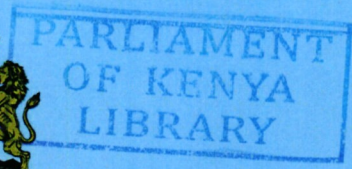


REPUBLIC OF KENYA



Enhancing Accountability

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 24 MAR 2022

DAY.

REPORT

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BY:

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THE AUDITOR-GENERAL

ON

BOMET UNIVERSITY COLLEGE

**FOR THE YEAR ENDED
30 JUNE, 2020**



**BOMET UNIVERSITY COLLEGE
(BUC)**
(A Constituent College of Moi University))

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**



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

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I. KEY ENTITY INFORMATION AND MANAGEMENT

(a) Background information

Bomet University College (BUC) was established as a Constituent College of Moi University through the Legal Notice No. 145 published in the Kenya Gazette Supplement No.114 of 27th July, 2017.

The College Management Board comprises of the Principal, Deputy Principal (Administration and Finance) Deputy Principal (Academic and Student Affairs) and the Head of BUC Finance.

The Management Board reports to the Bomet University College Council that was inaugurated on 10th November 2017. The University College Council reports to the State Department of University Education while at the Cabinet level, the University College is represented by the Cabinet Secretary for Education, Science and Technology who is responsible for the general policy and strategic direction of the University.

(b) Principal Activities

The principal activity of the University is to provide university education through teaching, research and outreach.

The vision, mission and core values of the University are as follows:

Vision

To be a premier Green University in fostering research excellence in Science, Technology and Innovation for sustainability.

Mission

To provide a conducive environment for discovery, preservation and dissemination of knowledge; to nurture critical inquiry, creativity and engagement for social transformation and advancement of humanity.

Core Values:

Bomet University College is a community built upon the valued relationships among students, staff, faculty, alumni and other stakeholders. At the core of these relationships are our core values that lead to the realization of our corporate culture and good governance. These are:

- (i) **Integrity:** Consistency in service delivery through adherence to highest ethical standards.
- (ii) **Patriotism:** To render selfless services and unwavering commitment to the University.
- (iii) **Transparency and Accountability:** To maintain a culture of openness, fairness, equity, and assume and demonstrate responsibility over our individual and collective actions.
- (iv) **Respect:** For diversity and the dignity of the individual, as well as attaching a premium to the contributions of each and every player regardless of one's status in the University.
- (v) **Commitment:** To continuously improve on the quality of the services offered with the goal of assuring longevity and excellence of the University.

(c) Key Management

Bomet University College day to day Management is under the following key organs:

ii | GREEN ECONOMY FOR SUSTAINABILITY

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- i. Bomet University College Council
- ii. Bomet University College Management Board
- iii. Bomet University College Academic Board
- iv. Bomet University College School Boards
- v. Bomet University College Departmental Boards
- vi. Bomet University College Administrative Board and
- vii. Bomet University College Deans Committee

(d) Fiduciary Management and Oversight

The key management and oversight personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
Bomet University College Management		
1	Principal	Prof. Anne Kisaka Nangulu
2	Deputy Principal- Administration and Finance	Prof. Loice Chemngetich Maru
3	Deputy Principal- Academic and Student Affairs	Prof. George Orwa Otieno
4	Head of Finance	CPA Daniel Kimaiyo
5	Head of Procurement	Simon Loth Kipsaiya
6	Head of Internal Audit	CPA Peter K. Sang

Notes to Fiduciary Management:

Bomet University College Council was appointed and inaugurated on 10th November 2017. The Principal and the two Deputy Principals were appointed in September 2019 and took office on 1st October 2019. The University College was handed over from Moi University Council on 29th March 2018. The University College however runs its academic activities under the Senate of Moi University and will continue until it attains full University status and awarded Charter by the Commission of University Education.

(e) Fiduciary Oversight Arrangements

The Council provides fiduciary oversight on the financial operations of the University College through the Finance, Administration, Strategy, Building and Development Committee; Audit and Compliance Committee, Academic, Research, Extension, Students Affairs and Sealing Committee; Human Resource, Governance and Staff Disciplinary Committee.

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The Finance, Administration, Strategy, Building and Development Committee reviews the University Quarterly Financial Statements before they are submitted to full council and subsequently to the Ministry of Education and National Treasury by the 15th day of the month preceding end of quarter.

The Audit and Compliance Committee provides oversight on Bomet University College financial statements by supporting the Internal Audit Unit in providing oversight on the internal controls and the maintenance of proper accounting records.

The Office of the Auditor General conducts annual audit of the operations of the University College. The reports of the Auditor General are submitted to the National Assembly through the Public Investments Committee (P.I.C), which provides the overall fiduciary oversight on the operations of the University College.

(f) Headquarters

Head Office

Bomet University College
P.O. Box 701-20400
Bomet Town, KENYA

(g) University Contacts

Telephone :(254) 74666926/74666925
E-mail: principal@buc.ac.ke
Website: www.Bomet University College.ac.ke

(h) University Bankers

1. National Bank of Kenya
Bomet Branch
P.O Box 539-20400
Bomet, Kenya
2. Kenya Commercial Bank
Bomet Branch
P.O Box 264-20400
Bomet, Kenya
3. Co-Operative Bank
Bomet Branch
P.O Box 501-20400
Bomet, Kenya

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(i) Independent Auditors

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

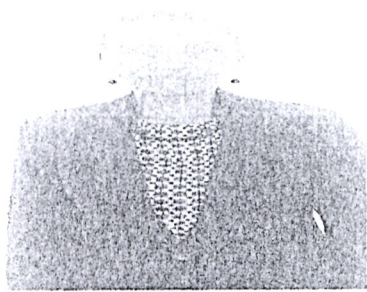


(j) Principal Legal Adviser

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




II. MEMBERS OF THE UNIVERSITY COLLEGE COUNCIL

Members of Bomet University College Council	Key Qualifications
 <p>Prof. Esther W. M. Tirima Chairperson of Bomet University College Council Appointed on 29th September 2017 to 29th September 2020</p>	<p>Holder of Doctorate in Education (Adult Education) from University of Idaho. She holds a Master of Arts in English and French from the University of Idaho.</p> <p>She has a Bachelor Arts degree in Literature from Washington State University.</p> <p>Prof. Esther W. M. Muchira is an Educational consultant, researcher, educator and trainer.</p> <p>She has served as the Vice Chancellor of Cavedish University in Uganda; and as Executive Secretary Linking Industry With Academia (LIWA).</p>
 <p>Prof. Isaac Kosgey Council Member</p>	<p>Prof. Isaac Kosgey is a Professor of Animal Sciences (Animal Breeding and Genetics) and currently the Vice Chancellor of Moi University. He served previously as the Deputy Vice Chancellor (Administration, Finance and Development) at Laikipia University.</p> <p>He holds a Doctor of Philosophy in Animal Sciences and a Master of Science degree in Animal Sciences from Weningen University, Netherlands. In addition, he holds a Bachelor of Science in Animal Production from Egerton University. Diploma in Law from Mount Kenya University, and a Master of Business Administration from Kenyatta University. He holds a Bachelor of Laws degree (LLB) from the Open University of Tanzania, Tanzania.</p>







 <p>Prof. Anne Kisaka Nangulu Principal and Secretary to Council Appointed on 20th August 2019</p>	<p>Bachelor of Arts Degree (History) from the University of Nairobi (UoN), Master of Arts (History) from UoN, PhD in History from West Virginia University, USA. She has trained in Quality Assurance in University/Higher Education.</p> <p>She has extensive experience in teaching, research and management in University education. She served as the Deputy Commission Secretary in charge of Quality Audits and Standards at the Commission of University Education. She has also served as Dean School of Arts and Social Sciences and Director Quality Assurance at Moi University. She is the Principal at Bomet University College and Professor of History at Moi University.</p>
 <p>Bishop (Rev) Dr. Robert Kipkemoi Lang'at Council Member Appointed on 29th September 2017- 29th September 2020</p>	<p>Holder of PhD from Drew University and currently the Bishop of Africa Gospel Church, Kenya.</p> <p>He holds a Master of Philosophy from Drew University and also has a Master of Arts in Theology from Wesley Biblical Seminary. He has a Bachelors 'degree in Theology from Kenya Highlands University He is the Chairman of the Appeals Committee of Council at Bomet University College.</p>
 <p>Dr. Peter Maina Ithondeka Council Member Appointed on 29th September 2017 to 29th September 2020</p>	<p>PhD in Veterinary Epidemiology and Public Health from the University of Nairobi. He holds a Master of Business Administration, Strategy Option from the University of Nairobi. He has a Bachelor of Veterinary Medicine from the University of Nairobi. He was the Director of Veterinary Services (CVO) and OIE delegate and currently Veterinary Consultant Including lecturing. He is the Chairman of Human Resource, Governance and Staff Disciplinary Committee of Council at Bomet University College.</p>

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 <p>Dr. Jane Ngarari Council Member Appointed on 29th September 2017 to 29th September 2020</p>	<p>PhD in Education (Policy and Implementation) from United Kingdom. She holds a Masters degree in Linguistics from United Kingdom. She has a Bachelors degree in English Language and Literature from Kenyatta University. She served as a Lecturer at Egerton University as well as at United States International University (USIU). She chairs the Audit and Compliance Committee of Council at Bomet University College.</p>
 <p>Mr. Alex Tom Majani Council Member Appointed on 29th September 2017to 29th September 2020</p>	<p>Master in Educational Planning and Management from Masinde Muliro University of Science and Technology (MMUST) with long experience in teaching and educational management Positions in the government. He has a Post Graduate Diploma in Education from Kenyatta University. He holds a Bachelor of Science degree in Chemistry and Mathematics from the University of Nairobi. Currently pursuing PhD in Education in Emergency and Management from MMUST He is the Chairman of Academic, Research, Extension, Students Affairs and Sealing Committee of Council.</p>
 <p>Dr. Amenity P. Nyakundi Council Member Appointed on 29th September 2017to 29th September 2020</p>	<p>Holder of PhD in Environmental Technology from Jomo Kenyatta university of Agriculture and Technology. He holds a Master of Arts in Planning from the University of Nairobi. He has a Bachelor of Science degree in Geology from Poona University and an Advanced Certificate in Geothermal Energy from University of Pisa, Italy. He has a strong background in Energy Development, Urban and Regional Planning. Currently the Government of Kenya Advisor On Natural Resources Revenue. He is the Chairman of Finance, Administration, Strategy, Building and Development Committee of Council at Bomet University College.</p>
	<p>She holds a Master degree in Economics from the University of Malawi and BA in Economics from Moi University. She is the Chief Economists at The National Treasury and Planning. She has served as the</p>






 <p>Ms Monica Asuna Council Member Appointed on 30th September 2019 to 29th September 2020</p>	<p>Senior Monopolies and Price Officer at The National Treasury and Planning. Representative of the Permanent Secretary, The National Treasury and Planning at Bomet University College.</p>
 <p>Mr. Paul Kangira Council Member Appointed in May 2019 to 29th September 2020</p>	<p>Master's Degree in Business Administration and Bachelors Degree in Law (LLB) both from the University of Nairobi, Diploma in Law from the Kenya School of Law and is a Certified Public Secretary. Paul is a consummate Public Servant with 25 years of Leadership and Strategic Management, Human Resource Management and Development, Commercial and Labour Laws. He is an Advocate of the High Court of Kenya. Representative of the Principal Secretary, Ministry of Education.</p>
 <p>Mr. George Ombua Appointed on 18th June 2019 to 29th September 2020</p>	<p>He holds a Master's degree in Communication Management ICT from United Kingdom Telecommunication Academy and University of Rwanda. He has a Masters degree in ICT Policy and Regulations at Jomo Kenyatta University of Science and Technology. He holds a Bachelors degree in Information Technology from JKUAT. Representative, of the Inspectorate of State Corporations at Bomet University College.</p>
	<p>Prof. Nathan Ogechi is the Substantive Deputy Vice Chancellor in charge of Student Affairs at Moi University and also Acting Deputy Vice Chancellor, Administration Planning and Development. He is a Professor in the Department of Kiswahili and other African Languages at Moi University. He is a DAAD Scholar and a Research Associate and Consultant on Languages.</p> <p>Representative, Vice Chancellor (Moi</p>


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<p>Prof. Nathan O. Ogechi Representative, Vice Chancellor and Moi University Senate.</p>	<p>University) and Moi University Senate; sitting on Academic, Research, Extension, Students Affairs and Sealing Committee only at Bomet University College.</p>
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III. KEY MANAGEMENT AT BOMET UNIVERSITY COLLEGE

Name of the Staff	Qualifications
 <p>Prof. Anne Kisaka Nangulu Principal and Secretary to Council. Appointed on 20th August 2019</p>	<p>Bachelor of Arts Degree (History) from the University of Nairobi (UoN), Master of Arts (History) from UoN, PhD in History from West Virginia University, USA. She has trained in Quality Assurance in University/Higher Education.</p> <p>She has extensive experience in teaching, research and management in University education. She served as the Deputy Commission Secretary in charge of Quality Audits and Standards at the Commission of University Education. She has also served as Dean School of Arts and Social Sciences and Director Quality Assurance at Moi University. She is the Principal at Bomet University College and Professor of History at Moi University.</p>
 <p>Prof. Loice Chemngetich Maru Deputy Principal, Administration and Finance Appointed on 20th August 2019</p>	<p>PhD - Strategic Management (Moi University), MPhil - Entrepreneurship Development (Moi University), Bachelor of Business Management, Human Resource Option (Moi University), Higher National Diploma - Entrepreneurship Development (Kenya Technical Training College) and Diploma in Technical Education (Kenya Technical Training College).</p> <p>Professor of Entrepreneurship and Sustainability Management at Moi University.</p>
	<p>PhD-Statistics from Jomo Kenyatta University of Science and Technology (JKUAT), Master of Science- Statistics (JKUAT), Bachelor of Science (JKUAT). Extensive knowledge in management of academics and general administration in University education.</p> <p>Professor of Mathematics at JKUAT.</p>

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<p>Prof. George Orwa Otieno Deputy Principal, Academics and Students Affairs Appointed on 20th August 2019</p>	
<div style="text-align: center;">  <p>CPA Daniel K. Kimaiyo Head of Finance Department Appointed on 10th July 2018</p> </div>	<p>Master of Business Administration, Finance (University of Nairobi), BA in Economics (Kenyatta University), Certified Public Accountant, CPA- Kenya (KASNEB), Certified Investments and Financial Analysts, Section IV (KASNEB). Twelve years' experience in Finance and Accounting having worked for 8 years as an Accountant in Finance Department at Moi University. ICPAK Member Number 12579.</p>

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IV. STATEMENT FROM THE CHAIRPERSON OF COUNCIL

I am pleased to present the third year Annual Report and Financial Statements for Bomet University College following inauguration of its Council on 10th November 2017.

