

REPUBLIC OF KENYA



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of majority party
Hon. Ken Duke
on 26/9/17
[Signature]



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REPORT

OF

THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
EGERTON UNIVERSITY**

**FOR THE YEAR ENDED
30 JUNE 2016**





EGERTON UNIVERSITY

ANNUAL REPORT

&

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR

ENDED

JUNE 30, 2016

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

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KEY UNIVERSITY INFORMATION AND MANAGEMENT

(a) Background Information

i. Background

Egerton University is the premier Agricultural public University in Kenya. It was founded in 1939 under the name Egerton Farm School. By 1955, it was upgraded and renamed Egerton Agricultural College. It became a constituent college of the University of Nairobi in 1986 and a year later in 1987 became a fully fledged University following the Enactment of the Egerton University Act of 1987. This Act was repealed and replaced by the Universities Act No 42 of 2012.

ii. Vision

A world class University for the advancement of humanity.

iii. Mission

To offer exemplary education to society and generate knowledge for national and global development.

(b) Principal Activities

The Core business of the University as provided by the Universities Act No 42 of 2012 of the Laws of Kenya includes:

- Advancement of knowledge through teaching, scholarly research and scientific investigation;
- Promotion of learning in the student body and society generally;
- Promotion of cultural and social life of society;
- Support and contribution to the realization of national economic and social development;
- Promotion of the highest standards in, and quality of, teaching and research;
- Education, training and retraining higher level professional, technical and management personnel;
- Dissemination of the outcomes of the research conducted by the university to the general community;
- Facilitation of life-long learning through provision of adult and continuing education;
- Fostering of a capacity for independent critical thinking among its students; and
- Promotion of gender balance and equality of opportunity among students and employees.
- Promotion of equalization for persons with disabilities, minorities and other marginalized groups.

“Transforming Lives Through Quality Education”

Egerton University is ISO 9001:2008 Certified

(c) Key Organs of the University

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

- University Council
- University Management Board
- The Senate

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2015 and who had direct fiduciary responsibility are shown on page 8.

(e) Fiduciary Oversight Arrangements

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education, Science and Technology for ensuring that the University complies with the Universities Act 2012, the University Statutes (2013) and adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the University Council Charter.

The Council consists of nine members- the Chairman & five other members, representative of the National Treasury, Representative of the Principal Secretary Ministry of Education Science & Technology and the Vice Chancellor.

(f) Headquarters Contacts

Egerton University
P.O. Box 536 - 20115, **EGERTON**
KENYA
Tel: (254) 051-2217891/2/051-2217781
E-mail: info@egerton.ac.ke
Website: www.egerton.ac.ke

(g) Bankers

Kenya Commercial Bank Ltd,
Egerton University Branch,
P.O. Box 248 – 20115, **EGERTON**

Barclays Bank of Kenya Ltd.
P.O. Box 66- 20100
NAKURU

Co-operative Bank of Kenya Ltd.
P.O. Box 2982 – 20100,
NAKURU

(h) Independent Auditors

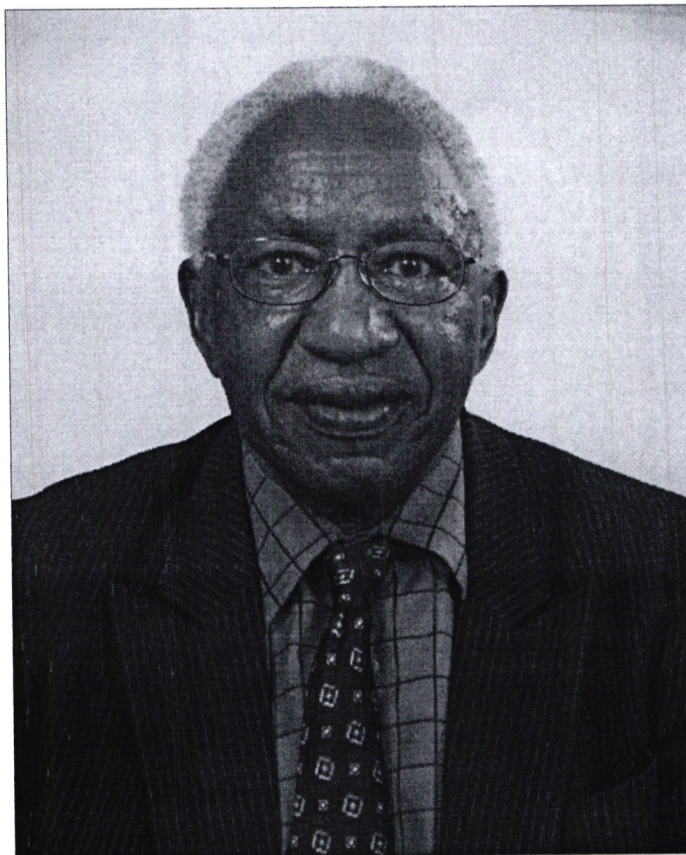
Auditor General
Kenya National Audit Office
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

Sheth & Wathigo Advocates
Vickers Building
P.O. Box 611 – 20100
NAKURU

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CHANCELLOR



PROFESSOR SHEM OYOO WANDIGA, EBS, FRSC
EBS, Frsc, B.Sc (Howard University), M.Sc. (Maryland), Ph.D (Reserve University)
YOB: 1939

WORK EXPERIENCE

A long working experience in academia, research, consultancy, administrative and advisory
UON: Professor; DVC (Administration & Finance); Principal College of Biological & Physical
Science; COD Chemistry Dept.; Snr. Lecturer; Lecturer (inorganic Chemistry).
Co-ordinator University Investment Project; Chairman Kenya National Academy of Sciences;
Chairman International Geosphere-Biosphere Programme Kenya Committee; Chairman
Constitutive Committee of African Union of Pure & Applied Chemistry and a member Kenya
Chemical Society.

Kenya's Representative to UNESCO Executive Board; Expert Consultants to UNEP; Member of
General of the International Council of Scientific Unions; Chairman Programme and External
Relations Commissions of UNESCO Executive Board; Member World Conference on Science
Case Western Reserve University & University of Maryland: Teaching Assistant.

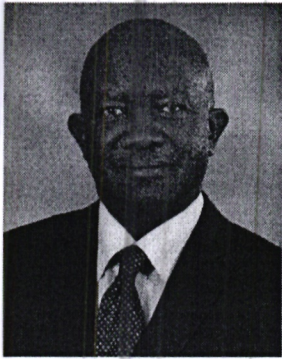
Inter American University: Temporary Assistant Professor of Chemistry.

Just to mention a few of his expansive work experiences

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THE UNIVERSITY COUNCIL



NAME: Dr. Reardon Olubayo

YoB: 1946

POSITION/KEY RESPONSIBILITIES:

Council Chairman; Chairman of Appointments Committee

QUALIFICATION: DVM (Kiev), M.Sc (UoN), Ph.D (Utrecht)

WORK EXPERIENCE

Consultant in Research & Development, Research Scientist (ICIPE), Senior Research Scientist (KARI), Ministry of Agriculture.



NAME: Mr. Josiah Okumu

YOB: 1949

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman Planning, Development & Fund-Raising Committee; Member Finance, Human Resources & General Purpose Committee; Member Sealing & Honorary Degree Committee; Member Appointment Committee.

QUALIFICATION: B.Ed. (UON), M.Ed. (Wales)

WORK EXPERIENCE

Coordinator – Open and Distance Learning (Maseno University), Director – Kenya Institute of Special Education, Director – City Education (Nairobi), Senior Deputy Director of Education – Head of Secondary Education Division, Deputy Director of Education – Head Office, Assistant Director of Education, Deputy Provincial Education Officer – Nairobi Province, Senior Education Officer incharge of Diploma Teachers’ Colleges, Education Officer I

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NAME: Mrs. Joy Murithi

YOB:

POSITION/KEY RESPONSIBILITIES:

Council Member- Rep. P.S. The National Treasury
Finance, Human Resources & General Purpose Committee;
Audit, Governance & Risk Management Committee; Planning,
Development & Fund-Raising Committee; Sealing & Honorary
Degree Committee.

QUALIFICATION:

WORK EXPERIENCE

Representative of P.S. The National Treasury



NAME: Mr. Dan N. Nguchu

YOB: 1945

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman Finance, Human Resources &
General Purpose Committee; Member Planning,
Development & Fund-Raising Committee; Member
Appointment Committee.

QUALIFICATION: B.Sc. (Haile Sellasie), MBA (USIU).

WORK EXPERIENCE

Director - Rudan Group of Schools, Deputy Managing
Director – Consolidated Bank of Kenya, Deputy General
Manager – Cooperative Bank of Kenya, District Agricultural
Officer – Kericho district



NAME: Mr. Paul M. Mwangi

YOB:

POSITION/KEY RESPONSIBILITIES:

Council Member - Rep. P.S. Ministry of Education, Science
& Technology
Finance, Human Resources & General Purpose Committee;
Audit, Governance & Risk Management Committee;
Tegemeo, Academic & Research Committee; Grievances
Handling & Appeals Committee; Appointment Committee.

QUALIFICATION:

WORK EXPERIENCE

Representative of P.S. Ministry of Education, Science &
Technology

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NAME: Mrs. Alasa O. Hirsi
YOB: 1962

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairperson Grievances Handling & Appeals Committee; Chairperson Sealing & Honorary Degree Committee; Member Audit, Governance & Risk Management Committee; Member Planning, Development & Fund-Raising Committee; Member Appointment Committee.

QUALIFICATION: Dip. Clin. Med (KMTC), HND (KMTC) MPH (Western Cape)

WORK EXPERIENCE

Consultant with UNFPA, Commissioner – Poverty Eradication Commission, Assistant Project Officer – UNICEF, Lecturer – KMTC Nairobi, District Clinical Officer – Garissa District



NAME: Dr. William K. T. Chong
YOB: 1953

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairman Tegemeo, Academic & Research Committee; Member Audit, Governance & Risk Management Committee; Member Grievances Handling & Appeals Committee;

QUALIFICATION: BVM (UON), M.Sc. (Reading).

WORK EXPERIENCE

Director of Veterinary Services Kenya, Registrar – Kenya Veterinary Board, Board of Management Member: KARI, Kenya Veterinary Vaccines Production Institute, Pharmacy & Poisons Board, Faculty of Veterinary Medicine(UON) Council Member – Agricultural Society of Kenya National Permanent Delegate to the Office of International Epizootics (OIE) Paris, France



NAME: Mrs. Monica K. Kilonzo

YOB: 1951

POSITION/KEY RESPONSIBILITIES:

Council Member; Chairperson Audit, Governance & Risk Management Committee; Member Tegemeo, Academic & Research Committee; Member Grievances Handling & Appeals Committee.

QUALIFICATION: B.Ed. (UON), M.Ed. (Bristol)

WORK EXPERIENCE

Director – Kenya Institute of Special Education, Secretary General – Kenya National Commission for UNESCO, Provincial Director of Education – Nairobi Province, Principal – Highridge Teachers College, Senior Principal Administrative Officer – TSC headquarters, Principal – St. Angela’s Girls High School (Kitui), Head Teacher – Machakos Girls High School, Teacher – Machakos Boys High School



NAME: Prof. Rose. A. Mwonya

YOB: 1950

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Academic Affairs)

QUALIFICATION

Dip (Egerton), B.Sc., M.Sc, Ph.D. (Iowa)

WORK EXPERIENCE

Egerton University: Vice Chancellor; Deputy Vice-Chancellor (Academic Affairs); Dean of Students; Director Centre of Women Studies and Gender Analysis; Chairperson Dept. Of Agriculture & Home Economics; Full Professor, Associate Professor, Senior Lecturer, Lecturer

UNIVERSITY MANAGEMENT BOARD



NAME: Prof. Rose A. Mwonya

YOB: 1950

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Academic Affairs)

QUALIFICATION

Dip (Egerton), B.Sc., M.Sc, Ph.D. (Iowa)

WORK EXPERIENCE

Egerton University: Vice Chancellor; Deputy Vice-Chancellor (Academic Affairs); Dean of Students; Director Centre of Women Studies and Gender Analysis; Chairperson Dept. Of Agriculture & Home Economics; Full Professor, Associate Professor, Senior Lecturer, Lecturer



NAME: Prof. Alexander K. Kahi

YOB: 1968

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Academic Affairs)

QUALIFICATION

B.Sc., M.Sc, (Egerton), Dr. Sc. Agr. (Hohenheim)

WORK EXPERIENCE

Egerton: Deputy Vice-Chancellor (Academic Affairs); Dean Fac. Agriculture; Chairman Dept. Of Animal Science; Full Professor, Associate Professor, Senior Lecturer, Lecturer, Asst. Lecturer; Teaching Assistant Dept. Animal Science. Kyoto University (Japan): Visiting Professor, Postdoctoral Research Scientist. Consultant ILRI – SLU Project; Consulting Scientist – Livestock Recording Centre (Naivasha); Visiting Scientist – AGBU (University of New England); Consultant – AGRP (Ethiopia); Consultant – Applied Genetic Network (Germany); Graduate Fellow – ILRI (Dairy Research Project); Visiting Researcher – Wageningen University.

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NAME: Prof. John Njenga Munene

YOB: 1958

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Administration & Finance)

QUALIFICATION

B.V.M., M.Sc., Ph.D. (U.O.N)

WORK EXPERIENCE

Egerton University: Deputy Vice-Chancellor (Administration & Finance); Full Professor; Associate Professor.

UON: Associate Professor; Senior Lecturer; Lecturer; Assistant Lecturer; Tutorial (Veterinary Clinical Studies)



NAME: Prof. John Gowland Mwangi

YOB: 1951

POSITION/KEY RESPONSIBILITY

Deputy Vice-Chancellor (Research & Extension)

QUALIFICATION

Dip (Egerton), B.Sc. M.Sc. (Georgia), Ph.D. (Ohio State)

WORK EXPERIENCE

Egerton University: Deputy Vice-Chancellor (Research & Extension); Full Professor (Agricultural Education & Extension)



NAME: Prof. Lenah Nakhone Wati

YOB: 1956

POSITION/KEY RESPONSIBILITY

Principal (Nakuru Town Campus College)

QUALIFICATION

B. Sc., M.Sc. (U.O.N), Ph.D. (Nottingham)

WORK EXPERIENCE

Principal NTCC; Director NTC; Egerton University – Associate Prof, Snr. Lecturer, Lecturer of Soil Science; Research Officer at Kenya Marine & Research Institute Kisumu; Research assistant UON; Research Officer – National Agricultural Laboratories.



NAME: Dr. Thomas K. Serrem

YOB: 1962

POSITION/KEY RESPONSIBILITY

Registrar (Human Capital & Administration)

QUALIFICATION

B.Ed (Nairobi), M.Ed. (Manchester), D.Ed. (Bristol)

WORK EXPERIENCE

Egerton University – Registrar (Admin); Ag. Registrar (Admin); Deputy Registrar (Admin); Snr. Assistant Registrar (Central Services); Deputy Registrar (Academic Affairs); Snr. Assistant Registrar (Admissions); Assistant Registrar (Academic Affairs); Administrative Assistant

Marketing Representative – Xerox Kenya Ltd.



NAME: Prof. Seth F. O. Owido

YOB: 1954

POSITION/KEY RESPONSIBILITY

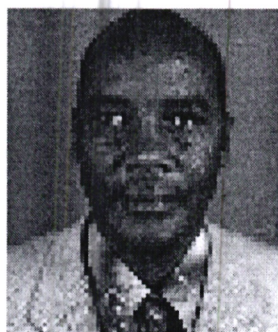
Registrar (Academic Affairs)

QUALIFICATION

B.Sc., M. Sc. (U.O.N), Ph.D. (Illinois)

WORK EXPERIENCE

Egerton University: Registrar AA; Deputy Registrar AA
Kabarak University: Acting Academic Registrar; Academic Dean
Egerton University; Director Quality Assurance; Director Board of Undergraduates; Associate Prof., Snr. Lecturer, Lecturer in Soil Physics & Water Management; COD Soil & Water Management Dept; Research Officer National Agricultural Research Laboratories.



