agreements

Analysis of the procurement documents presented for audit review revealed that Management advertised for contract agreements of various categories on 25 May, 2021. However, it was noted that although Management had awarded framework agreements for goods such as foodstuff and stationeries, request for quotations method to procure for the same goods was awarded to merchants who had not been shortlisted in the framework. This was in contravention of Regulations 106 of the Public Procurement and Asset Disposal Regulations, which provides that a procuring entity is not required to advertise or invite quotations from persons not shortlisted under the framework agreement where a framework agreement has been entered into by the procuring entity.

In the circumstances, it was not possible to confirm the validity of the contracts.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

1. Lack of Information Communication Technology Policy

Review of the University ICT environment during the year ended 30 June, 2022 revealed that there was no approved ICT Policy in place to enable the University manage business processes for the delivery of services to the stakeholders in an effective and efficient manner.

In the circumstances, the IT operations may not have been effectively managed and aligned to support the operations of the entity during the year under review.

2. Lack of Human Resource Management Policy

Review of Human Resource documents presented for audit revealed that the University did not have an approved Human Resource Policy. It was noted that the approved University's Procedure Manual for October, 2021 requires that all procedures for Human Resource to be approved on basis of the Human Resource Policy.

Further, there was no Training and Development Policy in place and the University did not carry out a training needs assessment for the staff during the financial year under review as guided by procedure number 2.1 of the Training and Development Procedure Manual.

In the circumstances, the quality of services would be compromised due to lack of human resource policy which would ensure knowledge enhancement through proper skills acquisition.

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

Responsibilities of Management and University Council

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

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

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the

activities, financial transactions and information reflected in the financial statements are in-compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 May, 2023





MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022


**13. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 JUNE, 2022**

	Note	2021-2022 Shs	2020-2021 Shs
Revenue from non-exchange transactions			
Public contributions and donations	1,19	16,148,692	16,314,181
Transfers from other governments- recurrent grant	2	619,620,719	591,065,907
Accrued CBA		-	21,061,577
Amortization of development grant	2,19	20,137,835	20,437,065
Sub total		655,907,246	648,878,730
Revenue from exchange transactions			
Rendering of services	3	522,363,862	284,783,041
Sub Total		522,363,862	284,783,041
Total revenue		1,178,271,108	933,661,771
Expenses			
Employee costs	5	978,585,539	963,301,446
Council Allowances	6	5,620,289	4,408,665
Depreciation and amortization expense	7	90,734,443	91,627,431
Repairs and maintenance	8	11,432,841	11,882,949
Contracted Services	9	20,838,812	21,062,337
General expenses	10	175,917,763	136,588,932
Total expenses		1,283,129,688	1,228,871,760
Deficit before Tax		(104,858,579)	(295,209,988)
Taxation		-	-
Deficit for the period		(104,858,579)	(295,209,988)

The notes set out on pages 6 to 19 form an integral part of the Financial Statements. Financial Statements set out on pages 1 to 5 were signed on behalf of the University Council by:


.....
Vice Chancellor
Amb. Prof. F. Kaberia, PhD, OGW


.....
Ag. Finance Officer
Ms Leneah Munene
ICPAK No. 18513


.....
Chairman of the Council
Prof. J. M. Kiamba, PhD, MA, BA, LLB, Dip. Law (KSL)