Bomet University College continues to be a Premier Green University in fostering Research Excellence in Science, Technology and Innovation for advancement of humanity. The University College ensures that policies, processes and strategies are aligned in order to realise this vision as well as ensuring that the University College attains world class competitiveness. The University College operates in line with the Master Plan and the Strategic Plan as it guides in financial planning, development of academic programs, process efficiency, stakeholder engagement and overall infrastructure development.

The Strategic Plan covers the period 2018 to 2023 and it is founded on *green* philosophy as it endeavors to join the few *green* universities globally. The ultimate goal of this philosophy is sustainability for humanity. This *green* philosophy is based on principles of renewable energy, efficiency in design, water conservation, waste reduction and recycling, indoor air control, durability, merging of green environment among others. These principles are in line with the University's *green* orientation as a center of applied science, technology and innovation. The Strategic Plan envisions teaching and learning environment that blends well with the natural and physical environment including the industry in order to meet the demands and expectations of all stakeholders while aligning to the stated strategic goals, Vision, Mission, Core Values and the Philosophy.

Bomet University College Master Plan has been developed to cover the period 2018 to 2068 (50 years) and is consistent with the Strategic Plan. The Master Plan will provide a coordinating strategy for a conducive teaching and learning environment and it represents a framework for a development process in which the whole will always be more than the sum of its parts. The Master Plan is a product and a process since it achieves continuity beyond a single building and encourages orderly Campus development within available resources. The Master Plan focuses on strategies to create accessible, inclusive and highly efficient utilization of space to create ambiance. Our own innovation of a solar farm, innovation Centre, mini industrial park, organic farm and a guest house for research, training and accommodation will go a long way in making Bomet University College a green sustainable Institution.

I would like to congratulate all of us who made this year a success by working beyond the usual working hours in order to see through all the activities of the University College. My sincere and deep gratitude to the Ministry of Education specifically the State Department of University Education for their invaluable support, Chancellor and Vice Chancellor of Moi University, Council Members of Bomet University College as well as our dedicated staff, local community and other stakeholders. Together we shall strive to steer the University College to greater heights as we work towards the award of the Charter.

.....
PROF. ESTHER W MUCHIRA TIRIMA
CHAIRPERSON OF COUNCIL

DATE: 29.09.2020

Prof Tirima was the Chair of Council in 2019/2020 Financial Year but her term ended on 29th September 2020.

V. REPORT OF THE COLLEGE PRINCIPAL

Bomet University College is in the third year of operation and is very strategic in developing unique academic programs. Our Philosophy of a green University is captured in our 2018 Master Plan that is consistent with the strategic plan for 2018-2023 and it aims at delivering quality and relevant academic Programs. Financial constraints are a major challenge to universities in Kenya and Bomet University College is not an exception. In order to minimize this risk, the University College through its Resource Mobilization Policy has outlined various income alternatives that will reduce the financing dependence on the National Treasury.

The University College has a total of seventy-five (75) staff in teaching and administrative categories. The numbers of staff are still not adequate for the University College and therefore implementation of 2019/2020 Financial Year approved Establishment is ongoing. Apart from the normal office duties, all staff is assisting the University College Management in the development of various policies and structures for the achievement of its Mission and Vision.

BUC has a total student's population of 701 and it expects to receive 650 students to join the first year in 2020/2021 Academic Year through KUCCPS. As a newly established University college, we still rely to a large extent on the support from the Government through the State Department of University Education and Research. The current critical needs for the University College includes hiring of core staff as proposed in 2019/2020 and 2020/2021 Staff Establishment in order to meet the Commission for University Education standard requirements for service delivery. It is anticipated that operational expenses will increase in the subsequent financial year as the staff and the student population expands.

Capital Projects:

The Government approved a Capital Development grant in 2016/2017 Financial Year for the construction of Tuition Block, Library, Multipurpose Hall and 2 Hostels all totalling Ksh.1, 391,982,469. However, inadequate funding is causing delay in the implementation of the project. At the moment, the overall completion of the project is 53% with; Tuition Block (99%), Library (72%), Multipurpose Hall (90%) and Hostels at (5%).

At the time of its establishment, Bomet University College did not have infrastructural facilities except for the Technology building that was inherited from Bomet Technical Training Institute (mentored by Eldora National Polytechnic).

Establishment of Bomet University College:

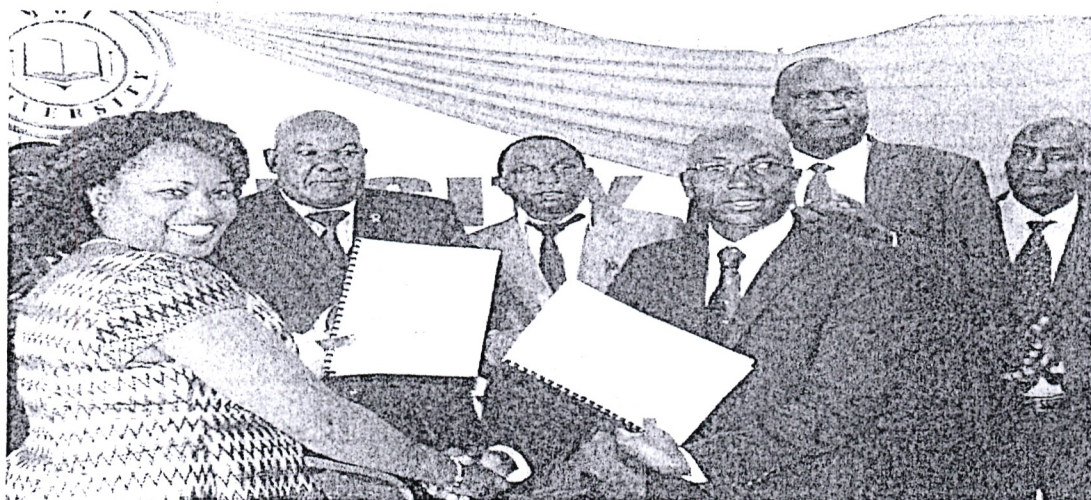
Bomet University College was gazetted as a Constituent College of Moi University on 4th August 2017. The University College Council was appointed and inaugurated on 10th November 2017 for a three year term. The University College was subsequently handed over by Moi University Council on 29th March 2018.



The Chancellor Moi University Prof. Miriam Were with Bomet University College Council during Bomet University College Council Inauguration on 10th Nov 2017

From Left Seated: Prof Cheruiyot T. (Ag. Principal), Prof. Miriam Were, Prof. Esther W. M. Tirima (Council Chairperson),

Bishop Dr. R. Langat, Dr. Ngarari J. *Standing from right:* Dr. Amenity P. Nyakundi A., Dr. P. Ithondeka and Mr. Alex Tom Majani.



Prof. Esther W. M. Tirima- Chairperson of Bomet University College Council with Dr. Jeremiah Koshal- Chairman of Moi University Council during the official handover of Bomet University College on 29th March 2018. Looking on are the Vice Chancellor of Moi University Prof. Isaac Kosgey and Bomet University College Council members

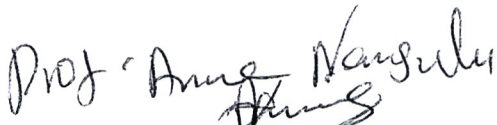
Appreciation

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On behalf of Management, I would like to express our sincere gratitude and appreciation to the Government and both Councils of Moi University and Bomet University College for the support, nurturing and advice that they accorded to us during the year.

I also want to thank our staff and students, other sponsors and all the stakeholders for the help and support that we continue to receive.



Prof. Anne K. Nangulu
COLLEGE PRINCIPAL AND SECRETARY TO COUNCIL

DATE:24.09.2020



VI. CORPORATE GOVERNANCE STATEMENT

The roles and functions of the College Council are clearly defined and it includes providing oversight of management and giving the strategic direction of the University College. The Council defines the University’s College Strategic Goals, Strategies, Objectives, and Values and ensures that procedures and practices are put in place to ensure compliance. The Council develops short- and long-term goals of the University, develops strategies to achieve those goals and monitors the performance of the University College through Performance Contracting. The Finance, Administration, Strategy, Building and Development Committee of Council approves annual budgets, quarterly reports and spearheads the preparation of financial statements and finally reports to the full Council. In addition, the same committee ensures that the University College has adequate systems of internal controls together with appropriate monitoring of compliance activities to ensure business continuity. The Audit and Compliance Committee of Council advises the University College on ways to improve internal control systems, financial reporting as well follow-up of audit recommendations. The University College Council has unrestricted access to timely and relevant information as well as advice and services of the College Principal to discharge its duties effectively.

The Council operates in compliance with the Mwingozo code of conduct that offers corporate governance framework for all state corporations. The Council prepares an annual almanac showing the schedule of meetings planned for each year. During the year, the University College Council held regular quarterly meetings, while special meetings were called when necessary.

The University Council is headed by the Chairperson and nine members who include representative from the Ministry of Education, National Treasury, Inspectorate of State Corporations and the Vice Chancellor of Moi University. The College Principal is the secretary of Council. The constitution of the Council considered the requirements of the education sector, diversity of skills, academic qualifications, gender, age and experience necessary to add value to the operations of the University College. The Council Members are appointed to various Council Committees with well-defined terms of reference and mandated to carry out specific functions. The Members of Council therefore bring their diverse experiences in deliberations during the Council meetings. The Council committees have well defined terms of reference and are intended to facilitate efficient decision making in the full Council meetings.

The Council committees are as follows:

Name of the Committee	Members
Audit and Compliance Committee	Dr. Jane Ngarari – Chairperson Members: Mr. Alex Tom Majani Mr. Paul Kangira Ms Monica Asuna Mr. George Ombua
Finance, Administration, Strategy, Building and Development Committee	Dr. Peter Amenity Nyakundi – Chairperson Members: Dr. Peter M. Ithondeka

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	Rev Dr. Robert K. Lang’at Ms. Monica Asuna Mr. Paul Kangira Mr. George Ombua
Academic, Research, Extension, Students Affairs and Sealing Committee	Mr. Alex Tom Majani - Chair Members: Rev Dr. Robert K. Lang’at Dr. Jane Ngarari Mr. Paul Kangira Mr. George Ombua
Human Resource, Governance and Staff Disciplinary Committee	Dr. Peter M. Ithondeka – Chairperson Members: Dr. Peter AmenyaNyakundi Mr. Alex Tom Majani Ms. Monica Asuna Mr. Paul Kangira Mr. George Ombua
Appointments and Promotions Committee for Professors, Associate Professors, Deans, Directors and Equivalent.	Prof. Esther W. M Tirima- Chairperson Members are constituted on need basis.

The board has a conflict of interest register and at every meeting, members are required to declare any conflict of interest with regard to the matters under discussion.

While the Council sets the direction and provide guidance of the overall strategy, the day to day running of the University College through implementation of the approved policies, has been delegated to the College Principal. However, the Council is responsible for the stewardship of the University College and assumes responsibility for the effective control of the University

VII. MANAGEMENT DISCUSSION AND ANALYSIS

SECTION A

The Entity's Operational and Financial Performance

The Operations and Financial Performance covers the period 1st July 2019 to 30th June 2020 as discussed below:

(i) Income

(a) Academic Activities and Students Related Income

The Academic Calendar commenced in August 2019 and it was planned to end in May 2020 with two semesters running from August 2019 to December 2019 and January 2020 to May 2020. However, due to the outbreak of Corona Virus (Covid-19 pandemic), the Government through the Presidential Directive suspended Learning as from 17th March 2020 until further notice. The University College has seven hundred and one (701) active students, out of which 620 are Government Sponsored Students (GSSP), while 81 are Privately Sponsored Students (PSSP). The Kenya Universities and Colleges Central Placement Service (KUCCPS) allocated a total of three hundred and twenty (320) students during the 2019/2020 Academic Year, but only one hundred and eighty-three (183) students reported, while the rest transferred to other Universities, received scholarships to study outside Kenya or decided to join Technical and Vocational Education and Training (TVET) institutions.

Table 1: Summary of Student Statistics per School

SCHOOL	Year 1		Year 2		Year 3		Year 4		Total	
	GSSP	PSSP	GSSP	PSSP	GSSP	PSSP	GSSP	PSSP	GSSP	PSSP
Business	23	6	15	19	69	0	34	1	141	26
Education	136	11	31	6	135	11	130	6	432	34
Arts and Social Science	24	1	7	20	16	0	0	0	47	21
Total	183	18	53	45	220	11	164	7	620	81

Teaching and learning went on successfully in the first semester and students completed their end of semester examinations on 13th December 2020. The total expected income for the year was Ksh 29 Million out of which Ksh 12,971,173 was outstanding as at 30th June 2020. The University College had budgeted to receive Ksh 45,542,000 and therefore this has led to unfavourable variance in students' fees collection of 36%.

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(b) Miscellaneous Income: Ksh 537,000 out of Ksh 8 Million (unfavorable variance of 93%)
 Miscellaneous income posted a negative variance of 98% amounting to Ksh 7.4 Million. BUC budgeted to receive Ksh 8 Million from Miscellaneous income but only Ksh 537,000 was realised from hire of facilities.

BUC is created a bigger Training Room and is in the process of constructing a Student Centre that will also be hired out for bigger functions in Bomet County. All these will lead to increased sources of income and thereby eliminating the adverse variance on other income.

(c) Exchequer Grants: Ksh 307 Million out of Ksh 307 Million (variance of 0%)

The total Exchequer grants received for 2019/2020 Financial was Ksh 307 Million out of the budgeted Ksh 307 Million thereby leading to a variance of 0%.

In addition, the University College received Ksh 11,878,248 in July 2020 meant for the unions negotiated Collective Bargaining Agreement of 2017-2020. The money was used to pay arrears of basic salary from July 2017 to June 2020 and it will be expensed at the rate 96% amounting to Ksh 11.38 Million.

Table 2: Summary of Exchequer Grants for Recurrent Activities

NO.	DATE RECEIVED	AMOUNT	FOR MONTH
1	8-Aug-19	25,586,129	July 2019
2	29-Aug-19	25,586,129	Aug 2019
3	27-Sep-19	25,586,129	Sept 2019
4	1-Nov-19	25,586,129	Oct 2019
5	29-Nov-19	25,586,129	Nov 2019
6	27-Dec-19	25,586,128	Dec 2019
7	4-Feb-20	25,586,129	Jan 2020
8	2-Mar-20	25,586,129	Feb 2020
9	03 April 2020	25,586,128	March 2020
10	8 May 2020	25,586,129	April 2020
11	5 June 2020	25,586,129	May 2020
12	26 June 2020	25,586,128	June 2020
	TOTAL	307,033,545	

(ii) EXPENDITURE

The total expenditure at the end of the Fourth Quarter of 2019/2020 Financial Year was Ksh335,842,888 comprising Personal Emoluments of Ksh 156,010,055 (47%) and Operations and Maintenance Costs of Ksh 179,832,834 (53%). The University College had planned to spend Ksh 360,575,545 on all expenses but the actual expenditure at end of the Financial Year reported a positive variance of Ksh 24,732,657 (7%). The positive variance is attributable to the timing of expenditure since the recruitment process for the case of Personal Emoluments expenses took longer to achieve. The recruitment process for Phase 2 Part 1 and 2 was advertised, short listing done for majority of the positions and interviews conducted for the Council appointed grades. The total performance therefore led to a surplus of Ksh

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12,630,837 Million which will be utilized to complete the activities approved by Council in 2019/2020 Financial Year.