NAME: Prof. Alfred C. Kibor

YOB: 1950

POSITION/KEY RESPONSIBILITY

Director (Research & Extension)

QUALIFICATION

B.V.M., M.Sc. (U.O.N), Ph.D. (Edinburgh)

WORK EXPERIENCE

Egerton University: Director (Research & Extension); Associate Professor; Senior Lecturer (Veterinary Pathology, Microbiology & Parasitology)

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NAME: Mr. Moses O. Ouma

YOB: 1978

POSITION/KEY RESPONSIBILITY

Finance Officer

QUALIFICATION

C.P.A (K), B.Agbm (Egerton), MBA (KU)

WORK EXPERIENCE

Finance Officer - Egerton; Accountant - Kenyan Rural Roads Authority; Auditor Kenya National Audit Office; Accountant - The Mater Hospital (Nairobi)



NAME: M/s Janegrace Kinyanjui

YOB: 1967

POSITION/KEY RESPONSIBILITY

University Librarian

QUALIFICATION

BA (Egerton), MSc. (SISA-Addis Ababa)

WORK EXPERIENCE

Egerton University – University Librarian;
Kabarak University – University Librarian, Deputy University Librarian, Senior Assistant Librarian;
Egerton University – Assistant Librarian, Senior Library Assistant

CHAIRMAN'S STATEMENT

I have the pleasure to present an overview of the University performance for the year ended 30th June 2016. Notwithstanding the many challenges facing the University's operating environment, especially the presence and continuous entry of public and private universities in Nakuru and other major towns in Kenya, Egerton University continues to implement and focus on its mission and objectives.

Governance

We are focussed to position Egerton University as centre of excellence in agricultural training, research; extension services and policy formulation to promote food security as part the University's contribution towards the achievement of vision 2030 through flagship projects.

During the year the second term of Prof. James K. Tuitoek as vice chancellor ended, I would like to wish him well and thank him for having served the university.

During the year Prof. Rose A. Mwonya was appointed vice chancellor while Prof. Alexander K. Kahi was appointed as deputy vice-chancellor (Academic Affairs) I congratulate both of them and wish them success as they serve university in their new roles.

The University has put initiatives for the turnaround of Ngongongerri and the ARC Hotel to make them viable commercial enterprises now run as Egerton University Investment Company under the management of a Managing Director.

Financing and Policies

During the year ended 30th June 2016, Egerton University was mainly funded through the Government Capitation (49 %) and Appropriation in Aid (A-I-A) (51 %) for its recurrent expenditure.

I wish to finally thank the Government of Kenya, Council members, Management and Staff for their dedication and participation over the year in striving to make Egerton a world class University for the advancement of Humanity.

Dr. Reardon Olubayo, Ph.D
Chairman, Egerton University Council

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VICE-CHANCELLOR'S REPORT

I have the pleasure to present the Annual Report and Financial Statements of Egerton University for the year ended June 30, 2016 as per the Universities Act 2012 and the Public Audit Act 2015.

During the year under review the University had a deficit of Ksh 212,273,516 as compared with surplus of Ksh 138,456,069 for the year ended June 30, 2015. The University has continued to expand its financial resource base and generated increased levels of appropriation in Aid (A-I-A) over the last four years as shown in the table and figure below.

Income

INCOME TRENDS IN KSHS "000"

Income Type	June 2013	June 2014	June 2015	June 2016
Revenue from Exchange Transactions	2,123,568	2,413,910	2,134,677	1,906,044
Revenue from Non-Exchange Transactions	2,818,921	3,359,894	3,462,722	3,420,336
Total Income	4,942,489	5,773,804	5,597,399	5,326,380

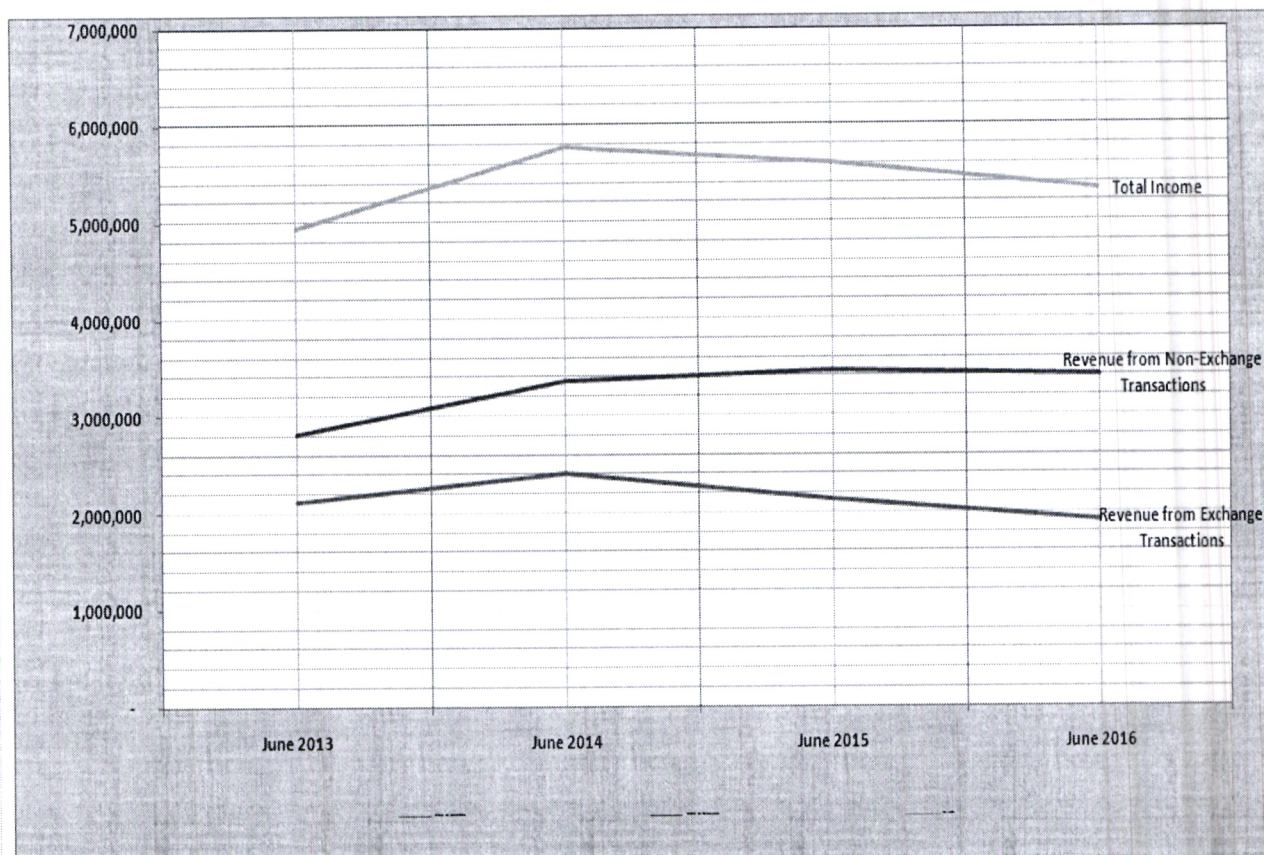


Figure 1-Income Trends

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Expenditure

Personnel emoluments continued to comprise the largest part of the expenditure during the year at 57% of total expenditure while all other expenses constituted the balance of 43%. The table below shows the expenditure trends over the last five years. Overall total expenditure has been rising steadily over the last four years.

EXPENDITURE TRENDS IN KSHS "000"

Expenditure Type	June 2013	June 2014	June 2015	June 2016	Proportion
Staff Costs	2,505,903	3,213,145	3,094,213	3,158,178	57%
Other Expenses	1,626,804	2,111,846	2,364,730	2,380,476	43%
Total Expenses	4,132,707	5,324,991	5,458,943	5,538,654	100%

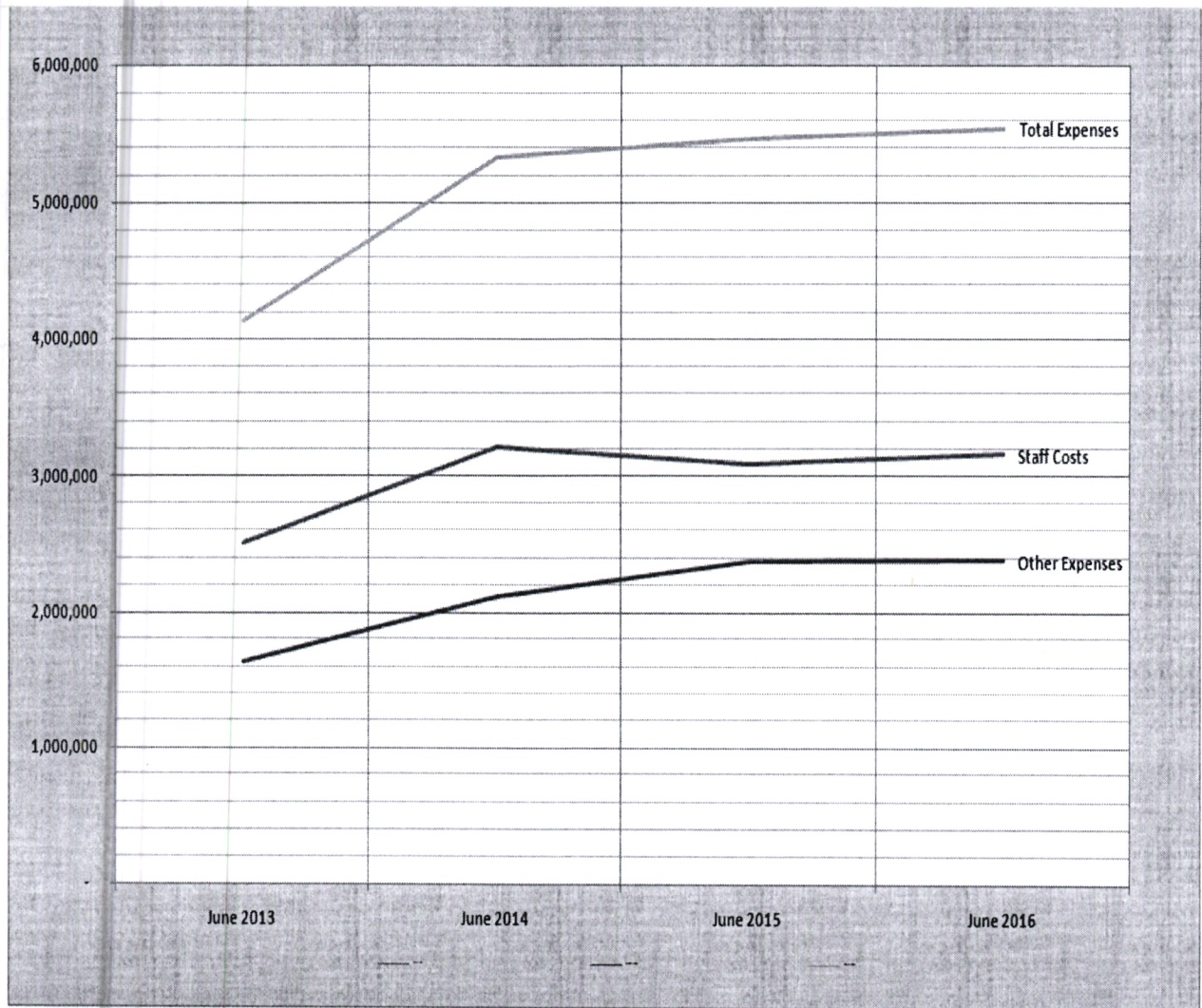


Figure 2-Expenditure Trends

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Total Income versus Total Expenditure

The relationship between income and expenditure is as shown in figure 3. Significant surpluses have been realised in the last four years.

INCOME AND EXPENDITURE TRENDS OVER THE LAST FOUR YEARS

Income/Expenditure	June 2013	June 2014	June 2015	June 2016
Total Income	4,942,489	5,773,804	5,597,399	5,326,380
Total Expenditure	4,132,707	5,324,991	5,458,943	5,538,654

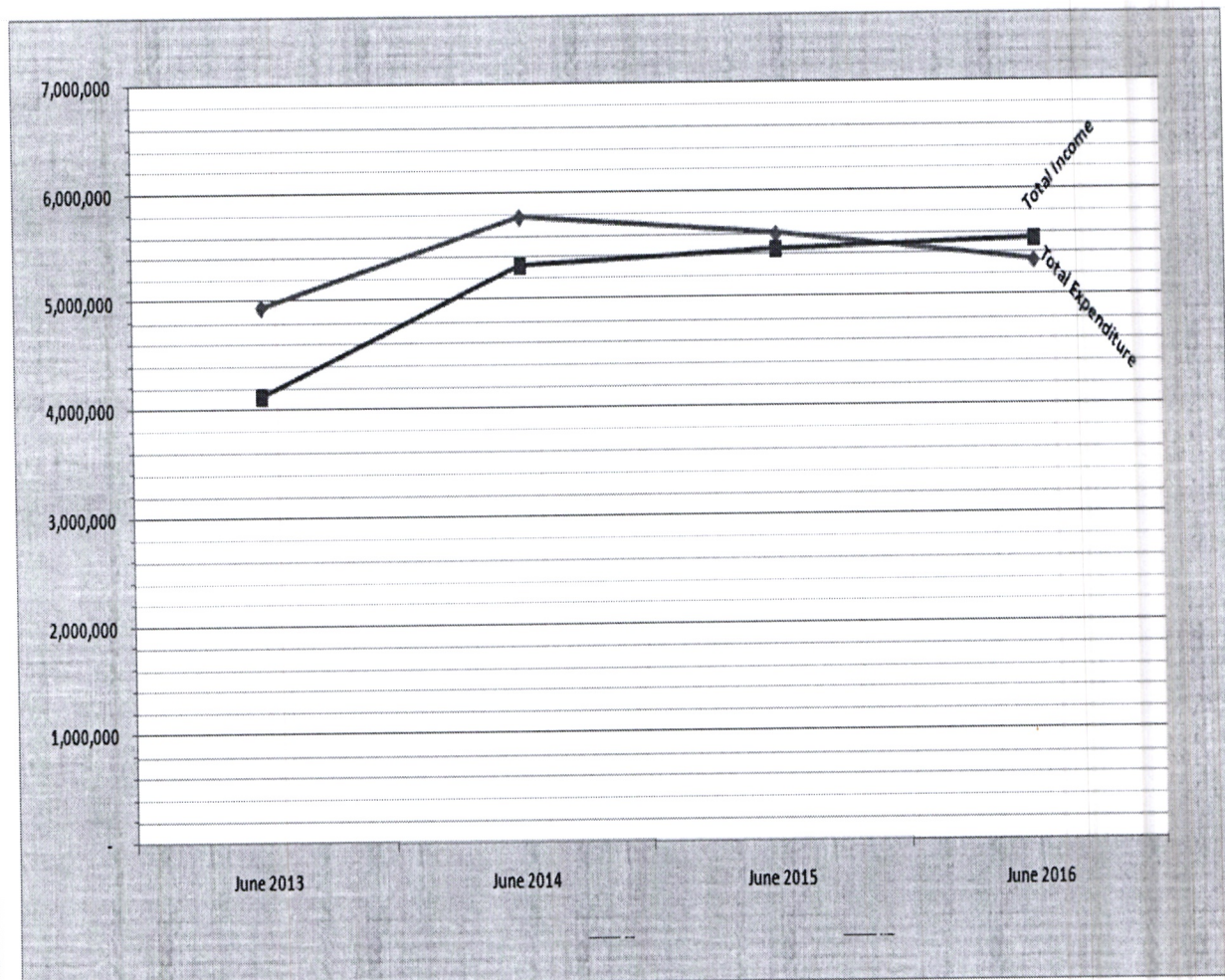


Figure 3-Relationship between Total Income and Total Expenditure

Property, Plant & Equipment

The University's Property Plant and Equipment has also grown overtime as shown in the table below.

