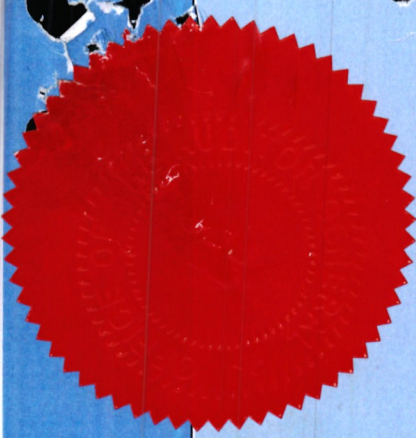


REPUBLIC OF KENYA

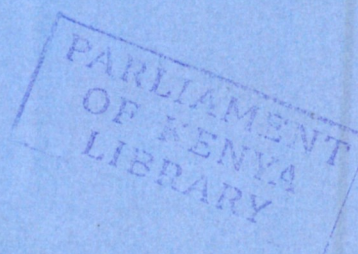


OFFICE OF THE AUDITOR-GENERAL



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE:	21 MAR 2019 THURSDAY
TABLED BY:	B. Washali
CLERK-AT THE TABLE:	Miss Lemire

REPORT



THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
UNIVERSITY OF KABIANGA

FOR THE YEAR ENDED
30 JUNE 2018



UNIVERSITY OF KABIANGA
P.O BOX 2030-20200 KERICHO, KENYA
TEL: 020-2172665

UNIVERSITY OF KABIANGA

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDING
JUNE 30, 2018

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

1344-1016

KEY UNIVERSITY INFORMATION AND MANAGEMENT

BACKGROUND INFORMATION

INTRODUCTION

University of Kabianga was officially decreed by His Excellency the former President of the Republic of Kenya Hon. Mwai Kibaki at Kabianga High School grounds on the 10th of May, 2007 as a campus of Moi University.

The Kabianga Complex which included the Kabianga High School & Primary School and Kabianga Farmers Centre has a long history dating to 1925 and has been a centre of excellence in Farmer's Training, Teacher Education, Secondary, Primary Education and the 300 Acre Kipsigis County Council Tea Farm. Indeed the current Kericho Teachers' Training College was situated at the Kabianga Complex until 1963 when it was moved to the current location in Kericho Town.

The facility was officially handed over to Moi University by the Ministry of Agriculture on 8th November, 2007 and admitted its first group of 150 students on November 26, 2007. The Campus was elevated to a Constituent University of Moi University by a Gazette Notice dated the 29th of May, 2009. The University was subsequently elevated to fully fledged status through an award of Charter vide Universities Act, 2012.

The University of Kabianga is situated in what was formerly Kabianga Farmers Training Centre. The Training Centre facility was established in 1959 and managed by the Ministry of Agriculture to provide short courses, worksh.ops/seminars, and exhibition and extension services to the farming community, in the South Rift Region of Kenya.

University of Kabianga, in fulfilling its mission of community outreach, Research and extension, takes over the mandate of its successor, Kabianga Farmers Training Centre of the Ministry of Agriculture.

The University stands on 100 acres of land and is situated in the famous and lush tea-growing highlands of Kericho County in the Southern end of the Rift

Valley Province of Kenya. It is about 21km from Kericho Town and 6km off the main Kericho - Kisii road on the junction called "Premier Dairies"

Since its inception, the University embarked on the expansion of physical facilities. These include library, modern hostels, laboratories, health unit, lecture theatres, water treatment plant, septic tank elevated water tank and Network Infrastructure. Plans are underway to put up more administrative offices to cater for the surging demand.

The University has 3 accredited campuses namely: Kapkatet campus offering biomedical courses, Sotik and Kericho town campuses.

PRINCIPAL ACTIVITIES OF THE UNIVERSITY

The main activities of the University of Kabianga are as follows:

- (i) To provide directly, or in collaboration with other institutions of higher learning, facilities for university education, the integration of teaching, research and effective application of knowledge and skills to the life, work and welfare of the citizens of Kenya.
- (ii) To participate in the research, transmission and preservation and enhancement of knowledge and to stimulate the intellect participation of students in the economic, social, cultural, scientific and technological development of Kenya.
- (iii) To provide and advance university education and training to appropriately qualified candidates, leading to the conferment of degrees and award of diplomas and certificates and such other qualifications as the Council and the Senate shall from time to time determine and in so doing, contribute to manpower needs;
- (iv) To conduct examinations for such academic awards as may be provided in the statutes pertaining to the University;
- (v) To examine and make proposals for new faculties, schools, institutes, departments, resource and research centres, degree courses and subjects of study;

- (vi) To play a leading role in the development and expansion of the opportunities for higher education and research;
- (vii) To contribute to industrial and technological developments through innovations and technology transfer.
- (viii) To develop as an institution of excellence in teaching, training, scholarship, entrepreneurship, innovation, research, and consultancy services;
- (ix) To participate in commercial ventures and other activities for the benefit of the institution, the community and stakeholders;
- (x) To contribute to agriculture, industrial and technological development of Kenya in collaboration with industrial and other institutions through the transfer of appropriate technology;
- (xi) To provide programmes, products and services in ways that reflect the principles of equity and social justice;
- (xii) To facilitate student mobility between different programmes at different training institutions, universities and industry; and
- (xiii) To foster the general welfare of all staff and students.

VISION, MISSION AND CORE VALUES

VISION:

To be a leading University in scientific innovation for the betterment of humanity.

MISSION:

To create, preserve and transfer knowledge and technology through quality and entrepreneurial education, research, extension, and partnership with government, industry and non-state actors whilst ensuring a sustainable environment.

CORE VALUES:

1. Promoting and defending intellectual and academic freedom, scholarship, innovation and relentless search for truth.

2. Fostering teamwork, collaboration, creativity and innovation,
3. Effective communication, tolerance and a culture of peace.
4. Valuing excellence, quality and service, openness, consultation, efficiency and effectiveness.
5. Recognizing competence, meritocracy, exemplary leadership, equality, integrity and national patriotism.
6. Continually improving services in order to remain competitive and relevant.

KEY MANAGEMENT

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

- i. University Council
- ii. University Management Board
- iii. University Senate

FIDUCIARY MANAGEMENT

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibilities were:

S/N	Designation	Name
1.	Vice-Chancellor	 Prof. Wilson K. Kipngeno , MBS B.Sc M.Sc (UoN), PhD(California, Riverside),
2.	Deputy Vice- Chancellor (Administration and Finance)	 Prof. Eric Koech , MBS B.Sc (UoN), M.Sc (Mc Gill), PhD (North Wales, UK)
3.	Deputy Vice- Chancellor (Academic and Student Affairs)	 Prof. Elijah I. Omwenga B.Ed Sc. (KU), PGD Comp. Sc (UoN), MSc. Comp. Sc (NUST) Bulawayo, PhD Comp. Sc (UoN)
4.	Deputy Vice- Chancellor (Planning, Research and Development)	 Prof. Marion Mutugi , EBS BSc. (Philippine Union College), M.Sc (UoN), PhD (Edinburgh University), Diploma in Leadership, (San Francisco) EMBA (JKUAT)
5.	Ag. Finance Officer	 Mr. Willy K. Koech BBM Accounting(Moi University), CPA (K), MBA (UoK),
6.	Deputy Registrar (Administra- tion)	 Mr. Peter K. Kimalel BA(Moi University), EMBA (UoK), PG Dip HRM (Moi Uni- versity)
7.	Deputy Registrar (Academic & Student Affairs)	 Dr. Cecilia C. Sang BEd. Home Science (KU), M.Ed. (Egerton University), PhD.(Egerton University)

8.	Deputy Registrar (Planning, Research & Development)		Dr. Rev. Edwin Too BTh. (KHEU) M.Ed (University of Manchester) M.Div.(AIU), PhD (Kabarak University),
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FIDUCIARY OVERSIGHT ARRANGEMENTS

The Council Committees facilitate decision-making to assist the Council in the execution of its duties, powers and authority, however delegation of authority to the Committees does not in any way mitigate or dissipate the discharge by the Council of its duties and responsibilities. Council Committees have been established with formal written terms of reference and observe the same rules of conduct and procedures as the Council. In the Financial year ended 30th June 2018 the following Committees were in place:

AUDIT COMMITTEE

1. Mr. Nicasio Karani Migwi	Chairman
2. Mr. Dan Shem Omino	Member
3. Ms. Patricia Munayi	Member
4. Mr. William P. Mayaka	Member
5. Mr. Wesley Too	Member Rep-National Treasury
6. Internal Auditor	Secretary

FINANCE, RESOURCE MOBILIZATION AND GENERAL PURPOSE COMMITTEE

1. Mr. William P. Mayaka	Chairman
2. Mr. Dan Shem Omino	Member
3. Mr. Nicasio Karani Migwi	Member
4. Mr. Edward Kibiwott Boor	Member
5. Mr. Charles Obiero	Member Rep-MoE
6. Mr. Wesley Too	Member Rep-National Treasury
7. Vice-Chancellor	Secretary

ACADEMIC, RESEARCH, PLANNING, AND INFRASTRUCTURAL DEVELOPMENT COMMITTEE

- | | |
|-----------------------------|----------------|
| 1. Mr. Dan Shem Omino | Chairman |
| 2. Mr. Nicasio Karani Migwi | Member |
| 3. Ms. Patricia Munayi | Member |
| 4. Mr. Edward Kibiwott Boor | Member |
| 5. Mr. Charles Obiero | Member Rep-MoE |
| 6. Vice-Chancellor | Secretary |
| 7. Representative MOPW | |

HUMAN RESOURCE DEVELOPMENT AND ADMINISTRATION COMMITTEE

- | | |
|--|------------------------------|
| 1. Ms. Patricia Munayi | Chairman |
| 2. Mr. William P. Mayaka | Member |
| 3. Mr. Edward Kibiwott Boor | Member |
| 4. Mr. Charles Obiero | Member Rep-MoE |
| 5. Mr. Wesley Too | Member Rep-National Treasury |
| 6. Vice-Chancellor | Secretary |
| 7. Representative Ministry of Public Service | |

REGISTERED OFFICE

University Of Kabianga
Off Kericho- Kisii Road
P.O Box 2030 - 20200,
KERICHO.

UNIVERSITY CONTACTS

Telephone: 020-2172665
E-mail: vc@kabianga.ac.ke
Website: www.kabianga.ac.ke

BANKERS OF THE UNIVERSITY

1. Co-operative Bank,
Kericho Branch.
2. Kenya Commercial Bank
Kericho Branch.
3. Standard Chartered Bank
Kericho Branch.
4. Equity Bank
Litein Branch.