Date: 31-03-2023

Date: 30/06/22

Date: 31-3-2023





MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022


14. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2022

	Note	2021-2022	2020-2021
		Shs	Shs
Assets			
Current assets			
Cash and cash equivalents	11	136,909,751	208,040,276
Receivables from exchange transactions	12	132,279,058	156,122,196
Receivables from non-exchange transactions	13	5,860,362	4,438,935
Inventories	14	14,070,364	16,596,168
Total Current Assets		289,119,534	385,197,575
Non-current assets			
Property ,plant and equipment	17	3,054,886,378	3,011,094,739
Long term receivables from exchange transactions		-	-
Total Non - current assets		3,054,886,378	3,011,094,739
Total Assets		3,344,005,912	3,396,292,313
Liabilities			
Current liabilities			
Trade & other payables from exchange transactions	15		
Trade Creditors		249,182,284	280,001,068
Taxation		545,600,811	559,435,953
Employee benefit Obligation		863,482,351	775,414,747
Refundable deposits from customers-caution money		13,268,302	12,404,302
Payments received in advance		139,903,418	135,322,391
Total current liabilities		1,811,437,166	1,762,578,461
Non Current Liabilities			
Deferred income	16	1,197,654,993	1,193,941,520
Total liabilities		3,009,092,159	2,956,519,982
Net assets		334,913,753	439,772,332
Equity Fund		1,269,222,498	1,269,222,498
Accumulated surplus		(1,775,344,594)	(1,670,486,015)
Revaluation reserve		841,035,849	841,035,849
Total capital reserves and accumulated deficit		334,913,753	439,772,332
		-	-
Total net assets and liabilities		3,344,005,912	3,396,292,314

Financial Statements set out on pages 1 to 5 were signed on behalf of the University Council by:


.....
Vice Chancellor
Amb. Prof. F. Kaberia, PhD, OGW
Date: 31-03-2023


.....
Ag. Finance Officer
Ms Leneah Munene
ICPAK No. 18513
Date: 30/06/22


.....
Chairman of the Council
Prof. J. M. Kiamba, PhD, MA, BA, LLB, Dip. Law (KSL)
Date: 31-3-2023



MULJIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

15. STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 30 JUNE 2022

	EQUITY FUND	ACCUMULATED SURPLUS	REVALUATION RESERVE	TOTAL	GOK GRANT	LASER OPTIC	GOK ENGINEERING DONATION	KOREA GRANT	CCK GRANT HOSTEL-	CCK GRANT	TOTAL
	KShs.	KShs.	KShs.	KShs.	KShs.	KShs.	KShs.	KShs.	KShs.	KShs.	KShs.
As at 30th June 2020	1,269,222,498	(1,375,276,026)	841,035,849	734,982,320	924,227,721	65,990,555	175,711,655	2,193,150	1,379,999	21,188,312	976,481,187
For the period	-	(295,209,988)	-	(295,209,988)	40,001,375	-	-	-	-	-	250,000,000
Grant Amortization	-	-	-	-	(20,437,065)	(1,887,176)	(13,847,909)	(286,062)	(60,000)	(233,035)	(35,789,795)
As at 30th June 2021	1,269,222,498	(1,670,486,015)	841,035,849	439,772,332	943,792,031	64,103,379	161,863,746	1,907,088	1,319,999	20,955,277	1,193,941,520
For the period	-	(104,858,579)	-	(104,858,579)	40,000,000	-	-	-	-	-	40,000,000
Grant Amortization for the period	-	-	-	-	(20,137,835)	(1,721,686)	(13,847,909)	(286,062)	(60,000)	(233,036)	(36,286,527)
As at Jun 2022	1,269,222,498	(1,775,344,594)	841,035,849	334,913,753	963,654,196	62,381,694	148,015,837	1,621,026	1,259,999	20,722,242	1,197,654,993





MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022


16. STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021-2022	2020-2021
		Shs	Shs
Cash and cash equivalents at the beginning of the quarter	11	208,040,276	233,373,596
Prior Period adjustment			-0
Cash flows from operating activities			
Receipts			
Public contributions and donations		-	-
Recurrent Government grants		-	-
Accrued Government grant- CBA	2a	619,620,719	591,065,907
Interest from Fixed Deposit	4	-	21,061,577
Rendering of services	3	522,363,862	284,783,041
Decrease in Bad debts provision		-	-0
Loss on disposal of asset		-	-
		1,141,984,581	896,910,525
Payments			
Employees Costs	5	978,585,539	963,301,446
Rent paid	10	-	-
Other payments	10,8,9,6	213,809,706	173,942,883
		-	-
Net cash flows from operating activities		1,192,395,245	1,137,244,329
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets	17	(134,526,082)	(123,424,712)
(Decrease)/increase in current receivables		22,421,712	56,558,767
(Decrease)/increase in trade payables		48,858,706	242,139,376
(Decrease)/increase in stocks		2,525,804	(274,322)
Net cash flows used in investing activities		(60,719,861)	174,999,109
Cash flows from financing activities			
Receipts -government grant development		40,000,000	40,001,375
Grant Laser Optic		-	-
Increase in deposits		-	-
Net cash flows used in financing activities		40,000,000	40,001,375
Net increase/(decrease) in cash and cash equivalents		(71,130,525)	(25,333,320)
Cash and cash equivalents at end of the quarter	11	136,909,751	208,040,276

Financial Statements set out on pages 1 to 5 were signed on behalf of the University Council by:


.....
Vice Chancellor
Amb. Prof. F. Kaberia, PhD, OGW
Date: 31-03-2023


.....
Ag. Finance Officer
Ms Leneah Munene
ICPAK No. 18513
Date: 30/06/22


.....
Chairman of the Council
Prof. J. M. Kiamba, PhD, MA, BA, LLB, Dip. Law (KSL)
Date: 31-3-2023



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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

	Final Budget	Actual on Comparable Basis	Performance Difference	% of Utilization
	Kshs	Kshs	Kshs	
Revenue				
Public Donations	0	16,148,692.05	16,148,692.05	0
Development Amortization	0	20,137,835.44	20,137,835.44	0
Government grants	617,024,826.96	619,620,719.00	2,595,892.04	100
Rendering of services	622,550,756.30	522,363,861.76	(100,186,894.54)	99
Total Revenue	1,239,575,583.26	1,178,271,108.25	(61,304,475.01)	
Expenses				
Compensation of employees	972,310,704.28	978,585,539.11	(6,274,834.83)	100
Repairs and Maintenance	10,400,000.00	11,432,841.08	(1,032,841.08)	100
General Expenses	220,663,322.00	175,917,763	44,745,559	79
Contracted Services	21,800,000.00	20,838,812.49	961,187.51	93
Council Expenses	6,000,000	5,620,288.62	379,711.38	74
Depreciation		90,734,442.84	(90,734,442.84)	100
Total expenditure	1,231,174,027.24	1,283,129,687	(51,955,660)	
Surplus for the year	8,401,556.02	(104,858,579.32)	(113,260,135.34)	



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Budget Notes

Amortization Income

- (a) The amortization of the deferred income was not taken into account in the budget since it's a non-cash item.
- (b) The amortization income from development grant not budgeted. This is a non-cash item.

Income from rendering of services

The University anticipated that it would be accredited as a TVET center in the financial year 2021/2022 and therefore budgeted for the income from the same. However, there was delay in the accreditation process and the budget income could therefore not be realized.

Government grants

There was a slight increase in the capitation we received from the government in the month of May and June. The university received 52,716,681 as opposed to Kshs 51,418,681 we had received in the previous months hence the small variations. Please refer to the last page in the financial statement.

Personnel Cost

The University management increased the loading for the lectures from the current 3 units per semester to 4 units per semester. However, there was resistance by some lecturers and the case is currently under arbitration. This led to engagement of more part time lecturers than to cover the gap than anticipated.

Repair and Maintenance

There was drastic increase in inflation in the financial year 2021/2022 that led to increase in the cost of items. This led to the slight increase in the cost materials for repairs and maintenance.

General expenses, Council expenses, and contracted services

There was a deliberate effort by the management to cut on cost as part of the recovery strategy. This is because the university did not receive the anticipated capitation and due to the hard economic times the university did not generate the appropriation in Aid as anticipated.