UNIVERSITY LAND

Bomet University College has five parcels of land in Sigor which have been amalgamated into one piece of land measuring approximately 57.08 acres (23.1hecters) and registered as KER/SIGOR/1834 in favour of County Government of Bomet and reserved for Bomet University College. There are no encumbrances registered against the title as it was inspected during the valuation. However plot number KER/SIGOR/1369 where Sigor High School stands measuring 8.4 acres and with buildings worth Ksh 64 Million has not be beaconsed as University land since the high school is now under the department of Basic Education. The value of the said land and buildings has now been expunged from the list of Assets of BUC. There is a parcel measuring 4.7 hectares or 10.3 acres situated within Bomet town, off Quarry road next to St. Michael Primary school and is where the Bomet University College is currently located. Registration of the land is ongoing but details pertaining to it are contained in FR 328/28 at the Bomet Land registry. Finally, the University College owns land adjacent to Bomet stadium and Bomet Teachers Training College. The title of the land is registered in the name of Cabinet Secretary National Treasury (Bomet University College) as Bomet Town/308and Bomet Town/307 measuring approximately 18.3 hectares or 44.997 acres.

SECTION B

Entity's Compliance with Statutory Requirements

During the period ended 30th June 2018/2019, the University College complied with statutory requirements with regard to deduction and remittance of PAYE, Withholding VAT, NHIF, Pension and NSSF. However, the staff salary for June 2019 was outstanding as at 30th June and it was paid in the first week of July 2019 together with the respective statutory deductions.

SECTION C

Key Projects and Investment Decisions the Entity is Planning/Implementing

The Government approved a Capital Development grant in 2016/2017 Financial Year for the construction of 1 Number Tuition Block, 1NO Library, 1NO Multipurpose Hall and 2NO Hostels all totalling Ksh.1, 391,982,469. The commencement date for the contract was 8th November 2016 and was expected to run for one hundred and four (104) weeks to be completed on 7th November 2018. However, there was a variation of the contract period of fifty-two (52) weeks from 8th November 2018 to 7th November 2019 and with another recommended variation in process at the Ministry of Public Works for another fifty-two (52) weeks with effect from 8th November 2019 to 7th November 2020. Inadequate funding, boundary disputes and the earlier site challenges caused the delay in implementation.

The whole Project is currently at 53% Overall Completion with progress of individual buildings as follows:

Tuition Block - 99% Complete

Currently under defects liability period at its last stage. First moiety of 50% amounting Ksh 9,885,646, has been honoured to the Main contractor.

Completion of the noted Pending works has proceeded the period documented in the Contract of 6 months.

The pending works are as follows:

- Installation of notice boards
- Partitioning of the proposed boardroom
- Replacement of faulty washroom fittings
- Supply of data switches and Commissioning of the Same
- Supply of CCTV display screens and Commissioning of the same
- Commissioning of firefighting Equipment

Library Block - 72 % Complete

The Library Block is a four floored Structure with an approximate capacity of 2000 persons at a time. Currently the roof structure is ongoing on fabrication stage and currently at 90% truss fixing. Other Building works ongoing in the Block includes finishes on columns, Keying of External Walls, Clearing up of all floors in preparation for screeding, drainages and manholes, Electrical works including socket installations.

Multipurpose Hall (MPH) Block - 90% Complete

MPH Block houses the following; Offices, Main Hall, Kitchen Yard and Staff Lounge

The ongoing works are as follows:

- Painting of the Main Hall
- At 80% fixing of Ceilings in offices Corridors and Kitchen Area
- At 97% of internal and external wall finishes
- Electrical works at 70%

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Bomet University College
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- Mechanical Works at 60%
- Fixing floor and wall tiles at 86%
- Kitchen ready to receive Kitchen Equipment
- Internal and External wall finishes at the added extension of Staff Lounge.

2 NO. Hostels Block - 5% Complete

The 2No. Hostels have a capacity of 700 students at a time.

Currently it is at excavation level at 98% Complete and awaiting approval from the Consultant Engineers before construction begins.

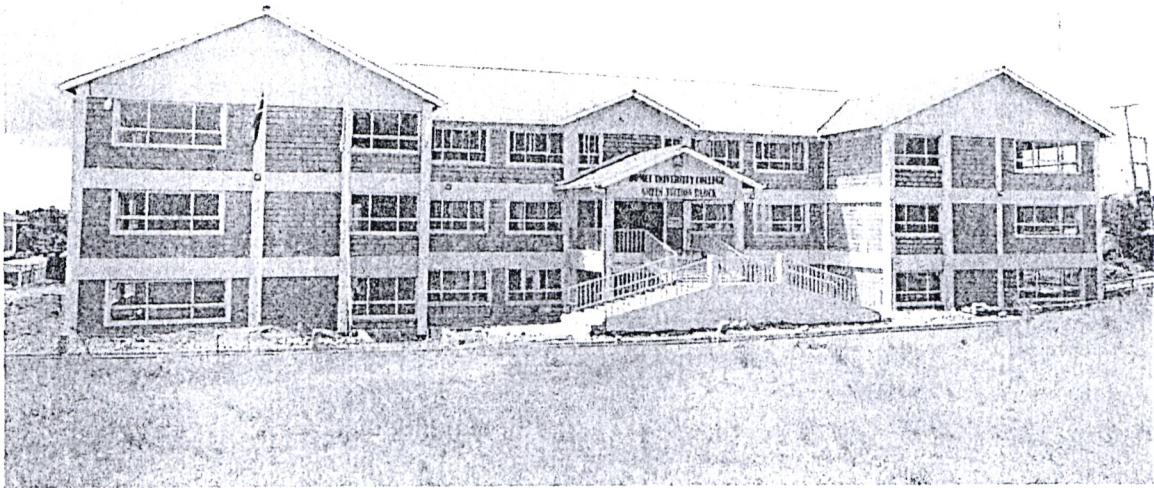
Civil Works

Phase one of the civil works is at 75% completion with plans construct access road to the Tuition block in a few weeks' time.

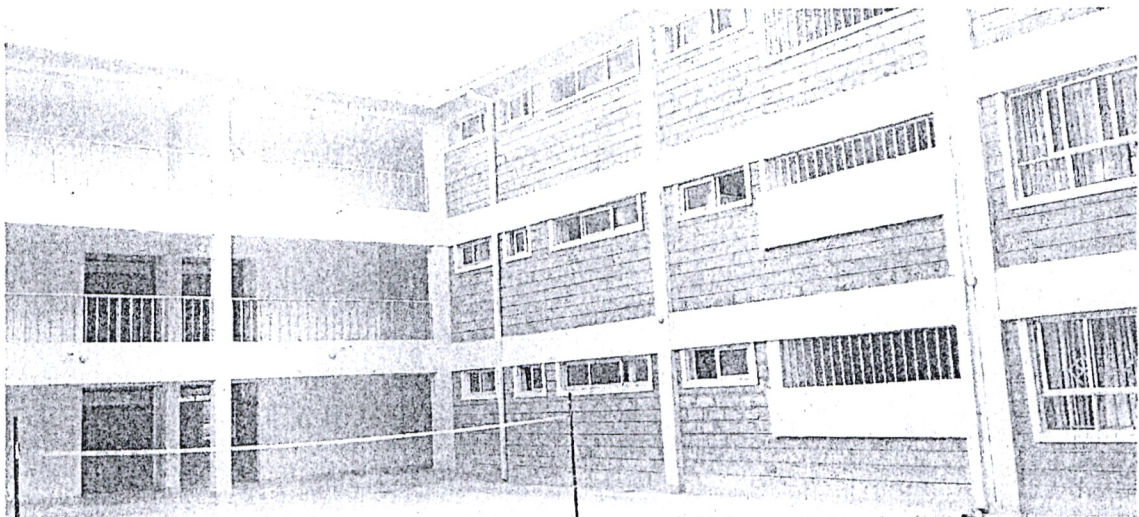
The approved amount for Capital Development in 2019/2020 Financial Year is Ksh 275 Million.

Picture 1: BUC Green Tuition Block- Front Elevation (99% completion)

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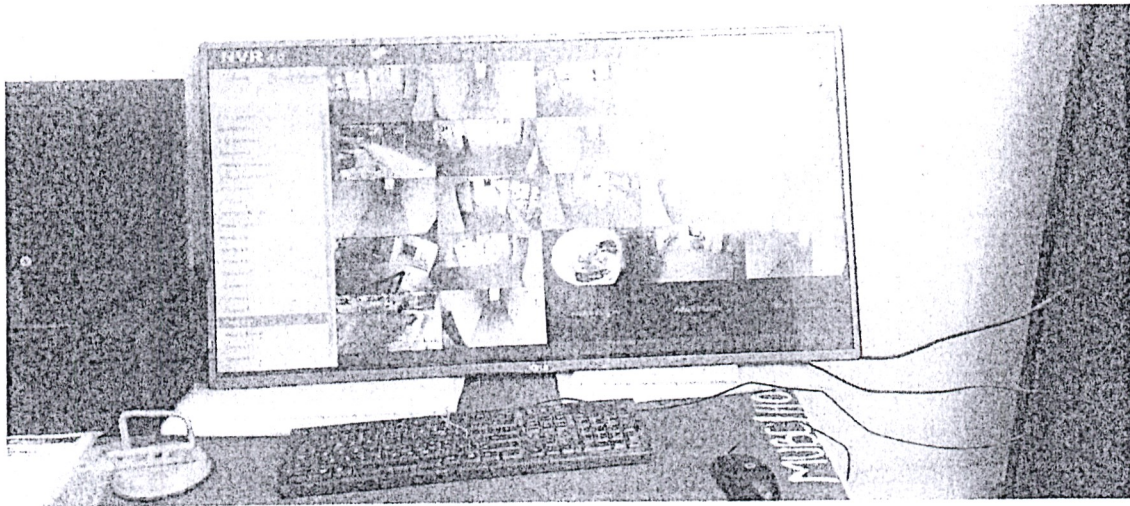


Picture 2: BUC Green Tuition Block- Inside square (99% completion)



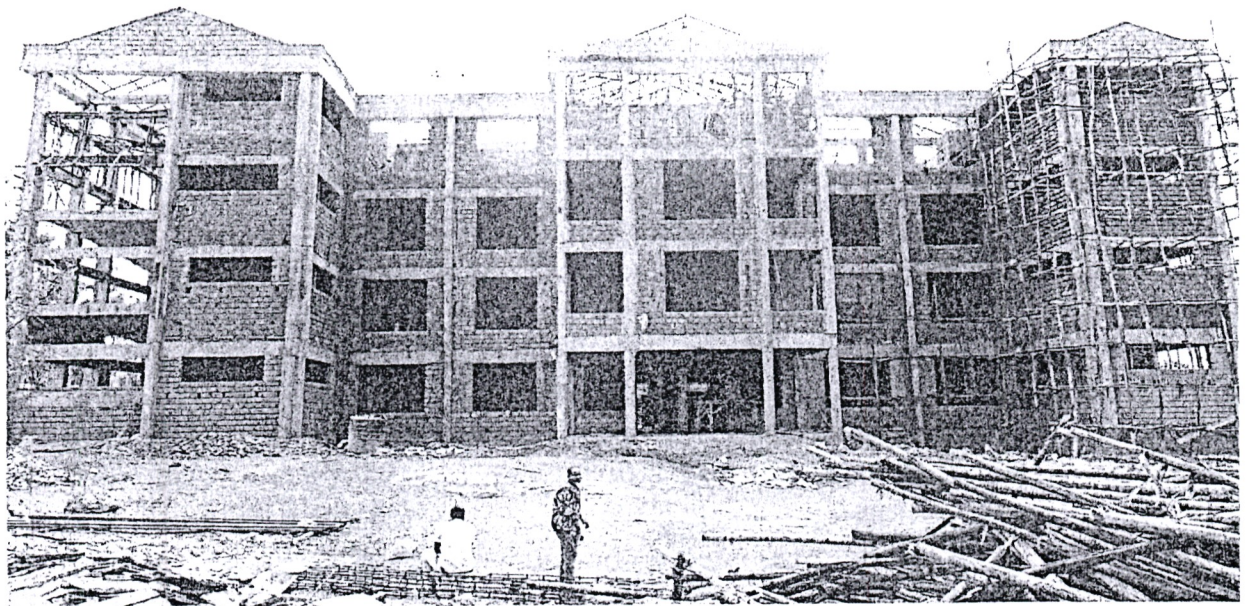
Picture 3: CCTV Control and Server room in Green Tuition Block

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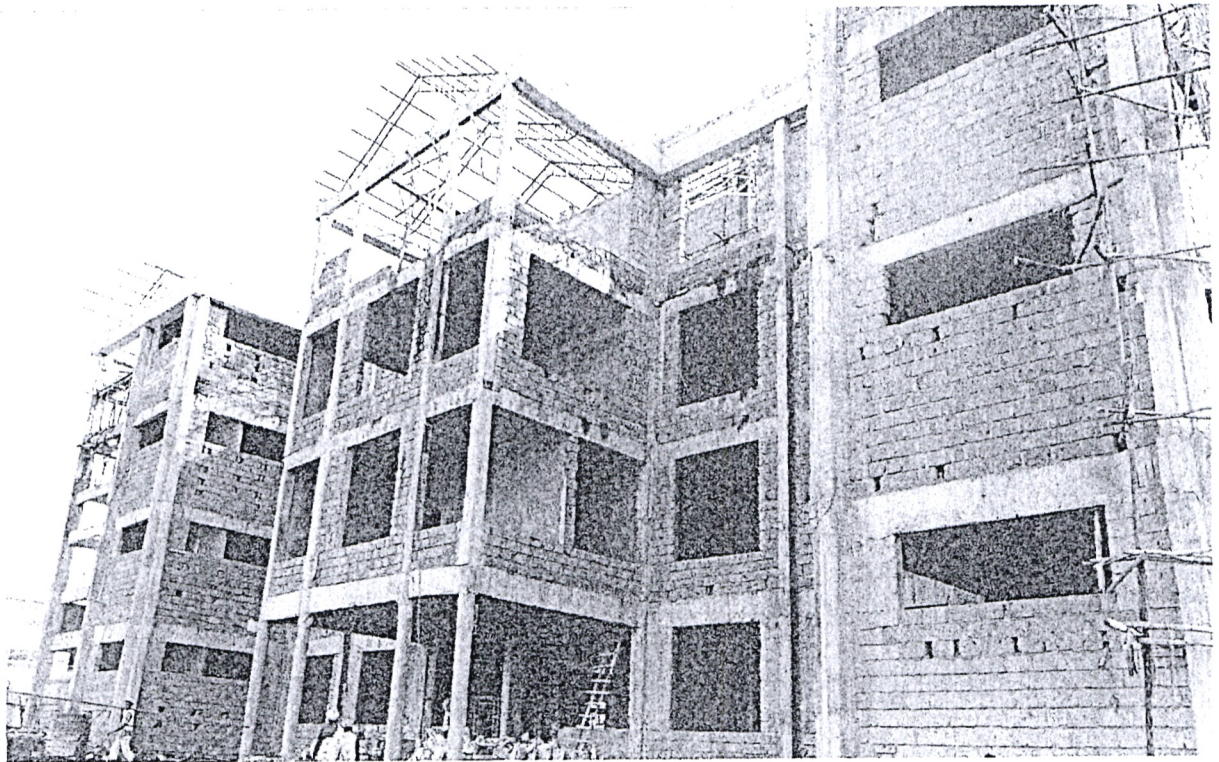