INDEPENDENT AUDITORS

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

PRINCIPAL LEGAL ADVISER

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

MEMBERS OF COUNCIL

**Dr. Florence Kiragu Nyamu, OGW
Chairman**

B. Ed. (Science) (UoN),
Ed. M (Harvard), Ed.D (Harvard)



Dr. Florence Nyamu has served as an education specialist with the Forum for African Women Educationalists (FAWE) and as a consultant with the Center for African Family Studies (CAFS). Dr. Nyamu serves on the boards of a number of educational institutions and is the author of numerous papers on girls, education, development and human rights. She was re-appointed the Council Chairman of University of Kabianga on 10th March 2017.

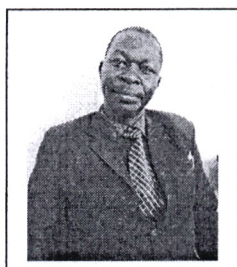
**Prof. Wilson K. Kipngeno, MBS
Secretary**

B.Sc, M.Sc (UoN), Ph.D (California,
Riverside)

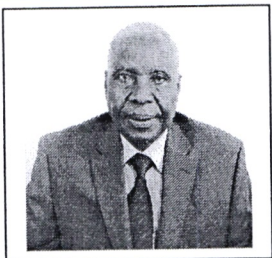
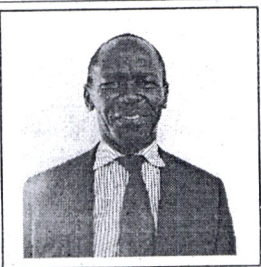


Prof. Wilson Kipngeno started his career as a lecturer in University of Nairobi in the field of Applied Statistics. Through his brilliance, he has risen through the ranks to be the Vice-Chancellor of University of Kabianga. His previous work experience includes serving as a DVC (Administration Planning and Finance) in Jomo Kenyatta University of Agriculture and Technology (JKUAT) and Egerton University. Prior to his appointment in May 2013, Prof. Kipngeno was the Ag. Vice-Chancellor after serving as the Principal of Kabianga University College since May 2009.

**Mr. Charles Obiero,
Rep. Principal Secretary, Ministry of Education**



Mr. Charles Obiero represents the Principal Secretary-Ministry of Education, State Department of University Education. He is a Senior Assistant Director of Education in the Ministry of Education. He was re-appointed as a member of Council of University of Kabianga on 10th March 2017.

Mr Wesley K. Too Rep. Principal Secretary, National Treasury		Mr. Wesley K. Too represents the Principal Secretary, National Treasury. He is a Senior Assistant Director of Resources Mobilization in the National Treasury; Resources Mobilization Department. He was re-appointed as a member of Council of University of Kabianga on 10th March 2017.
Mr. William P. Mayaka, (EBS) MPA (Harvard) PGC (Princeton) BA (Colby)		Mr. William Mayaka is a retired Permanent Secretary (PS) having served in that capacity in the Ministry of Environment & Natural Resources; Industrialization; and then Tourism. A career civil servant, he served in the Ministry of Finance (then The Treasury) where he rose from an Assistant Secretary to Deputy Secretary (DS). He then served as DS in the Ministries of: Local Government; Agriculture; Environment & Natural Resources; and then Labour & Manpower Development before being honoured with appointment as PS. He has also served as member of Council, Maseno University; Director of the Board of Kenya Reinsurance Corporation; and Chairman of the Board of Directors of Nyayo Tea Zones Development Corporation. He was appointed as member of Council of University of Kabianga on the 10th March 2017.
Mr. Dan Shem Omino, OGW MBA (Maastricht) BSc. (UON)		Mr. Dan Omino is a practitioner in consultancy covering areas of Strategy, Governance, Institutions Reforms and Performance. He has served for 10yrs as Government of Kenya Consultant in the introduction and practice of Performance Contracting to the point of being

	awarded with an OGW by the President. He was co-opted to serve in the State Corporation Advisory Committee. He has served as Vice Chairman of Maseno University for 7 years. Currently he is providing advisory support to a number of State Corporations including the Water, Irrigation and University Education sector. He was appointed as a member of Council of University of Kabianga on 10th March 2017.
Ms Patricia Munayi Member MA (University of Sussex UK) PG. Dip. Mass Communication (UoN) B.Ed. KU	Ms Patricia Munayi is a gender advisor with expertise in gender mainstreaming and integration. She has engaged in policy dialogue and capacity building to strengthen and promote gender equality, women empowerment through various donor agencies including British Council, Royal Netherlands Embassy, Danida and Global Affairs Canada. She was appointed as a member of Council of University of Kabianga on 10th March 2017.
Mr. Edward Kibiwott Boor MA(UoN), BSc. (Egerton) and Diploma (Egerton)	Mr. Edward Kibiwott Boor Has over 10 yrs hands on experience in managing agricultural and dairy related projects, enhancing controls to achieve operational objectives and create improvements, efficiencies and overall stakeholder's value and working with executive leadership teams and governance boards. Strategic experience in streamlining budgeting, forecasting, cost controls, risk/compliance management, and reporting processes. Expertise in customer engagement, board level execution, community mobilization, people management, resource mobiliza-

	tion and experience in managing various projects funded by international agencies like Brooke Hospital for animals (UK), USAID. He was appointed as a member of Council of University of Kabianga on 10th March 2017.
Mr. Nicasio Karani Migwi Member MSc. Copenhagen, Denmark MA-,Sheffield Hallam , UK BA- (Moi)	Mr. Nicasio Karani is an Economist with over ten years of experience as a Banker. He is an expert on Sub-Sahara Africa more so in regards to cross border banking. He is a specialist in Strategic Management. He was appointed as a member of Council of University of Kabianga on 10th March 2017

UNIVERSITY MANAGEMENT TEAM

S/N	Designation		Name
1.	Vice-Chancellor		Prof. Wilson K. Kipngeno, MBS B.Sc M.Sc (UoN), PhD (California, Riverside),
2.	Deputy Vice- Chancellor (Administration and Finance)		Prof. Eric Koech, MBS B.Sc (UoN) M.Sc (Mc Gill PhD (North Wales, UK),)
3.	Deputy Vice- Chancellor (Academic and Student Affairs)		Prof. Elijah I. Omwenga B.Ed Sc. (KU), PGD Comp. Sc (UoN), MSc. Comp. Sc (NUST) Bulawayo, PhD Comp. Sc (UoN)
4.	Deputy Vice- Chancellor (Planning, Research and Development)		Prof. Marion Mutugi, EBS BSc. (Philippine Union College), M.Sc (UoN), PhD (Edinburgh University), Diploma in Leadership, (San Francisco) EMBA (JKUAT)
5.	Ag. Finance Officer		Mr. Willy K. Koech BBM Accounting (Moi University), CPA (K), MBA (UoK)
6.	Deputy Registrar (Administration)		Mr. Peter K. Kimalel BA (Moi University), PG Dip HRM (Moi University), EMBA (UoK)
7.	Deputy Registrar (Academic & Student Affairs)		Dr. Cecilia C. Sang BEd. Home Economics (KU), M.Ed. (Egerton University), Ph.D. (Egerton University)

8.	Deputy Registrar (Planning, Research & Development)		Dr. Rev. Edwin Too BTh. (KHEU), M.Div.(AIU), M.Ed (University of Manchester) PhD (Kabarak University),
9.	Ag. ICT Director		Mr. Geoffrey K. Sowek BSc.Computer Science (Eger-ton University)
10.	Legal Officer		Ms. Robai W. Ayuma LLB (Moi University), Dip. in Law (Kenya School of Law)
11.	Ag. Deputy University Librarian		MS. JANET NANKUI Msc. Library and Information Studies Bsc. Library and Information Sciences Dip. Library and Information Studies

CHAIRMAN'S STATEMENT

It gives me great pleasure to present University of Kabianga's Annual Report and Financial Statements for the year ended 30th June 2018. University of Kabianga operates within a framework of strong corporate governance. The Council Chairman leads a competent team of Council members in steering the University towards realization of its vision "to be a leading University in scientific innovation for the betterment of humanity".

During the FY 2017/2018 the University received a total capital grant of Ksh. 53.6M out of the Kshs. 214M budget allocation. This posed a challenge in the implementation of the capital development plan of the University. Internally generated funds realized by the University during the year amounted to Ksh.457M which is mainly tuition fee and tuition related Ksh.426M while other incomes accounts for Ksh.31M.

Despite the dwindling funds, the University continued to make substantial progress during the financial year in terms of development by undertaking the following projects; Lecture Theatre Phase IV, University Library and University Main Gate. The University Gate was completed and has been handed over to the University while Lecture Theatre Phase IV and University Library are expected to be completed by April 2019 and December 2020 respectively.

However, the University is likely to face contractual obligations on the Lecture Theatre Phase IV and University Library certificates not paid due to non-remittance of capital fund that was allocated but not disbursed.

The University also commissioned a Fruit Juice Processing Plant in its Main Campus to process pineapples and other fruits. The facility is expected to address the governments' Big Four Agenda of manufacturing and value addition and enhanced food and nutrition security. The juice processing plant will play a pivotal role within the economic pillar of Vision 2030 as well as the Sustainable Development Goals.

During the same period, the funding level from the Government was low and was not able to meet both the recurrent and development expenditure requirements of the University. It is also noted with concern that as at the end of the FY, the University had a cumulative deficit of Ksh. 62M. In response to this shortfall in funding, the University engaged in non-governmental revenue sources to bridge the gap. The University launched and operationalized University of Kabianga Enterprise Services (UKES) Limited to enhance revenue collection base. The recent reforms in the education sector had an impact on the University student enrolment which led to significant reduction in tuition revenue collection. To mitigate this, the University has enhanced its marketing strategies for its academic programmes to attract more students and generate sufficient revenues to run University operations.

Prolonged industrial action by the teaching staff disrupted the academic calendar, drastically affecting fee collection while University fixed costs continued to be incurred.

It is worth pointing out that in the said FY, the Government of Kenya remitted the funds for the negotiated CBA less the employee and employer components of pension totaling to approximately Kshs. 29 Million. This may affect the University financial position in future as the liability remains unpaid and the University cannot predict when the government will remit the funds so that it can be recognized in the University's financial statements. We therefore call upon the Government to assist the University clear this pension liability.