Depreciation

Being a non-cash item the same was not budgeted



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

18. NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2022

I 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, which is the functional and reporting currency of the entity and all values are rounded to the nearest thousand (Ksh000). The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

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. The financial statements are prepared on accrual basis.

II Summary of significant accounting policies

a) Revenue recognition

b) Revenue from non-exchange transactions – IPSAS 23

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

i) Revenue from exchange transactions – IPSAS 9

Rendering of services

Revenue represents the invoiced value of services net of value added tax and is recognized when the service has been rendered to customers.

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 entity. 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.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

c) Property, plant and equipment – IPSAS 17

Property, plant and equipment are stated at the re-valued cost less accumulated depreciation and impairment losses with the exception of lease holds land and library books costs which are carried at cost. Cost includes expenditure that is directly attributable to the acquisition of the items.

d) Depreciation

Leasehold land is not depreciated.

Depreciation on other property and equipment is calculated on a straight-line basis using the following annual rates:

S/No.	Description	Percentage
1.	Buildings	02%
2.	Plant & Machinery	06%
3.	Furniture & Fittings	12.5%
4.	Computers & Printers	30%
5.	Motor Vehicles	12.5%
6.	Library books	20%

e) Research and development costs

The Entity expenses research costs as incurred.

f) Financial instruments – IPSAS 29

Financial assets and financial liabilities are recognized in the balance sheet when the University becomes a party to the contractual provisions of the instrument.

g) Inventories – IPSAS 12

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

h) Provisions – IPSAS 19

The University reviews its debtor's portfolio regularly to assess the likelihood of impairment. This requires an estimation of the amount that is irrecoverable especially due from students. Currently the University provide for bad debts as general provision of 2%.

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

i) Nature and purpose of reserves

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



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

j) Changes in accounting policies and estimates – IPSAS 3

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

k) Employee benefits – IPSAS 25

Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

l) Related parties – IPSAS 20

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

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short term liquid investment which are readily convertible to known amounts of cash and which are within three months to maturity when acquired.

n) Comparative figures

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

o) Subsequent events – IPSAS 14

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2022



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

S/No.	Description	2021-2022 Shs	2020-2021 Shs
1.	Public Contributions & donation – Refer to Note 19		
	CCK other assets	233,036	233,035
	CCK – Hostels	60,000	60,000
	Korea Grant	286,062	286,062
	Sub Total	579,098	579,097
	Amortization of the – Engineering equipment	13,847,909	13,847,909
	Laser Optics Amortization	1,721,686	1,887,176
	Total	16,148,692	16,314,181
2.	Transfers from the Governments gifts & services-in-kind		
	Unconditional grants		
	Operational grant-Recurrent grant (Appendix 1)	619,620,719	591,065,907
	Collective Bargaining Agreement (Appendix 1)	--	21,061,577
		619,620,719	612,127,484
	Development Grant Amortization-		
	Development Grant Amortization-Refer to note 19	20,137,835	20,437,065
	Development Grant received 2017		--
	Total Government Grants	639,758,554	632,464,549
3.	Rendering of Services		
	Tuition and Other Charges	436,891,360	234,808,464
	Student Accommodation	23,594,634	8,658,715
	Student Catering	14,980,218	13,756,490
	Day Conference facilities	1,076,000	4,073,153
	Printing and Laundry	3,793,956	2,940,122
	Club house sales	4,964,831	1,527,500
	Other income	21,337,812	19,018,597
	Executive Hostels	15,725,050	-
	Total revenue from the rendering of services	522,363,862	284,783,041
4.	Finance Income – external Investments		
	Equity Bank Interest from fixed deposits	--	--
	Total Finance Income – external investments		
5.	Employee costs		
	Salaries and wages	434,442,957	395,984,734
	Casual Wages	11,329,581	15,424,550
	Resources	100,144,517	99,578,513