PROPERTY, PLANT & EQUIPMENT-NET BOOK VALUES IN KSHS "000"

Type of Property	Ksh "000"		
	Land & Buildings	W.I.P	Other Assets
Jun-13	2,796,293	590,458	309,393
Jun-14	2,931,957	1,115,261	218,499
Jun-15	3,449,562	809,501	174,448
Jun-16	3,412,879	1,064,636	186,423

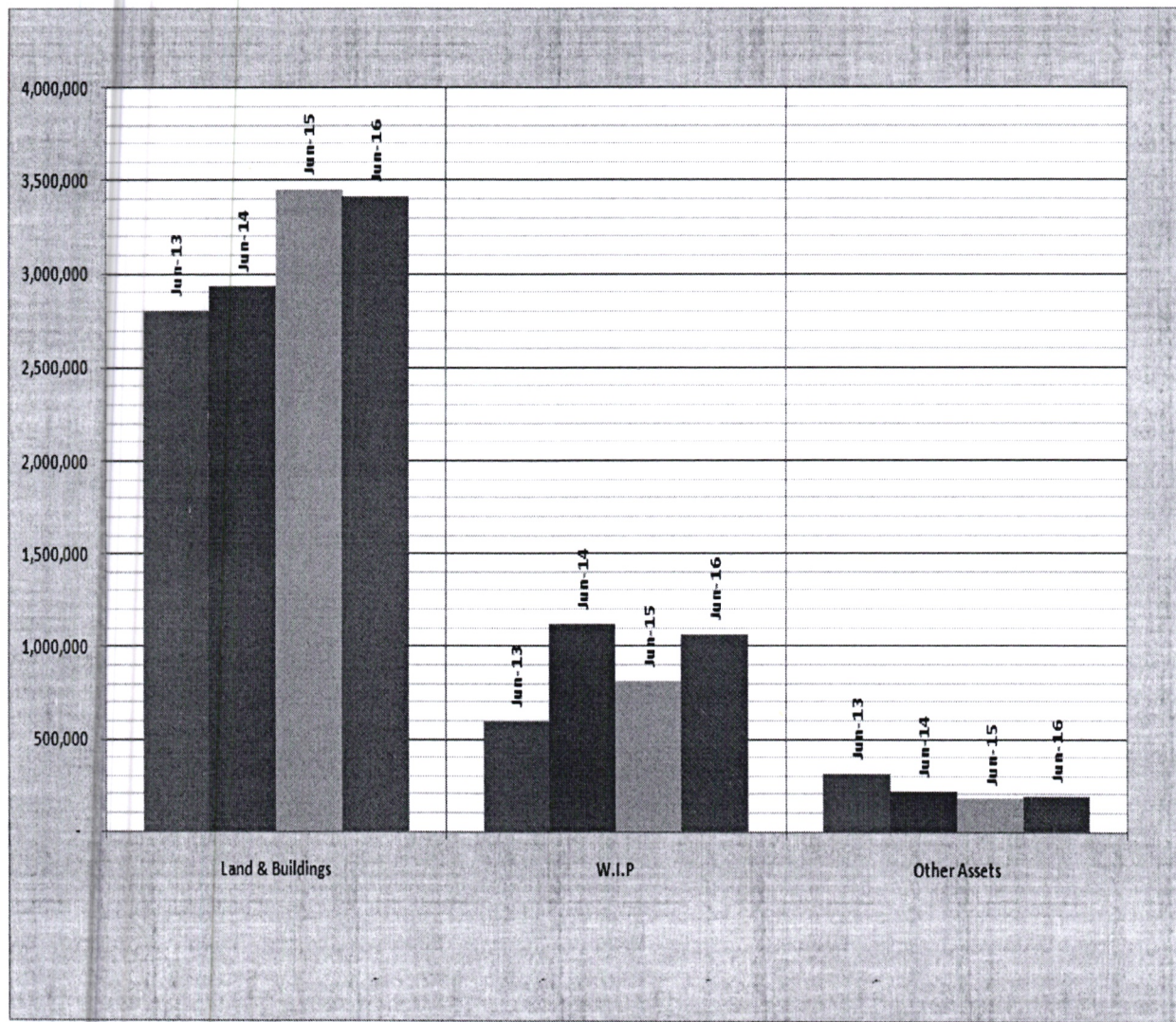


Figure 4-Property, Plant & Equipment

Working Capital

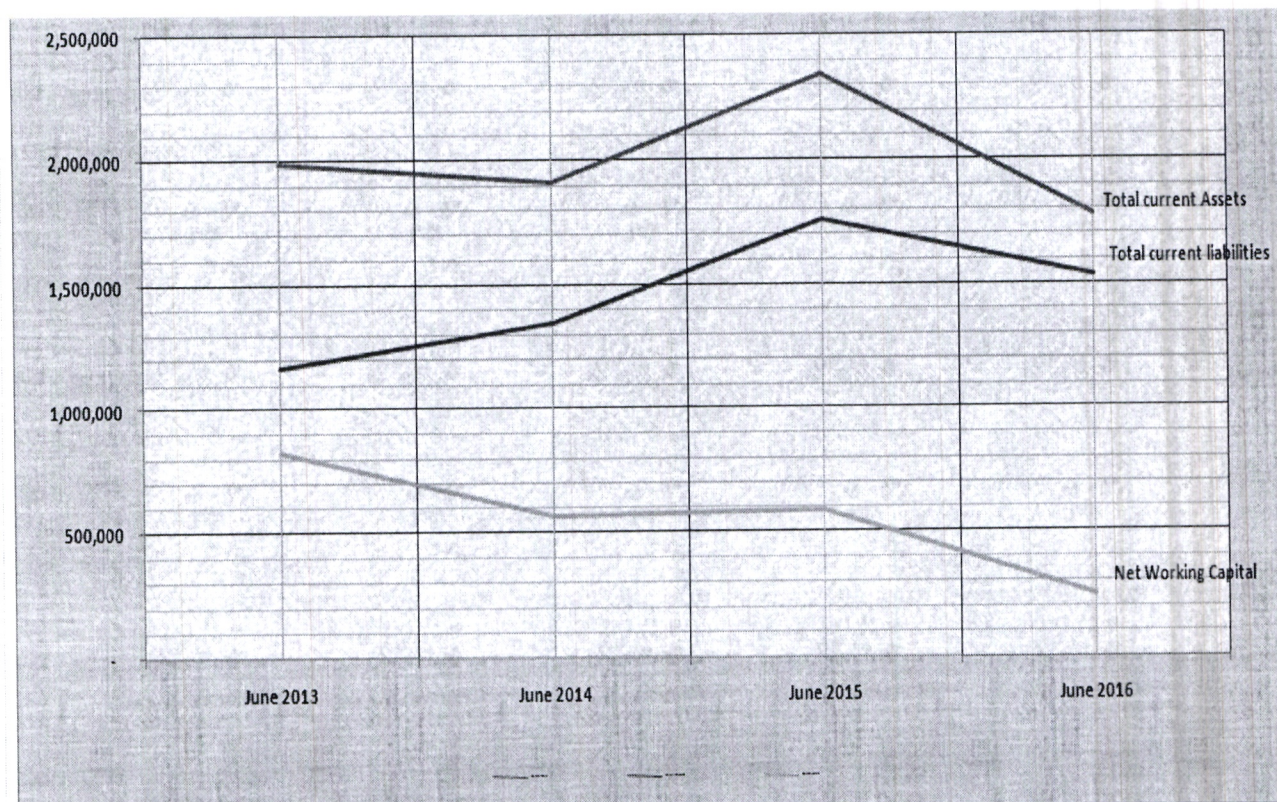
The University has had a healthy Working capital position with positive net current assets position over the years as shown below:

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WORKING CAPITAL IN KSHS "000"

	Ksh "000"	Ksh "000"	Ksh "000"	Ksh "000"
	June 2013	June 2014	June 2015	June 2016
Working Capital				
Total current Assets	1,993,066	1,915,096	2,345,076	1,781,431
Total current liabilities	1,167,590	1,347,699	1,758,625	1,537,367
Net Working Capital	825,477	567,397	586,450	244,064



The University continued with its Core business of Teaching, Training and Research. On behalf of Egerton University I wish to take this opportunity to thank the Government and all our development partners who have continued to support the University in its endeavour to expand its teaching facilities, research, academic exchange programmes and industrial linkages.

Finally I would like to express my gratitude to the University Council for providing enabling Policy Guidelines and the entire University staff and Students who worked tirelessly to ensure successful and smooth operations of the University during the year 2015/2016.

Thank you.

Prof. Rose A. Mwonya, PhD.
VICE-CHANCELLOR

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CORPORATE GOVERNANCE STATEMENT

COMMITTEES OF COUNCIL

The University Council is responsible and accountable to the Government of Kenya through the Ministry of Education, Science and Technology for ensuring that the University complies with the Universities Act 2012, the University Statutes (2013) and adheres to the highest standards of corporate governance as prescribed in the State Corporations Act and the University Council Charter.

The Council consists of nine members- the Chairman & five other members, representative of the National Treasury, Representative of the Principal Secretary Ministry of Education Science & Technology and the Vice Chancellor. The functions of the Council are:

- (i) Administer the property and funds of the University in a manner and for purposes which shall promote the best interests of the University; but the Council shall not charge or dispose of immovable property of the University without prior approval of the Chancellor;
- (ii) Receive on behalf of the University or a constituent college, donations, endowments there from to the constituent college or other bodies or persons;
- (iii) Provide for the welfare of the staff and students of the University;
- (iv) Enter into association with other Universities or other institutions of learning, whether within or outside Kenya as the Council may deem necessary and appropriate; and
- (v) After consultation with the Senate, make regulations governing the conduct and discipline of the students of the University.

The Committees have delegated authority to assist the Council effectively carry out its obligations.

The University Council and its Committees are supported by the University Management Board which consists of ten members.

The Council has eight committees namely:

The Terms of Reference for the Committees of Council are:

1. Finance, Investment and General Purposes Committee

The Committee recommends to the Council for its approval the annual estimates and expenditure and oversee University investments and endowment funds and shall pay due regard to the necessity to refer matters of major importance to the Council for final approval.

2. Audit, Governance and Risk Management Committee

The Committee oversee safeguarding of assets; operations of adequate systems; control processes, preparation of accurate financial reporting of results; operations and statements in compliance with legal and statutory requirements and standards; internal and external audits; risk management strategies; institutional governance; monitoring of performance contract; and quality assurance.

3. Building, Planning & Development Committee

The Committee is charged with all arrangements for construction of new buildings; responsible for authorizing expenditure for capital work with the provision to delegate minor maintenance work to University Management; and report progress to University Council.

4. Academic and Research Committee

The Committee advises on the development and implementation of academic and research programmes and policies; make recommendations for the sourcing, administration and distribution of scholarships; oversee a reward scheme for excellence in teaching, research and extension; receive regular reports from and provide advice to the Deputy Vice-Chancellor (Academic Affairs) and the Deputy Vice-Chancellor (Research and Extension) on the development of policy and procedures relating to academic and research; and consider and report any matter referred to it by the Council and Senate.

5. Grievances, Handling and Appeals Committee

The Committee oversees staff, students and other stakeholder's grievances; and staff and students appeal against disciplinary action.

6. Sealing and Honorary Degree Committee

The Committee authorizes affixing of the University seal to appropriate documents on behalf of the Council; and nomination of distinguished personalities in various fields for the conferment of honorary degrees of the University.

7. Appointments Committee

The Committee appoints Professors and Staff in Grade 15; search candidates for position of Principal's; Deputy Vice-Chancellors and Vice-Chancellor and make recommendations to the

Council; and consider disciplinary matters for Principals and Deputy Vice-Chancellor's and recommend to Council.

8. Tegemeo Institute of Agricultural Policy and Development Committee

The Committee has the responsibility to: Provide stewardship and ensure alignment of Institute

Objectives with those of the University; Implement and review annually the Institute Strategic plan; approve the Institute annual budgets, business plans and policies; ensure good management and identify risks and internal controls in the institute; monitor and evaluate management performance against approved plans and programmes; approve organizational structures and staffing levels; promote and integrate good corporate governance at the leadership, management and in all levels of the organization; strategize on the institute development and sustainability; advocate on behalf of and enhance the visibility of Tegemeo institute locally and internationally and assist in mobilizing resources for the institute.

Council Meetings Attendance Financial Year 2015/2016

a) Attendance – 3rd July 2015 to 7th August 2015

No.	Council Member	SCM 3/7/15	FHR&GP 3/7/15	AG&RM 22/7/15	TA&R 23/7/15	PDF 23/7/15	FHR&GP 24/7/15	PCN 27/7/15	FHR&GP 5/8/15	AG&RM 5/8/15	EF/APAINSD 6/8/15	CM 7/8/15
1	Paul M Mwangi	x	x	x	x		x		x	x	x	x
2	Josiah O Okumu	x	x		x	x	x		x		x	x
3	Dan Nguri Nguchu	x	x		x	x	x		x		x	x
4	DR.Reardon Olubayo	x			x			X			x	x
5	Alasa Hirsi	x		x	x	x				x	x	x
6	Dr William K Toroitich Chong	x		x	x					x	x	x
7	Monica K kilonzo	x		x	x			x		x	x	x
8	Joy Murithi	x	x	x		x	x					
9	James K Tuitoek	x	x		x				x	x	x	x

b) Attendance – 24th August 2015 to 16th September 2015

No.	Council Member	CCSUOA 24/8/15	GHA 27/8/15	FHR&GP 27/8/15	CM 28/8/15	GHA 6/9/15	TOFFNF M7/9/15	CM 7/9/15	TOFFNFM 8/9/15	CM 8/9/15	TOFFNFM 9/9/15	SCM 16/9/15
1	Paul M Mwangi		x				X	x	x	x	x	
2	Josiah O Okumu			x	x		X	x	x	x	x	x
3	Dan Nguri Nguchu			x	x	x	X	x	x	x	x	x
4	DR.Reardon Olubayo	X			x		X	x	x	x	x	x
5	Alasa Hirsi		x		x	x	X	x	x	x	x	x
6	Dr William K Toroitich Chong		x		x	x	X	x	x	x	x	x
7	Monica K kilonzo		x		x	x	X	x	x	x	x	x
8	Joy Murithi											
9	James K Tuitoek	X			x		X	x	x	x	x	

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c) Attendance – 17th September 2015 to 6th November 2015

Council Member	SCM 17/9/15	SCM 18/9/15	SCM 28/9/15	FHR&GP 29/9/15	SCM 29/9/15	FHR&GP 22/10/15	FHR&GP 23/10/15	CM with UMB 28/10/15	TA&R 4/11/15	AG&RM 5/11/15	PDF 6/11/15
Paul M Mwangi			X	x	x	x	x		x	x	
Josiah O Okumu	x	x	X	x	x	x	x	x			x
Dan Nguri Nguchu	x	x	X	x	x	x	x	x			x
DR.Reardon Olubayo	x	x	X		x			x			
Alasa Hirsi	x	x	X							x	x
Dr William K Toroitich Chong	x	x	X		x				x	x	
Monica K kilonzo	x	x	X		x				x	x	
Joy Murithi			X	x	x	x	x			x	x
James K Tuitoek						x	x	x	x	x	x

d) Attendance – 23rd November 2015 to 29th January 2016

No.	Council Member	TOOGP 23/11/15	AG&RM 23/11/15	SC 24/11/15	CM 24/11/15	GC 4/12/15	GHA 11/1/16	HOPVC 12/1/16	SCM 12/1/16	AG&RM 20/1/16	PDF 21/1/16	FHR&GP 22/1/16	CM 28/1/16	SCM 29/1/16
1	Paul M Mwangi	x	x		x	x	x	X	x	x		x	x	x
2	Josiah O Okumu	x		x	x	x		X	x		x	x	x	x
3	Dan Nguri Nguchu	x			x			X	x		x	x	x	x
4	DR.Reardon Olubayo	x			x	x		X	x				x	x
5	Alasa Hirsi	x	x	x	x	x	x	X	x	x	x		x	x
6	Dr William K Toroitich Chong	x	x		x	x	x	X	x	x			x	x
7	Monica K kilonzo	x	x		x	x	x	X	x	x			x	x
8	Joy Murithi	x	x	x	x	x		X	x	x	x	x	x	x
9	James K Tuitoek	x	x	x	x	x		X						
10	Prof Rose A Mwonya							X	X	X	X	X	X	X

e) Attendance – 29th January 2016 to 14th April 2016

No.	Council Member	AG&RM 29/1/16	EMCC 6/2/16	FHR&GP 10/2/16	SCM 11/2/16	TA&R 12/2/16	VCIC 19/2/16	SCM 29/2/16	FHR&GP 29/2/16	SCM 1/3/16	SCM 2/3/16	CM 2/3/16	PDF 13/4/16	AG&RM 14/4/16
1	Paul M Mwangi	x	x	x	x	x	X	x	x	x	x	x		x
2	Josiah O Okumu		x	x	x		X	x	x	x	x	x	x	
3	Dan Nguri Nguchu			x	x		X	x	x	x	x	x	x	
4	DR.Reardon Olubayo		x		x		X	x		x	x	x		
5	Alasa Hirsi	x	x		x		X	x		x	x	x	x	x
6	Dr William K Toroitich Chong	x	x		x	x	X	x		x	x	x		x
7	Monica K kilonzo	x	x				X	x		x	x	x		x
8	Joy Murithi	x	x	x	x		X	x	x	x	x	x		
9	Prof Rose A Mwonya			x	x	x	x	x	x	x	x	x	x	x