To be able to remain competitive in the industry, the University endeavours to produce the relevant human capital that will drive the country towards knowledge-based economy and realize the achievement of the government priority areas such as the Big Four, Sustainable Development Goals and Vision 2030.

infrastructure development and to uphold the tenets of good corporate governance by being innovative, transparent, accountable, socially responsive as well as promoting excellence and exercise fairness in all its dealings.

The University continues to undertake its core mandate on teaching, research and extension. During the financial year 2017/2018 the University developed seven (7) programmes; six (6) post graduate and one (1) under graduate). In 2017, 1,687 students graduated in different levels as compared to 1,860 in 2016 which included the double intake cohort.

Health science related courses offered at Kapkatet campus are regulated and accredited by professional bodies which includes Nursing Council of Kenya, Clinical Officers Council and Public Health Officers & Technicians Council

Finally, I wish to appreciate the support that the Government and the Ministry of Education has accorded to the University over the years and look forward to similar support in the coming years.

Specifically, I wish to acknowledge the commitment and dedication of the Management and staff who have continued to perform their duties with skill, loyalty and team spirit to enable the University achieve its milestone. My sincere appreciation also goes to my colleagues in the Council for their tireless devotion; team spirit and good governance. I look forward to similar and even more enthusiasm and support in the future.

SIGNATURE
DR. FLORENCE
CHAIRMAN

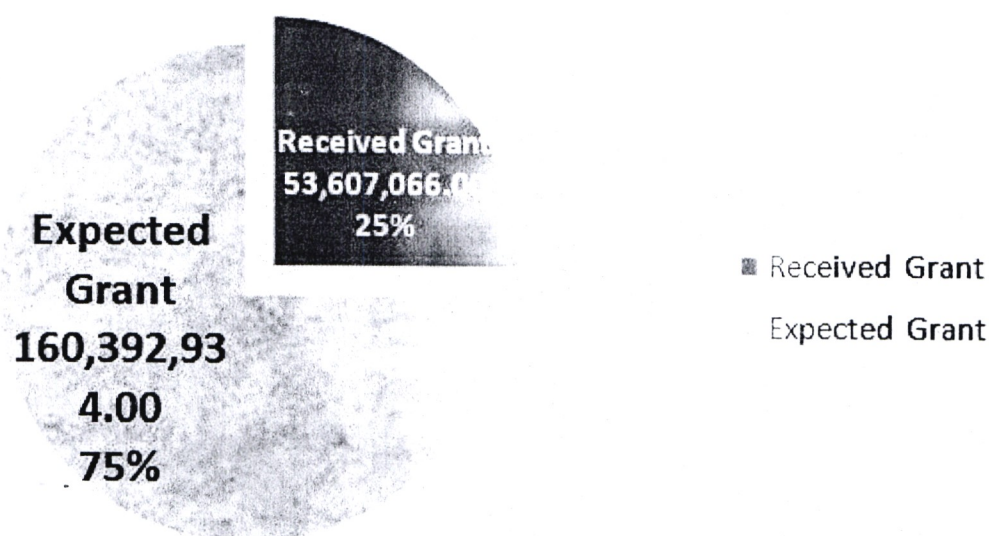
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VICE-CHANCELLOR'S STATEMENT

I am pleased to present the 5th Annual Report and Financial Statements for the University of Kabianga for the year ended 30th June, 2018. The University has undergone significant transformation within the reporting period that will provide a platform to build on in the future.

During the year under review, the University received a minimal increased government grants to finance its recurrent budget from Ksh. 616,084,500 to Ksh. 762,196,953 in financial year 2016/2017 and 2017/2018 respectively. The development funding was Ksh. 53,607,066 compared to Ksh. 213,000,000 in FY 2016/2017. However, there was a reduction of Ksh.160, 574,379 from the allocated amount of Ksh.214, 428,267.

Received Grant	Expected Grant	Budget Allocation
53,607,066.00	160,392,934.00	214,000,000.00



It is worth noting that there was a decline in internally generated funds from Ksh. 544.75 Million in financial year 2016/2017 to Ksh. 477.52 Million in financial year 2017/2018.

It is worth noting that there was a decline in internally generated funds from Ksh. 544.75 Million in financial year 2016/2017 to Kshs.457.59 Million in financial year 2017/2018.

In terms of its academic programmes, the University continues to develop competitive and market oriented academic and professional programmes with a view to nurturing innovation and talents amongst students

The University of Kabianga continued to make significant progress during the year in terms of development. The University completed pineapple Juice Extraction plant and handed over by the contractor.



The University Pineapple plant

I would like to express my sincere appreciation to the University Council for providing policy and strategic direction; staff for dedicated service and students for their illustrious academic pursuit. The University could not have achieved the progress realized without the much needed financial support from the Government of Kenya during the period under review.

Finally, I would like on behalf of the University to thank all stakeholders for their co-operation that saw us complete the year successfully.

SIGNATURE.....
PROF. WILSON K. KIPNGENO, MBS
VICE-CHANCELLOR

DATE: 26/9/2018.....

CORPORATE GOVERNANCE STATEMENT

University of Kabianga is committed to ensuring good corporate governance by conducting its operations in accordance with internationally acceptable principles of good corporate governance and specifically with the requirements of Mwongozo: The Code of Conduct and Ethics for State Corporations. The University ensures provision of timely and reliable information on its activities, structure, processes, financial situations and performance to all its stakeholders.

The Council

The Council consists of 9 members inclusive of the Vice-Chancellor as the Secretary. The Council members consist of the following:

NO.	NAME	TITLE
1.	Dr. Florence Kiragu Nyamu	Chairman
2.	Mr. William P Mayaka	Member
3.	Mr. Dan Shem Omino	Member
4.	Ms Patricia Munayi	Member
5.	Mr Edward Kibiwott Boor	Member
6.	Mr. Nicasio Karani Migwi	Member
7.	Prof. Wilson K. Kipngeno	Secretary
8.	Prof. Colletta Suda- May 2016 to date	Ex-Officio
9.	Dr. Kamau Thugge	Ex-Officio

The biographies of the Council Members are published on page xi-xiv. These Council Members possess a broad range of skills, qualifications and experiences required to direct the affairs of the University.

Roles and Responsibilities of Council

The Council has delegated authority for the operations and administration of the University to the Vice-Chancellor. It provides strategic direction to the University and its role is confined to setting and reviewing policies and is not involved in the operational conduct of University's business activities and delivery of services. Specifically, the functions of Council include:

- Reviewing and approving strategic plans to steer the direction of the University
- Ensuring that the University is operating within procedures and policies that are sound, prudent and ethical

- c) Providing the much needed expertise particularly in terms of Policy formulation, performance management, financial management, governance and risk management and fundraising.
- d) Reviewing and approving capital and recurrent expenditure
- e) Providing Statutes for the creation of new Schools, Institutes, Departments, Divisions, Centres or other units of learning and research of the University
- f) Managing key stakeholder relationships
- g) Employing of staff as per the University's Charter and Statutes

Council composition

The Council comprises of nine (9) members as follows:

- a) the Chairman of Council ;
- b) the Principal Secretary in the Ministry, for the time being, responsible for the University Education;
- c) the Principal Secretary in the Ministry, for the time being, responsible for Finance;
- d) Five (5) members appointed competitively through a transparent and formal process by the Cabinet Secretary; and
- e) The Vice-Chancellor who shall be the Secretary to the Council and an *ex-officio* member with no voting rights in the Council meetings.

COUNCIL MEETINGS

Meetings are critical for a strong and effective Board. It is through meetings that Council receives progress reports from Management through its various committee for action and guidance where necessary. The Council meets regularly and at least four times in a Financial Year.

Council Committees

For effective running of the affairs of the University, Council has delegated part of its responsibilities to standing committees. The committees operate under clearly defined mandates which spell out their responsibilities, scope of authority and

procedures for reporting to the Council. The Council has four standing committees as follows:

1. Audit Committee

The mandate of this committee is to review the systems established to ensure sound public financial management and internal controls, as well as compliance with policies, laws, regulations, procedures, plans and ethics.

2. Finance, Resource Mobilization and General Purpose Committee

The committee oversees finance matters of the University which include resource mobilization, budgets and procurement.

3. Human Resource Development and Administration Committee

This committee handles staff matters which involves employees' remuneration policy, work environment, training and development among others

4. Academic, Research, Planning and Infrastructural Development Committee

This committee deals with strategic planning, performance contracting, research, academic matters and infrastructural development.

Conflict of Interests

The Secretary to Council maintains and updates a register to record declarations of conflict interest by Council Members and ensures the register is availed at each Council or Committee meetings for this purpose.

Council and members' performance

The Council annually evaluates its own performance as well as performance of individual members, the Chairperson and the Vice Chancellor in accordance with the Evaluation Tool by State Corporations Advisory Committee (SCAC). The results of the evaluation assist in the identification of training and development needs of members and the Council.

Council Charter

The University has a Council Charter in place that defines the Council roles, responsibilities, functions and structures to facilitate the full and free exercise of professional competencies. It also provides for the general conduct of Council meetings.

Code of Conduct and Ethics

The University has a Council Code of Conduct and Ethics that stipulates ethical principles which are considered essential in providing guidance and direction in a manner in which members of the Council are expected to conduct themselves when handling matters relating to the University.

Induction and Training

The Council ensures new members undergo an effective induction programme in order to familiarize them with their responsibilities as Council Members, general principles of Corporate Governance and Council practices.

Governance, ICT and Legal Audit

The University has initiated the process of conducting legal and compliance, ICT Systems and Governance Audit in liaison with State Corporations Advisory Committee. These audits which are expected to be of value to the University will be completed in the next Financial Year.

Council Remuneration

Remuneration of the Council members is as per circulars issued by State Corporations Advisory Committee from time to time.

Appointment of Council Members

Council members are appointed through a competitive process by a Gazette Notice as per the Universities Act, 2012. On appointment all members are issued with appointment letters.