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

S/No.	Description	2021/2022 Kshs	2020/2021 KShs.
	Employees related costs – contributions to pensions and medial aids		
	Pension	79,933,787	72,862,502
	Gratuity	3,983,866	1,057,124
	Medical	37,901,482	42,001,014
	Housing benefits ,car allowance and other allowances	-	-
	House allowance	163,635,988	168,274,755
	Car Allowance & other allowance	136,144,455	142,874,148
	Leave Allowance	11,068,906	25,244,106
	Total	978,585,539	963,301,446
6.	Remuneration of Council		--
	Council Sitting Allowance	3,140,000	3,840,000
	Council Retreat	1,164,220	156,600
	Council Travelling and Accommodation	133,068	286,065
	Council other allowances (Lunch)	52,000	126,000
	Honoraria	1,131,000	1,044,000
	Total Council emoluments	5,620,289	5,452,665
7.	Depreciation and amortization expenses		
	Motor Vehicle	5,825,686	5,605,686
	Furniture and Fittings	7,393,606	7,384,637
	Computers	10,085,671	11,402,705
	Buildings	38,062,186	36,934,305
	Library books	3,506,877	6,161,357
	Plant and Machinery	25,860,416	24,138,740
	Total depreciation and amortization	90,734,443	91,627,431
8.	Repairs and Maintenance		
	General stores(hardware stores& renovation)	9,461,439	9,729,725
	Plant and equipment operations cost	-	-
	Vehicles repairs	1,971,402	2,153,224
	Other	-	-
	Total repairs and maintenance	11,432,841	11,882,949
9.	Contracted Services		
	Cleaning Services	11,942,826	8,173,130
	Security services	8,895,986	12,889,207
	Total contracted services	20,838,812	21,062,337



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

S/No.	Description	2021/2022 Kshs	2020/2021 KShs
10.	General Expenses		
	Advertising	1,244,931	794,969
	Audit fees	1,700,000	1,700,000
	Staff Education Support	1,559,428	1,691,274
	Ceremonies	2,190,528	2,179,211
	Catering costs	28,594,607	21,850,601
	Local travelling	2,615,268	3,836,966
	Fuel and oil motor vehicle	3,996,679	2,502,874
	Insurance	737,529	7,397,885
	Legal expenses & Legal Fee	4,106,996	7,512,809
	Internet services	21,454,320	18,395,009
	Student Activities	5,578,079	7,004,275
	Student work study	480,401	213,450
	Student union expenses	1,991,434	2,040,342
	Sports and welfare	5,994,843	948,914
	Academic trips	3,335,250	-
	Research Cost	5,775,463	1,062,143
	Honoraria	12,167,881	7,017,187
	Postage	1,020,996	908,850
	Printing and stationery	12,935,302	7,791,491
	Library Expenses	635,280	2,016,892
	Cleaning Materials	3,395,208	4,724,817
	Skills/staff development	836,513	321,747
	Increase in Bad debts	1,769,174	4,198,944
	Lab Chemicals	2,883,474	2,473,919
	Medical materials	4,649,320	4,717,452
	Welfare	261,500	575,652
	Bank charges	3,195,666	2,072,153
	VAT	14,311,267	-
	Electricity	26,500,426	20,639,105
	Hotel Cutlery	-	-
	Provisions	-	-
	Total general expenses	175,917,763	136,588,932