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f) Attendance – 9th May 2016 to 17th June 2016

No.	Council Member	AG&RM 9/5/16	CM 10/5/16	FHR&GP 11/5/16	FHR&GP 12/5/16	CM on the TREA 12/5/16	TA&R 13/5/16	FHR&GP 25/5/16	SCM 26/5/16	GHA 9/6/16	SHDC 10/6/16	CM 10/6/16	GC 17/6/16
1	Paul M Mwangi	x	x	x	X		X	x	x	x		x	x
2	Josiah O Okumu		x	x	X	X		x	x		X	x	x
3	Dan Nguri Nguchu		x	x	X	X		x	x			x	x
4	DR.Reardon Olubayo		x						x			x	x
5	Alasa Hirsi	x	x						x	x	X	x	x
6	Dr William K Toroitich Chong	x	x				X		x	x		x	x
7	Monica K kilonzo	x	x			X	X		x	x		x	x
8	Joy Murithi	x	x	x	X								
9	Prof Rose A Mwonya	x	x	x	x	x	x	x	x		x	x	

No.	Key	Description
1	AC	Appointment Committee
2	AC for AP	Appointment Committee for Associate Professors
3	AC for DCPO	Appointment Committee for Deputy Chief Procurement Officer
4	AC for EM	Appointment Committee for Estate Manager
5	AC for SL	Appointment Committee for Senior Lecturers
6	AG&RM	Audit, Governance & Risk Management Committee
7	C&UMBTA	Council & UMB members Tour of Areas
8	CCSUOA	Courtesy call by Sokoine University of Agriculture
9	CEM	Council Evaluation Meeting
10	CM	Council meeting
11	CM on the TREA	Consultative Meeting on the terms of Reference for external auditor
12	CM with UMB	Consultative meeting with University management Board
13	CMFVNR	Council Members Visit to Vision 2030 Njoro River Rehabilitation
14	CMTRR	Council Members Training on Risk Register
15	CMVEUCP	Council Members Visit to Egerton University Capital Projects
16	EF/APAINSD	Evaluation Feedback/APA Insurance Discussion
17	EMCC	Egerton Mau Cross country
18	FAP&AT	Finance, Audit, Procurement & audit Training
19	FHR&GP	Finance, Human Resources & General Purposes Committee
20	GC	Graduation Ceremony
21	GHA	Grievances Handling & Appeals Committee
22	HOPVC	Handing over/Taking over of the position of VC
23	L of E	Launching of Elearning
24	ORD	Open Recognition Day
25	PCN	Performance Contract Negotiation
26	PDF	Planning Developments & Fund raising Committee
27	SC	Sealing Committee
28	SCM	Special Council Meeting
29	SHDC	Sealing and Honorary Degree Committee
30	TA&R	Tegemeo, Academic & Research Committee
31	TOFFNFM	Training on finance for non finance managers
32	TOOGP	Tour of On-going Projects
33	VCIC	VC Inauguration Ceremony
34	VCPPPC	Visiting Capital Projects & Presentation of Performance Contract

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CORPORATE SOCIAL RESPONSIBILITY STATEMENT

1. Seeds of Gold Magazine

a. Background

The Seeds of Gold Magazine published by the Nation Media Group every Saturday since its launch on the February 15th, 2014 is a farmers' knowledge sharing magazine. Egerton University is contributing to the Magazine through writing of articles and providing expert answers to questions posted to the Magazine by readers of the magazine. In addition to offering expert answers posed by readers and farmers, 24 articles have been published, authored by staff from various faculties: Agriculture Veterinary Medicine, Sciences and Environment with more participation by the Agriculture and Veterinary Medicine faculties.

b. Seeds of Gold TV Series

In order to enhance the reach o farmers, the University during the Financial Year 2015/2016, continued with the "*Seeds of Gold*" TV series which airs on Nation Television twice a week on Wednesday 10:00PM and Saturdays 6:00PM.

2. Rehabilitation of the Mau River Njoro and the Mau Escarpment

This is a vision 2030 flagship project by Egerton University whose main objective is to restore water flows to Lake Nakuru. The rehabilitation is in line with the main objective of the Kenyan Government of achieving a clean and secure environment by 2030. During the year 2015/2016, the University Part of the activities includes:

- ❖ Rehabilitation and cleaning up of Njoro River
- ❖ Construction of cleaning troughs
- ❖ Tree planting trees at Entiyani, source of Njoro River

a. Rehabilitation and cleaning up of Njoro River.



Postgraduate students doing analysis of water of Njoro River

b. Construction of cleaning troughs



Water Troughs constructed in Njoro River

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c. Tree planting trees at Entiyani, source of Njoro River



Council members, Egerton Staff and students posing for a photo after planting tree seedlings at Entiyani, the source of the Njoro River.

d. Successfully organised the Third Mau-Egerton Cross Country at Njoro Campus

This is an annual event organised by the University to create awareness about the need to conserve the environment and mobilise resources for the rehabilitation of the Mau Escarpment and Njoro River.

The event was held on 6th February 2016 and attracted thousands of athletes from across the country. The event attracted corporate participants like Nation Media Group, Kenya Commercial bank among others.



Participants of Mau-Egerton Cross country



Vice Chancellor Prof. Rose Mwonya crossing the finishing line

3. Kaptembwo Estate in Nakuru clean up

Kaptembwo cleanup conducted at Kaptembwo Estate, Nakuru town in June 2016. This was an initiative of the Faculty of Environment and Resource Development in conjunction with Nakuru County Government.

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Vice Chancellor Prof. Rose A. Mwonya planting a tree at Kaptembwo Estate



Clean up of Kaptembwo estate (Nakuru)

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REPORT OF THE COUNCIL

The Council submits their report together with the financial statements for the year ended June 30, 2016 which show the state of the University's financial affairs.

Principal activities

The principal activities of the University are shown on page 3.

Results

The results of the University for the Year ended June 30, 2016 are set out on page 33.

Council

The members of the University Council who served during the year are shown on page 6 - 8.

Auditors

The Auditor General is responsible for the statutory audit of the University in accordance with the Part VI of the Public Audit Act 2015.

By order of the Council

STATEMENT OF UNIVERSITY COUNCIL RESPONSIBILITY

Part VI of the Public Audit Act, 2015, requires the Council to prepare financial statements in respect of that *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, 2016. 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 *University*; (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 Public Audit Act 2015. 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, 2016, 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.

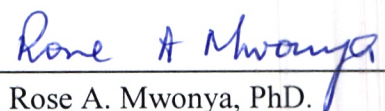
Nothing has come to the attention of the Council to indicate that the *University* will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The *University's* financial statements were approved by the Council on 27th September 2016 and signed on its behalf by:



Mr. Dan N. Nguchu
Chairman, Council Finance Committee



Prof. Rose A. Mwonya, PhD.
Vice Chancellor

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P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON EGERTON UNIVERSITY FOR THE YEAR ENDED 30 JUNE 2016

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Egerton University set out on pages 34 to 70, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of changes in reserves and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management Responsibility for the Financial Statement

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

The 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.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report 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. The audit was conducted in accordance with International Standards of Supreme Audit Institutions. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether to due fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the

Report of the Auditor-General on the Financial Statements of Egerton University for the year ended 30 June 2016

appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Outstanding Imprest

The statement of financial position reflects Receivables from Exchange Transactions balance of Kshs.1,056,553,392 as at 30 June 2016 which includes imprests of Kshs.93,262,062 held by staff on that date. An analysis of the imprests showed that Kshs.66,877,760 (or 72%) of the amount had been held for more than 90 days contrary to Clause 14 (c) of the financial rules and regulations of the University, which states that all imprests shall be surrendered within 48 hours on return from official journey or after procuring goods and/or services. It was further noted that upon surrender of imprest, the system maintained at the University does not retain transactional details, and this denotes a major weakness in financial control.

In the circumstance, therefore, the recoverability and accountability of the outstanding imprests of Kshs.93,262,062 as at 30 June 2016 cannot be confirmed.

2. Students Caution Money

Examination of the students caution money account shows that in the financial year 2015/2016, a sum of Kshs.10,917,000 was paid as refunds to students. Included in the refunds was a sum of Kshs.2,141,200 which paid vide payment voucher No. 50200-16 of 3 August 2015. The same voucher was used to surrender an imprest of Kshs.2,141,200 that had been taken by a staff member vide warrant no. 123255 of 13 May 2013. Further, the referred voucher regarding refunds to students was not attached to a schedule with signatures of students who received the refunds.

Under the circumstance, the authenticity of the documents used to account for the student caution-money refunds of Kshs.2,141,200 reportedly made to students during the year under review cannot be confirmed.

3. Tuition Waiver

The statement of financial performance reflects staff costs expense of Kshs.3,158,178,267, out of which Kshs.21,949,950 is in respect of staff fees waiver. Clause 11.0 of the Collective Bargaining Agreement (CBA) signed on 15 June 2015 between Egerton University and Kenya Universities Staff Union provided that tuition fees for members of staff, their spouses and children studying at Egerton University shall be waived. Although a list of beneficiaries was provided to support the expenditure, no process was followed to confirm that the beneficiaries met the conditions stipulated under Clause 11.0 of the CBA.

Under the circumstance, the propriety of the staff fees waiver of Kshs.21,949,950 cannot be confirmed.

4. Loan to Egerton University Investment Company

The Receivables from Exchange Transactions balance of Kshs.1,056,553,392 as at 30 June 2016 includes Kshs.145,400,000 in respect of a loan provided by the University to Egerton University Investment Company (EUICO). The company, which was incorporated on 30 June 2010 under the Companies Act, is wholly owned by the University and is limited by guarantee. The loan amount of Kshs.145,400,000 was advanced to EUICO in instalments in the period between October 2012 and November 2014. The last loan instalment of Kshs.10,600,000 was advanced on 12 November, 2014 on condition that it would be repaid in full by 15 December 2014. Apparently, the previous loan instalments totaling Kshs.134,800,000 were advanced without reference to any agreement. However, as at 30 June 2016, no amount had been repaid. In the circumstance, recovery of the Kshs.145,400,000 loan to EUICO is in doubt.

5. Procurement of Insurance Services

Note 10 (a) to the financial statements reflects administration and central services expenses of Kshs.908,449,513 for the year ended 30 June 2016. Included in the balance is Kshs.14,362,441 in respect of insurance expenses which were paid out as follows:

Date	Payee	PV No.	Amount (Kshs)	Details	Remarks
24.05.16	APA Insurance	MB001-10638-15/16	3,059,620	Group Life assurance and personal accident	Tender documents not availed for audit
14.10.15	APA Insurance	MB001-02805-15/16	1,902,020	Student group personal accident policy	Was not tendered. No agreement documents
17.11.15	Trident Insurance	MB001-03550	9,400,801	WIBA premium tender	Tender documents not availed for audit
Total			14,362,441		

However, no evidence was provided to show that competitive bidding was applied in the procurement of these insurance services. Therefore, the propriety of the expenditure of Kshs.14,362,441 incurred on procurement of insurance services cannot be confirmed.

6. Repairs and Maintenance

The statement of financial performance reflects repairs and maintenance expenses of Kshs.74,869,831, out of which Kshs.26,631,723 is in respect of fuel and oil expenses. The University pays for fuel through proforma invoices supported by a schedule of its motor vehicles, reflecting each vehicle's fuel tank capacity and projected monthly consumption. However, the University has not established a control mechanism for confirming actual quantities fuel consumed.

Further, the purchase and consumption of bulk oils and fuels for electric power generators has not been accounted for since control cards for fuel consumed by the generators are not maintained. Therefore the University could be paying for fuel and oils that its vehicles and equipment have not consumed.

As a result of these discrepancies, the accuracy and propriety of the expense of Kshs.26,631,723 reported in the financial statements in respect of fuel and oils could not be confirmed.

7. Property, Plant and Equipment

The property, plant and equipment balance of Kshs.4,663,938,265 includes Kshs.965,594,800 which is the value of 21 parcels of land owned by the University. However, the University did not have valuation reports for the parcels of land as at 30 June 2016. Further, out of these parcels, only ten with a total value of Kshs.632,916,500, have title deeds. The process of acquiring documents of ownership for the remaining parcels are at various stages of completion. Under the circumstance, the accuracy of the property, plant and equipment balance of Kshs.4,663,938,265 and ownership of the related parcels of land cannot be confirmed.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Egerton University as at 30 June 2016, 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.

Other Matter

1.0 Budgetary Analysis

The analysis of the budgeted revenue against actual amounts shows a performance level above 80% on nearly all revenue streams as tabulated below:

	Approved Budget	Actual	Performance (%)
	Kshs.	Kshs.	Kshs.
Income			
1. GoK Grants			
(a) G.O.K. - Recurrent Capitation	2,819,225,904	2,778,675,366	98
(b) G.O.K Development Capitation	123,500,000	100,984,527	82
Sub-Total	2,942,725,904	2,879,659,893	90
2. Internally Generated Revenue (AIA)			
i) Fees and related charges	2,076,990,000	1,722,236,975	83
ii) Other services rendered	254,625,000	151,489,213	60

Sub-Total	2,331,525,000	1,903,892,875	82
3. Other Revenue			
i) Research Grants	225,273,132	382,606,219	170
ii) Receipts from Investment Company	25,000,000	-	Nil
Sub-Total	250,273,132	382,606,219	

Revenue collection from other services rendered achieved a 60% level of performance. The main source of revenue under this category was accommodation of students and sale of farm products.

Further, the University realized a nil return from its investment in the Egerton University Investment Company (EUICO) against a budgeted income of Kshs.25,000,000. No plausible explanation has been provided by management for the poor performance of these two expected revenue sources.

2.0 The Information Technology Systems

A review of the Information Technology (IT) systems in place at the University revealed that there is no seamless connection in the download and upload of data from the Academic Records Management System (ARMS) to the Sage AccPac. It was noted that the data is moved from the ARMS to Sage AccPac through execution of macros code which is not duly checked, tested and approved. This implies that the upload and download of data is exposed to manipulation in the absence of a proper audit trail. Therefore, the integrity and accuracy of migrated data may not be guaranteed. It was further noted that there are thirty two (32) users who have multiple accounts to access the IT system. These may be used to execute unauthorized transactions without being detected.

3.0 Unauthorized Changes in Student Category

A review of the University system's audit log and configurations revealed that there were 29 students whose category was changed from self-sponsored to government sponsored in the period between 17 June 2014 and 14 November 2016. The University explained that the changes arose due to requests by students to change course programmes and others who were studying under regular in-service programmes. However, no documentary evidence has been provided to support the explanation. If the placement of students as government sponsored has not been approved by the Kenya Universities and Colleges Central Placement Service (KUCCPS) as provided by the Universities Act 2012, the University stands to lose Kshs.3,123,500 per academic year in student fees.

4.0 Stalled Project

The statement of financial position reflects property, plant and equipment balance of Kshs.4,663,938,265 as at 30 June 2016 which includes work in progress (WIP) of Kshs.1,064,636,340. According to Note 21 (b) to the financial statements, the WIP includes construction of administration, science complex, agronomy and horticulture

buildings among other infrastructure. However, documentation such as progress certificates to support the WIP balances have not been provided for audit verification.

Therefore, the accuracy of the balance of Kshs.1,064,636,340 in respect of work in progress cannot be confirmed.

My opinion is not qualified in respect of these matters.