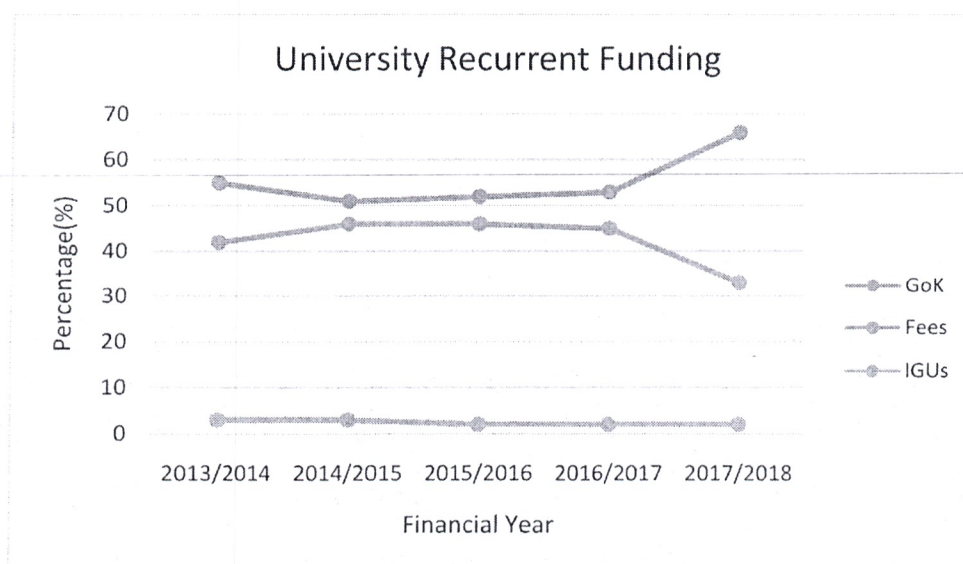
MANAGEMENT DISCUSSION AND ANALYSIS

The University Recurrent Expenditure is funded through government support and internally generated funds. The percentage of public funding for FY 2017/2018 comprises 68% whereas student related fees contribution is 30% and IGUs 2%. Capital Development expenditure is wholly funded by the Government as shown below.

University Funding- Recurrent

	University Funding(Percentage)				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
GoK	55	51	52	53	68
Fees	42	46	46	45	30
IGUs	3	3	2	2	2

Graph Showing the University Funding in Percentage



University Funding- Capital Development

	University Funding (Kshs. Million)				
	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Approved	151.1	147.96	140.88	250	214.43
Received	151.1	147.96	140.88	213	53.6
Difference	0	0	0	-37	-160.83

Graph Showing the University Capital Development Funding

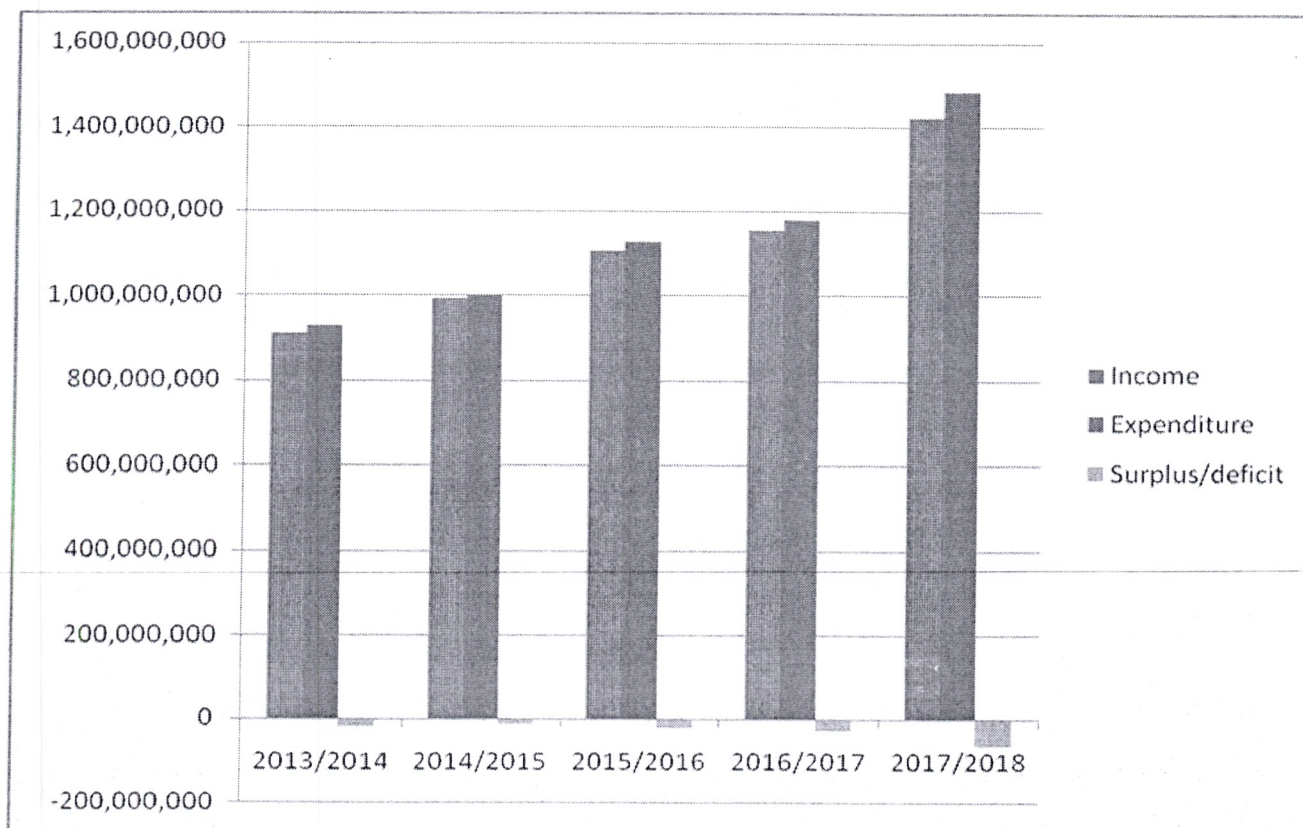


Below is a graphical presentation of the income and expenditure for the last 5 financial years from 2013/2014 to 2017/2018.

Income and Expenditure

Year	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Income	910,205,485	991,946,248	1,106,554,435	1,154,834,826	1,421,942,339
Expenditure	927,572,128	1,001,826,478	1,126,549,239	1,179,931,330	1,484,528,194
Surplus/deficit	(17,366,643)	(9,880,230)	(19,994,804)	(25,096,504)	(62,585,856)

Income and Expenditure



CORPORATE SOCIAL RESPONSIBILITY (CSR)/ SUSTAINABILITY REPORTING

UOK EXTENSION WORKSHOP TO EMPOWER WOMEN GROUPS IN KERICHO AND BOMET

University of Kabianga organized an extension workshop for training women from various registered women groups in Kericho and Bomet Counties which was held on Friday, 22nd June 2018. One hundred and four (104) participants (100 women and 4 men), among them people living with disabilities (PWDs) (3 men and 3 women) participated in the workshop. The participants were educated on four areas of training that were deemed to be very relevant to the improvement of the well-being and livelihoods for themselves and their families, namely:

1. Low cost evaporative cooler for enhanced shelf life of vegetables and fruits;
2. Overview of lifestyle diseases, risk factors and dietary diversity;
3. Entrepreneurial skills for today's women; and
4. Tree nursery model - seedlings for income generation

UoK ANNUAL CROSS COUNTRY CHAMPIONSHIP/SAVE THE MAU

The University has put in place projects with the objective of conserving the Mau ecosystem. In pursuance of this objective, the University organized an annual cross-country event that was held on 11th March, 2018 at the University Main Campus Pavilion. The main aim of the marathon was to conserve the South West Mau ecosystem, creating awareness of environmental conservation, Maintaining health status, Showcasing talent, and enhancing peaceful co-existence.

The main events were, 1 Km Kids Race, 2 Km Senior Staff Race (Over 55 Yrs) Men and Women 2 Km Corporate Race, 6 Km Under 20 Women, 8 Km Under 20 Men, 10 Km Senior Women, 10 Km Senior Men Mixed Relays, 10 Km University Students Women, 10 Km University Students Men, 4 Km Staff Race (Under 55yrs)

Participants were drawn from University students, Secondary school students, Primary school students, Staff, Alumni, Professional Athletes, Young Athletes, Sponsors, Council Members and Partners/Stakeholder

REPORT OF THE COUNCIL

The Council submit their reports together with the audited financial statements for the year ended 30th June, 2018 which show the state of affairs for University of Kabianga.

Principal activities

The principal activities of the University are to continue offering Higher Education, Research and Extension services.

Results

The results of the University for the Year ended June 30, 2018 are set out on page 1 to 5.

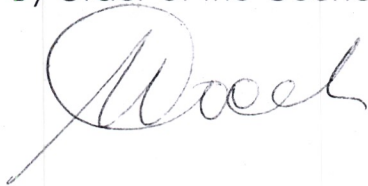
Members of Council

The Members of the Council who served during the year are shown on page xi-xiv. During the financial year 2017/2018 Mr. Charles Obiero was replaced by Ms. Mary Gaturu with effect from June 2018.

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. W.K KIPNGENO, MBS
VICE-CHANCELLOR.

DATE.....

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act Cap, 446 require the Council to prepare financial statements in respect of University of Kabianga, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council Members are also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. 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 for and as at the end of the financial year ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the University; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Council Members accept responsibility for the University's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Council Members are of the opinion that the University's financial statements give a true and fair view of the state of University's transactions during the financial year ended June 30, 2018 and of the

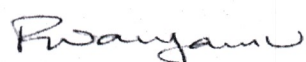
University's financial position as at that date. The Council Members further confirm the completeness of the accounting records maintained for the University, which have been relied upon in the preparation of the University's financial statements as well as the adequacy of the systems of internal financial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

The statement of financial performance as indicated on page 1 shows a deficit Ksh.62, 585, 856 this was as a result of depreciation figure Ksh.72, 905, 644 which does not involve movement of funds. All the receipt of income generated activities are as indicated in the financial statements.

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

APPROVAL OF THE FINANCIAL STATEMENTS

The University's financial statements were approved by the Council Committee on 18th September, 2018 and signed on its behalf by:



CHAIRMAN OF THE COUNCIL



VICE-CHANCELLOR

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

Section 81 of the Public Finance Management Act, 2012 and Section 14 of the State Corporations Act Cap, 446 require the Council to prepare financial statements in respect of University of Kabianga, which give a true and fair view of the state of affairs of the University at the end of the financial year/period and the operating results of the University for that year/period. The Council Members are also required to ensure that the University keeps proper accounting records which disclose with reasonable accuracy the financial position of the University. The Council Members are also responsible for safeguarding the assets of the University.