Picture 4: Library Block Under Construction (Front Elevation)- 72% completion

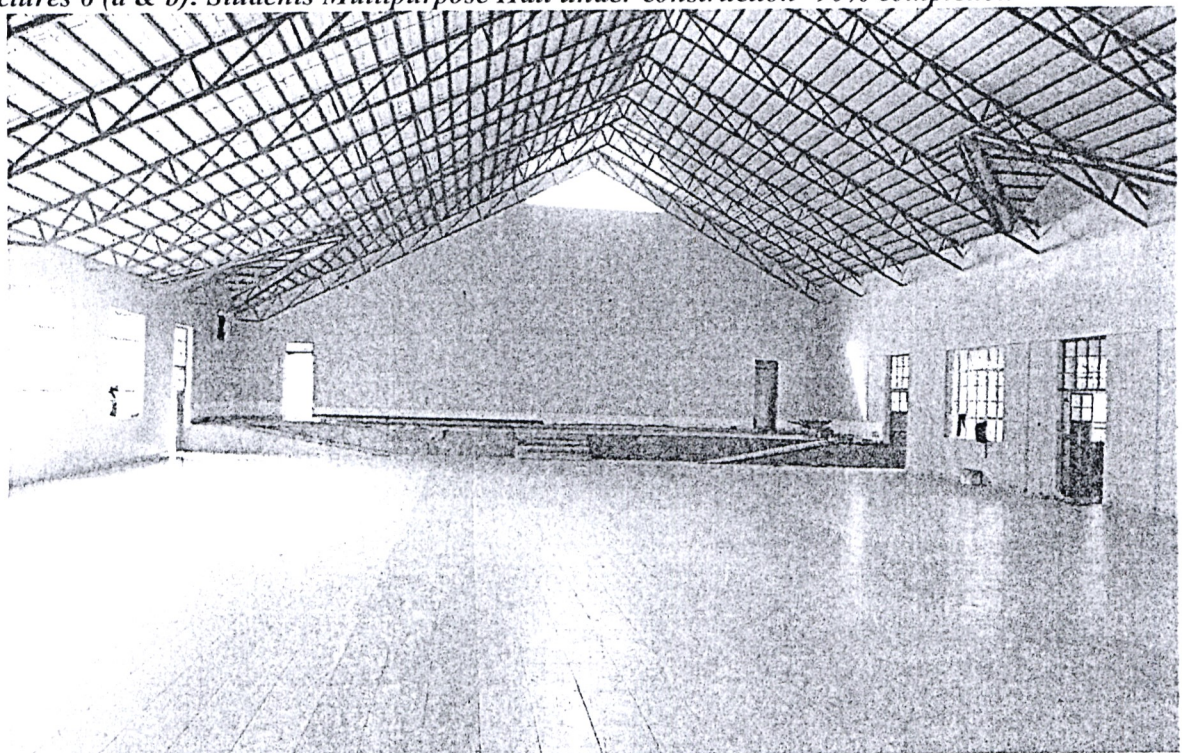
BOMET UNIVERSITY COLLEGE LIBRARY



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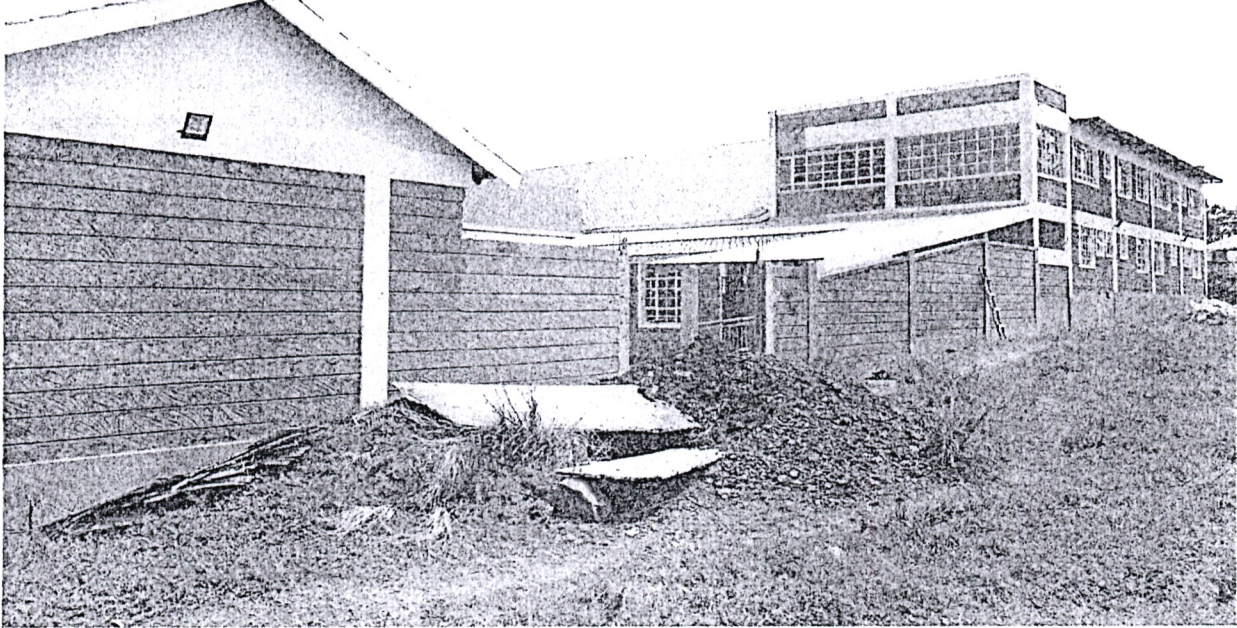


Pictures 6 (a & b): Students Multipurpose Hall under construction- 90% completion

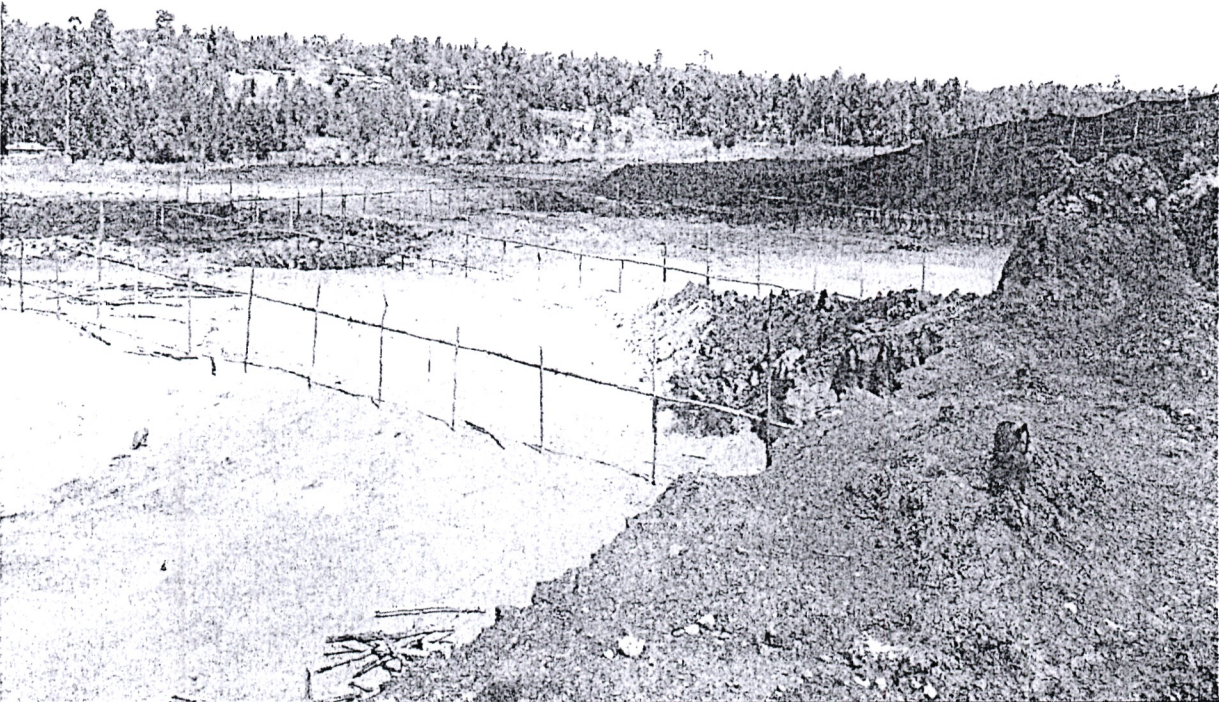


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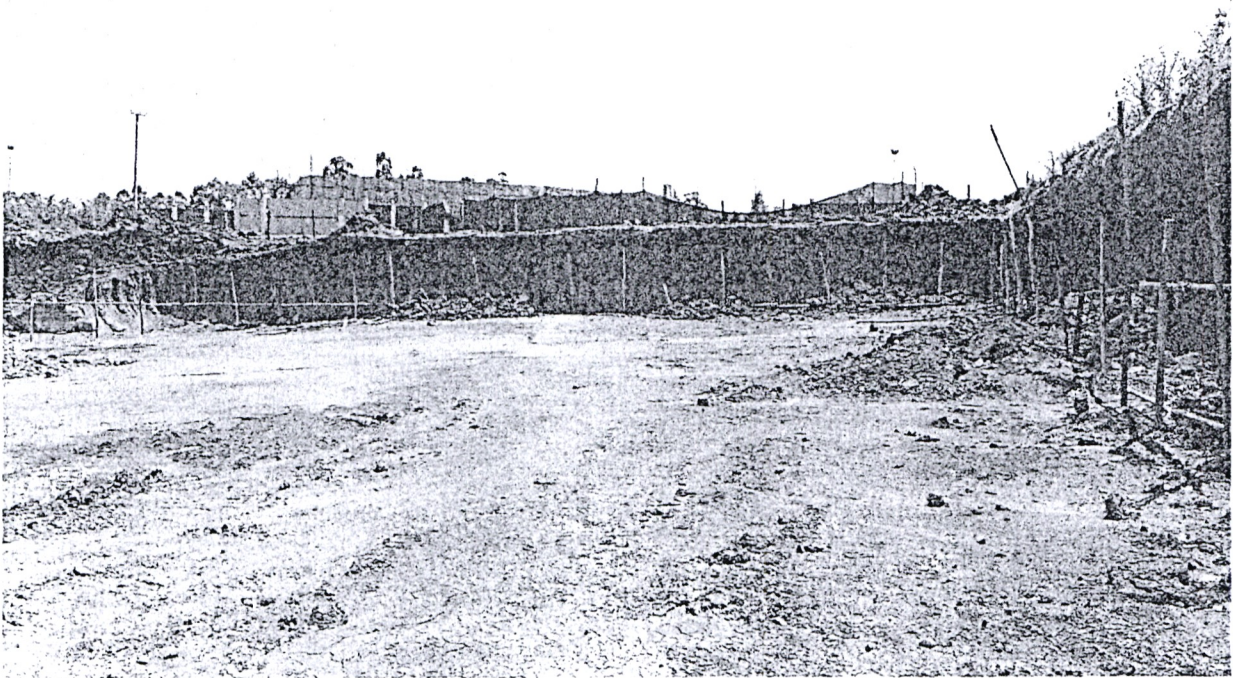
**BOMET UNIVERSITY COLLEGE MULTI PURPOSE HALL AND
CAFETERIA**



Picture 8: Construction of Hostels (5%)



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Picture 9 (a & b): Decommissioning of Dumpsite





SECTION D

Major Risks Facing the Entity

The Council of Bomet University College is aware of activities that could expose the institution to a number of risks hence hampering smooth operations. Various mitigating measures have therefore been put in place internally as well externally. Some of the risks with various mitigation measures are outlined below:

i) **Liquidity Risk**

This may arise from the University College failure to meet its obligations because of financial difficulties. The University College will manage this risk by continuously reviewing its cash flow forecasts and strengthening internal controls as well observing adherence to spending per vote heads.

ii) **Credit Risk**

The risk may arise from the failure of students to pay the whole fees as required to run the operations of the University College. This risk will be managed by ensuring that students pay the requisite fees at the time of registration and signing of nominal rolls and another check by way clearance for examinations.

iii) **Market Risk**

A reduction in the number of Government and privately sponsored students admitted to the University will lead to market risk. BUC will deal with this risk through marketing of programmes and re-engineering its academic programmes to meet unique market needs as per its niche of green economy and sustainability to capture students in diverse fields/disciplines.

SECTION E

Material Areas in Statutory/Financial Obligations

None.

SECTION F

The entity's Financial Probity and Serious Governance Issues

There were no financial probity and serious governance issues during the period under review.

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VIII. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Sustainability Strategy

The Motto of Bomet University is “*Green University for Sustainability*” while the Niche is “*Green Economy for Sustainability*”. The University College is committed to integrating the green concept in academic programmes and in its operations to enhance sustainability.

During the Financial Year 2019/2020 Bomet University College undertook Decommissioning of the Dumpsite in Plots Bomet Plots 307 and 308. Decommissioning of is a continual process; hence Phase I of decommissioning has been completed and Phase II is to be actualize in the current year, through waste management; and activities to facilitate sustainable use of the land. During the Financial Year, the University College Council approved Review of Master Plan for 2018-2068; and Strategic Plan 2018-2023 to enable incorporation of the planned activities towards enhancing sustainability.

Response on Staff Welfare

In the FY 2019/2020, the Council and Management committed to promote Staff Welfare by undertaking various activities on Performance Contracting and which were accomplished within the said year. Staff Welfare activates are evidenced in the Performance Contract for the Financial Year 2019/2020 which included: Prevention of HIV Infection through implementation of Maisha I Wellness program; securing a comprehensive medical insurance cover for staff; provision of a staff lounge in the Multipurpose Hall Block; Disability Mainstreaming; undertaking safety and security measures and sensitizing staff and students on National Cohesion and Values

Corporate Social Responsively and Community Engagement

In the Financial Year 2019/2020 Bomet University College (BUC) engaged the local community and local institutions in the following ways:

1. BUC signed an MOU with Bomet County Government on 11th June, 2020 to undertake joint Research Work on effects of Corona virus (COVID-19) on health, education, social and economic sectors with a view to providing sustainable interventions.
2. The partnership between BUC and the local schools enabled students from Bomet University College to conduct their Teaching Practice in the local schools.
3. BUC positively engaged the neighbouring St Micheal Primary and Secondary School on various matters including: demarcation of land boundaries, provision of Toilet Facilities for St Michael Primary School on cost sharing basis as a corporate social activity; and enabling the St Micheal Secondary School to get connected to the University College water supply system.
4. BUC Linked with the National Government through the Information, Communication and Technology Authority in provision of internet connectivity through Fiber Optic.