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

S/No.	Description	2021/2022 Kshs	2020/2021 KShs.
11.	Detailed analysis of the cash and cash equivalents		
	Current Account		
	Fixed deposits account	136,696,478	208,011,216
	Others-Cash in Hand	-	-
	Total cash and cash equivalents	213,273	29,060
	a) Current account	136,909,751	208,040,276
	Financial institution		
	KCB -Main Account		
	KCB-Madaraka A/c	6,852,078	4,852,493
	KCB -Hotel A/C	61,970,888	40,365,002
	Equity Bank -MMU A/C Student collection a/c	161,240	2,052,762
	Equity Bank -Development A/C	1,336,207	810,216
	KCB Vice Chancellors Fund	46,626,058	110,489,978
	MMU Research Fund Coop Bank	983,485	988,525
	Cooperative Bank Electrak Account	18,766,522	48,452,239
	Sub- total		
	c) Fixed deposits account	136,696,478	208,011,216
	Equity Bank	-	-
	Sub- total		
	e) Others(specify)		
	Petty cash	-	-
	Main Kitchen	134,987	29,060
	cash in hand	-	-
	Total	78,286	-
	Grand Total	213,273	29,060
		136,909,751	208,040,276
12.	Receivables from exchange transactions		
	Current receivables		
	Student debtors		
	Trade debtors	128,592,977	142,156,708
	Staff debtors	86,993,019	95,033,788
	Supplier Advance Payment	18,765,747	19,539,978
	School fees -Staff Loan	2,000,000	2,000,000
	Vat Receivable	76,641	205,149
	KCB Bank Guarantee	41,354,466	40,920,395
	Sub Total	1,040,000	1,040,000
	Less: Provision for bad debts	278,822,851	300,896,018
	Total current receivables from exchange transaction	(146,543,793)	(144,773,821)
		132,279,058	156,122,196
13.	Receivables from non-exchange transaction		
	Imprest		
	Accrued government Grant	5,860,362	4,438,935
	Total current receivables	5,860,362	4,438,935



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

14.	Inventories		
	Stationery stores	2,917,031	4,141,344
	Office tea	-	159,822
	Cleaning Materials	3,056,215	3,714,297
	Food & Beverage-Main Kitchen	-	
	Maintenance Stock	2,069,624	5,442,395
	Medicine stock	3,377,972	1,467,372
	Beverages hotel	-	-
	Food and Beverage Hotel	-	115,504
	Main kitchen-food stores		1,391,598
	Main hotel -food stores	1,325,683	163,836
	Plumbing	559,703	-
	Electricals	764,136	-
	Total inventories at the lower of cost and net realizable value	14,070,364	16,596,168
15.	Trade Payables from Exchange Transaction		
	Trade Suppliers	161,826,187	196,195,471
	Accrued Payables	-	-
	Engineering Block fee note	54,429,000	54,429,000
	Staff quarter rent and Telkom rent	22,344,097	22,344,097
	KUCCPS placement Fee	6,045,000	4,036,500
	CUE quality fee	4,538,000	2,996,000
	Sub Total	249,182,284	280,001,068
	Taxation		-
	Pay As You Earn (P.A.Y.E)	510,113,846	511,487,671
	Value Added Tax	-	-
	Withholding Vat	29,197,725	37,637,097
	Withholding Tax	6,289,240	10,311,185
	Sub Total	545,600,811	559,435,953
	Employee Benefit Obligation		-
	Third Party Payments (banks, SACCOS, Insurance)	30,771,679	78,090,693
	Pension and NSSF	571,503,286	479,573,672
	Gratuity	896,950	3,131,819
	Part time Lecturers	260,015,879	214,324,008
	Imprest Recovery	294,556	294,556
	Sub Total	863,482,351	775,414,747



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

	Refundable deposits from customers		
	Caution Money	13,268,302	12,404,302
	Payment received in advance		
	Bursary		--
	HELB		
	Un-receipted bank deposits	4,574,000	4,124,000
	Student and guest payment	10,144,299	10,334,299
	Student union subscription	115,585,447	114,154,328
	Prepaid Catering	4,635,319	2,604,900
	Student Medical	1,737	1,737
	Student Smart ID	8,217	489,228
	Sub Total	4,954,400	3,613,900
	Total trade and other payables	139,903,418	135,322,391
		1,809,737,166	1,762,578,461
16.	Deferred Income-Refer to Note 19		
	GOK-Development Grant	963,654,196	943,792,031
	CCK -Grant- other Assets	20,722,242	20,955,277
	CCK- Hostels	1,259,999	1,319,999
	Korea Grant	1,621,026	1,907,088
	G.O.K Engineering Equipment	148,015,837	161,863,746
	Grant for Laser Optic	62,381,694	64,103,379
	Total deferred income	1,197,654,993	1,193,941,520