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REPUBLIC OF KENYA

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Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON UNIVERSITY OF KABIANGA FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of University of Kabianga set out on pages 1 to 36, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual performance 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, the financial statements present fairly, in all material respects, the financial position of University of Kabianga as at 30 June 2018, 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 Universities Act 2012.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the University of Kabianga in accordance with ISSAI 30 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 opinion.

Emphasis of Matter

1.0 Student Fees Debtors

The statement of financial position as at 30 June 2018 reflects receivables from exchange transactions balance of Kshs.131,903,873 which has significantly increased from the figure of Kshs.94,328,313 as at 30 June 2017. This amount is primarily student fees debtors. It is not clear how the student debtors arise since clause 5 of the fees payment policy requires a student to pay tuition fees and other related charges to the program at the time of registration. Further, examination of the records of the debtors revealed that the University sent fees invoices to students who had received consent to defer or suspend their studies. Therefore, the accuracy, existence and validity of the balance of Kshs.131,903,873 in student fees debtors is in doubt.

Report of the Auditor-General on the Financial Statements of University of Kabianga for the year ended 30 June 2018

2.0 Grounded Motor Vehicles

The statement of financial position reflects property, plant and equipment balance of Kshs.1,960,480,456 which includes motor vehicles with net book value of Kshs.26,222,093 as at 30 June 2018. As previously reported, the net book value includes Kshs.3,204,080 which according to a report dated 30 September 2016, is the valuation of 3 out of 4 Nos. vehicles as shown below:

Vehicle Registration No.	Original Value (Kshs)	Re-valuation Amount (Kshs)
KBL 449G	3,304,320	1,544,080
KXL 874	Not known	260,000
KBB 516S	3,587,000	1,400,000
KAH 374	Not known	Not revalued
Total	6,891,320	3,204,080

Physical verification of the vehicles on 26 November 2018 revealed that they were grounded and their condition was deteriorating. In the circumstance, the grounded vehicles will continue losing their economic value if they are not boarded for disposal.

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY

Conclusion

As required by Article 229(6) of the Constitution, based on the procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

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

Conclusion

As required by Section 7 (1) (a) of the Public Audit Act, 2015, based on the procedures performed, except for the matter described in the Conclusion on Effectiveness of Internal Controls 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

1.0 Senior Managers in Acting Appointments

Among the members of the University Management Team, there were three (3), namely the Finance Officer, Director of Information and Communication Technology (ICT) and the Deputy University Librarian who have been serving in acting capacity for periods ranging between 6 months and 8 years without being confirmed. This is contrary to clause 1.10.2 of the University's Human Resource Policies and Procedure Manual which provides that appointment in acting capacity shall not exceed a consecutive period of six (6) months unless it is extended by the recommendation of management and approval by the University Council. No such recommendation has been provided by the management to extend the periods. In the circumstance, the University management has acted in breach of its own regulations.

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. 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 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 Those Charged with Governance

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.

In preparing the financial statements, management is responsible for assessing the University's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to liquidate or to cease operations, or have no realistic alternative but to do so.

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 money is applied in an effective manner.

Those charged with governance are responsible for overseeing the University's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

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

In addition to the audit of the financial statements, a compliance review 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 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 review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 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.

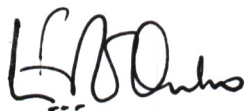
Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the 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 the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the University to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the University to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



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

Nairobi

28 January 2019



STATEMENT OF FINANCIAL PERFORMANCE

University of Kabianga
Statement of financial performance
for the Year Ended June 30, 2018

	Note	2017-2018 Ksh	2016-2017 Ksh
Revenue from non-exchange transactions			
Exchequer Grants	6	964,352,185	610,084,500
Revenue from exchange transactions			
Tuition fees	7(a)	313,053,900	401,189,033
Tuition related Income	(b)	113,524,715	113,227,065
Rendering of Services	8	21,287,038	23,341,687
Finance Income- Interest on Deposits	9	4,575,082	2,322,606
Rental income from facilities and equipment	10	572,600	177,000
Other Income	11	4,576,819	4,492,935
Total Revenue		1,421,942,339	1,154,834,826
Expenses			
Employee Costs	12	1,082,729,764	774,873,032
Remuneration of Council members	13	17,010,371	20,972,235
Depreciation and Armotization Expense	14	72,905,644	67,009,452
Repairs and Maintenance Expense	15	21,607,460	14,658,753
General Expense	16	243,319,345	251,773,190
Marketing Expenses	17	14,911,946	15,063,569
Finance Costs	18	32,043,664	35,581,098
Total Expenditure		1,484,528,194	1,179,931,329
Surplus/ (Deficit)		(62,585,856)	(25,096,503)

The notes set out from pages 9 to 40 form an integral part of these Financial Statements

STATEMENT OF FINANCIAL POSITION*University of Kabianga**Statement of Financial Position***As at June 30, 2018**

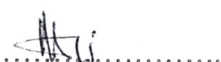
	Note	2017-2018 Ksh	2016-2017 Ksh
Current Assets			
Cash & Cash equivalents	19	59,496,162	126,496,634
Receivables from exchange transactions	20	131,903,873	94,328,313
Inventories	21	11,771,824	4,621,850
Total Current Assets		203,171,859	225,446,797
Non- current Assets			
Property, Plant & Equipment	27	1,960,480,456	1,820,775,240
Biological Assets	23	43,329,226	44,586,311
Total Non- current Assets		2,003,809,682	1,865,361,551
Total Assets		2,206,981,540	2,090,808,348
Liabilities			
Current Liabilities			
Payables from exchange transactions	24	266,166,503	134,463,310
Retention- WIP	25	23,117,308	13,411,433
Non-Current Liabilities			
Co-operative Bank Loan (20yrs)	26	223,750,000	238,750,000
Total liabilities		513,033,811	386,624,743
Net assets			
Capital Reserves		1,307,256,242	1,253,649,176
Revaluation Reserve		398,431,939	399,689,024
Accumulated Surplus		(11,740,452)	50,845,404
Total Net Assets		1,693,947,729	1,704,183,604
Total net assets and liabilities		2,206,981,540	2,090,808,347

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



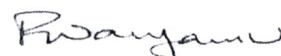
VICE-CHANCELLOR
PROF. W.K. KIPNGENO

Date 26/9/2018



HEAD OF FINANCE
CPA MARGARET MWANGI
ICPAK NO.9096

Date 26/9/2018



CHAIRMAN OF THE COUNCIL
DR FLORENCE K. NYAMU

Date 26/9/2018

STATEMENT OF CHANGES IN NET ASSETS

University of Kabianga Statement of Changes in Net Assets

	Capital Fund	Revaluation Reserves	Accumulated Revenue Re-serves	Total
	Ksh	Ksh	Ksh	Ksh
At July 1, 2016	1,040,649,176	406,855,996	75,941,908	1,523,447,080
Surplus/Deficit for the year	-	-	(25,096,504)	(25,096,504)
Biological	-	1,266,623	-	1,266,623
Motor Vehicles	-	(13,929,920)	-	(13,929,920)
Computers, printers & Copiers	-	5,496,325	-	5,496,325
Capital Grants	213,000,000	-	-	213,000,000
At June 30, 2017	1,253,649,176	399,689,024	50,845,404	1,704,183,604
At July 1, 2017	1,253,649,176	399,689,024	50,845,404	1,704,183,604
Surplus/Deficit for the year	-	-	(62,585,856)	(62,585,856)
Biological	-	(1,257,085)	-	(1,257,085)
Capital Grants	53,607,066	-	-	53,607,066
At June 30, 2018	1,307,256,242	398,431,939	(11,740,452)	1,693,947,729

CASHFLOW STATEMENT**University of Kabianga****Cash flow Statement****for the Year Ended June 30, 2017 and June 30, 2018**

	Note	2017-2018 Ksh	2016-2017 Ksh
Cash Flow From Operating Activities:			
Receipts			
Tuition fees		313,053,900	401,189,033
Tuition related Income		113,524,715	113,227,065
Exchequer Grants		964,352,185	610,084,500
Rendering of Services		21,287,038	23,341,687
Finance Income- Interest on Deposits		4,575,082	2,322,606
Rental Income from Facilities and Equipment		572,600	177,000
Other Income		4,576,819	4,492,935
		1,421,942,339	1,154,834,826
Payments			
Employee Costs		1,082,729,764	774,873,032
Remuneration of Council Members		17,010,371	20,972,235
Repairs and Maintenance		21,607,460	14,658,752
General Expenses		243,319,345	251,486,987
Marketing Expenses		14,911,946	15,063,569
Finance Costs		32,043,664	35,581,097
		1,411,622,550	1,112,635,673
Net Cash flows from Operating Activities		10,319,789	42,199,154
Cash flows from Investing Activities			
Purchase of Property, Plant & Equipment		(194,408,232)	(152,500,204)
Decrease in investments		78,480,905	(81,345,024)
Net cash flows used in investing activities		(115,927,327)	(233,845,228)
Cash flows from financing activities			
Government Grants – Capital		53,607,066	213,000,000
Repayment of borrowings		(15,000,000)	(15,000,000)
Net Cash flows from financing activities		38,607,066	198,000,000
Net Increase / (Decrease) In Cash & Cash Equivalents		(67,000,472)	6,353,925
Cash & Cash Equivalents at 1 July 2017	19	126,496,634	120,142,709
Cash & Cash Equivalents at 30 June 2018	19	59,496,162	126,496,634

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL PERFORMANCE

UNIVERSITY OF KABIANGA

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2018

	Note	Original	Adjustments/ Virement	Final	Actual on comparable basis	Performance difference
		Budget 2017-2018	2017-2018	Budget 2017-2018	2017-2018	2017-2018
Revenue from non-exchange transactions						
Exchequer Grants – Recurrent	6	709,266,177	255,086,008	964,352,185	964,352,185	-
Exchequer Grants - Capital Dev.		214,428,267		214,428,267	53,607,066	(160,821,201)
Sub-Total		923,694,444	255,086,008	1,178,780,452	1,017,959,251	(160,821,201)
Revenue from exchange transactions						
Tuition fees	7 (a)	436,536,000		436,536,000	313,053,900	(123,482,100)
Tuition related Income	(b)	130,314,780		130,314,780	113,524,715	(16,790,065)
Rendering of Services	8	29,532,354		29,532,354	21,287,038	(8,245,316)
Finance Income- Interest on Deposits	9	4,500,000		4,500,000	4,575,082	75,082
Rental income from facilities and equipment	10	570,000		570,000	572,600	2,600
Other Income	11	5,559,367		5,559,367	4,659,979	(899,388)
Sub-Total		607,012,501	-	607,012,501	457,673,314	(149,339,187)
Total Revenue		1,530,706,945	255,086,008	1,785,792,953	1,475,632,565	(310,160,388)
Expenses						
Employee Costs	12	890,213,778	255,086,008	1,145,299,786	1,082,770,205	62,529,580
Remuneration of Council members	13	16,003,895		16,003,895	14,790,371	1,213,524
Repairs and Maintenance Expense	15	17,807,675		17,807,675	21,607,460	(3,799,785)
General Expense	16	285,521,558		285,521,558	237,791,158	47,730,400
Marketing Expenses	17	17,640,698		17,640,698	14,911,946	2,728,752
Finance Costs	18	53,380,000		53,380,000	47,043,664	6,336,336
Non-Current assets	27	35,711,074		35,711,074	30,564,913	5,146,161
Capital Dev. Projects	27	214,428,267		214,428,267	158,912,741	55,515,526
Total Expenditure		1,530,706,945	255,086,008	1,785,792,953	1,608,392,458	177,400,495
Surplus/(Deficit)		-	-	-	(132,759,893)	(132,759,893)

EXPLANATION OF MATERIAL VARIANCE

The following are the explanations on the material variances to the budget versus actual performance.