Market Place Practices

Bomet University College is committed to contributing effectively and efficiently to the achievement of the national development agenda as espoused in the “Big Four Initiative: and Kenya Vision 2030, keeping in mind the specific priorities of the University College. The Vision, Mission, Strategic Objectives of the University College have been aligned to the national agenda. During the Financial Year 2019/2020, the University Council approved the Strategic Plan 2018-2023 to enable incorporation of the Strategic Objectives they have been aligned to the national agenda. In its operations, the University College acknowledges and complies with provisions of the Constitution of Kenya and relevant government regulations.

IX. REPORT OF THE UNIVERSITY COLLEGE COUNCIL

The Council Members submit their report together with the financial statements for the year ended June 30, 2020 which show the state of the University’s affairs.

Principal activities

The principal activity of the University College is to continue to provide university education through teaching, research and outreach.

Results

The results of the entity for the year ended June 30, 2020 are set out on page 1.

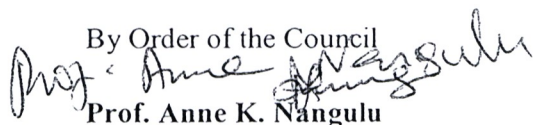
Members of Council

The Members of the University Council who served during the Year are shown on page VI. The University College Council were appointed and inaugurated on 10th November 2017.

Auditors

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

By Order of the Council


Prof. Anne K. Nangulu

COLLEGE PRINCIPAL AND SECRETARY TO COUNCIL

DATE: 24 .09.2020



X. STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 47 of the Universities Act require the University College Council to prepare financial statements in respect of the University College, which give a true and fair view of the state of affairs of the University College at the end of the financial year and the operating results of the University College for that year. The Council Members are also required to ensure that the University College keeps proper accounting records which disclose with reasonable accuracy the financial position of the University College. The Council Members are also responsible for safeguarding the assets of the University.

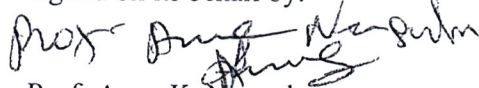
The Council Members are responsible for the preparation and presentation of the University's financial statements, which give a true and fair view of the state of affairs of the University College for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the University College financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Universities Act. The Council Members are of the opinion that the University's financial statements give a true and fair view of the state of Bomet University College transactions during the financial year ended June 30, 2020, and of the University College financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University College financial statements as well as the adequacy of the systems of internal financial control.

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

Approval of the Financial Statements

The Bomet University College financial statements were approved by the Board on 29.09.2020 and signed on its behalf by:


Prof. Anne K. Nangulu

COLLEGE PRINCIPAL AND SECRETARY TO COUNCIL

AN

REPUBLIC OF KENYA

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Enhancing Accountability

HEADQUARTERS
Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BOMET UNIVERSITY COLLEGE FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of Bomet University College set out on pages 34 to 68, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of Bomet University College as at 30 June, 2020, 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 Public Finance Management Act, 2012 and the Universities Act, 2012.

Basis for Qualified Opinion

1. Discrepancies in the Annual Report and the Financial Statements

The financial statements contain the following anomalies:

- (i) The dates of appointment for the two Members of the Council featured at Page vi and on Page x have not been disclosed.
- (ii) The statement by the Chairperson of the Council at Page Xii is not signed.
- (iii) A report on performance of the regulatory and non-commercial enterprises owned by the University College in the financial year under review has not been included in the annual report.
- (iv) The report of the Council at Page xxxi indicates the financial results are as set out on Page 1, instead of Page 34 which is the first page of the financial statements.

- (v) Pagination for the financial statements is set from Page 34 instead of Page 1.
- (vi) The financial statements have not been signed by the Chairperson to the Council.
- (vii) The footnote to the financial statements indicates that the notes are set out on Pages 13 to 39 but these are at Pages 45 to 71.
- (viii) Note 6 to the financial statements on transfers from other government-gifts and services in kind reflects Exchequer grants brought forward for the year 2016/2017 instead of 2018/2019.
- (ix) The statements of financial position makes reference to non-current liabilities at a non-existent Note 21 to the financial statements.

In view these discrepancies, the financial statements contain incorrect information and do not conform to the format prescribed by the Public Sector Accounting Standard Board (PSASB).

2. Unexplained Variances in Financial Statements

Examination of balances reflected in the financial statements revealed the following inaccuracies:

Balances for the following items varied significantly from those reflected in the respective analyses provided for audit as indicated in the appendix attached on this report. As a result, the accuracy and validity of the balances could not be confirmed.

- (i) The statement of changes in net assets reflects a valuation of fixed assets balance totalling Kshs.1,133,859,123 whereas the audited financial statements for the prior year reflected a balance of Kshs.1,241,175,000 resulting to an unexplained variance of Kshs.107,315,877.
- (ii) The statement of changes in net assets reflects nil changes in capital reserves whereas Note 20 to the financial statements on property, plant and equipment reflects land and buildings valued at Kshs.4,000,000 and Kshs.61,740,000 totaling to Kshs.65,740,000 as having been transferred/adjusted during the year under review.
- (iii) The statement of financial performance reflects general expenses totalling Kshs.94,830,571, as further disclosed in Note 12 to the financial statements. However, a recast of the items included in the Note yields Kshs.95,430,570 resulting to unexplained variance of Kshs.599,999.
- (iv) The statement of financial position reflects trade and other payables from exchange transactions totalling Kshs.85,593,094, as further disclosed in Note 17 to the financial statements. However, a recast of the balances in the Note yields Kshs.144,044,644 resulting to unexplained variance of Kshs.58,451,550.

- (v) The statement of cash flows reflects cash and cash equivalents balance brought forward totalling Kshs.214,295,076 which differs with the audited closing balances totalling Kshs.9,922,000 as at 30 June, 2019 resulting in an unexplained balance of Kshs.204,373,076; and
- (vi) Note 12 to the financial statements discloses expenditure on core mandate totalling Kshs.38,193,712, but a recast of the items included in the balance yielded Kshs.38,442,112 resulting to casting error of Kshs.248,400;

In view of these errors and discrepancies, the accuracy and completeness of the cited balances could not be confirmed.

3.0 Council Members Allowances

The statement of financial performance reflects remuneration of directors' costs totalling Kshs.20,498,070 as detailed in Note 9 to the financial statements. Included in the balance is Kshs.19,454,070 paid out as allowances to Council members. However, detailed schedules indicating allowances paid to each member and the nature and purpose of the meetings attended were not provided for audit.

Consequently, the occurrence, accuracy and validity of the reported Council Members' allowances totalling Kshs.20,498,070 for the year ended 30 June, 2020 could not be confirmed.

4.0 General Expenses

The statement of financial performance reflects general expenses totalling Kshs.94,830,571 as further disclosed in Note 12 to the financial statements. Included in the balance is expenditure incurred on purchase of a four-wheel drive vehicle, procurement of an Enterprise Resource Planning (ERP) software system, construction of a research centre and supply of text books valued at Kshs.7,570,000, Kshs.8,862,160, Kshs.19,624,150 and Kshs.2,466,957 respectively. The items were of capital nature and therefore ought to have been capitalized and amortized over their useful lives in accordance with IPSAS 17.

Further, an outstanding imprest amounting to Kshs.600,000 for facilitation of cultural events which ought to have been classified as receivable was incorrectly accounted for as a general expense.

Consequently, the accuracy and validity of the reported general expenses totalling Kshs.94,830,571 for the year ended 30 June, 2020 could not be confirmed.

5.0 Receivables from Exchange Transactions

The statement of financial position reflects receivables from exchange transactions balance totalling Kshs.12,971,173 as further disclosed in Note 14 to the financial statements. However, the University fees payment policy and analyses showing how long the debts had been outstanding were not provided for audit review.

Consequently, the accuracy and fair statement of the reported receivables from exchange transactions balance totalling Kshs.12,971,173 as at 30 June, 2020 could not be confirmed.

6.0 Property, Plant and Equipment

The statement of financial position reflects property plant and equipment balance totalling Kshs.1,735,285,752 as further disclosed in Note 20 to the financial statements. However, the following unsatisfactorily matters were noted in respect to the balance:

6.1 Land and Buildings Transfer/Adjustment

Included in the property, plant and equipment balance is the cost of land (KER/SIGOR/1369) valued at Kshs.4,000,000 measuring 8.4 acres and buildings built on it valued at Kshs.61,740,000 which are indicated as having been 'transferred /adjusted during the year under review. However, records on the nature and magnitude of the adjustments and their approval by the Council was not disclosed. As a result, their validity and measurement could not be confirmed.

6.2 Lack of Valuation Report

As reported in the previous year, furniture, plant and equipment and computer balances valued at Kshs.1,971,000, Kshs.6,477,026 and Kshs.1,647,989 respectively were transferred to the College when it ceased to be a constituent college of Moi University on 29 March, 2018. However, no valuation report was provided to validate the values assigned to the assets.

In view of these issues, the accuracy and completeness of the property plant and equipment balance totalling Kshs.1,735,285,752 as at 30 June, 2020 could not be confirmed.

7.0 Unsupported Liabilities

The statement of financial position reflects trade and other payables from exchange transactions balance totalling Kshs.85,593,094 as further disclosed in Note 17 to the financial statements. However, examination of items included in the balance revealed following unsatisfactory issues:

7.1 Accrued Payroll Liability

Included in the unsupported liabilities are accrued payroll expenses totalling Kshs.11,381,865 which in turn include accrued payroll expenses for staff transferred to Moi University totalling Kshs.2,137,940 and an Inter-Public Universities Council Consultative Forum (IPUCCF) expense totalling Kshs.155,859. However, analyses showing the nature of items incurred were not provided for audit.

7.2 Contingent Liability

The unsupported liabilities balance includes other payables-contingent liabilities totalling Kshs.4,980,675 which Management explained were incurred on supply of goods and services during construction of the University's temporary dining hall and kitchen in the year 2016. However, the balance was not supported with procurement records, delivery notes and invoices.

In view of these issues, the accuracy and fair statement of the reported trade and other payables from exchange transactions balances totalling Kshs.85,593,094 as at 30 June, 2020 could not be confirmed.

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

Key Audit Matters

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

Other Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects budgeted and actual revenues totalling Kshs.360,575,545 and Kshs.348,473,725 respectively resulting to a revenue shortfall of Kshs.12,101,820 or 3%. The revenue shortfall was within the allowable threshold of 10% of the budget.

The statement reflects budgeted and actual expenditure totalling Kshs360,575,545 and Kshs.335,842,888 respectively resulting in under-expenditure of Kshs.24,732,657 or 6.8 % of the budget also within the allowable variation limit.

Prior Year Issues

The audit report for the previous year (2018/19) raised several unsatisfactory issues relating to balances reflected in the financial statements, lawfulness and effectiveness in use of public resources, and effectiveness of internal control, risk management and governance.

The progress made by Management in resolving the issues shall be confirmed after they are discussed by the National Assembly.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in use of Public Resources sections of my report, I confirm that, nothing

else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1.0 Irregular Variation of Construction Contract

As previously reported, in 2017/18 financial year Moi University advertised the proposed construction of two library blocks, four (4) student hostels, two (2) lecture halls, two (2) dining/Kitchens and two (2) multipurpose halls for Bomet University College and Mama Ngina College Campus in Bomet and Kiambu Counties respectively. The University thereafter awarded the contract at Kshs.2.7 billion with the completion period set for 104 weeks. However, after the notification of the award was sent out and before the signing of the contract, the scope of work was scaled down to cover works at Bomet University College only, following the transfer of mentorship of Mama Ngina College Campus to Kenyatta University on 8 November, 2018.

However, the following anomalies were noted in regard to the change:

- i. As indicated, the initial tender entailed construction works at Bomet University College and Mama Ngina College Campus with both projects advertised as one tender. No plausible explanation was provided by Management for procuring the works under one tender in spite of their large scope and location in different Counties.
- ii. Upon transfer of the mentorship of Mama Ngina College Campus to Kenyatta University and after the tender award notification was sent to the winning bidder, Moi University proceeded to sign a revised contract for Bomet University College works with the original contractor at Kshs.1,391,984,209. There was no record indicating that the procedures for amendments to contracts spelt out in Section 47 of the Public Procurement and Disposal Act, 2015 were followed before the change was made.
- iii. The initial contract period of 104 weeks commencing 8 November, 2016 lapsed on 7 November, 2018 before the project was completed. An extension for a further 52 weeks was thereafter granted and expired on 7 November, 2019. Physical verification of the project carried out on 16 November, 2020, and review of project documents, indicated the following:
 - The tuition block was at 98% level of completion;
 - the library had stalled at 75% level of completion level as at November, 2020;
 - the multi-purpose hall was at 49% level of completion.
 - Construction of the two (2) hostels had commenced with mobilization of 5% of the contract value.

Total payments to the contractor amounted to Kshs.656,000,000 equivalent to 51% of the total contract price.

The University may have breached the law by failing to re-advertise the tender for the works relating to the College. In the absence of a new tender, it was not possible to confirm whether, the adjusted cost totalling Kshs.1,391,984,209 was competitive enough to result in value for money on public funds spent on the project.

2.0 Irregular Hire of Casual Workers

Expenditure records indicated that salary payments totalling Kshs.8,659,000 were made to fifty (50) casual workers hired to work in various departments. However, approval for the recruitment of the workers by the Council, requisitions for staff by the respective department, recruitment reports, and engagement letters issued to the workers were not presented for audit review. As a result, the validity of the recruitments could not be confirmed.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

Lack of Risk Management Policy

Review of operational system in the College indicated that Management had not documented the College's risk management policy as required by Regulation 165(1) of the Public Finance Management (National Government) Regulations, 2015. The Regulation requires the Accounting Officer for a National Government entity to develop risk management strategies that include fraud prevention mechanisms and a system of risk management and internal control that builds robust business operations.

In the absence of a documented strategy, Management may not be able to objectively identify, measure and mitigate risks to the operations of the College.

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

Responsibilities of Management and The University Council

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution.