FCPA Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

07 August 2017

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2016**


Particulars	Note	Total to 30-Jun-16 Kshs.	Total To 30-Jun-15 Kshs.
<u>Revenue from Non-Exchange Transactions</u>			
GoK Recurrent Capitation Grant	2(a)	2,778,675,366	2,819,255,900
Research & Extension Income	3	382,606,219	401,815,885
Other Revenue from Non-Exchange Transactions	4	28,223,567	10,959,671
Tegemeo Income for the period	24	230,831,237	230,690,500
Total Revenue from Non-Exchange Transactions		3,420,336,389	3,462,721,955
<u>Revenue from Exchange Transactions</u>			
Tuition and Related Fees	5	1,722,236,975	1,923,888,131
Other Services Rendered Income	6	151,489,213	157,909,930
Interest Income	7	16,608,135	23,946,355
		1,890,334,324	2,105,744,416
Total Revenue		5,310,670,713	5,568,466,372
<u>Expenditure</u>			
Staff Costs	8	3,158,178,267	3,094,212,781
Council Expenses	9	25,998,490	16,770,053
Administrative and Central Services Expenses	10	908,233,534	785,700,407
Repairs and Maintenance Expenses	11	74,869,831	141,914,038
Academic Departments Expenses	12	476,794,391	551,503,155
Research & Extension Expenses	13	430,019,393	410,398,777
IGU Expenses	14	75,257,585	66,720,840
Depreciation Expenses	15	164,849,572	163,046,671
Tegemeo Expenses for the period	24	224,452,711	228,676,547
		5,538,653,776	5,458,943,269
<u>Other gains/(Losses)</u>			
Gain (Loss) on Revaluation Investment-Shares	16	(157,404)	(562,187)
Decrease in Provision for bad debts	16	1,855,509	18,860,981
Gain (Loss) on Foreign Exchange	16	13,590,373	3,720,903
Gain/(Loss) on biological Assets	16	329,570	6,483,270
Gain/(Loss) on Disposal of Assets	16	91,500	430,000
		15,709,548	28,932,967
Surplus for the Period		(212,273,516)	138,456,069
<u>Attributable to:</u>			
Owners of the controlling entity		(212,273,516)	138,456,069

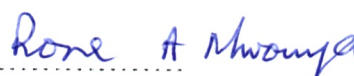
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	30-Jun-16 Kshs.	30-Jun-15 Kshs.
ASSETS			
Current Assets			
Cash in Bank and in Hand	17 (a)	427,018,007	393,657,662
Short Term Fixed Deposits	17 (b)	180,755,388	306,978,786
Contingent Deposit	17 (c)	50,000,000	-
Receivables from Exchange Transactions	18	1,056,553,392	1,592,085,034
Inventories	19	67,103,895	52,354,195
Agricultural Assets	20	21,700,970	20,874,270
		1,803,131,653	2,365,949,947
Non Current Assets			
Property, Plant & Equipment	21(a)	4,663,938,265	4,433,510,290
Investments	22	228,236	385,640
		4,664,166,500	4,433,895,930
Total Assets		6,467,298,153	6,799,845,877
LIABILITIES			
Current Liabilities			
Negative Cashbook Balances	17 (d)	283,795,760	382,008,404
Trade and Other Payables	23 (a)	970,125,153	1,095,634,481
Provisions and Accruals	23 (b)	283,445,794	280,982,557
		1,537,366,708	1,758,625,443
Total Liabilities		1,537,366,708	1,758,625,443
Net Assets		4,929,931,445	5,041,220,434
General fund		3,876,767,538	3,775,783,011
Accumulated Surplus(Deficit)		1,053,163,907	1,265,437,423
Total Capital and Liabilities		4,929,931,445	5,041,220,434


 Mr. Dan N. Nguchu
 Chairman, Council Finance Committee


 Prof. Rose A. Mwonja, Ph.D
 Vice Chancellor

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**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30 JUNE 2016**

Particulars	Note	Capital Reserves Kshs.	Revenue Reserves Kshs.	Total Kshs.
Period ended 30 June 2015				
Balance as at 01/07/2014		3,667,479,011	1,301,213,283	4,968,692,295
Adjustments Prior Year Expenses			(32,725,895)	(32,725,895)
Prior Year WIP Transferred to Expenses			(1,094,326)	(1,094,326)
Adjustments Assets		(2,196,000)		(2,196,000)
EUICO Reserves			(140,411,709)	(140,411,709)
Capital Grants		110,500,000		110,500,000
Surplus from operations			138,456,069	138,456,069
Balance as at 30/06/2015		3,775,783,011	1,265,437,423	5,041,220,434
Period ended 30 June 2016				
Balance as at 01/07/2015		3,775,783,011	1,265,437,423	5,041,220,434
Capital Grants	2(b)	100,984,527		100,984,527
Surplus from operations			(212,273,516)	(212,273,516)
Balance as at 30/06/2016		3,876,767,538	1,053,163,907	4,929,931,445

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2016**

Particulars	Note	30-Jun-16 Kshs.	30-Jun-15 Kshs.
Operating Activities			
Surplus for the year		(212,273,516)	138,456,069
Adjustments for			
Depreciation	15	164,849,572	163,046,671
Adjustments in Reserves - EUICO			(140,411,709)
Adjustments in Reserves for prior years items			(32,725,895)
Movement in Provisions for the year	23 (b)	2,463,237	26,742,833
EUICO Assets NBV		-	48,808,526
(Profit)/Loss on disposal of Assets	6	(91,500)	(430,000)
(Gain)/Loss on Revaluation of Shares	16	157,404	562,187
Investment Income	7	(16,608,135)	(23,946,355)
Interest Expense	10	22,092,547	15,231,709
		(39,410,391)	195,334,036
Changes in Working Capital			
(Increase) Decrease in Biological Assets	20	(826,700)	113,756,380
(Increase) Decrease in Receivables	18 (a)	535,531,641	(501,108,668)
(Increase) Decrease in Inventories	19	(14,749,700)	87,167,336
Increase/(Decrease) in Payables	23 (a)	(125,509,328)	376,703,686
		394,445,913	76,518,734
Cash Generated from Operations		355,035,523	271,852,770
Investing Activities			
Interest/Bank Charges Paid	10	(22,092,547)	(15,231,709)
Purchase of Property, Plant and Equipment	21(a)	(395,277,547)	(382,938,465)
Interest earned from Investments	10	16,608,135	23,946,355
Cash on Disposal of Assets	6	91,500	430,000
		(400,670,458)	(373,793,819)
Financing Activities			
GoK Capital Grants	2(b)	100,984,527	110,500,000
Net Cash from Financing Activities		100,984,527	110,500,000
Net Increase/(Decrease) in Cash and Cash Equivalents		55,349,591	8,558,951
Cash and Cash Equivalents at the start of the period		318,628,044	310,069,093
Cash and Cash Equivalents at the Close of the period	17 (a)	373,977,635	318,628,044

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

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FOR THE YEAR ENDED 30TH JUNE 2016

Particulars	Note	Original Budget	Adjustments	2015-2016	Actual on	Performance
		Yr 2015/2016 Kshs.	Yr 2015/2016 Kshs.	Revised Approved Budget Kes	Yr 2015/2016 Kshs.	Yr 2015/2016 Kshs.
Revenue from Non-Exchange Transactions						
GoK Recurrent Capitation Grant	2(a)	2,819,225,904	-	2,819,225,904	2,778,675,366	(40,550,538)
Research & Extension Income-Main campus	3	225,273,132	-	225,273,132	382,606,219	157,333,087
Other Revenue from Non-Exchange Transactions	4	-	-	-	28,223,567	28,223,567
Tegemeo Income	24	-	-	-	230,831,237	
Total Revenue from Non-Exchange Transactions		3,044,499,036	-	3,044,499,036	3,420,336,389	145,006,116
Revenue from Exchange Transactions						
Tuition and Related Fees	5	2,076,990,000	-	2,076,990,000	1,722,236,975	(354,753,025)
Other Services Rendered	6	254,625,000	-	254,625,000	168,097,349	(86,527,651)
EUTCO	25	25,000,000	-	25,000,000		
Savings b/f	97	297,302,733	-	297,302,733		
		2,653,917,733	-	2,653,917,733	1,890,334,324	(441,280,676)
Total Revenue		5,698,416,769	-	5,698,416,769	5,310,670,713	(296,274,561)
Expenditure						
Staff Costs	8	3,082,991,112	75,281,975	3,158,273,087	3,158,178,267	(94,820)
Council Expenses	9	18,500,000	7,760,000	26,260,000	25,998,490	(261,510)
Administrative and Central Services	10	812,929,792	108,653,691	921,583,483	908,233,534	(13,349,949)
Repairs and Maintenance Expenses	11	101,000,000	(17,685,050)	83,314,950	74,869,831	(8,445,119)
Academic Departments Expenses	12	561,220,000	151,547,188	712,767,188	476,794,391	(235,972,796)
Research & Extension Expenses	13	280,273,132	(10,900,000)	269,373,132	430,019,393	160,646,261
Expenses-IGU Inputs	14	65,000,000	10,257,585	75,257,585	75,257,585	-
Depreciation Expenses	15	-	-	-	164,849,572	164,849,572
Tegemeo Income		-	-	-	224,452,711	224,452,711
Prior Year Trade Creditors	98	139,200,000	(139,200,000)	-	-	-
Refund of Borrowings for CBA	99	54,000,000	(52,382,515)	1,617,485	-	-
Total Expenditure		5,115,114,036	133,332,874	5,248,446,910	5,538,653,776	291,824,351
Other gains/(Losses)						
Gain (Loss) on Revaluation Investment-Shares		-	-	-	(157,404)	(157,404)
Decrease in Provision for bad debts		-	-	-	1,855,509	1,855,509
Gain (Loss) on Foreign Exchange		-	-	-	13,590,373	13,590,373
Gain (Loss) on biological Assets		-	-	-	329,570	329,570
Gain (Loss) on Disposal of Assets		-	-	-	91,500	91,500
	16	-	-	-	15,709,548	15,709,548
Surplus from Recurrent Budget		583,302,734	(133,332,874)	449,969,860	(212,273,516)	(572,389,364)
Bank Loan	96	150,000,000	-	150,000,000	-	(150,000,000)
GoK Development Grant	2(b)	123,500,000	-	123,500,000	100,984,527	(22,515,473)
Capital Expenditure	21(a)	856,802,733	(133,332,874)	723,469,859	395,277,547	(328,192,313)
Surplus (Deficit) for the Period		0	0	0	(506,566,535)	(416,712,524)

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NOTES TO THE FINANCIAL STATEMENTS

1.1 Statement of Compliance and Basis of Preparation

The University's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) as issued by Public Sector Accounting Standard Board (PSASB) that was established by the Public Finance Management Act (PFM) No.18 of 24th July, 2012. The Board was gazetted by the Cabinet Secretary, National Treasury on 28th February, 2014. The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the University. The accounting policies have been consistently applied to all the years presented.

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

1.2 Summary of significant accounting policies

a) Revenue Recognition

i) Revenue from Non-exchange Transactions

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

Transfers from other Government Entities

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

ii) Revenue from Exchange Transactions

Rendering of Services & Fees

The University recognizes revenues from fees when the event occurs and the asset recognition criteria are met.

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

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

Sale of Goods

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

Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental Income

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

b) Budget Information

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 University. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or University 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.

c) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the University recognizes such parts as individual assets with specific useful lives and

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depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Land is not depreciated as it is deemed to have an infinite life. Depreciation on other property is charged so as to write off the assets during their estimated useful life, using the straight- line method. Assets acquired during the year attract full depreciation charge.

The annual rates used are:-

Buildings	-	2.5%
Machinery & equipment	-	20%
Furniture & fittings	-	12.5%
Dairy equipment / plant / tractors	-	10%
Motor vehicles	-	25%
Library books	-	20%
Computers and Appliances	-	33.3%

d) Intangible Assets

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

e) Research and Development Costs

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale

- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

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

f) Financial Instruments

Financial Assets

Initial Recognition and Measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The University determines the classification of its financial assets at initial recognition.

Loans and Receivables

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

Held-to-Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the University has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of

the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of Financial Assets

The University assesses at each reporting date whether there is objective evidence that a financial asset or a University of financial assets is impaired. A financial asset or a University of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the University of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

g) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The University determines the classification of its financial liabilities at initial recognition.

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

h) Inventories

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

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

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

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

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

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

i) Agricultural Assets

Agricultural activity is the management by university of the biological transformation and harvest of biological assets. Biological Asset is a living animal or plant. There are three groups of agricultural assets:-

Agricultural Produce: Is the harvested product of the university's biological assets.

Bearer Biological Assets: Are those that are used repeatedly or continuously for more than one year in an agricultural activity e.g. breeding stocks (including fish and poultry), dairy animals, and sheep

Consumable Biological Assets: Are those that are held for harvest as agricultural produce such as animals and plants for one-time use e.g. beef animals, fish in farms, crops such as maize and wheat.

Biological assets are measured on initial recognition and at each reporting date at its value less costs to sell except where fair value cannot be measured reliably. In such case the biological asset shall be measured at cost less any accumulated depreciation and any impairment loss as per IPSAS 27.

j) Provisions

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

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

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

Contingent Liabilities

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

Contingent Assets

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

Provision for bad debts

A general provision for bad and doubtful debts is provided for at the year-end at 1% of outstanding general and student debtors.

k) Key Management Personnel

The University's key management represents all those staff in grade 16 and above

l) Changes in Accounting Policies and Estimates

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

m) Employee Benefits

Retirement Benefit Plans

The University provides retirement benefits for its employees and. Defined contribution plans are post employment benefit plans under which an University pays fixed contributions into a separate University (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.

n) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

o) Related Parties

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

- The National Treasury – During the financial year we received Ksh. 2,778, 675,366 under recurrent budget and Ksh. 100,984, 527 under development budget as indicated in note 2a

and 2b respectively; through the Ministry of Education Science & Technology. The National Treasury Principal Secretary or his representative sits in the university council

- Ministry of Education Science & Technology – The Principal Secretary or his representative of this ministry sits in the university council.
- Council – The university council has 9 members. During the year the council expenses was Ksh. 25,998, 490 as indicated in Note 9 to financial statements.
- Key Management Personnel – This includes all those staffs in grade 16 and above. Their remuneration in the year was Ksh. 58,909, 304.
- The university also owns fully Egerton University Investment Company which is limited by guarantee.

p) Service Concession Arrangements

The University analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the University recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the University also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

q) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

r) Comparative Figures

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

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s) Significant Judgments and Sources of Estimation Uncertainty

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

t) Estimates and Assumptions

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

Useful Lives and Residual Values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

u) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2016.

v) Financial Risk Management

The University manages liquidity risk exposure by operating short term fixed deposits accounts that are highly liquid. To manage the credit risk, the university has a debt policy in place.

w) Nature and Description of Capital Reserves

The University has a capital reserve which represents the government's interest in the net assets/equity of the university and is a combination of contributed capital by the government and the aggregate of the university's accumulated surpluses or deficits and reserves that reflect the net assets/equity attributable to the university's operations.