Exchequer Grants (Capital Development) – Kshs. (160,821,201)

The university did not receive the total amount allocated of **Ksh. 214M** for the financial year thus leaving a balance of **Ksh.161M** which was not disbursed adversely affecting the development projects undertaken by the university.

Tuition Fees - Ksh. (123,482,100)

The reduced Tuition fee collection in the year is attributed to reduced student numbers and the industrial action by the teaching staff which disrupted the academic calendar. This affected fee collection of the trimester programme which did not take place as scheduled.

Tuition-related Income - Ksh. (16,790,065)

This category of income includes registration fees, students ID Charges, Examination fees, Insurance fees, Activity fees, Computer fees and Internet fees. Since they are fee related, the disruption of the academic programmes led to a reduction in tuition related fee collected hence the negative variance.

Rendering of Services - Ksh. (8,245,316)

This class of income includes Accommodation fees, Farm Income, Catering Services and Guesthouse income. The negative variance on this income arose as a result of the strike by the teaching staff hence food sales dropped and also the students were away mostly making the sales from Catering Services to reduce.

Employee Costs - Ksh. 62,529,580

There is a favourable variance of Ksh **62,529,580**. This is mainly due to the fact that the recruitment of new staff to fill vacant positions had not been completed by the end of the financial year.

Repairs and Maintenance Expense Ksh. (3,799,785)

There was an unfavourable variance of Kshs. 3,799,785 as a result of repairs and maintenance of the old buildings inherited by university to meet regulatory requirements and additional motor vehicles acquired during the year.

Marketing Expenses Ksh. 2,728,752

This favourable variance is due to some marketing activities of the University programmes being delayed because of the industrial action by the staff during the year.

Finance Costs - Kshs. 6,336,336

This component includes principal and interest repayment of the bank loan and bank charges. This favourable variance is due to reduction in interest charges due to reduced loan principal and also, there was a decline in other bank charges/commissions and charges.

Non-current assets - Kshs. 5,146,161

These are items of capital nature whose procurement process is long. The favourable variance recorded is a result of procurement of capital items which were ordered but had not been supplied by the end of the financial year.

Capital Development projects expenditure - Kshs. 55,515,526

The favourable variance is attributable to payment of certificates for the works on the ongoing development projects currently being undertaken by the university which had not been received by the end of the year.

Explanation of changes between original and final budget

Budget adjustment of **Ksh. 255 M** was amount received by the University the Payment of salary arrears and implementation of 2013-2017 CBA which was concluded within the financial year but had not been factored in the original approved budget.

RECONCILIATION OF THE STATEMENT OF BUDGET AND ACTUAL AMOUNTS WITH THE STATEMENT OF FINANCIAL PERFORMANCE.

- The statement of comparison of budget and actual amounts includes amounts budgeted for non-current assets included in the recurrent budget of **Ksh. 35.4 M** and the capital development budget of **Ksh.214 M**.
- Finance costs in the statement of comparison of budget and actual amounts include the repayment of principal loan of **Ksh.15 M**.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

University of Kabianga is established by and derives its authority and accountability from charter vide University Act 2012. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to offer University education and training to appropriately qualified candidates, leading to the conferment of degrees and award of diplomas and certificates.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION IPSAS 1

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 University's accounting policies.

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

University of Kabianga financial statements have been prepared in accordance with the PFM Act , the state Corporations Act and the International Public Sector Accounting Standards (IPSAS). The accounting policies 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 2018

Standard	Impact
IPSAS 39: Employee Benefits	Applicable: 1st January 2018 The objective to issue IPSAS 39 was to create convergence to changes in IAS 19 Employee benefits. The IPSASB needed to create convergence of IPSAS 25 to the amendments done to IAS 19. The main objective is to ensure accurate information relating to pension liabilities arising from the defined benefit scheme by doing away with the corridor approach.

The above standard is not relevant to the University since the University is operating a defined contribution pension scheme.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2018

Standard	Effective date and 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 which are covered purely under Public Sector combinations as amalgamations.

iii. Early adoption of standards

The University did not early – adopt any new or amended standards in year ended 30th June 2018.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

i) Revenue from non-exchange transactions

Fees, taxes and fines

The University 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.

ii) Revenue from exchange transactions

Rendering of services

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

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

Sale of goods

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

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 2017-2018 was approved by the National Assembly on June 2017. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the University upon receiving the respective approvals in order to conclude the final budget. Accordingly, the University recorded additional appropriations of **Ksh. 1,530,706,945** on the 2017-2018 budget following the University Council's approval.

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

proved budget, is then presented in the statement of comparison of budget and actual amounts.

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

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

c) Taxes

Current income tax

The University is exempted from taxation under the first schedule of the income tax Act Cap 470.

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.

Fixed Assets are stated at cost or valuation, less accumulated depreciation. Depreciation is calculated on the straight line basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives. Assets are subjected to a full year's depreciation. The annual rates are:

The annual depreciation rates in use are:

Building	2%
Furniture, plant and equipment	12.5%
Motor Vehicles	25%
Library books	10%
Computers	33.3%

Freehold land is not depreciated as it is deemed to have an infinite life

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 fi-

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) Biological assets

Biological assets are revalued yearly as per the policy of the University. Professional valuer is engaged to value the biological assets at the end of the financial year. Market values are taken into consideration by carrying out market survey.

i) Research and development costs

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

- i) The technical feasibility of completing the asset so that the asset will be available for use or sale
- ii) Its intention to complete and its ability to use or sell the asset
- iii) How the asset will generate future economic benefits or service potential
- iv) The availability of resources to complete the asset
- v) The ability to measure reliably the expenditure during development

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

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 University determines the classification of its financial assets at initial recognition.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is

calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the 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:

- i) The debtors or a entity of debtors are experiencing significant financial difficulty
- ii) Default or delinquency in interest or principal payments
- iii) The probability that debtors will enter bankruptcy or other financial reorganization
 - a. 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 University determines the classification of its financial liabilities at initial recognition.

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

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.

j) Inventories

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

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

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labor 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.

k) Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision of 5% of the total receivables has been provided to take care of receivables which may not be recovered in full.

Where the University expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

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

Contingent assets

The University does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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.

l) Nature and purpose of reserves

The university creates and maintains reserves in terms of specific requirements as follows: (i) capital reserve - used to record contribution made by government in form of grants / transfers (ii) revaluation reserve - used to indicate the revalued amount on the plant property and equipment.

m) Changes in accounting policies and estimates

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

n) Employee benefits

Retirement benefit plans

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

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

o) 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.

p) 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.

q) Related parties – IPSAS 20

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

r) Service concession arrangements

The University analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure re-

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

s)Investment policy

Any excess/idle funds should be invested in short-term treasury bills/bonds or commercial banks Fixed deposits (FDR) as per the central bank guidelines.

t)Capital Funds Retention policy

All capital development projects shall attract a retention fee of 10% which shall be deposited to Kenya Commercial bank retention account and shall be paid to the contractor upon completion of the project.

u) Cash and cash equivalents

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

v) Budget information

The original budget for FY 2017-2018 was approved by the National Assembly on June 2017. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity recorded additional appropriations of Ksh. **255,086,008** on the 2017-2018 budget following the governing body's approval.

The University's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

w) Comparative figures

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

x) 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, 2018.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS CONT'**Note 6: Exchequer Grants- Recurrent****Description****2017-2018**
Kshs**2016-2017**
Kshs**Unconditional grants**

Ministry of Education

3rd July 2017

78,417,177

-

19th July 2017

85,807,278

-

1st Aug 2017

59,105,515

50,840,375

4th Sept 2017

59,105,515

50,840,375

3rd Oct 2017

59,105,514

50,840,375

3rd Nov 2017

59,105,515

50,840,375

1st Dec 2017

37,858,980

-

1st Dec 2017

59,105,515

50,840,375

2nd Jan 2018

7,571,796

-

2nd Jan 2018

59,105,514

50,840,375

8th Feb 2018

7,571,796

-

8th Feb 2018

59,105,515

50,840,375

13th March 2018

7,571,796

-

13th March 2018

59,105,515

50,840,375

6th April 2018

7,571,796

-

6th April 2018

59,105,515

50,840,375

2nd May 2018

7,571,796

-

2nd May 2018

59,105,515

50,840,375

11th June 2018

7,571,796

-

11th June 2018

59,105,515

50,840,375

28th June 2018

7,571,796

-

28th June 2018

59,105,515

50,840,375

964,352,185**610,084,500****Note 7 : Tuition and Related Income****Description****2017-2018**
Kshs**2016-2017**
Kshs**a) Revenue from Tuition Fees**