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

17. NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30TH JUNE 2022 (Continued)

Property, plant and equipment	Land	Motor vehicles	Furniture and fittings	Computers	Buildings	Other-Library Books	Plant and Equipment	Capital In Progress	Total
Cost	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs	KShs
At June 2020	280,000,000	46,605,490	58,447,910	84,040,388	1,790,321,270	49,091,881	370,859,090	675,153,464	3,354,519,494
Additions	-	-	629,000	7,864,917	-	661,426	31,452,925	82,816,444	123,424,712
Transfer from w.i.p	-	-	-	-	112,788,007	-	-	-112,788,007	-
At June 2021	280,000,000	46,605,490	59,076,910	91,905,305	1,903,109,276	49,753,307	402,312,016	645,181,902	3,477,944,206
Additions	-	-	71,850	1,609,666	-	1,182,691	28,694,761	102,967,115	134,526,082
At June 2022	280,000,000	46,605,490	59,148,760	93,514,971	1,903,109,276	50,935,998	431,006,776	748,149,016	3,612,470,289
Depreciation and impairment									
At June 2020	-	23,526,185	27,930,754	65,485,881	143,298,411	34,339,931	80,640,875	-	375,222,037
Depreciation	-	5,605,686	7,384,637	11,402,705	36,934,305	6,161,357	24,138,740	-	91,627,431
At 30 June 2021	-	29,131,871	35,315,391	76,888,586	180,232,716	40,501,288	104,779,615	-	466,849,468
Depreciation	-	5,825,686	7,393,606	10,085,671	38,062,186	3,506,877	25,860,416	-	90,734,443
Transfer/adjustment									
At 30 June 2022	-	34,957,558	42,708,997	86,974,258	218,294,902	44,008,165	130,640,031	-	557,583,911
Net book values									
At June 2022	280,000,000	11,647,932	16,439,763	6,540,713	1,684,814,375	6,927,833	300,366,745	748,149,016	3,054,886,378
At 30 June 2021	280,000,000	23,079,305	30,517,156	18,554,507	1,647,022,859	14,751,950	290,218,216	675,153,464	2,979,297,458



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

18. FUNDS AND RESERVES

	2021/2022 Kshs	2020/2021 Kshs
a) Equity Fund	1,269,222,498	1,269,222,498

There was no change in the capital fund during the financial year 2021/2022

b) Accumulated deficit

The accumulated fund brought forward from 2020/2021 was Kshs (1,670,486,015). This has been negatively affected by the current year 2021/2022 deficit of Kshs. (104,858,579) bringing the current accumulated fund to Kshs. (1,775,344,594).

	2021/2022 KShs 000	2020/2021 KShs 000
Balance b/d	(1,670,486,015)	(1,375,276,026)
Current year Deficit	(104,858,579)	(295,209,988)
Prior Year Adjustment		
Closing Balance	(1,775,344,594)	(1,670,486,015)

c) Revaluation reserve

During the year 2015/2016 the university engaged Sec & M Company to revalue its fixed assets and this resulted to a revaluation of reserve of Kshs 841,035,849. There was no revaluation of the fixed assets in the year 2021/2022 therefore no movement in the revaluation reserve.

	2021/2022 KShs 000	2020/2021 KShs 000
Revaluation reserve	841,035,849	841,035,849

19. DEFERRED INCOME

Deferred income relates to grants and donations that have been received by the university over a period of time and continue to be amortized. These include: -

a) CCK Grant- Hostel

The university received Kshs 3,000,000 for construction of Senior Hostel from CCK. This is amortized at the rates of 2% annually.

	2020/2022 KShs 000	2020/2021 KShs 000
Balance b/d	1,319,999	1,379,999
Amortization of grant	(60,000)	(60,000)
Total	1,259,999	1,319,999



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

b) CCK Grant other assets

The University received a grant of Kshs 100 million from CCK during the 2007/2008 financial year to cater for development expenditure. This continues to be amortized over the useful life of the assets.