My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the College to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of

my audit report. However, future events or conditions may cause the College to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the College to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA, Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 February, 2022

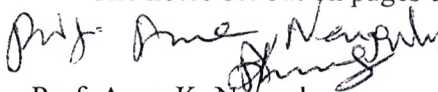
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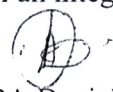
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XII. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2020

INCOME	Note	2019/2020	2018/2019
Revenue from non-exchange transactions		Kshs	Kshs
Transfers from other governments– gifts and services-in-kind	6	318,907,793	131,532,000
Sub-Total		318,907,793	131,532,000
Revenue from exchange transactions			
Rendering of good & services	7	29,025,050	16,847,000
Other Incomes	7	536,882	
Finance income - external Investments			
Sub-Total		29,561,932	16,847,000
Total revenue		348,469,725	148,379,000
Expenses			
Employee costs	8	156,010,055	112,760,000
Remuneration of Directors	9	20,498,070	19,587,000
Depreciation and amortization expense	10	12,554,869	9,141,000
Repairs and maintenance	11	12,246,043	2,212,000
General expenses	12	94,830,571	39,357,000
Total expenses		296,139,607	183,057,000
Other gains/(losses)			
Gain/(Losses) on sale of assets			-
Total other gains/(losses)			-
Surplus (Deficit) for the period		52,330,118	(34,678,000)
Accumulated Surplus		60,922,118	8,592,000

The notes set out on pages 13 to 39 form an integral part of these Financial Statements


Prof. Anne K. Nangulu
Principal and Secretary to Council


CPA Daniel Kimaiyo
ICPAK No.12579
Head of Finance

Prof. Esther W. Muchira
Chairperson of Council

Prof Tirima was the Chair of Council in 2019/2020 Financial Year but her term ended on 29th September 2020.

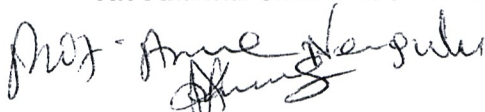
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XIII. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

Particulars		2019/2020	2018/2019
ASSETS	Note	Ksh	Ksh
Current Assets:			
Cash and cash equivalents	13	224,217,076	9,922,000
Receivables from exchange transactions	14	12,971,173	4,407,000
Receivables from non-exchange transactions	15	12,489,897	5,175,000
Inventories	16	1,830,623	1,808,000
Total Current Assets		251,508,769	21,312,000
Non-current assets			
Property, Plant and Equipment	20	1,735,285,752	1,595,304,000
Total Non-Current Assets		1,735,285,752	1,595,304,000
TOTAL ASSETS		1,986,794,521	1,616,616,000
LIABILITIES			
Current liabilities:			
Trade and other payables from exchange transactions	17	85,593,094	26,255,675
Provisions	18	61,618,002	100,000
Fees Prepayments	19	1,393,634	867,000
Total Current Liabilities		148,604,730	27,222,675
Non-current liabilities	21	58,451,550	29,670,000
Total Non- Current Liabilities		58,451,550	29,670,000
TOTAL LIABILITIES		207,056,280	56,892,675
TOTAL NET ASSETS		1,779,738,241	1,559,723,325
FINANCED BY::			
Capital Reserves		1,718,816,123	1,594,401,325
Accumulated Revenue Reserve		60,922,118	- 34,678,000
TOTAL NET ASSETS		1,779,738,241	1,559,723,325

The Financial Statements set out on pages 1 to 39 were signed on behalf of the University College Council by:


 Prof. Anne K. Nangulu
Principal and Secretary to Council


 CPA Daniel Kimaiyo
 ICPAK No.12579
Head of Finance

Prof. Esther W. Muchira
Chairperson of Council

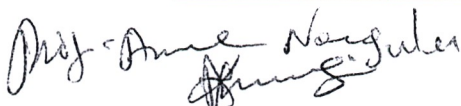
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XIV. STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Capital Reserves	Revenue Reserves	Total
	Kshs'000	Kshs'000	Kshs'000
Balance as at 1 July 2017	-	-	
Surplus for the year	-	43,270,000.00	43,270,000.00
Capital Grants received during the year	30,145,000.00	-	30,145,000.00
Valuation of fixed assets	1,133,859,123.00	-	1,133,859,123.00
Balance as at 30 June 2018	1,164,004,123.00	43,270,000.00	1,207,274,123.00
Deficit for the year	-	- 34,678,000.00	34,678,000.00
Capital Grants received during the year	253,481,000.00	-	253,481,000.00
Additional Valuations- Project Interim Certificates	26,331,000.00	-	26,331,000.00
Balance as at 30 June 2019	1,443,816,123.00	8,592,000.00	1,452,408,123.00
Surplus/(Deficit) for the year	-	52,330,117.88	52,330,117.88
Capital Grants received during the year	275,000,000.00	-	275,000,000.00
Balance as at 30 June 2020	1,718,816,123.00	60,922,117.88	1,779,738,240.88



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XV. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2020

PARTICULARS	NOTE	2019/2020	2018/2019
		Kshs	Kshs
Cash and cash equivalents at the beginning of the year		9,922,000	27,382,000
Cash Flows from Operating Activities			
Receipts			
Transfers from other governments–gifts and services-in-kind	6	307,033,545	111,865,000
Rendering of good & services		23,841,787	16,847,000
Other Incomes	7	536,882	
Finance income - external Investments			
Total Receipts		331,412,214	128,712,000
Payments			
Employee costs	8	156,010,055	112,760,000
Remuneration of Directors	9	20,498,070	19,587,000
Depreciation and amortization expense	10	-	9,141,000
Repairs and maintenance	11	12,245,808	2,212,000
General expenses	12	94,830,571	39,357,000
Total Expenses		283,584,504	183,057,000
Net Cash flows from Operating Activities		47,827,710	(54,345,000)
Cash flows from Investing Activities			
Purchase of property, plant, equipment and intangible assets	20	-218,276,373	(252,494,000)
Purchase of Motorvehicles	20		-
Decrease/(increase) in receivables- Non Exchange Transactions		-12,484,891	18,439,000
Decrease/(increase) in receivables- Exchange Transactions		-8,564,173	(2,702,000)
(Decrease)/Increase in Payables		130,815,427	20,994,000
Decrease/(Increase) in Inventories		-22,623	(833,000)
Net Cash flows used in Investing Activities		(108,532,633)	(216,596,000)
Cash flows from Financing Activities			
Capital development grants from GOK		275,000,000	253,481,000
Net Cash flows used in Financing Activities		275,000,000	253,481,000
Cash and Cash Equivalents as at 1st July		214,295,076	(17,460,000)
Cash and Cash Equivalent at 30th June 2020		224,217,076	9,922,000

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XVI. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2020

NO.	PARTICULARS	APPROVED ESTIMATES	ACTUAL	VARIANCE	% VARIANCE
		2019/2020	2019/2020	2019/2020	2019/2020
		KSHS '000'	KSHS '000'	KSHS '000'	%
	INCOME				
1	Exchequer Grants	307,033,545	307,033,545	-	0
	Supplementary Exchequer Grants		11,878,248	11,878,248	
2	Tuition & Related Charges	45,542,000	29,025,050	(16,516,950)	-36
12	Miscellaneous Income	8,000,000	536,882	(7,463,118)	-93
	TOTAL	360,575,545	348,473,725	(12,101,820)	-3
	EXPENDITURE				
	Personal Emoluments				
1	Basic Salaries	55,742,000	57,179,874	(1,437,874)	-3
2	House allowance	26,366,000	25,658,277	707,723	3
3	Commuting and Car Allowances	16,560,000	11,154,525	5,405,475	33
4	Salary Arrears	-	11,381,865	(11,381,865)	
5	Pension contribution	14,557,000	10,666,704	3,890,296	27
6	Entertainment Allowances	14,352,000	2,910,000	11,442,000	80
7	Responsibility Allowances		2,871,000		
8	Telephone Allowances		3,568,000		
9	Professorial Allowances		288,000		
10	Medical Risk and Extraneous Allowances		540,000		
11	Passage & Leave expenses		542,805		
12	Book and Journal Allowance		1,022,000		
13	Casuals	9,500,000	8,658,577	841,423	9
14	Part Time Teaching Claims	12,252,000	14,204,528	(1,952,528)	-16
15	Internship/attachment	150,000		150,000	100
16	Staff Medical Scheme-NHIF Cover	6,000,000	5,363,900	636,100	11
	SUB TOTAL P.EMOLUMENTS	155,479,000	156,010,055	(531,055)	0
	OPERATIONS AND MAINTENANCE	KSHS '000'			
1	Council Expenses	22,956,000	19,454,070	3,501,930	15
	Council Chair Honoraria	1,044,000	1,044,000	-	0
	Contracted Services:				
1	Medical expenses	1,500,000	294,496	1,205,504	80
2	Insurance expenses	3,000,000	354,779	2,645,221	88
3	Legal Expenses	1,200,000	4,269,050	(3,069,050)	-256
4	Subscriptions	292,000	38,400	253,600	87

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5	Security Services	1,438,000	472,289	965,711	67
6	Cleaning Services	1,185,000	384,822	800,178	68
	Sub-Total	8,615,000	5,813,836	2,801,164	33
	Expenses Relating to Core Mandate:				
1	Equipping of Teaching Laboratories	4,500,000	0	4,500,000	100
2	Development of Green Academic Programs	100,000	0	100,000	100
3	Collaborations and Partnerships	50,000	28,000	22,000	44
4	Staff Development-Academic	3,500,000	3,500,000	-	0
5	External Examiners	1,000,000	513,172	486,828	49
6	Postal & Telegram expenses	150,000	15,378	134,622	90
7	Senate Expenses	500,000	476,600	23,400	5
8	Teaching materials	1,200,000	1,120,850	79,150	7
10	Library Expenses	18,000,000	19,163,308	(1,163,308)	-6
11	University research programme	24,890,000	24,890,000	-	0
13	Inter-University Games	1,000,000	995,353	4,647	0
14	Students Field Trips/Courses	2,500,000	2,568,100	(68,100)	-3
15	Students Activities	2,500,000	2,501,838	(1,838)	0
16	Admission Expenses	216,000	234,763	(18,763)	-9
17	Teaching Practice	1,704,000	2,279,650	(575,650)	-34
18	Commission of University Education Fees	601,000	204,000	397,000	66
19	KUCCPS Fees	371,000	280,500	90,500	24
20	Caution Money Refund	601,000	299,000	302,000	50
21	Student Smart Card System	500,000	248,400	251,600	50
22	International Student and Staff Exchange	100,000	0	100,000	100
	Sub-Total	63,983,000	59,318,912	4,664,088	7
	Administrative Expenses:				
1	Public celebrations, Funerals and Functions	200,000	0	200,000	100
2	Electricity, water& conservancy	2,500,000	2,139,616	360,384	14
3	Travelling & Accommodation	6,500,000	6,293,988	206,012	3
4	Telephone expenses	102,000	0	102,000	100
5	Internet Expenses	3,500,000	3,018,231	481,769	14
6	Purchase of uniform & clothing	400,000	0	400,000	100
7	Purchase of Stationery	3,350,000	3,048,371	301,629	9
8	Advertising & Publicity	1,300,000	2,059,852	(759,852)	-58
9	Audit fees	1,350,000	1,250,000	100,000	7
10	Payment of rent/rates	4,700,000	4,784,000	(84,000)	-2
11	Computer Expenses	2,000,000	2,152,191	(152,191)	-8

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12	Cleaning Materials & Detergents	1,500,000	519,945	980,055	65
16	ISO & QA Related Expenses	200,000	0	200,000	100
17	Conference and Workshops	2,200,000	2,169,620	30,380	1
18	Training Expenses	4,500,000	310,500	4,189,500	93
19	Staff Development- Non Academic	2,500,000	2,500,000	-	0
20	Team Building	1,500,000	0	1,500,000	100
21	Official Refreshments	1,000,000	186,327	813,673	81
22	Strategic Plan Implementation & Monitoring	1,500,000	1,475,852	24,148	2
23	Launch of Library and MPH	100,000	0	100,000	100
24	Performance Contracting	1,300,000	1,203,949	96,051	7
25	Revaluation of fixed assets	500,000	0	500,000	100
26	Marketing and Branding	500,000	7,130	492,870	99
27	Procurement of Four Wheel Vehicle	9,500,000	7,570,000	1,930,000	20
28	Procurement of Bus	12,000,000	12,002,250	(2,250)	0
29	Procurement of ERP System	20,000,000	16,544,932	3,455,068	17
30	Bank Charges		164,350	(164,350)	
	Sub Total	84,702,000	69,401,104	15,300,896	18
	Repairs and Maintenance:				
1	Transport operating expenses	2,000,000	1,051,360	948,640	47
2	Maintenance of Plant & Equip.	1,200,000	0	1,200,000	100
3	Refurbishment and Maintenance of Buildings	3,788,000	5,166,901	(1,378,901)	-36
4	Equipping and Maintenance of Hostels	200,000	166,001	33,999	17
5	Maintenance of water supplies	100,000	0	100,000	100
6	Maintenance of Grounds Playgrounds	7,508,546	5,861,781	1,646,765	22
	Sub-Total	14,796,546	12,246,043	2,550,503	17
7	Depreciation and Amortization	9,000,000	12,554,869	(3,554,869)	-39
	SUB TOTAL-OPS & MAINT.	205,096,546	179,832,834	25,263,712	12
	GROSS EXPENDITURE	360,575,545	335,842,888	24,732,657	7
	NET SURPLUS/(DEFICIT)	-	12,630,837		

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Explanation of Budget Variances:

i) Tuition and Related Charges (-36%)

(KUCCPS) allocated a total of three hundred and twenty (320) students during the 2019/2020 Academic Year, but only one hundred and eighty-three (183) students reported thereby resulting to reduced income from the students. In addition, following the outbreak of Corona Virus (Covid-19 pandemic), the Government through the Presidential Directive suspended Learning as from 17th March 2020 until further notice. By the time of closure some students had not cleared their fees since the semester was mid-way. There are measures to ensure that students clear their fees before they sit for the end of semester exams.

ii) Other Income/Miscellaneous Income- (-93%)

Miscellaneous income posted a negative variance of 98% amounting to Ksh 7.4 Million. BUC budgeted to receive Ksh 8 Million from Miscellaneous income but only Ksh 537,000 was realized from hire of facilities. The University has created a bigger Training Room and is in the process of constructing a Student Centre that will also be hired out for bigger functions in Bomet County. All these will lead to increased sources of income and thereby eliminating the adverse variance on other income.

iii) Part Time Teaching Claims- (-16%)

This vote head posted a negative variance of 16% since the University College has not filled up the vacant positions in the staff establishment thereby leading to reliance on part time teaching staff.

iv) Legal Expenses (-256%)

The University College engaged the services of legal provider in order to clear the court cases as well as other legal advisory. The total amount paid for legal expenses was Ksh 838,250 and Ksh 3,430,800 was outstanding as at 30th June 2020 bringing the total to Ksh 4,269,050.

v) Teaching Practice (-34%)

The total expenses for teaching practice is Ksh 2,279,650 but Ksh 1,524,700 was a provision since the exercise was to be done between April and August 2020 but postponed due to suspension of teaching and learning.