Note 2a - GoK Recurrent Capitation Grant		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
<u>GoK Capitation Grants</u>		
July	234,937,992	234,935,492
August	234,937,992	234,935,492
September	234,937,992	234,935,492
October	234,937,992	234,935,492
November	234,937,992	234,937,992
December	234,937,992	234,947,991
January	214,647,749	234,937,992
February	234,937,992	234,937,992
March	234,937,992	234,937,992
April	234,937,992	234,937,992
May	234,937,992	234,937,992
June	214,647,700	234,937,991
Total GoK Recurrent Grants	2,778,675,366	2,819,255,900

Note 2(b) Income-GoK Development Grants		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
October	-	20,250,000
January	-	20,250,000
April	55,750,000	
June	45,234,527	70,000,000
Total GoK Development Grants	100,984,527	110,500,000

Note 3 : -Research & Extension Income		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Research Incomes-RE02-Income	16,912,537	8,350,249.00
Research Incomes-RE05-Income	13,083,311	26,628,668.00
Research Incomes-RE06-Income	33,330,800	59,921,950.00
Research Incomes-RE07-Income	141,751,541	17,016,834.00
Research Incomes-RE08-Income	1,591,104	3,000,000.00
Research Incomes-RE10-Income	293,662	2,459,146.00
Research Incomes-RE11-Income	788,830	2,304,850.00
Research Incomes-RE13-Income	1,098,500	3,645,000.00
Research Incomes-RE14-Income	933,333	1,446,164.00
Research Incomes-RE18-Income	4,594,363	5,415,565.00
Research Incomes-RE20-Income	2,195,198	2,729,384.00
Research Incomes-RE21-Income	10,708,536	25,833,426.00
Research Incomes-RE22-Income	1,060,642	8,707,150.00
Research Incomes-RE25-Income	8,318,584	31,247,256
Research Incomes-RE27-Income	-	3,262,202
Research Incomes-RE29-Income	9,441,744	13,043,741
Research Incomes-RE33-Income	3,645,219	5,572,752
Research Incomes-RE34-Income	1,803,846	4,641,380
Research Incomes-RE40-Income	-	4,640,665
Research Incomes-RE41-Income	2,324,106	3,807,913
Research Incomes-RE42-Income	-	8,615,250
Research Incomes-RE43-Income	-	2,509,974
Research Incomes-RE44-Income	3,197,240	13,037,685
Research Incomes-RE45-Income	17,156,785	12,426,132
Research Incomes-RE46-Income	28,177,967	56,754,842
Research Incomes-RE47-Income	78,968,381	66,322,516
Research Incomes-RE48-Income	1,229,991	8,475,191.0
	382,606,219	401,815,885
Note 4 : -Other Revenue from Non-Exchange Transactions		
Mau Egerton Cross Country Income-MAIN	2,175,600	1,960,340
Mau Egerton Cross Country Income Noncash Sponsors	2,329,344	6,694,413
Income-Partners Recurrent Grants -Other Recurrent Grants	227,111.90	2,304,918
Income-Partners Donations & Grants -Donations	23,491,511	-
	28,223,567	10,959,671
Total Non-Exchange Income	410,829,786	412,775,556

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Note 5 : - Tuition and Related Fees		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Income-Tuition and Related Fees-Application Fee	20,492,315	6,448,400
Income-Tuition and Related Fees-Registration Fee	25,342,900	33,776,290
Income-Tuition and Related Fees-Student I/D	2,656,660	3,175,610
Income-Tuition and Related Fees-Activity Fees	20,238,000	26,125,086
Income-Tuition and Related Fees-Student medical fee	33,227,035	41,791,940
Income-Tuition and Related Fees-Examination Fee	61,144,200	87,956,050
Income-Tuition and Related Fees-Material Development	71,009,400	94,557,000
Income-Tuition and Related Fees-Graduation Fees	27,822,078	18,617,982
Income-Tuition and Related Fees-Library Fee	42,373,765	56,660,005
Income-Tuition and Related Fees-Tuition Fee	1,332,899,754	1,432,554,670
Income-Tuition and Related Fees-Tuition Fees- Bridging Cours	4,181,468	3,195,850
Income-Tuition and Related Fees-Student Supervision Fee	2,870,000	7,666,500
Income-Tuition and Related Fees-Field Attachment fee	34,455,070	44,023,820
Income-Tuition and Related Fees-Student Laboratory fee	22,972,500	29,055,500
Income-Tuition and Related Fees-Academic Trascripts	42,200	1,369,200
Income-Tuition and Related Fees- Certificate Storage Charges	141,400	58,900
Income-Tuition and Related Fees-Student Damages Charges	1,404,050	36,086,507
Income-Tuition and Related Fees-Library Fine	280,991	328,821
Income-Tuition and Related Fees-Test & Vaccination- NTCC	969,340	440,000
Income-Tuition and Related Fees-Gowns Hire & Penalties- Ma	870,317	-
Income-Tuition and Related Fees- Credit Transfers	654,224	-
Income-Tuition and Related Fees- Remarking & Retake	4,659,023	-
Income-Tuition and Related Fees-Tuition Fees- Short Courses	11,530,285	-
	1,722,236,975	1,923,888,131

Note 6 : - Other Services Rendered Income		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Income-Other Incomes-Accommodation Fees-Halls	72,163,088	50,133,649
Income-Other Incomes-Alumni Membership Fees	-	1,000
Income-Other Incomes-Ambulance Fee	17,805	34,300
Income-Other Incomes-Bed Charges	42,000	1,294,367
Income-Other Incomes-Clinical Charges-medical	5,376,899	1,560,803
Income-Other Incomes-Consultation Fees	44,610	74,690
Income-Other Incomes-Dental Fees	321,173	392,841
Income-Other Incomes-Drugs	5,115,111	12,360,634
Income-Other Incomes-Miscellaneous Income	407,021	34,338,573
Income-Other Incomes-Hire of Conference Facilities	23,450	-
Income-Other Incomes-Hire Of Furniture	3,000	-
Income-Other Incomes-House Rent	13,005,912	12,627,711
Income-Other Incomes-Income from Animal Health dept	836,190	3,119,595
Income-Other Incomes-Income from Nutrition	56,000	-
Income-Other Incomes-Lab Test	3,054,686	661,751
Income-Other Incomes-Meals-catering	19,706,105	16,891,769
Income-Other Incomes-Photocopying Charges	48,849	-
Income-Other Incomes-Sale Of Barley	-	517,537
Income-Other Incomes-Sale Of Birds	-	204,350
Income-Other Incomes-Sale of Dairy Products	8,627,165	9,400,815
Income-Other Incomes-Sale Of Eggs	-	227,090
Income-Other Incomes-Sale of Firewood	24,000	-
Income-Other Incomes-Sale Of Goats	23,000	92,000
Income-Other Incomes-Sale of Horticultures	444,120	69,780
Income-Other Incomes-Sale Of Milk & Dairy Products	2,850,550	4,329,986
Income-Other Incomes-Sale Of Pigs	109,990	-
Income-Other Incomes-Sale of Pork	-	13,500
Income-Other Incomes-Sale Of Rabbits	-	90,000
Income-Other Incomes-Sale of Stationery	49,402	282,388
Income-Other Incomes-Sale of Text Books	425,691	230,352
Income-Other Incomes-Tailoring Income	2,327,582	2,215,841
Income-Other Incomes-Tendering Charges	233,000	463,555
Income-Other Incomes-Income from OUTZ-IGU	1,719,911	378,348
Income-Other Incomes-Electronic Studio Income-NTCC	63,000	196,000
Income-Other Incomes-Collaborative Colleges Income(AICO)	343,672	4,930,405
Income-Other Incomes- Mortuary Income - IGU	2,196,752	-
Income-Other Incomes- Visiting Group Levy- Main	2,756,500	776,300
Income-Other Incomes- Insurance Payroll deduction Commissi	2,732,710	-
Income-Other Incomes- Insurance Refunds/Rebates	940,829	-
Income-Other Incomes- Visitors Accomodation Charges - IGU	209,680	-
Income-Other Incomes- Water/Electricity Charges - IGU	547,445	-
Income-Other Incomes- Key-cutting Charges - IGU	10,920	-
Income-Other Incomes- Manpower Development Income	3,095,879	-
Income-Other Incomes- Sale of Tree Seedlings - IGU	800	-
Income-Other Incomes- Income from Games - IGU	14,750	-
Income-Other Incomes- Hire of Laboratory facilities	96,000	-
Income-Other Incomes- Salary Refunds/lieu of notice - Main	1,423,967	-
	151,489,213	157,909,930

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Note 7 : - Interest Income		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Interest Income Fixed Deposits		
July	1,300,500	6,389,327
August	-	31,284
September	-	15,439
October	-	3,867
November	-	3,996
December	10,404,511	7,476
January	3,265	-
June	4,899,860	17,494,965
Total Interest Income from Investment (fixed deposits)	16,608,135	23,946,355

Note 8 : - Staff Costs

Note 8 (a) : - Key Management Personnel Remuneration

Particulars	Total 30-Jun-16	30-Jun-15 Ksh
BASIC SALARY	31,444,072	25,733,593
HOUSE ALLOWANCE	4,811,214	4,499,904
DUTY ALLW	2,563,500	2,724,000
MEDICAL ALLW	319,200	313,800
ENTERTAINMENT ALL	1,378,400	1,464,000
PROFESSORIAL ALLW	540,000	484,839
RESPONSIBILITY ALLW	3,139,833	3,336,000
PHONE ALLW	749,200	792,000
BOOK JOURNAL/ICT ALLW	25,305	13,000
DOMESTIC SERVANT ALLW	2,761,667	2,940,000
HOME WATER AND ELEC	745,633	792,000
NON USER CAR ALLOWANCE	1,128,667	1,170,000
LEAVE ALLOWANCE	110,910	136,100
BASIC SALARY ARREARS	-	1,985,273
SSP ALLW	3,269,989	3,606,004
STAFF EDUCATION FUND	23,076	-
PENSION EMPLOYER CONTRIBUTION	5,898,639	5,196,730
	58,909,304	55,187,243

Note 8 (b) : - All Other Staff Personnel Remuneration

Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Expense-Personell Emoluments-Basic Salary	1,373,274,997	1,329,906,697
Expense-Personell Emoluments-House Allowance	758,144,472	735,853,777
Expense-Personell Emoluments-Duty/Risk/Extr. Allowance	68,241,977	67,472,224
Expense-Personell Emoluments-Commuter Allowance	249,862,742	199,931,776
Expense-Personell Emoluments-Medical Allowance	81,091,444	44,517,235
Expense-Personell Emoluments-Hardship Allowance	2,480,632	220,800
Expense-Personell Emoluments-Remunerative Allowance	33,274,982	27,765,283
Expense-Personell Emoluments-Basic Salary Arrears	1,472,206	21,709,073
Expense-Personell Emoluments-Examination allowance	1,198,783	1,137,976
Expense-Personell Emoluments-Non Practice allowance	24,897,333	24,892,000
Expense-Personell Emoluments-Entertainment Allowance	2,371,258	2,319,992
Expense-Personell Emoluments-Acting Allowance	1,527,203	1,737,120
Expense-Personell Emoluments-Professorial Allowance	6,758,710	6,374,464
Expense-Personell Emoluments-Responsibility Allowance	2,656,941	2,625,157
Expense-Personell Emoluments-/Manpower/Staff Ed	139,816	786,378
Expense-Personell Emoluments-Leave Allowance	21,376,162	18,644,128
Expense-Personell Emoluments-Special Duty Allow	601,092	870,246
Expense-Personell Emoluments-Uniform Allowance	8,556,504	261,538
Expense-Personell Emoluments-Ambulance Allowance	30,000	18,000
Expense-Personell Emoluments-Phone allowance	1,450,839	1,319,400
Expense-Personell Emoluments-Call Allowance	17,593,000	17,589,000
Expense-Personell Emoluments-SSP Allowance (Staff)	59,506,485	56,151,620
Expense-Personell Emoluments-BOOK JOURNAL/ICT ALL	8,395,355	8,385,000
Expense-Personell Emoluments-NSSF-Employer Contribution	1,803,400	1,863,400
Expense-Personell Emoluments-Pension-Employer Contribution	223,972,495	213,980,831
Expense-Personell Emoluments-Gratuities	72,886,932	106,713,075
Expense-Personell Emoluments-Honorarium-IGU	-	765,389
Expense-Personell Emoluments-Home Water & Electricity	600,000	600,000
Expense-Personell Emoluments-Domestic Servant	208,490	187,200
Expense-Personell Emoluments-Non use of Car	-	30,000
Expense-Personell Emoluments-Top-Up Allowance-Main	948,528	948,528
Expense-Personell Emoluments-Assistants Allowance -Main	89,682	-
Expense-Other Staff Costs- Passage and Baggage	4,259,681	3,487,230
Expense-Other Staff Costs- Staff Training Expenses	12,181,947	7,913,317
Expense-Other Staff Costs- Graduate Scholarships	4,413,000	5,863,760
Expense-Other Staff Costs- Staff Education Fund Expenses	8,464,588	8,563,453
Expense-Other Staff Costs- Staff Fees Waiver	21,949,950	17,727,500
Expense-Other Staff Costs- Staff Uniforms	594,627	5,709,013
Expense-Other Staff Costs- NITA Charges -Main	1,198,200	-
Expense-Personell Emoluments-Pension Grade I-IV	3,399,445	82,027,894
Expense-Admin & Central-Casual Labor Expenses-Main	17,395,068	12,156,063
	3,099,268,963	3,039,025,538
Total Staff Costs	3,158,178,267	3,094,212,781

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Note 9 : - Council Expenses		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Expense-Council Expenses-Sitting Allowances-Main	25,665,950	15,829,394
Expense-Council Expenses-Mileage/Travel-Main	-	109,308
Expense-Council Expenses-Others Council Expense-Main	332,540	831,351
	25,998,490	16,770,053

Note 10 : - Administrative and Central Services Expenses		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Expense-Admin & Central- Office Stationery -Main	14,620,543	23,867,528
Expense-Admin & Central- Advertising -Main	47,213,519	29,574,787
Expense-Admin & Central- Postage And Telephone -Main	7,747,053	6,967,175
Expense-Admin & Central- Electricity & Water -Main	136,646,383	121,350,671
Expense-Admin & Central- Official Entertainment -Main	1,491,184	558,715
Expense-Admin & Central- Vehicle - Insurance -Main	626,161	15,761,917
Expense-Admin & Central- Contracted Security Services -Main	38,218,717	32,692,150
Expense-Admin & Central- General Insurances - Properties -Main	66,058,456	31,982,189
Expense-Admin & Central- Legal Charges -Main	4,761,162	6,831,622
Expense-Admin & Central- Strategic Initiative-ISO 22000/9001	8,040,710	6,813,157
Expense-Admin & Central- Computer Stationery -Main	2,626,260	5,113,636
Expense-Admin & Central- Audit Fees And Expenses -Main	2,520,000	4,084,000
Expense-Admin & Central- Rent And Rates -Main	119,338,884	89,422,125
Expense-Admin & Central- Conference And Seminars -Main	23,709,377	21,043,393
Expense-Admin & Central- Staff Subscription to Professional	4,660,561	3,020,537
Expense-Admin & Central- University Subscription to Other Books	10,564,192	8,716,545
Expense-Admin & Central- News Papers, Journals & Videos -Main	3,730,567	3,501,745
Expense-Admin & Central- Shows & Exhibitions Expenses -Main	10,089,983	7,543,175
Expense-Admin & Central- Internet Services -Main	33,708,427	28,467,753
Expense-Admin & Central- Office Running Expenses -Main	14,383,770	15,355,336
Expense-Admin & Central- Students Union Expenses-Main	2,726,780	-
Expense-Admin & Central- Computer Maintenance -Main	198,386	7,301,516
Expense-Admin & Central-Bank Charges , Interest & Comm.-Main	22,092,547	15,231,709
Expense-Admin & Central- Other Board Comm. - Jab, Fac., D	7,414,402	9,498,824
Expense-Admin & Central- Cleaning And Sanitary Services -Main	47,709,671	32,618,107
Expense-Admin & Central- Strategic Initiative General Main	10,771,716	11,081,410
Expense-Admin & Central- Fuel & Gas Main	417,600	405,582

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Expense-Admin & Central - Flagship Projects - Main	141,000	11,073,676
Expense-Admin & Central- Publicity -Main	46,696,246	39,399,935
Expense-Admin & Central- Open Days Expenses -Main	3,304,605	3,122,885
Expense-Admin & Cen-Awards & Prizes-Mau Egerton Cross C	728,550	944,400
Expense-Admin & Cen-Other expenses-Mau Egerton Cross C	3,326,738	3,342,679
Expense-Admin & Cen- Taxes	1,052,010	-
Expense-Admin & Cen- Performance Contract Service Deliver	1,744,413	1,363,565
Expense-Admin- Grade I-IV Retirement Benefit Scheme	6,998,020	1,743,950
Expense-Admin- Asset Tagging & Valuation Expenses	435,000	-
Expense-Admin- Environmental Impact Assessment	794,908	-
Expense-Admin- Disability Mainstreaming	44,740	-
Expense-Admin & Central- Program Self Assessments	827,350	-
Expense-Admin & Central- World Ploughing Contest	617,052	-
Expense-Other Staff Costs-Travelling And Subs. Staff	74,866,495	55,098,331
Expense-Other Staff Costs- External Travelling	-	54,340
Expense-Other Staff Costs-Staff Funerals Expenses	3,017,789	3,981,938
Expense-Other Staff Costs- Staff Hospitalization Expenses	107,526,930	106,383,518
Expense-Other Staff Costs- Staff Sports Welfare -Main	1,773,311	1,967,240
Expense-Other Staff Costs- Team Building Activities -Main	971,288	-
Expense-IGU Expenses- MEDICAL SUPPLIES	770,809	1,248,236
Expense-IGU Expenses-PRODUCTION INPUTS-IGU	328,420	81,580
Expense-IGU Expenses-Purchase of Farm Inputs-IGU	6,062	1,369,077
Expense Expenses- MEDICAL SUPPLIES	10,174,786	15,719,754
	908,233,534	785,700,407