	2021/2022	2020/2021
	KShs 000	KShs 000
Balance b/d	20,955,277	21,188,312
Amortization of grant	(233,035)	(233,035)
Total	20,722,242	20,955,277

c) Korea donation

The University received grant of equipment worth Kshs. 4,767,708 from Korea. This continues to be amortized over the useful life of the equipment.

	2021/2022	2020/2021
	KShs 000	KShs 000
Balance b/d	1,907,088	2,193,150
Amortization of grant	(286,062)	(286,062)
Total	1,621,026	1,907,088

d) Government development grant

The university receives development grant from the government through state department for university education for various projects. During the year 2021/2022 the university received a grant of Kshs 40,000,000 from the government for development project. The deferred income method is applied in the treatment of development grant since it gives the full disclosure of the grant received. This grant is amortized over the useful life of the assets acquired.

	2021/2022	2020/2021
	KShs 000	KShs 000
Balance b/d	943,792,031	924,227,721
Grant received	40,000,000	40,001,375
Amortization of grant	(20,137,835)	(20,437,065)
Total	963,654,196	943,792,031

e) Research Infrastructural Grant-Laser Optic

During the financial year 2018/2019 the university received a research infrastructural grant of Kshs 65,990,555 from the ministry of education for the establishment of National Laser Training and research centre. The amortization for the same in this financial year is Kshs 1,721,686.



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

Bank Statement Date	Amount (KShs)	
06/4/2019	65,990,555	2018/2019

f) Engineering Equipment donation

During the year 2016/2017 the university received lab equipment worth of Kshs 225,718,308 and an addition of equipment worth Kshs 5,080,173 in 2018/2017 from the Ministry of Education, Science and Technology (State department for University education).

The grant will be amortized over the useful life of the equipment.

	2021/2022	2020/2020
	KShs 000	KShs 000
Balance b/d	161,863,746	175,711,655
Grant received		
Amortization of grant	(13,847,909)	(13,847,909)
Total	148,015,837	161,863,746

As per the IFRS/IAS 20 there are basically two methods of accounting for the grant, income method and capital method. The University has applied the Income approach because it gives full disclosure of the grant received.

20. RELATED PARTY TRANSACTIONS

(a) The following are the material related party transactions for the year:

	2021/2022	2020/2021
Loans to staff members	18,765,747	19,539,978



MULTIMEDIA UNIVERSITY OF KENYA
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

20. APPENDIX 1:

**BREAKDOWN OF TRANSFERS FROM THE STATE DEPARTMENT OF
UNIVERSITY EDUCATION**

Recurrent Grant

GOVERNMENT RECURRENT GRANT FY 2021/2022		
DATE	RECEIPT NO	AMOUNT
03.08.2021	RCT17-1741342	51,418,736.00
01.09.2021	RCT17-1766019	51,418,736.00
29.09.2021	RCT17-1781769	51,418,734.00
02.11.2021	RCT17-1819294	51,418,736.00
26.11.2021	RCT17-1846676	51,418,736.00
28.12.2021	RCT17-1873456	51,418,735.00
01.02.2022	RCT17-1886861	51,418,736.00
02.03.2022	RCT17-1910586	51,418,736.00
01.04.2022	RCT17-1933239	51,418,735.00
28.04.2022	RCT17-1954699	51,418,736.00
08.06.2022	RCT17-1975529	52,716,682.00
29.06.2022	RCT17-1989659	52,716,681.00
TOTALS		619,620,719.00

GOVERNMENT DEVELOPMENT GRANT FY 2021/2022		
DATE	RECEIPT NO.	AMOUNT
12.08.2021	RCT17-1750775	20,000,000.00
16.03.2022	RCT17-1921794	20,000,000.00
TOTALS		40,000,000.00

3
19



119
119