313,053,900

401,189,033

313,053,900**401,189,033****b) Tuition Related Income**

Registration fees

226,400

314,950

Students' ID charges

1,601,200

972,150

Examination fees

9,095,850

9,842,450

Insurance fees

1,890,000

1,438,000

Graduation Fees

5,857,500

6,938,601

Activity fees

7,523,205

8,109,300

Computer fees

7,584,300

7,842,000

Field trips/Teaching Practice	30,364,960	30,150,750
Internet fees	7,325,700	7,485,500
MBA Thesis	1,477,200	1,625,800
Supervision	1,603,000	2,183,200
Medical fees	11,225,800	12,047,900
Amenity fees	7,428,700	8,074,200
Cobes	1,506,100	1,331,000
Research Fees	61,000	549,292
Practical Manual & 3 Log Books	159,000	168,000
Transport Fees	1,174,500	1,010,000
UoKSO	2,289,300	2,735,300
Library Fees	7,454,250	8,182,850
Supplementary Exams	649,600	262,400
Clinical Placement fee	408,000	615,000
Community Diagnosis	625,500	650,700
Exposures	1,546,000	658,000
Quality Assurance Fee	2,120,100	2,415,300
Special Rotation - Accommodation	234,500	269,500
Clinical Assessment Fee	2,093,050	1,558,350
Sub-Total	113,524,715	113,227,065
	426,578,615	514,416,098

Note 8: Rendering of Services

Description	2017-2018 Kshs	2016-2017 Kshs
Accommodation Services	8,952,450	10,037,850
Farm income	3,938,576	5,128,415
Catering Services	2,736,912	4,940,025
Guest House income	5,659,100	3,235,397
	21,287,038	23,341,687

Note 9: Finance Income

Description	2017-2018 Kshs	2016-2017 Kshs
Interest on Fixed Deposits	4,575,082	2,322,606
	4,575,082	2,322,606

Note 10 Rental Income From Facilities

Description	2017-2018 Kshs	2016-2017 Kshs
Rent from Facilities	572,600	177,000
	572,600	177,000

Note 11: Other Incomes

Description	2017-2018 Kshs	2016-2017 Kshs
Book Shop Sales	78,420	109,616
Sale of tender documents	30,600	43,800
Photocopying receipts	9,554	4,591
Application fees	725,200	1,417,890
Fines and penalties	134,375	133,356
Seedlings	35,695	38,925
Hospitality Restaurant Unit	156,670	215,390
Misc. Income	179,003	1,640,662
Damages	-	11,500
Learning Chinese Language	12,500	37,000
Examination Retake	339,000	-
UoKSO Nomination Fees	1,400	-
Transcript Correction/Replacement	55,600	59,600
Donation from Sponsors	110,000	250,000
Remarking	19,000	8,400
Water Bill	500	181,560
Kapkatet Morgue Services	58,000	-
Bakery Income	273,360	-
Donors- Grants	721,817	233,420
Lost Books	38,525	11,325
Hire of Gowns	379,500	95,900
UOK Annual Cross Country Income	564,100	-
UOK Annual Conference	644,000	-
Short Courses Training	10,000	-
	4,576,819	4,492,935

Note 12: Employee Costs

Description	2017-2018 Kshs	2016-2017 Kshs
Salaries and Wages	674,933,190	466,466,089
Employee related Costs- Contribution to pension	51,721,975	39,116,111
Commuter/ car Allowance/other Allowances	111,706,996	84,481,370
House Allowance	244,367,603	184,809,462
Employee costs	1,082,729,764	774,873,032

Note 13: Remuneration of Council members

Description	2017-2018 Kshs	2016-2017 Kshs
Chancellor's Honoraria	1,200,000	1,200,000

Chairman's Honoraria	1,020,000	1,020,000
Council Allowance	4,360,408	5,063,235
Travelling and Accommodation Allowances	10,429,963	13,689,000
Total Council emoluments	17,010,371	20,972,235

Note 14: Depreciation and Amortization Expense

Description	2017-2018 Kshs	2016-2017 Kshs
Property, Plant and Equipment	72,905,644	67,009,452
Total Depreciation and Amortization	72,905,644	67,009,452

Note 15: Repairs and Maintenance Expense

Description	2017-2018 Kshs	2016-2017 Kshs
Maintenance of Catering and Hostels	1,492,984	3,005,306
Maintenance of plant and equipment	978,220	551,955
Maintenance of Water supply & Sewerage	1,754,318	758,803
Maintenance of Buildings	3,158,981	2,853,793
Maintenance of Play Grounds	353,508	251,905
Vehicle running expenses	13,869,448	7,236,991
Total Repairs and Maintenance	21,607,460	14,658,753

Note 16: General Expenses

Description	2017-2018 Kshs	2016-2017 Kshs
Recruitment/Training Expenses	83,100	188,376
Senate Committee meetings	596,410	9,700
Cleaning materials	579,957	1,648,395
Conferences and seminars	1,002,150	2,462,415
Electricity, water and conservancy	13,880,156	14,510,407
External examiners expenses	4,156,461	1,474,600
External Travelling Expenses	2,060,004	815,154
Graduation Expenses	7,990,947	9,012,374
Strategic Plan Implementation	528,100	417,000
ISO related Expenses	1,715,560	610,048
Morgue Expenses	24,800	183,280
Insurance Expenses	9,479,710	7,233,519
Internet connectivity expenses	14,314,402	21,296,987
Legal & Other Expenses	3,820,462	315,550
Library Journals	1,581,926	600,747
Medical Drugs	6,420,940	8,614,687

Meetings & Workshops	1,624,471	3,172,638
Minor works on water & sewerage	110,090	-
Office Expenses	2,815,051	3,805,652
Official entertainment	503,100	14,810
Open & Cultural Day Expenses	618,740	1,522,145
Payment of Rent & Rates	19,018,958	19,459,235
Purchase of uniforms	365,208	698,142
Teaching materials	1,169,953	4,889,182
Telephones	4,925,900	4,737,516
Travelling and accommodation	23,864,307	26,226,570
University medical scheme	18,296,947	23,841,911
University Research Programme	2,431,303	3,531,783
Valuation/Consultancy	5,404,248	6,188,049
Works Study programme	827,250	1,100,875
Provision for bad & doubtful debts	6,942,309	1,199,695
Farm Expenses	548,587	2,265,328
Games and sports expenses	555,355	568,750
Guest house expenses	4,318,565	4,117,602
Kitchen Expenses	10,038,284	14,069,909
Bakery Expenses	156,590	-
Bookshop Expenses	9,490	-
UKES Admin. Expenses	62,453	-
UoKSO Welfare	2,180,807	2,514,310
Lab Chemicals	4,112,817	2,315,714
Postal and telegram	135,059	178,165
Student Activities	5,397,314	5,129,797
Student Field Trips/Courses Expenses	11,093,103	14,090,661
Academic Programmes Development & Accreditation	320,000	577,795
Inter-University Games	175,440	514,608
KUCCPS and CUE Accreditation	-	4,815,000
Contract/Outsourced Services	3,342,653	2,174,000
Teaching Practice & Attachment	19,017,575	9,950,590
Performance contract Expenses	1,232,563	1,012,621
Stationery	8,737,239	10,988,570
HIV/ AIDS Awareness expenses	213,700	216,000
UoK SRBS Pension scheme expense	4,486,867	2,143,353
Audit fee	696,000	1,392,000
Academic Scholarship	860,775	-
Students Penalty Expense	3,450	-
Community Based Education Ser- vice(COBES)	2,336,694	-
Dev. Project Consultancy Fees	1,660,820	-
Staff Development	4,474,225	2,956,975
Total General Expenses	243,319,345	251,773,190

Note 17: Marketing Expenses

Description	2017-2018 Ksh	2016-2017 Ksh
Publishing and Printing	4,796,333	3,889,422
Advertising & Publicity	8,450,935	9,582,667
Show expenses & Outreach Expenses	766,370	1,591,480
UoK Annual Cross Country Event	898,308	-
Total Marketing Expenses	14,911,946	15,063,569

Note 18: Finance Costs

Description	2017-2018 Kshs	2016-2017 Kshs
Interest on Loan	31,329,227	34,634,243
Bank Charges	714,436	946,855
Total Finance Costs	32,043,664	35,581,098

Note 19: Cash and Cash Equivalents

Description	Account number	2017-2018 Kshs	2016-2017 Kshs
Financial Institution			
Kenya Commercial Bank (Pssp)	1120671418	11,064,911	1,773,572
Kenya Commercial Bank(Gssp)	1120671299	7,876,723	8,158,595
Kenya Commercial Bank (Accom.)	1120671450	677,039	457,893
Co-operative Bank of Kenya(Pssp)	1129335586401	3,137,541	1,290,339
Co-operative Bank of Kenya(Gssp)	1129335586400	3,713,922	2,757,217
Co-operative Bank of Kenya Operations A/C	1129046214700	(17,508,289)	(20,733,750)
Co-operative Bank of Kenya Capital Dev. A/C	1120335586400	3,416,754	12,589,381
Stanchart (Gssp)	102832991700	625,100	709,550
Stanchart (Pssp)	102832991701	2,578,726	6,230,026
Stanchart Research Account	102832991702	561,119	2,683,302
Equity Bank (Gssp)	530271957342	2,777,961	0
Equity Bank (Pssp)	530271957475	1,404,981	0
Co-operative Bank-Fixed deposit A/C		26,487,463	104,968,368
Kenya Commercial Bank (Retention A/C)	1207008966	12,682,211	5,612,141
		59,496,162	126,496,634

Note 20: Receivables from Exchange Transactions

Description	2017-2018 Ksh	2016-2017 Ksh
Student fees debtors	138,846,182	99,292,961
Provision for doubtful Debts	(6,942,309)	(4,964,648)
Total Receivables	131,903,873	94,328,313

Note 21: Inventories

Description	2017-2018	2016-2017
	Ksh	Ksh
Inventories- Consumable stores	11,771,824	4,621,850
Total Inventories	11,771,824	4,621,850

Note 22: Short-Term Investments

Description	2017-2018	2016-2017
	Ksh	Ksh
Fixed Deposit Account Cooperative Bank	26,487,463	104,968,368
Total Investment	26,487,463	104,968,368

Note 23: Biological Assets

Description	2017-2018	2016-2017
	Ksh	Ksh
Tea	3,447,626	3,632,811
Livestock	3,234,000	3,128,300
Cypress Trees	5,171,600	5,311,600
Pine Trees	420,000	420,000
Eucalyptus Trees	26,402,400	26,913,600
Gravillea Trees	4,513,600	5,040,000
Macademia Nut Trees	49,000	49,000
Bananas	91,000	91,000
Total Biological Assets	43,329,226	44,586,311