Note 11: - Repairs and Maintenance Expenses

Particulars	Total	30-Jun-15
	30-Jun-16	Ksh
Expense-REPAIRS & MAINT. - EQUIPMENTS	3,457,261	2,446,967
Expense-REPAIRS & MAINT. VEHICLE REPAIRS	11,234,919	11,143,218
Expense-REPAIRS & MAINT. WATER SUPPLY & SEW	9,153,787	6,121,110
Expense-REPAIRS & MAINT. REPAIRS & MAINT. -Build	-	8,695,127
Expense-REPAIRS & MAINT. MAINTENANCE OF STAT	24,392,142	85,724,469
Expense-REPAIRS & MAINT. FUEL AND OILS -VEHICL	26,631,723	27,783,146
	74,869,831	141,914,038

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Note 12 : - Academic Departments Expenses		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Expense-Academic Dept.-Teaching Claims (Part time Lecturers)	308,988,510	379,857,183
Expense-Academic Dept.-PRINTING AND PUBLISHING-Main	1,062,935	689,244
Expense-Academic Dept.-TEACHING MATERIALS-Main	15,244,773	36,187,891
Expense-Academic Dept.-LABORATORY MATERIALS-Main	-	1,826,681
Expense-Academic Dept.-GRADUATION EXPENSES-Main	17,858,336	14,419,153
Expense-Academic Dept.-SPORTS EXPENSES (STUDENTS)	3,025,792	1,466,799
Expense-Academic Dept.-TEACHING PRACTICE & ATTACHMENT	28,471,540	40,058,601
Expense-Academic Dept.-STUDENTS WORK STUDY EXPENSES	7,486,734	7,094,083
Expense-Academic Dept.-ACADEMIC FIELD TRIPS-Main	27,248,330	24,399,591
Expense-Academic Dept.-SPORTS (INTER-UNIVERSITIES)	7,571,348	7,776,657
Expense-Academic Dept.-SUB. & ACCOM. -EXTERNAL EXPENSES	20,485,879	8,443,811
Expense-Academic Dept- Students Registration Expenses	5,939,225	8,466,352
Expense-Academic Dept- Students Scholarship Expenses	3,794,500	1,776,000
Expense-Academic Dept- Students Leadership Devtpt Program	1,593,491	328,640
Expense-Academic Dept- Post Graduate Practicum	500,850	-
Expense-Academic Dept- Students ID Expenses	845,000	845,000
Expense-Academic Dept.-TEACHING SERVICES-Main	640,000	1,829,671
Expense-Academic Dept. - Curriculum Review -Main	1,200,395	917,660
Expense-Academic Dept. Quality Assurance Audit Academic -	1,702,295	920,380
Expense-Academic Exp- E-Learning Expenses -Main	18,519,909	14,199,760
Expense-Academic Exp- Student Affairs Expenses -Main	787,520	-
Expense-Academic Dept.-STUDENT ATTACHMENT	3,827,030	-
	476,794,391	551,503,155

Note 13 : - Research & Extension Expenses		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Research Expenses-E500-Expenses	4,387,000	-
Research Expenses-RE02-Expenses	2,216,960	5,376,165
Research Expenses-RE05-Expenses	29,309,968	17,412,795
Research Expenses-RE06-Expenses	60,153,561	42,611,471
Research Expenses-RE07-Expenses	16,077,385	14,143,008
Research Expenses-RE08-Expenses	4,432,818	4,752,395
Research Expenses-RE10-Expenses	6,320,655	1,784,320
Research Expenses-RE11-Expenses	1,606,279	1,224,597
Research Expenses-RE12-Expenses	603,475	1,841,808
Research Expenses-RE13-Expenses	1,787,949	9,354,523
Research Expenses-RE14-Expenses	1,566,172	1,370,770
Research Expenses-RE18-Expenses	4,795,937	11,771,033
Research Expenses-RE20-Expenses	4,488,944	527,786
Research Expenses-RE21-Expenses	22,355,096	31,887,265
Research Expenses-RE22-Expenses	11,155,111	11,687,955
Research Expenses-RE23-Expenses	3,108,420	7,484,902
Research Expenses-RE25-Expenses	42,989,424	43,139,056
Research Expenses-RE27-Expenses	482,635	2,663,197
Research Expenses-RE29-Expenses	11,777,266	20,185,214
Research Expenses-RE32-Expenses	44,961	-
Research Expenses-RE33-Expenses	1,102,744	3,497,222
Research Expenses-RE34-Expenses	2,365,918	3,519,427
Research Expenses-RE37-Expenses	1,228,773	761,792
Research Expenses-RE40-Expenses	2,666,216	244,707
Research Expenses-RE41-Expenses	3,887,230	2,958,730
Research Expenses-RE42-Expenses	8,227,479	7,147,508
Research Expenses-RE43-Expenses	5,307,470	3,104,244
Research Expenses-RE44-Expenses	29,400,681	9,338,245
Research Expenses-RE45-Expenses	19,171,531	19,933,382
Research Expenses-RE46-Expenses	21,512,985	45,269,509
Research Expenses-RE47-Expenses	102,917,053	77,353,924
Research Expenses-RE48-Expenses	2,571,298	8,051,829
	430,019,393	410,398,777

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Note 14: - IGU Expenses		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Expense-Other Staff Costs-Travelling And Subs. Staff -IGUs	883,670	200,765
Expense-Other Staff Costs- Staff Uniforms -IGU	-	67,920
Expense-Admin & Central-Casual Labor Expenses-IGU	2,408,339	2,731,113
Expense-Admin & Central- Advertising -Main	661,200	-
Expense-Admin & Central-Bank Charges , Interest & Comm.-	805,608	189,658
Expense-Admin & Central- Cleaning And Sanitary Services -M	25,191,845	18,516,408
Expense-REPAIRS & MAINT. - EQUIPMENTS-IGU	123,638	160,300
Expense-REPAIRS & MAINT.REPAIRS & MAINT. -FEN	-	23,700
Expense-REPAIRS & MAINT.MAINTENANCE OF STAT	4,533,508	6,837,403
Expense-Academic Dept.-Teaching Claims (Part time Lectures)	1,250,596	572,096
Expense-Academic Dept.-PRINTING AND PUBLISHING-IG	-	287,840
Expense-Academic Dept.-TEACHING MATERIALS-IGU	-	61,600
Expense-Academic Dept.-LABORATORY MATERIALS-IG	517,325	545,537
Expense Expenses-PRODUCTION INPUTS	33,105,289	31,953,445
Expense Expenses-Purchase of Farm Inputs	3,574,394	1,329,146
Expense Expenses-Purchase of Stationery for Resale	708,897	701,410
Expense Expenses-TAP EXPENSES	483,177	2,542,501
Expense-IGU Expenses- Mortury(Funeral Home) Expenses-IG	1,010,100	-
	75,257,585	66,720,840
Note 15: - Depreciation Expenses		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Expense- Depreciation-Buildings-Egerton Buildings	74,133,845.78	73,197,578
Expense- Depreciation-Plant & Machinery-Dairy Institute mac	6,106,858.00	1,280,935
Expense- Depreciation-Furniture-N	8,468,420.46	9,308,184
Expense- Depreciation-Equipments- Equipments	24,343,809.40	23,819,494
Expense- Depreciation-Library Books-N	12,620,103.45	10,177,914
Expense- Depreciation-Motor Vehicles-N	16,104,852.50	16,910,254
Expense- Depreciation-Computers & Software-Computer & A	23,071,682.84	28,352,312
	164,849,572.43	163,046,671

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Note 16:- Other (Gains)/Losses		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Gain (Loss) on Revaluation Investment-Shares	(157,404)	(562,187)
Main Campus-Bad Debts w/off-(Increase)/Decrease in Provision	1,020,214	26,053,110
Nairobi Campus-Bad Debts w/off-(Increase)/Decrease in Provision	87,344	694,805
IGUs-Bad Debts w/off-(Increase)/Decrease in Provision	(420)	(7,629,563)
R& E-Bad Debts w/off-(Increase)/Decrease in Provision	(152,616)	-
Nakuru Campus-Bad Debts w/off-(Increase)/Decrease in Provision	869,348	(9,525)
Baringo Campus-Bad Debts w/off-(Increase)/Decrease in Provision	60,481	(247,846)
Ecampus-Bad Debts w/off-(Increase)/Decrease in Provision	(28,842)	-
Bad Debts w/off- (Increase)Decrease in Provision	1,855,509	18,860,981
Dollars- Gain (Loss) on FOREX	153,046	(4,200,952)
EUROs- Gain (Loss) on FOREX	13,437,326	7,921,855
Gain (Loss) on FOREX	13,590,373	3,720,903
Main Campus-Gain/(Loss) on biological Assets	(50,000)	43,010
IGUs-Gain/(Loss) on biological Assets	(8,130)	6,314,760
R& E-Gain/(Loss) on biological Assets	387,700	125,500
Gain/(Loss) on biological Assets	329,570	6,483,270
Gain/(Loss) on Disposal Of Assets	91,500	430,000
	15,709,548	28,932,967

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Note 17 (a) :- Cash in Hand and in Bank		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Bank balances		
Main - Bank Balances	21,142,360	870,101
Nairobi City Campus - Bank Balances	6,833,472	-
IGUs - Bank Balances	2,176,277	5,255,618
Research & Extension Bank Balances	167,690,387	214,889,059
Nakuru Town Campus College - Bank Balances	7,018,009	-
Baringo Campus - Bank Balances	538,071	-
Ecampus - Bank Balances	896,984	-
Tegemeo Bank Balances	220,493,392	172,540,577
Total Bank Balances	426,788,951	393,555,355
Petty Cash		
Main - Cash In Hand	59,490	100,507
Nairobi City Campus - Cash In Hand	92,000	-
IGUs - Cash In Hand	77,566	1,800
Total Cash In Hand	229,056	102,307
Total Cash in Bank and in Hand	427,018,007	393,657,662
Note 17 (b) :- Short Term Fixed Deposits		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Fixed Deposits Accounts		
KCB Bank	51,000,000	136,051,062
Co-operative Bank	129,755,388	170,927,724
Total Fixed Deposits	180,755,388	306,978,786
Note 17 (c) :- Contingent Deposits		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Staff Mortgage Scheme		
KCB Bank	50,000,000	-
Total Fixed Deposits	50,000,000	-
Note 17 (d) :- Negative Cashbook Balances		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Main - Negative Bank Balances	229,663,692	281,442,207
Nairobi City Campus - Negative Bank Balances	9,616,954	39,497,311
IGUs - Negative Bank Balances	26,562,343	8,608,565
Research & Extension Bank Balances	232,960	-
Nakuru Town CC - Negative Bank Balances	17,719,812	49,496,431
Baringo Campus - Negative Bank Balances	-	1,699,885
Ecampus - Negative Bank Balances	-	1,264,006
	283,795,760	382,008,404
Total Cash and Cash Equivalents	373,977,635	318,628,044

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Note 18 (a) : - Receivables from Exchange Transaction		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Current Assets-Accounts Receivables-Outstanding Imprest	93,262,062	141,269,214
Current Assets-Accounts Receivables-Student Debtors	777,592,412	978,059,934
Current Assets-Accounts Receivables-General Debtors	16,013,992	1,097,440
Current Assets-Accounts Receivables-Internal Debtors	21,411,172	20,996,001
Current Assets-Accounts Receivables- E.U. Investment Co. L	145,400,000	145,400,000
Current Assets-Accounts Receivables-DUE FROM GOVERN	-	304,937,991
Current Assets-Other Deposits-Deposits E A O Cyliders	56,000	56,000
Current Assets-Other Deposits-Deposits KPL CO Ltd	849,325	857,102
Current Assets-Other Deposits-Rent Deposits	9,904,494	9,202,926
	1,064,489,457	1,601,876,608
Note 18 (b) :- Provisions for Bad Debts		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Current Liabilities- Provisions Main Campus	5,722,541	6,742,755
Current Liabilities- Provisions Nairobi City Campus	1,054,263	1,141,607
Current Liabilities- Provisions IGUs	420	-
Current Liabilities- Provisions R & E	152,616	-
Current Liabilities- Provisions Nakuru Town Campus	790,018	1,659,366
Current Liabilities- Provisions Baringo Campus	187,365	247,846
Current Liabilities- Provisions Ecampus	28,842	-
	7,936,065	9,791,574
Net Receivables from Exchange Transaction	1,056,553,392	1,592,085,034

Note 19 :- Inventories		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Current Assets-Inventories-Stocks Central & Substores	11,482,190	8,177,683
Current Assets-Inventories-Stocks Stationery	12,366,855	6,912,590
Current Assets-Inventories-Stocks Cleaning Materials	50,286	158,107
Current Assets-Inventories-Stocks Consumables	39,955,348	33,810,356
Current Assets-Inventories-Stocks Medical drugs	-	1,019,934
Current Assets-Inventories-Shop stock-IGU	3,249,215	2,275,525
	67,103,895	52,354,195

Note 20: Agricultural Assets

Note 20 (a) :- Biological Assets - Bearer Assets		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Biological Assets - Livestock TDU-IGU	16,661,120	16,883,500
Biological Assets - Livestock Kenyatta Campus-IGU	2,184,000	2,275,000
Biological Assets - Security Dogs-Main	120,000	170,000
Biological Assets - Livestock Chemeron Field Station	1,209,500	-
Biological Assets-Livestock-Veterinary Medicine & Surgery	-	821,800
	20,174,620	20,750,300

Note 20 (b) :- Biological Assets - Consumable Assets

Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Biological Assets - Crops TDU-IGU	542,600	-
Biological Assets - Crops Kenyatta Campus-IGU	983,750	45,470
Biological Assets- Crops -Crops,Horticulture and Soil Scienc	-	78,500
	1,526,350	123,970
Total Agricultural Assets	21,700,970	20,874,270

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Note 21: Non Current Assets

Note 21(a) : - Property, Plant & Equipment

Particulars	Land	Buildings	W.I.P	Dairy Equipments/Plant/Tractors	Furniture, Fittings	Other Equipments	Library Books	Motor Vehicles	Computer and Appliances	Totals
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Cost or Valuation										
As at 01/07/2014	965,594,800	2,337,598,120	1,115,261,365	66,109,605	151,345,656	491,003,973	107,330,627	173,950,341	369,937,659	5,778,132,146
EUICO Assets Costs		(18,002,215)		(30,218,717)		(5,953,911)		(4,048,600)		(58,223,443)
Year adjustments								2,350,000		2,350,000
Additions During the year			305,484,574		15,187,625	26,691,027	26,864,773	3,600,000	5,110,466	382,938,465
WIP Transferred to Assets		608,309,226	(610,150,961)			1,141,735			700,000	-
WIP Transferred to Prior yr. Expenses			(1,094,326)							(1,094,326)
Disposal During the year						142,066		500,000		642,066
As at 30/06/2015	965,594,800	2,927,905,131	809,500,652	35,890,888	166,533,281	512,740,758	134,195,401	175,351,741	375,748,125	6,103,460,776
Year adjustments EUICO										-
Additions During the year	-		292,586,387	39,600,235	2,096,920	18,814,825	15,903,086	15,292,193	10,983,900	395,277,547
WIP Transferred to Assets		37,450,699	(37,450,699)							-
As at 30/06/2016	965,594,800	2,965,355,830	1,064,636,339	75,491,123	168,630,201	531,555,584	150,098,487	190,643,934	386,732,025	6,498,738,323
Depreciation										
As at 01/07/2014	-	371,236,262	-	35,872,950	116,806,963	435,585,957	95,387,081	134,031,955	323,493,629	1,512,414,797
EUICO Assets Accum. Depr.		(495,727)		(5,809,209)		(1,338,718)		(1,771,263)		(9,414,917)
Year adjustments		50				(7,700)		4,553,650	(0)	4,546,000
Charge for the year		73,197,578		1,280,935	9,308,184	23,819,494	10,177,914	16,910,254	28,352,312	163,046,671
Acc Depr on Disposals						142,066		500,000		642,066
As at 01/07/2015	-	443,938,163	-	31,344,676	126,115,146	457,916,968	105,564,995	153,224,597	351,845,941	1,669,950,486
Charge for the year		74,133,846		6,106,858	8,468,420	24,343,809	12,620,103	16,104,853	23,071,683	164,849,572
Cumm Dep Net of Disposals	-	518,072,009	-	37,451,534	134,583,567	482,260,777	118,185,098	169,329,449	374,917,624	1,834,800,058
NBV-30 June 2016	965,594,800	2,447,283,821	1,064,636,339	38,039,590	34,046,634	49,294,807	31,913,389	21,314,485	11,814,400	4,663,938,265
NBV-30 June 2015	965,594,800	2,483,966,968	809,500,652	4,546,213	40,418,134	54,823,791	28,630,406	22,127,144	23,902,183	4,433,510,290