Majority of the other expenses relating to the core mandate was under spent due to suspension of teaching and learning owing to Covid-19 Pandemic.

vi) Administrative Expenses: Ksh 69,401,104 out of Ksh 84,702,000 (18%)

The vote heads under this category of Administrative Expenses posted a favourable variance of 18% amounting to Ksh 15,300,896. Most of the activities planned for the year were affected by the Covid – 19 pandemic.

iv) Refurbishment and Maintenance of Buildings (-36%)

Most of the activities under this category were the partitioning for office space and supply of curtains for offices and boardrooms. Labelling of Assets and supply of curtains all amounting to Ksh 1,319,700 was outstanding as at 30th June 2020 for 2019/2020 Financial Year.

AW

EXPLANATION OF CHANGES BETWEEN ORIGINAL AND FINAL BUDGET

The change between the original approved budget and the revised budget is as a result of re-allocation of budgeted amounts in the various votes.

	Particulars	Approved Budget	Revised 1	Revised 2	Change
	INCOME				
1	Exchequer Grants	307,033	307,033	307,033	-
2	Tuition & Related Charges	45,542	45,542	45,542	-
3	Miscellaneous Income	8,000	8,000	8,000	-
	TOTAL	360,575	360,575	360,575	-
	EXPENDITURE				
1	Basic Salaries	74,902	58,902	55,742	(3,160)
2	House allowance	29,206	23,206	26,366	3,160
3	Commuting and Car Allowances	26,560	16,560	16,560	-
4	Salary Arrears	-	-	-	-
5	Gratuity & Pension contribution	20,557	14,557	14,557	-
6	Personal Allowances	21,352	14,352	14,352	-
8	Casuals	3,000	8,000	9,500	1,500
9	Part Time Teaching Claims	3,500	3,500	12,252	8,752
10	Internship/attachment	1,500	1,500	150	(1,350)
11	Staff Medical Scheme- NHIF Cover	6,000	6,000	6,000	-
	Sub Total P. Emoluments	186,577	146,577	155,479	8,902
	OPERATIONS AND MAINTENANCE	KSHS '000'			
1	Council Expenses	22,956	22,956	22,956	-
2	Council Chair Honoraria	1,044	1,044	1,044	-
	Contracted Services:				
1	Medical expenses	1,500	1,500	1,500	-
2	Insurance expenses	3,000	3,000	3,000	-
3	Legal Expenses	1,200	1,200	1,200	-
4	Subscriptions	1,000	1,000	292	(708)
5	Security Services	2,880	2,880	1,438	(1,442)
6	Cleaning Services	4,740	4,740	1,185	(3,555)
	Sub-Total	14,320	14,320	8,615	(5,705)
	Expenses Relating to Core Mandate:				
1	Equipping of Teaching Laboratories	6,000	4,500	4,500	-
2	Development of Green Academic Programs	4,000	4,000	100	(3,900)
3	Collaborations and Partnerships	4,000	4,000	50	(3,950)
4	Staff Development- Academic	3,500	3,500	3,500	-
5	External Examiners	1,000	1,000	1,000	-
6	Postal & Telegram expenses	150	150	150	-
7	Senate Expenses	1,500	1,500	500	(1,000)

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8	Teaching materials	1,200	1,200	1,200	-
9	Publishing & printing expenses	1,000	1,000	-	(1,000)
10	Library Expenses	18,000	18,000	18,000	-
11	University research programme	3,000	8,000	24,890	16,890
12	Purchase of Motor Vehicles	-	-	-	-
13	Inter-University Games	1,000	1,000	1,000	-
14	Students Field Trips/Courses	2,500	2,500	2,500	-
15	Students Activities	2,500	2,500	2,500	-
16	Admission Expenses	216	216	216	-
17	Teaching Practice	1,704	1,704	1,704	-
18	Commission of University Education Fees	601	601	601	0
19	KUCCPS Fees	371	371	371	(0)
20	Caution Money Refund	601	601	601	0
21	Student Smart Card System	500	500	500	-
22	International Student and Staff Exchange	8,000	3,000	100	(2,900)
	Sub-Total	61,343	59,843	63,983	4,140
	Administrative Expenses:				
1	Public celebrations, Funerals and Functions	800	800	200	(600)
2	Electricity, water & conservancy	2,500	2,500	2,500	-
3	Travelling & Accommodation	6,500	6,500	6,500	-
4	Telephone expenses	102	102	102	-
5	Internet Expenses	3,500	3,500	3,500	-
6	Purchase of uniform & clothing	400	400	400	-
7	Purchase of Stationery	2,200	3,350	3,350	-
8	Advertising & Publicity	2,500	2,500	1,300	(1,200)
9	Audit fees	1,000	1,350	1,350	-
10	Payment of rent/rates	4,700	4,700	4,700	-
11	Computer Expenses	2,000	2,000	2,000	-
12	Cleaning Materials & Detergents	1,500	1,500	1,500	-
13	Payment of outstanding debts	-	-	-	-
14	ISO & QA Related Expenses	1,200	1,200	200	(1,000)
15	Conference and Workshops	4,000	4,000	2,200	(1,800)
16	Training Expenses	4,500	4,500	4,500	-
17	Staff Development- Non Academic	2,500	2,500	2,500	-
18	Team Building	1,500	1,500	1,500	-
19	Official Refreshments	1,000	1,000	1,000	-
20	Strategic Plan Implementation & Monitoring	3,000	3,000	1,500	(1,500)
21	Launch of Library and MPH	2,000	1,000	100	(900)
22	Performance Contracting	2,500	2,500	1,300	(1,200)
23	Revaluation of fixed assets	500	500	500	-
24	Marketing and Branding	3,000	2,500	500	(2,000)
25	Procurement of Four Wheel Vehicle	9,500	9,500	9,500	-
26	Procurement of Bus	12,000	12,000	12,000	-
23	Procurement of ERP System	20,000	20,000	20,000	-
	Sub Total	53,402	94,902	84,702	(10,200)

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	Repairs and Maintenance:				
1	Transport operating expenses	2,500	2,500	2,000	(500)
2	Maintenance of Plant & Equip.	1,200	1,200	1,200	-
3	Refurbishment and Maintenance of Buildings	1,200	1,200	3,788	2,588
4	Equipping and Maintenance of Hostels	200	200	200	-
5	Maintenance of water supplies	500	500	100	(400)
6	Maintenance of Grounds Playgrounds	6,334	6,334	7,509	1,175
	Sub-Total	11,934	11,934	14,797	2,863
7	Depreciation and Amortization	9,000	9,000	9,000	-
	Sub Total-Ops & Maintenance	173,999	213,999	205,097	
	Gross Expenditure	360,575	360,575	360,575	
	Net Surplus/(Deficit)	(0)	-	(0)	

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XVII. NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Bomet University College is established by and derives its authority and accountability from the Universities Act and the Legal Order establishing Bomet University College. The University Colleges wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is the provision of university education through teaching, research and outreach.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Bomet University College accounting policies. There are no areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements.

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

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

3. ADOPTION OF NEW AND REVISED STANDARDS

i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2020

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. <i>There is no impact of this standard in the financial reporting of BUC since it is a single entity.</i>

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2020

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Standard IPSAS 41: Financial Instruments

Effective date and impact: Applicable: 1st January 2022:

The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

This is not applicable to BUC since there are no financial assets or liabilities.

IPSAS 42: Social Benefits

Applicable: 1st January 2022

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general purpose financial reports assess:

- (a) The nature of such social benefits provided by the entity;
- (b) The key features of the operation of those social benefit schemes; and
- (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

BUC does not operate any social benefit and therefore no impact in this financial reporting.

Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments

Applicable: 1st January 2022:

- a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.
- b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.
- c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.

Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.

Other Improvements to IPSAS

Applicable: 1st January 2021:

- a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks
- b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment.
Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved
- c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets.
Amendments to ensure consistency of impairment guidance to account for revalue assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets.
- d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).
Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in year 2020.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

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

Transfers from other government entities

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

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ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

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.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the entity's right to receive payments is established.

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 original budget for FY 2019/2020 Financial Year was approved by the National Assembly in July 2019 amounting to Ksh 360,575,000 for Recurrent Budget and Ksh 275 Million for the Capital Budget. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the National Treasury. The Financial Performance analysis is based on the Rationalized Recurrent Budget for 2019/2020. Additional appropriations of Kshs 11,878,248 received on 7th July 2020 for 2017-2021 Collective Bargaining Agreement (CBA) arrears were added to the original budget and paid out to the staff in line with the negotiated and approved implementation rates.

BUC budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actual as per the statement of financial performance has been presented in these financial statements.

c) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income.

Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use.

e) Property, plant and equipment

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

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Depreciation for the year has been computed based on the University College Financial Management Policy. The University depreciation policy is that fixed assets are depreciated on a reducing balance basis at annual rates estimated to write off the carrying values of the assets over their expected useful lives.

The annual rates are as follows:

Buildings	2%
Furniture, Plant and Equipment	12.5%
Motor Vehicles, Motorcycles and Tractors	25%
Computer and Related Equipment	33.3%

Freehold land is not depreciated. Leasehold land is amortized over the unexpired portion of lease.

f) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Entity also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Entity will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) 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.

h) Research and development costs

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

i) 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 Entity 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 Entity 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 Entity assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or a entity 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 entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

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

Financial liabilities

Initial recognition and measurement

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

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

Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

i) Inventories

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

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

- 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 Entity.

j) Provisions

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

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

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

Contingent liabilities

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

Contingent assets

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

k) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The University's has Revenue Reserves that have been disclosed in the statement of changes in net assets.

l) Changes in accounting policies and estimates

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

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m) Employee benefits

Retirement benefit plans

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future 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) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

p) Related parties

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

q) Service concession arrangements

The Entity analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Entity recognizes that asset



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when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

Cash and cash equivalents

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

s) Comparative figures

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

t) 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, 2020.

4 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

Estimates and assumptions

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

Useful lives and residual values

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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 Entity
- 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. Additional disclosure of these estimates of provisions is included in Note xxx.

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.

5) Transfers from State Department of University Education

Name of the Entity sending the grant	Amount recognized to Statement of Comprehensive Income Kshs '000'	Amount deferred under deferred income Kshs	Amount recognised in capital fund.	Total grant income during the year	2018/2019
			Kshs	Kshs	Kshs
Ministry of Education	318,912	-	275,000	593,912	385,013
Total	318,912	-	275,000	593,912	385,013

(The details of the reconciliation have been included under appendix iii)

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Description	2019/2020	2018/2019
	Kshs	Kshs
6. Transfers from other governments–gifts and services-in-kind		
Operational grant	307,033,545	131,532,000
Supplementary funds for CBA	11,878,248	
Exchequer Grants B/F(2016/2017)		-
Total	318,911,793	131,532,000
7. Goods and Services:		
Tuition & Related Charges	29,025,050	16,847,000
Privately Sponsored Students Fees		
Students Field Trips/Courses		
Students Activities		
Caution Money		
Games and Sports		
Commission of University Education Fees		
KUCCPS Fees		
Teaching Practice		
Students Accommodation Fees		
Miscellaneous Income	536,882	
Total	29,561,932	16,847,000
Total Grants and Other Incomes:	348,473,725	148,379,000
8. Employee costs:		
Basic Salaries	57,179,874	48,599,000
House allowance	25,658,277	19,920,000
Commuting and Car Allowances	11,154,525	8,320,000
Salary Arrears	11,381,865	
Gratuity & Pension contribution	10,666,704	5,900,000
Entertainment Allowances	2,910,000	8,697,000
Responsibility Allowances	2,871,000	
Telephone Allowances	3,568,000	
Professorial Allowances	288,000	
Medical Risk and Extraneous Allowances	540,000	
Passage & Leave expenses	542,805	
Book and Journal Allowance	1,022,000	
Casuals	8,658,577	13,664,000
Part Time Teaching Claims	14,204,528	7,661,000
Internship/attachment	-	
Staff Medical Scheme- NHIF Cover	5,363,900	
Total	156,010,055	112,761,000
9. Remuneration of directors:		
Chairman's Honoraria	19,454,070	1,044,000
Other Allowances	1,044,000	18,543,000
Total	20,498,070	19,587,000
10. Depreciation and amortization expense:		
Land and Buildings	1,032,920	2,314,000
Motor vehicles	4,888,399	2,517,000
Furniture	3,233,150	2,015,000

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Plant and Equipment	963,143	
Computers	2,437,257	2,437,257
Total	12,554,869	
11. Repairs and maintenance of Facilities:		
Property. Plants & Equipment	11,194,448	1,175,000
Vehicles - Transport Operating Expenses	1,051,360	1,034,000
TOTAL	12,245,808	2,213,000
12. General expenses:		
Contracted Services:		
Medical expenses	294,496	424,000
Insurance expenses	354,779	-
Legal Expenses	4,269,050	202,000
Subscriptions	38,400	300,000
Security Services	472,289	
Cleaning Services	384,822	
Sub-Total	5,813,836	926,000
Expenses Relating to Core Mandate:		
Equipping of Teaching Laboratories	-	-
Development of Green Academic Programs	-	-
Collaborations and Partnerships	28,000	-
Staff Development- Academic	3,500,000	-
External Examiners	513,172	618,000
Postal & Telegram expenses	15,378	11,000
Senate Expenses	476,600	1,031,000
Teaching materials	1,120,850	275,000
Publishing & printing expenses	-	-
Library Expenses	3,506,508	781,000
University research programme	19,670,000	327,000
Inter-University Games	995,353	408,000
Students Field Trips/Courses	2,568,100	301,000
Students Activities	2,501,838	2,036,000
Admission Expenses	234,763	171,000
Teaching Practice	2,279,650	275,000
Commission of University Education Fees	204,000	440,000
KUCCPS Fees	280,500	71,000
Caution Money Refund	299,000	-
Student Smart Card System	248,400	-
International Student and Staff Exchange		-
Sub-Total	38,193,712	6,745,000
Administrative Expenses:		
Public celebrations and Functions	-	96,000
Electricity, water & conservancy	2,139,616	1,831,000
Travelling & Accommodation	6,293,988	4,782,000
Telephone expenses	-	-
Internet Expenses	3,018,231	2,459,000
Purchase of uniform & clothing	-	52,000
Purchase of Stationery	3,048,371	1,729,000