Note 24: Payables from Exchange

Transactions	2017-2018	2016-2017
Description	Ksh	Ksh
Recurrent Creditors	69,560,669	28,039,406
Capital Creditors	38,337,595	-
Caution Money	5,718,900	1,153,278
Provision for audit fees	696,000	1,392,000
Provision for Valuation	2,500,000	2,500,000
Provision for Part time lecturers	66,759,454	38,528,005
KUCCPS fees	8,013,850	5,783,050
Room Deposit	2,888,550	2,048,150
Student field trips and attachment		6,109,499
Research funds from donors	22,886,505	8,063,836
Prepaid fees	48,804,980	45,846,087
	266,166,503	134,463,310

Note 25: Retention

Description	2017-2018	2016-2017
	Ksh	Ksh
Retention- WIP		
Lecture Phase III	550,933	550,933
Lecture Phase II	3,154,791	3,154,791
Hostel Phase II	661,401	661,401
Pineapple juice extraction plant	-	246,529
Health Unit 1	454,107	908,213
Library	10,167,395	3,302,990
Lecture Theatre Phase IV	7,508,230	3,979,436
Main Gate	447,387	607,139
Pineapple juice plant- Changing rooms	71,346	-
Staff Toilets	101,718	-
	23,117,308	13,411,432

Note 26: Borrowings

Description	2017-2018	2016-2017
	Ksh	Ksh
Co-operative Bank Loan (20yrs)	223,750,000	238,750,000
	223,750,000	238,750,000

Description	2017-2018	2016-2017
	Ksh	Ksh
Movement of the long term loan		
Balance at the beginning of the period	238,750,000	253,750,000
Repayment		
July	1,250,000	1,250,000
August	1,250,000	1,250,000
September	1,250,000	1,250,000
October	1,250,000	1,250,000
November	1,250,000	1,250,000
December	1,250,000	1,250,000
January	1,250,000	1,250,000
February	1,250,000	1,250,000
March	1,250,000	1,250,000
April	1,250,000	1,250,000
May	1,250,000	1,250,000
June	1,250,000	1,250,000
Sub-total	15,000,000	15,000,000
Balance at the end of the period	223,750,000	238,750,000

Note 27: PPE Schedule

Capital projects remain as work in progress until they are certified complete then they are recognised as assets.

	Land	Buildings	W.I.P	Plant and Equipment	Computers, Printers & Copiers	Furniture & Fittings	Motor Vehicles	Library books	Total
Depreciation Rate	0	2.00%		12.50%	33.33%	12.50%	25%	10%	
COST/VALUATION	KShs	KShs.	KShs.	KShs	KShs.	KShs.	KShs	KShs	KShs.
As at 1st July, 2016	110,000,000	1,375,521,808	208,265,187	40,119,934	44,369,194	37,703,772	49,797,583	20,671,695	1,886,449,173
Additions	-	-	137,489,476	-	10,241,166	2,335,142	-	2,434,420	152,500,204
Disposals	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	(13,929,920)	-	(13,929,920)
Transfer to Buildings	-	-	-	-	-	-	-	-	-
As at 30 June, 2017	110,000,000	1,375,521,808	345,754,663	40,119,934	54,610,360	40,038,914	35,867,663	23,106,115	2,025,019,457
Additions	-	-	163,843,319	3,432,923	4,164,199	230,500	11,051,016	11,686,275	194,408,232
Disposals	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Transfer to Buildings	-	5,947,754	(5,947,753)	-	-	-	-	-	-
As at 30 June, 2018	110,000,000	1,381,469,562	503,650,229	43,552,857	58,774,559	40,269,414	46,918,679	34,792,390	2,219,427,689
DEPRECIATION									
At 1 July, 2016	-	(76,790,603)	-	(17,490,142)	(8,111,526)	(14,572,697)	-	(2,067,169)	(119,032,137)
Depreciation	-	(27,510,436)	-	(5,014,992)	(18,201,633)	(5,004,864)	(8,966,916)	(2,310,611)	(67,009,452)
At 30 June, 2017	-	(104,301,039)	-	(22,505,134)	(26,313,159)	(19,577,561)	(8,966,916)	(4,377,780)	(186,041,589)
Depreciation	-	(27,629,391)	-	(5,444,107)	(19,589,561)	(5,033,677)	(11,729,670)	(3,479,239)	(72,905,644)
At 30 June, 2018	-	(131,930,430)	-	(27,949,241)	(45,902,720)	(24,611,238)	(20,696,586)	(7,857,019)	(258,947,234)
NET BOOK VALUE									
As at 30 June, 2018	110,000,000	1,249,539,132	503,650,229	15,603,616	12,871,839	15,658,176	26,222,093	26,935,371	1,960,480,456
As at 30 June, 2017	110,000,000	1,271,220,769	345,754,663	17,614,800	10,094,573	20,461,353	26,900,747	18,728,335	1,820,775,240

28. Related Party Disclosures

The following transactions were carried out with related parties

	2018	2017
(i) Key management compensation		
Salaries		
(ii) Council remuneration		
Allowances paid to Council members	14,076,371	18,752,235
(iii) Grants from related parties		
Grant from GOK	964,352,185	610,084,500

29. Risk management policies

The University's principal financial assets are, trade receivables and cash and short term deposits which arise directly from its operations. The University has financial liabilities comprising trade and other payables.

The University has exposure to the following risks:

- i) Market risks
- ii) Liquidity risk
- iii) Credit risks

The Council has overall responsibility for the establishment and oversight of the University's risk management framework.

The University's risk management policies will be established to identify and analyze the risks faced by the University, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems will be reviewed regularly to reflect changes in economic conditions and the University's activities.

Market risk management

Interest rate risk

The University has interest bearing borrowings and is financed by cash generated from its operations. The University will always strive to increase its market share to match the interest of the day.

Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they fall due. The University's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation. Typically the University ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and political violence. All capital investments are funded by the Government.

Credit risk

Credit risk is the risk of financial loss to the University if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the organization's receivables from customers. The University receives fees from students which minimizes the credit risk exposure. The University has a student's fees payment policy which defines how and when fees are supposed to be paid hence minimizes credit risk.

Classification of credit risk bearing assets

The table below represents University's maximum exposure to credit risk as at 30 June 2018 and 2017.

ASSETS	2018	2017
Current Assets		
Cash and Cash Equivalents	59,496,162	126,496,634
Receivables from Exchange Transactions	131,903,873	94,328,313
	191,400,035	220,824,947

All the University's receivables are fully performing and are expected to be received. Bank balance includes cash in hand and deposits held with banks.

30. Provisions

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

31. Contingent Assets and Liabilities

The University has a contingent liability in the court case of Prof. Augustine Afullo (School of Science and Technology) Vs University of Kabianga case number 67 of 2018 in the Employment and Labour Relations Court at Kericho.

APPENDIX 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The University received its 2016/2017 audited Financial statements with an unqualified opinion.

Rwanyamu

CHAIRMAN OF THE COUNCIL

Date 26/9/2018

Deoch

VICE-CHANCELLOR

Date 20/9/2018

APPENDIX II: PROJECTS IMPLEMENTED BY THE ENTITY

Projects

Projects implemented by the University funded by the Government of Kenya (GoK).

Status of Projects completion

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	University Library	Kshs. 834,523,967	KSh. 101,678,953	21%	Kshs 60,000,000	KSh 68,649,053	GoK
2	Lecture Theatre Phase IV	Kshs 247,942,475	KSh 85,230,226	62%	Kshs 125,900,000	KSh 35,101,226.45	GoK
3	ICT Infrastructure (Phase II & III) and roll out	Kshs 29,982,615	Ksh. 13,000,000	95%	Kshs 20,000,000	Kshs 13,000,000	GoK

APPENDIX III: INTER-ENTITY TRANSFERS

Break down of Transfers from the State Department of University Education

a. Recurrent grants

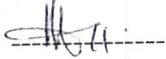
Bank state- ment Date	Amount(kshs)	F/Y for disburse- ment	remarks
03/07/2017	78,417,177.25	2017/2018	CBA ARREARS
19/07/2017	85,807,277.70	2017/2018	CBA ARREARS
01/08/2017	59,105,515.00	2017/2018	
04/09/2017	59,105,515.00	2017/2018	
03/10/2017	59,105,514.00	2017/2018	
03/11/2017	59,105,515.00	2017/2018	
01/12/2017	37,858,979.80	2017/2018	CBA IMPLEMENTATION
01/12/2017	59,105,515.00	2017/2018	
02/01/2018	7,571,796.00	2017/2018	
02/01/2018	59,105,514.00	2017/2018	
08/02/2018	7,571,796.00	2017/2018	
08/02/2018	59,105,515.00	2017/2018	
13/03/2018	7,571,796.00	2017/2018	
13/03/2018	59,105,515.00	2017/2018	
06/04/2018	7,571,796.00	2017/2018	
06/04/2018	59,105,515.00	2017/2018	
02/05/2018	7,571,796.00	2017/2018	
02/05/2018	59,105,515.00	2017/2018	
11/06/2018	7,571,796.00	2017/2018	
11/06/2018	59,105,515.00	2017/2018	
28/06/2018	7,571,796.00	2017/2018	
28/06/2018	59,105,515.00	2017/2018	
TOTAL	964,352,184.75		

b. Development grant

Bank Statement Date	Amount(kshs)	f/y for disburse- ment	remarks
12/10/2017	53,607,066.00	2017/2018	
TOTAL	53,607,066.00		

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

Finance Officer
University of Kabianga

Sign 

Head of Accounting Unit
State Department of University and Research

Sign-----

APPENDIX IV: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Name of the MDA/Donor transferring the funds	Date Received As per Bank statement Date	Nature: Recur- rent/ De- velop- ment	Amount(ksh s)	Statement of financial perfor- mance	Capital fund	Total Trans- fers during the year
Ministry of Education	03/07/2017		78,417,177			
Recurrent	19/07/2017		85,807,277			
	01/08/2017		59,105,515			
	04/09/2017		59,105,515			
	03/10/2017		59,105,514			
	03/11/2017		59,105,515			
	01/12/2017		37,858,979			
	01/12/2017		59,105,515			
	02/01/2018		7,571,796			
	02/01/2018		59,105,514			
	08/02/2018		7,571,796			
	08/02/2018		59,105,515			
	13/03/2018		7,571,796			
	13/03/2018		59,105,515			
	06/04/2018		7,571,796			
	06/04/2018		59,105,515			
	02/05/2018		7,571,796			
	02/05/2018		59,105,515			
	11/06/2018		7,571,796			
	11/06/2018		59,105,515			
	28/06/2018		7,571,796			
	28/06/2018		59,105,515			
TOTAL				964,352,185		964,352,185
Develop- ment	12/10/2017		53,607,066		53,607,066	53,607,066