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Note 21 (b) - Work-In-Progress				
Particulars	Total 30-Jun-16	30-Jun-16 Additions	31-Mar-16 Transfers	30-Jun-15 Ksh
WIP-WIP-Buildings-Const. Of Admin. Building-Main	20,096,000	-	-	20,096,000
WIP-WIP-Buildings-Construction Of Science Complex-Main	687,033,154	250,243,215	-	436,789,939
WIP-WIP-Buildings-Construction Of Agronomy & Horticulture-Mai	177,377,480	-	-	177,377,480
WIP-WIP-Buildings-Const. Of ICT Infrastructure-Main	52,499,327	17,114,365	-	35,384,963
WIP-WIP-Buildings-Faculty Of Law-NTCC-Main	123,916,482	-	-	123,916,482
WIP-WIP-Buildings-Faculty of Veterinary Medicine-Main	1,650,000	-	-	1,650,000
WIP-WIP-Buildings Construction- Police Post-Main	2,063,897	2,063,897	-	-
WIP-WIP-Electric Fence Njoro Campus	-	18,164,911	32,450,699	14,285,789
WIP-WIP-Construction Senior Common Room	-	5,000,000	5,000,000	-
Total	1,064,636,340	292,586,387	37,450,699	809,500,652

Note 22:- Investments		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Investments-Long Term-Kenya Airways- Ordinary Shares-	228,236	385,640
	228,236	385,640

Note 23 (a) :- Trade and Other Payables		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Current Liabilities-Payroll Payables	175,007,625	166,655,669
Current Liabilities-Trade Creditors-N	183,763,559	268,201,364
Current Liabilities-Payable Clearing A/C	9,234,066	12,030,804
Current Liabilities-Internal Creditors-N	3,909,827	13,093,802
Current Liabilities-Taxes-Withholding Tax Payable	1,730,071	5,936,828
Current Liabilities-Taxes-Value Added Tax (VAT) Payable	5,447,233	9,950,996
Current Liabilities-Other Payables-Students Caution Money	59,001,540	57,740,240
Current Liabilities-Other Payables-Students Union Fees	1,224,098	4,894,162
Current Liabilities-Other Payables-Contractors' Retention M	24,596,576	-
Current Liabilities-Other Payables-CDF Clearing a/c	4,873,545	3,650,935
Current Liabilities-Other Payables-HELB Clearing a/c	4,868,000	3,995,500
Current Liabilities-Other Payables-Other Sponsors Clearing	6,510,375	3,602,845
Current Liabilities-Other Payables-Alumni Fees-Main	6,283,300	3,843,500
Current Liabilities- Unidentified Bank Deposits - Main	17,676,434	1,041,164
Current Liabilities-Other Payables-AGEC Dollar Clearing A	3,594,032	-
Deferred Income Tegemeo	193,898,762	152,324,473
Student Prepaid fees	268,506,112	388,672,200
	970,125,153	1,095,634,481

Note 23 (b) :- Provisions and Accruals		
Particulars	Total 30-Jun-16	30-Jun-15 Ksh
Current Liabilities-Accruals Main Campus	55,554,888	110,948,297
Current Liabilities-Accruals Nairobi City Campus	77,316,800	79,825,055
Current Liabilities-Accruals Nakuru Town Campus	124,114,107	90,209,205
Current Liabilities-Accruals Baringo Campus	26,460,000	-
	283,445,794	280,982,557

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Note 24: Tegemeo Institute Financial Reports

Note 24 (a): Tegemeo Institute Incomes & Expenditures

				Jun-16			Jun-16
PROJECT NAME	Deferred Income June 2015	Other Income	Additional Funding During The Year	Total Expenses for the year	Income Matched to Expenditure	Interest Income/ EXG Rate Differences	Total Income for the Year
TAPRA I	(1,552,694)			1,149,034	1,149,034	-	1,149,034
TAPRA II	2,785,258	(763,129)	69,591,632	78,684,745	78,684,745	309,690	78,684,745
OVERHEAD			7,844,212	-	-	-	7,844,212
MLE	(114,285,099)		24,964,700	32,157,857	32,157,857	-	32,157,857
RCT	(15,995,331)		20,365,200	21,402,653	21,402,653	-	21,402,653
3ie	(7,755,363)		19,365,817	20,729,144	20,729,144	-	20,729,144
BMGF BASELINE	-		87,575,900	29,817,596	29,817,596	-	29,817,596
FAC	(1,700,326)	4,464		1,704,790	1,704,790	-	1,704,790
GLCI	(2,927,638)			2,045,311	2,045,311	-	2,045,311
WORLD BANK/KAPAP	(210,312)	452,318		662,630	662,630	-	662,630
ELLA	(1,659,221)		8,132,576	9,888,696	9,888,696	-	9,888,696
ReNAPRI	(281,102)		1,987,500	710,154	710,154	-	710,154
ISSD	(4,011,803)		22,828,600	12,932,494	12,932,494	-	12,932,494
KDB	(2,295,289)		-	1,281,395	1,281,395	-	1,281,395
P4P	-		2,972,400	540,880	540,880	-	540,880
AGRA	(2,363,466)		-	2,506,000	2,506,000	-	2,506,000
EGERTON			3,500,000	3,500,000	3,500,000	-	3,500,000
GISAMA	(72,088)		-	-	-	-	-
PAM/KMDP ACCOUNT				(208,998)	-	-	-
TAMPA II ACCOUNT				3,862,851		-	-
Interest/FOREX Gain/(Loss)		3,273,646		1,085,479		-	3,273,646
TOTAL	(152,324,473)	2,967,299	269,128,536	224,452,711	219,713,379	309,690	230,831,237

Note 24 (b): Tegemeo Institute Deferred Income Summary

PROJECT NAME	Jun-16			Jun-15		
	Deferred Income (Fund Balances)	Reserve C/D	Combined	Deferred Income June 2015	Reserve	Combined
TAPRA I	403,659	-	403,659	1,552,694		1,552,694
TAPRA II	(12,331,810)	-	(12,331,810)	(2,785,258)		(2,785,258)
OVERHEAD	-	18,807,762	18,807,762		10,963,551	10,963,551
MLE	107,091,942	-	107,091,942	114,285,099	-	114,285,099
RCT	14,957,878	-	14,957,878	15,995,331	-	15,995,331
3ie	6,392,036	-	6,392,036	7,755,363		7,755,363
BMGF BASELINE	57,758,304	-	57,758,304	-		-
FAC	(0)	-	(0)	1,700,326	-	1,700,326
GLCI	882,328	-	882,328	2,927,638	-	2,927,638
WORLD BANK/KAPAP	-	-	-	210,312	-	210,312
ELLA	(96,899)	-	(96,899)	1,659,221	-	1,659,221
ReNAPRI	1,558,448	-	1,558,448	281,102		281,102
ISSD	13,907,908	-	13,907,908	4,011,803		4,011,803
KDB	1,013,894	-	1,013,894	2,295,289		2,295,289
P4P	2,431,520	-	2,431,520	-	-	-
AGRA	(142,534)	-	(142,534)	2,363,466		2,363,466
EGERTON	-	38,767	38,767		38,767	38,767
GISAMA	72,088	-	72,088	72,088	-	72,088
PAM/KMDP ACCOUNT	-	251,709	251,709		42,711	42,711
TAMPA II ACCOUNT	-	2,657,145	2,657,145		6,519,995	6,519,995
Interest/FOREX						
Gain/(Loss)	-	4,839,247	4,839,247		2,651,080	2,651,080
TOTAL	193,898,762	26,594,630	220,493,392	152,324,473	20,216,104	172,540,577

Note 24 (c): Tegemeo Institute Cash at Bank

Bank Account Name	Bank Ac No.	Cashbook Balances (KES)	Cashbook Balances (USD) in KES Equivalent	Jun-16	Jun-15
				Total Cashbook Balances	Total Cashbook Balances
Egerton University A/C Tegemeo TAPRA-NIC	1000237228	906,139	-	906,139	1,651,790
Egerton University-Tegemeo Inst TAPRA II-NIC	1000020334	6,475,953	-	6,475,953	8,178,293
Egerton University-Tegemeo Institute-NIC	1001783811	52,914,817	60,651,275	113,566,092	115,742,074
Egerton University-Tegemeo Inst- RFCCP-NIC	1000015411	2,580,597	74,047,257	76,627,854	24,503,541
Egerton Univ-Tegemeo Institute - KBSP-NIC	1000015748	4,090,764	15,926,426	20,017,190	13,457,379
Egerton University Tegemeo Institute-NBK USD	0200-3005240200		(54,257)	(54,257)	2,363,466
Egerton University Tegemeo Institute-NBK	0100-3005240200	77,644	-	77,644	90,844
Egerton University PAM/KMDP -NBK	01003-043688-00	206,946		206,946	7,298
Egerton Univ. Tegemeo TAMPA II-NIC	1000235926	2,669,831		2,669,831	6,545,892
		69,922,691	150,570,701	220,493,392	172,540,577

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Note 24 (d): Tegemeo Institute Reconciliation of Deferred Incomes & Cash Balances

PROJECT NAME	Deferred Income June 2015	Other Income	Additional Funding During The Year	Total Expenditure	Transfers to General & Salary Account	Total Expenses for the year	Income Matched to Expenditure	Interest Income/ EXG Rate Differences	Total Income for the Year	Deferred Income (Fund Balances)	Reserve CD	Cashbook Balances	Project Cash Balances	Interest Income	FOREX Gain/ (Loss)	Cashbook Balances (KES)	Cashbook Balances (USD) in KES Equivalent	Total Cashbook Balances	Bank Ac.No.	Bank Account Name
TAPRA I	1,552,694			(1,723,291)	2,872,325	1,149,034	1,149,034	-	1,149,034	403,659	-	403,659	403,659	502,480		906,139	-	906,139	1000237228	Egerton University A C Tegemeo TAPRA-NIC
TAPRA II	(2,785,258)	(763,129)	69,591,632	78,684,745	-	78,684,745	78,684,745	309,690	78,684,745	(12,331,810)	-	(12,331,810)	(12,331,810)			6,475,953	-	6,475,953	1000020334	Egerton University-Tegemeo Inst TAPRA II-NIC
OVERHEAD	10,963,551		7,844,212	-	-	-	-	-	7,844,212	-	18,807,762	18,807,762	18,807,762							
MLE	114,285,089		24,964,700	30,152,357	2,005,500	32,157,857	32,157,857	-	32,157,857	107,091,942	-	107,091,942	107,091,942	2,558,067	3,916,082	52,914,817	60,651,275	113,566,092	1001783811	Egerton University-Tegemeo Institute-NIC
RCT	15,995,331		20,365,200	9,846,512	11,556,141	21,402,653	21,402,653	-	21,402,653	14,957,878	-	14,957,878	14,957,878							
3ie	7,755,363		19,365,817	17,765,099	2,964,045	20,729,144	20,729,144	-	20,729,144	6,392,036	-	6,392,036	6,392,036	77,941	(2,558,304)	2,580,597	74,047,257	76,627,854	1000015411	Egerton University-Tegemeo Inst- RFCCP-NIC
BMGF BASELINE	-		87,575,900	26,773,890	3,043,706	29,817,596	29,817,596	-	29,817,596	57,758,304	-	57,758,304	57,758,304							
FAC	1,700,326	4,464	-	-	1,704,790	1,704,790	1,704,790	-	1,704,790	(0)	-	(0)	(0)							
GLCI	2,927,638		-	601,806	1,443,595	2,045,311	2,045,311	-	2,045,311	882,328	-	882,328	882,328							
WORLD BANK/KAPAP	210,312	452,318	-	-	662,630	662,630	662,630	-	662,630	-	-	-	-							
ELLA	1,659,221		8,132,576	2,731,252	7,157,444	9,888,696	9,888,696	-	9,888,696	(96,899)	-	(96,899)	(96,899)	66,020	253,970	4,090,764	15,926,426	20,017,190	1000015748	Egerton Univ-Tegemeo Institute - KBSP-NIC
ReNAPRI	281,102		1,987,500	-	710,154	710,154	710,154	-	710,154	1,558,448	-	1,558,448	1,558,448							
ISSD	4,011,803		22,828,600	10,427,075	2,505,419	12,932,494	12,932,494	-	12,932,494	13,907,908	-	13,907,908	13,907,908							
KDB	2,295,289		-	47,600	1,233,795	1,281,395	1,281,395	-	1,281,395	1,013,894	-	1,013,894	1,013,894							
PAP	-		2,972,400	540,880	-	540,880	540,880	-	540,880	2,431,520	-	2,431,520	2,431,520							
AGRA	2,363,466		-	2,090,900	415,100	2,506,000	2,506,000	-	2,506,000	(142,534)	-	(142,534)	(142,534)		88,277		(54,257)	(54,257)	0200-3005240200	Egerton University Tegemeo Institute-NBK USD
EGERTON	38,767		3,500,000	-	3,500,000	3,500,000	3,500,000	-	3,500,000	-	38,767	38,767	38,767						0100-3005240200	Egerton University Tegemeo Institute-NBK
GISAMA	72,088		-	-	-	-	-	-	-	72,088	-	72,088	72,088	(33,211)		77,644	-	77,644		
PAM/KMDP ACCOUNT	42,711		-	(208,998)	-	(208,998)	-	-	-	-	251,709	251,709	251,709	(44,763)		206,946	-	206,946	01003-043688-00	Egerton University PAM/KMDP-NBK
TAMPA II ACCOUNT	6,519,995		-	116,239	3,746,612	3,862,851	-	-	-	-	2,657,145	2,657,145	2,657,145	12,687		2,669,831	-	2,669,831	1000235926	Egerton Univ Tegemeo TAMPA II-NIC
Interest/FOREX Gain/(Loss)	2,651,080	3,273,646		(306,347)	1,391,826	1,085,479	-	-	3,273,646	-	4,839,247	4,839,247	4,839,247							
TOTAL	172,540,577	2,967,299	269,128,536	177,539,719	46,912,992	224,452,711	219,713,379	309,690	230,831,237	193,898,762	26,594,630	220,493,392	220,493,392	3,139,221	1,700,026	69,922,691	150,570,701	220,493,392		

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	No titles to some Land Parcels	The process of acquiring these ownership documents for all the University lands is at advanced stage for the remaining two parcels.	Legal Officer	Not resolved	By end of FY 2016/2017
2	Stalled Projects	The University has consistently prioritized completion of these stalled projects over the years and has succeeded in completing all the stalled projects except two; Agronomy and Administration block.	DVC(A&F)	Not resolved	By end of FY 2016/2017
3	Outstanding staff imprests	The University adheres fully to the government regulations regarding issue and surrender of temporary imprests however the nature of some imprests such as for research activities makes them outstanding for a long period of time.	F&AC	Not resolved	By end of FY 2016/2017
4	Acquisition of Land	The part development plan as the result of subdivision process is about to be complete so that the main title is surrendered so that university title is issued.	Legal Officer	Not resolved	By end of FY 2016/2017

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