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Advertising & Publicity	2,059,852	1,195,000
Audit fees	1,250,000	377,000
Payment of rent/rates	4,784,000	3,647,000
Computer Expenses	658,012	544,000
Cleaning Materials & Detergents	519,945	473,000
ISO & QA Related Expenses	-	56,000
Conference and Workshops	2,169,620	1,851,000
Training Expenses	310,500	1,128,000
Staff Development- Non Academic	2,500,000	
Team Building	-	746,000
Official Refreshments	186,327	199,000
Strategic Plan Implementation& Monitoring	1,475,852	1,069,000
Launch of Library and MPH	-	997,000
Performance Contracting	1,203,949	-
Revaluation of fixed assets	-	875,000
Marketing and Branding	7,130	
Procurement of Four Wheel Vehicle	7,570,000	
Procurement of Bus	-	
Procurement of ERP System	11,814,879	
Bank Charges	164,350	
Total	51,174,622	24,113,577
Total Expenses	296,490,973	175,486,577
13. Cash and cashe equivalents		
Current account	224,169,744	9,890,000
Petty Cash	47,332	32,000
Total cash and cashe equivalents	224,217,076	9,922,000
a) Current Accounts		
Financial institution		
KCB- Moi University Bomet Campus College		44,000
KCB- Bomet university college –development a/c	148,330,026	9,597,000
NBK- Bomet University college –deposit a/c (Exchequer)	62,687,408	27,000
NBK- Bomet University College-payment a/c	5,184,036	74,000
KCB- Bomet University College-Research a/c	-	
NBK- Bomet university college-students fees account	4,891,475	48,000
Co-op Bomet University College- students fees account	3,076,799	101,000
Sub- total	224,169,744	9,891,000
14. Receivables from exchange transactions		
Current receivables		
Student Debtors	12,971,173	4,897,000
Less:impairment allowance		489,700
Net Receivables from Exchange Transactions	12,971,173	4,407,300
15. Receivables from Non-exchange transactions		
Students Fees paid to Moi University		5,006,000
Supplementary funds for CBA	11,878,248	
Staff Debtors:		
Unaccounted Imprest	600,000	169,000
Recovery of Basic Salary	15,649	

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Sub- total	12,493,897	5,175,000
16. Inventories		
Stationeries	1,180,553	929,000
Cleaning Materials	421,835	263,000
Maintenance	66,925	221,000
Electricals Materials		53,000
Games and Sports	146,740	342,000
Drugs and Equipment		-
Items Issued but not used	14,570	
Total Inventories	1,830,623	1,808,000
17. Account Payables from Exchange Transactions		
Accrued Payroll Expense	11,381,865	
Account payables	69,230,554	21,275,000
10% Project Retention Monies- Cert no. 1 to 25	58,152,550	29,670,000
Caution Money	299,000	-
Other payables- Contingent Liabilities	4,980,675	4,980,675
Total	132,662,779	55,925,675
18. Provisions		
Enterprise Resource Planning System	11,814,879	
Staff Development- Academic	6,000,000	
University Research Programme	19,524,150	
Teaching Practice	1,524,700	
Industrial Attachment	1,254,200	
Gratuity & Pension	5,190,073	
Procurement of Four Wheel Vehicle	7,570,000	
Audit Fees	700,000	
Part Time Teaching Claims	8,040,000	
General Provisions		100,000
Total Provisions	61,618,002	100,000
19. Fees Prepayments	1,393,634	867,000

Note 20: Property, Plant and Equipment

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Particulars	Land	Buildings	Capital In Progress	Motor vehicles	Furniture	Plant and Equipments	Computers	Total
	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
At 1 July 2017	-	-	64,026,563	250,000	1,971,000	6,477,026	1,647,989	74,372,578
Additions (Valuations done)	1,075,300,000	-	137,973,437	13,174,613	-	1,023,323	-	1,227,471,373
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
At 30 June 2018	1,075,300,000	-	202,000,000	13,424,613	1,971,000	7,500,349	1,647,989	1,301,843,951
Depreciation and impairment	-	-	-	-	-	-	-	-
Depreciation	-	-	-	3,356,153	246,375	937,544	548,780	5,088,852
Net Book Values at 30 June 2018	1,075,300,000	-	202,000,000	10,068,460	1,724,625	6,562,805	1,099,209	1,296,755,099
Additions	934,800,000	115,700,000	318,865,735	-	5,589,217	2,243,076	5,791,961	1,382,989,988
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	-	-	-	-	-	-	-	-
As at 30th June 2019	934,800,000	115,700,000	520,865,735	10,068,460	7,313,842	8,805,881	6,891,169	1,604,445,087
Depreciation	-	2,314,000	-	2,517,115	914,230	1,100,735	2,294,759	9,140,840
Net Book Values at 30 June 2019	934,800,000	113,386,000	520,865,735	7,551,345	6,399,611	7,705,146	4,596,410	1,595,304,247
Additions	-	-	184,085,854	12,002,250	19,465,590	-	2,722,679	218,276,373
Disposals	-	-	-	-	-	-	-	-
Transfers/adjustments	4,000,000.0	61,740,000.0	-	-	-	-	-	65,740,000
As at 30th June 2020	930,800,000	51,646,000	704,951,589	19,553,595	25,865,201	7,705,146	7,319,089	1,747,840,620
Depreciation	-	1,032,920	-	4,888,399	3,233,150	963,143	2,437,257	12,554,869
Net Book Values at 30th June 2020	930,800,000	50,613,080	704,951,589	14,665,196	22,632,051	6,742,003	4,881,832	1,735,285,752

Note 20 A: Status of Projects Completion

Status of Projects Completion	2019/2020	2018/2019	2017/2018
	Ksh	Kshs	Kshs
Proposed Construction of Library Block, 2No Hostel Blocks, Multipurpose Hall and Lecture Halls	1,391,982,469	1,391,982,469	1,391,982,469
Amount paid to date	682,881,970	434,395,000	189,880,000
Percentage of Project Completion	53%	45%	20%
Percentage payment to total cost	49	31	14

Note 20 B: Details of Land and Buildings

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LOCATION	REF. NO.	SIZE	LAND VALUE	BUILDINGS
Bomet Town adjacent to St. Michael Secondary School	Plot No. 2'' Bomet Town	4.7 Ha.	310,000,000	51,700,000
Sigor located in Sigor High School	BMT / SIGOR / 1834	23.1 Ha.	24,800,000	64,000,000
Bomet Town adjacent to Bomet Stadium	BMT Town Plot 308/307	18.3 Ha	600,000,000	
SUB-TOTAL			934,800,000	115,700,000
Depreciation 2018-2019 FYR			-	2,314,000
Net Book Value - 30th June 2019			934,800,000	113,386,000
Transfers/adjustments			- 4,000,000	- 61,740,000
Accumulated Depreciation/Amortization -2019/2020 FYR			-	1,032,920
NET BOOK VALUE			930,800,000	50,613,080

21. Financial Risk Management

The University's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The University's overall risk management programme focuses on unpredictability of changes in teaching, research and learning environment and seeks to minimise the potential adverse effect of such risks on its performance.

The University's financial risk management objectives and policies are detailed below:

(i) Credit risk

The University College has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. The credit risk may arise by the failure of students to pay the whole fees as required to run the operations of the University College. This risk will be managed by ensuring that students pay the requisite fees at the time of registration and signing of nominal rolls and another check by way clearance for examinations.

The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the University's management based on prior experience and their assessment of the current economic environment.

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The carrying amount of financial assets recorded in the financial statements representing the University's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

	Total amount Ksh	Fully performing Ksh	Past due Ksh	Impaired Ksh
At 30 June 2020				
Receivables from exchange transactions	12,971,173	12,971,173		
Receivables from non-exchange transactions	12,493,897	12,493,897		
Bank balances	224,217,076	224,217,076		
Total	249,682,146	249,682,146		

The students under the fully performing category are paying their debts as they continue learning and therefore the credit risk associated with these receivables is minimal.

The University College Council sets the University's fees payment policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the University Council, who has built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements. The University manages liquidity risk through continuous monitoring of budget performance, forecasts and actual cash flows.

The table below represents cash flows payable by the University College under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs '000'	Kshs '000'	Kshs '000'	Kshs '000'
At 30 June 2020				
General payables	69,230,554	-	-	69,230,554
Accrued Payroll Expense	11,381,865	-	-	11,381,865
Deferred income		1,393,634	299,000	1,692,634
Employee benefit obligation	-	-	-	-
Total	80,612,419	1,393,634	299,000	82,305,053

(iii) Market risk

The University Council has put in place an internal audit function to assist it in assessing the risk faced by the University on an on-going basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

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Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

In the context of University Education, Market Risk can result from anticipated reduction in the number of Government and privately sponsored students admitted to the University. This can be caused by the lowering of cut off points by KUCCPS for students joining the regular program and the Commission of University Education maintaining high admission requirements for students joining the Private Program. BUC will deal with this risk through introduction of unique academic programs in line with its *green mandate* in order to meet unique market needs and above all adopting open learning systems to capture students in diverse locations.

Overall responsibility for managing market risk rests with the Audit, Risk and Compliance Committee of Council.

The University's Finance Division is responsible for the development of detailed risk management policies (subject to review and approval by Audit, Risk and Compliance Committee) and for the day to day implementation of those policies.

There has been no change to the University College exposure to market risks or the manner in which it manages and measures the risk.

a) Foreign currency risk

The University has minimal transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid within 90 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

b) Interest rate risk

Interest rate risk is the risk that the University's financial condition may be adversely affected as a result of changes in interest rate levels. The University College interest rate risk arises from bank deposits. This exposes the University to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the University's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

22. RELATED PARTY BALANCES

a) Nature of related party relationships

Entities and other parties related to the University include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

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Government of Kenya

The Government of Kenya is the principal shareholder of the University College holding 100% of the Bomet University College equity interest. The Government of Kenya will provide full guarantees to all long-term lenders of the entity, both domestic and external. Other related parties include:

- i) The National Government;
- ii) The Ministry of Education
- iii) University Council members
- iv) Key Management of Bomet University College
- v) Moi University Management
- vi) Key management;

	2019/2020	2018/2019
	Kshs	Kshs
Transactions with related parties		
a) Grants from the Government		
Grants from National Govt	593,911,793	385,013,000
Grants from County Government	-	-
Donations in kind	-	-
Total	593,912	385,013,000
b) Key management compensation		
Directors' emoluments	20,498,070	19,977,000
Compensation to key management	31,243,000	27,795,000
Total	51,741,070	47,772,000

23. CONTINGENT LIABILITIES

The University College has various pending bills arising out of the construction of temporary dining hall and Kitchen in 2016 amounting to Ksh4, 980,675. The claims have not been paid since the procurement process was not duly followed and therefore relevant documents for payment were not provided. The claims in question were a subject of Audit in Moi University and one of the suppliers has filed a case in court demanding payment for the materials supplied.

The Vice Chancellor of Moi University appointed an Ad-Hoc Committee in April 2018 to look into the issue. The detailed report from the ad-hoc committee is dated 7th May 2018 and it was presented to the Audit Committee of Bomet University College. The Audit Committee of BUC Council through its Minutes dated 26th September 2018 recommended constitution of another ad-hoc committee with clear guidelines to verify quantity and value for money as well as measure actual materials used in the Dining Hall and other projects which were running concurrently at the time.

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24. CAPITAL COMMITMENTS

Capital Commitments	2019-2020 Ksh	2018-2019 Ksh
Authorized and Contracted for-paid out to the contractors	248,486,970	244,515,000

25. EVENTS AFTER THE REPORTING PERIOD

Bomet University College had five parcels of land in Sigor which have been amalgamated into one piece of land measuring approximately 57.08 acres (23.1hecters) and registered as KER/SIGOR/1834 in favour of County Government of Bomet and reserved for Bomet University College. Valuation was done in 2018 in order to incorporate the assets into the financial statements. However, Sigor High School is under the department of Basic Education and hence transferring the assets to the University College will not be possible. To this regard, plot number KER/SIGOR/1369 where Sigor High School stands measuring 8.4 acres valued at Ksh 4 Million and with buildings worth Ksh 64 Million has been expunged from the list of assets.

26. ULTIMATE AND HOLDING ENTITY

The University College is a Semi- Autonomous Government Agency under the Ministry of Education, Science and Technology. Its ultimate parent is the Government of Kenya.

27. Currency

The financial statements are presented in Kenya Shillings (Kshs).

28. Ultimate and Holding Entity

The University is a State Corporation under the Ministry of Education. Its ultimate parent is the Government of Kenya.

29. Currency

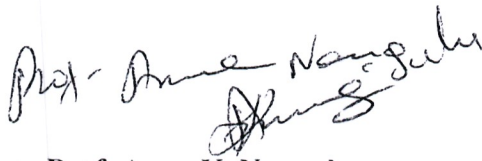
The financial statements are presented in Kenya Shillings (Kshs).

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The University College has not received the Audit Report of 2018/2019 from the Office of Auditor General. The recommendations will be factored in the Annual Report of 2019/2020 Financial Year as soon as it is received.

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)

No Audited Report availed yet



Prof. Anne K. Nangulu
COLLEGE PRINCIPAL AND SECRETARY TO COUNCIL

DATE:24.09.2020



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APPENDIX II: PROJECTS IMPLEMENTED BY BOMET UNIVERSITY COLLEGE

Status of Projects completion

	Project	Total project Cost Kshs	Total expended to date Ksh	Completion % to date Ksh	Budget Kshs	Actual Kshs	Sources of funds Ksh
1	Tuition Block, Library, Multipurpose Hall and 2 Hostels.	1,391,982,469	682,881,970	53%	275,000,000	275,000,000	Go

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**APPENDIX III: TRANSFERS FROM STATE DEPARTMENT OF UNIVERSITY
EDUCATION**

Transfers of Recurrent Funds

NO.	DATE RECEIVED	AMOUNT	FOR MONTH	YEAR
1	8-Aug-19	25,586,129	July 2019	2019/2020
2	29-Aug-19	25,586,129	Aug 2019	2019/2020
3	27-Sep-19	25,586,129	Sept 2019	2019/2020
4	1-Nov-19	25,586,129	Oct 2019	2019/2020
5	29-Nov-19	25,586,129	Nov 2019	2019/2020
6	27-Dec-19	25,586,128	Dec 2019	2019/2020
7	4-Feb-20	25,586,129	Jan 2020	2019/2020
8	2-Mar-20	25,586,129	Feb 2020	2019/2020
9	03 April 2020	25,586,128	March 2020	2019/2020
10	8 May 2020	25,586,129	April 2020	2019/2020
11	5 June 2020	25,586,129	May 2020	2019/2020
12	26 June 2020	25,586,128	June 2020	2019/2020
	TOTAL	307,033,545		

Transfers of Capital Development Funds

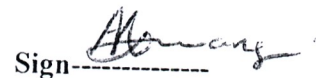
NO.	DATE RECEIVED	AMOUNT
1	20-Nov-19	101,881,463
2	13-Mar-20	173,118,537
	TOTAL	275,000,000

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

Head of Finance
Bomet University College

Sign 

Head of Accounting Unit
Ministry of Education

Sign 

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APPENDIX IV: RECORDING OF TRANSFERS FROM THE STATE DEPARTMENT OF UNIVERSITY EDUCATION

Name of the MDA/Donor Transferring the funds	Date received	As per bank statement	Nature: Recurrent/D development/ Others	Total Amount – Ksh '000'	Where Recorded/recognized						
					Statement of Financial Performance Ksh	Capital Fund Ksh	Deferred Income Ksh	Receivables Ksh	Others - must be specific Ksh	Total Transfers during the Year Ksh	
State Department of University Education	July 2019 to June 2020		Recurrent	318,911,793	318,911,793	-	-	-	-	318,911,793	
State Department of University Education	July 2019 to June 2020		Development	-	-	275,000,000				275,000,000	
Total				318,911,793	318,911,793	275,000,000	-	-	-	593,911,793	